

ANNUAL REPORT 2021–2022



Acknowledgement of Country

The Department of Employment, Small Business and Training (DESBT) respectfully acknowledges the First Nations people in the state of Queensland and acknowledges the cultural and spiritual connection that Aboriginal and Torres Strait Islander peoples have with the land and sea.

We respectfully acknowledge Aboriginal people and Torres Strait Islander people as two unique and diverse peoples, with their own rich and distinct cultures, resilience, and strengths. We specifically acknowledge the unique history and cultural heritage of Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia.

We pay our respect to the Elders past and present. We are dedicated to the inclusion of cultural knowledge and values as critical factors in the development, implementation and evaluation of strategies and actions to support First Nations people.

About this report

Purpose

This Annual Report summarises financial and corporate performance information about the Department of Employment, Small Business and Training (DESBT or “the department”) for 2021–22. It has been prepared in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and the Annual Reporting Requirements for Queensland Government agencies.

Enquiries and further information

This Annual Report, including additional information not reported in the published version is available online:

<https://desbt.qld.gov.au/about-us/reports>

Contact details for additional hard copies:

Website: <https://desbt.qld.gov.au>

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Interpreter Services



The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, please call Translating and Interpreting Service (TIS National) on telephone 131 450 and we will arrange an interpreter to effectively communicate the report to you.

Open Data

DESBT’s implementation of the Queensland Language Services Policy during 2021–22 is available online: www.data.qld.gov.au

For 2021–22, DESBT had no expenditure to report for consultancies or overseas travel.

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Attribution

Content from this annual report should be attributed as:

The State of Queensland, Department of Employment, Small Business and Training Annual Report 2021–22.

Feedback

We continually strive to meet best practice reporting standards and value the views of our readers. We invite you to provide feedback on this report by completing a survey on the *Get Involved* website:

www.getinvolved.qld.gov.au/gi/consultation/10150/survey/8951/view.html?cid=30513

Social Media Sites



www.au.linkedin.com/company/department-of-employment-small-business-and-training



www.facebook.com/businessqldgov
www.facebook.com/skillsforqld



www.youtube.com/channel/UCap30iZpq88qX7vMf-Jap9w

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Letter of compliance

29 September 2022

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

Dear Minister Farmer

I am pleased to submit for presentation to the Parliament the Annual Report 2021–2022 and financial statements for the Department of Employment, Small Business and Training.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*
- the detailed requirements set out in the Annual report requirements for Queensland Government agencies and as outlined in the compliance checklist (refer Appendix 1).

Yours sincerely



Warwick Agnew
Director-General
Department of Employment, Small Business and Training

Message from the Director-General

In 2021-22 the Department of Employment, Small Business and Training has continued to deliver programs and initiatives to achieve our vision of 'skilled Queenslanders and a vibrant small business sector growing our economy'.

I am proud of how our work has contributed to Queensland's strong economic performance emerging from the COVID-19 pandemic.

In 2021-22, the department has been at the forefront of the Queensland Government's response to support practical actions to alleviate workforce pressures.

In March 2022 the department delivered the Queensland Workforce Summit, a whole-of-government event, which brought together more than 350 industry and business leaders to develop innovative solutions to current workforce shortages and plan for the future of work.

The outcomes of the summit, combined with input from industries and regions across Queensland and underpinning research, informed the development of Good people. Good jobs: Queensland Workforce Strategy 2022-2032 which was released in August 2022.

The Queensland Workforce Strategy includes a focus on building partnerships with key industry groups to support employers and ensure our state leads the nation with a strategic approach to grow, build, and develop its workforce.

In 2021-22 the Queensland Government invested more than \$1 billion in publicly-funded training and skills initiatives which contribute to building Queensland's workforce to support our economic recovery and growth.

As a result of this investment, over 226,000 Queensland government-funded students have undertaken vocational education and training in 2021-22.

We know that each dollar invested in skills and training for Queenslanders pays dual dividends by enriching the lives and employment prospects of students and by fuelling the state's economy with a highly trained workforce.

I am also incredibly proud of the commitment of my department to support small businesses in 2021-22, particularly those impacted by the ongoing pandemic and floods.

Our regional team provided face-to-face tailored support to small businesses and our Small Business Hotline, Business Queensland website, and grants programs also provided Queensland's small businesses with critical information and resources.

The 2021 COVID-19 Business Support Package delivered more than \$320 million to over 35,000 businesses which lost revenue due to the lockdowns.

We are also leading the roll out of the Small Business Wellness Package to ensure small businesses are better prepared for adversity when it strikes and have measures in place to relieve the pressures. The package will make a vital contribution to supporting the mental health of Queensland's small business owners.

During Queensland Small Business Month in May 2022, we marked the 20th anniversary of the Mentoring for Growth program and celebrated the volunteer mentors who give their time and expertise to help small business grow and thrive.

Also in May, the Queensland Small Business Commissioner role became permanent as a vital resource for the small business sector. Coupled with the formation of a new grass-roots Queensland Small Business Advisory Council we continued to strengthen the voice of small business.

I thank my team at DESBT for your work and collective achievements in 2021–22 and look forward to 2022–23 as we continue to work to prepare Queensland's workforce for the future, improve Queenslanders' lives and strengthen our small business sector.

A handwritten signature in black ink, appearing to read 'Warwick Agnew', with a small flourish at the end.

Warwick Agnew
Director-General
Department of Employment, Small Business and Training

Our department

Our strategic objectives

	Employment	Preparing Queensland's workforce for the demands of current and future industries
	Small Business	Helping small businesses to start, grow and employ
	Training and skills	Connecting people to quality training and skills
	Our DESBT culture	Supporting a high performing and contemporary organisation to adapt and add value in delivering priorities

Our vision

Skilled Queenslanders and vibrant small businesses growing Queensland's economy.

Our purpose

We support Queensland's future workforce by connecting Queenslanders to learning opportunities through quality training, employment opportunities and by helping small businesses to start, grow and thrive.

Our values

Our values are the Queensland Public Service values, which underpin everything we do and are the building blocks of our workplace culture. They guide our behaviours, decision-making and the way we support our future workforce in delivering better outcomes for Queensland.



Customers first

- know your customer
- Deliver what matters
- Make decisions with empathy



Ideas into action

- Challenge the norm and suggest solutions
- Encourage and embrace new ideas
- Work across boundaries



Unleash potential

- Expect greatness
- Lead and set clear expectations
- Seek, provide and act on feedback



Be Courageous

- Own your actions, successes and mistakes
- Take calculated risks
- Act with transparency



Empower people

- Lead, empower and trust
- Play to everyone's strengths
- Develop yourself and those around you

Our contribution to Queensland Government objectives

The Queensland Government's objectives for the community were built around *Unite and Recover – Queensland's Economic Recovery Plan*.

We contributed to the following government objectives:

- **Supporting jobs** – by delivering programs to get people back to work and support small businesses to employ and assist jobseekers.
- **Backing small business** – by helping small businesses to start, grow and thrive through grants and support programs and to help keep Queenslanders in jobs.
- **Making it for Queensland** – by working together with other agencies to increase access to new markets for regional small businesses and working with industry to adopt innovative manufacturing techniques to enhance global competitiveness.
- **Building Queensland** – by upgrading and building new TAFE Queensland infrastructure and facilities to ensure we have world-class learning environments.
- **Growing our regions** – by supporting and maintaining regional partnerships and working with regional business and industry on projects and programs to support economic resilience and growth.
- **Investing in skills** – by connecting people to quality training and skills to prepare them for work now and in the future.
- **Backing our frontline services** – by connecting people to COVID-19 safe work training and investing in infrastructure that will be used for teaching new skills to frontline staff to help keep Queenslanders safe.

Our operating environment

The major environmental factors that had an impact on DESBT and its service delivery during 2021–22 involved:

- financial and economic conditions that evolved in response to COVID-19, and extreme weather events
- changing growth and investment rates
- digital acceleration
- shifting economic, labour market, business, and skill requirements.

We proactively monitor and manage enterprise and strategic risks, that may impact our ability to:

- deliver critical government initiatives and/or carry out core functions with sufficient workforce capacity or the right capability
- demonstrate consistently the leadership behaviours needed to achieve the department's vision and purpose
- provide customer service delivery using our ICT systems
- build and maintain relationships with external stakeholders
- identify or respond appropriately to a fraud or corruption event
- provide health, safety, and wellbeing support to employees, contractors, or visitors
- measure and quantify the impact of activities and outcomes to aid in decision making.

We also pursue opportunities for advancing our strategic objectives by:

- applying resilience and learnings to improve our responsiveness to COVID-19 and natural disasters
- leveraging regional networks to maximise our resources in being responsive to customer needs
- strengthening and valuing our relationships with the community, industry, and government agencies to drive policy and program success
- supporting a safe, healthy, and wellbeing conscious culture
- modernising our ICT systems in providing continued customer service delivery.

During 2021–22 we worked collaboratively with government and stakeholders in delivering the following key achievements and government commitments:

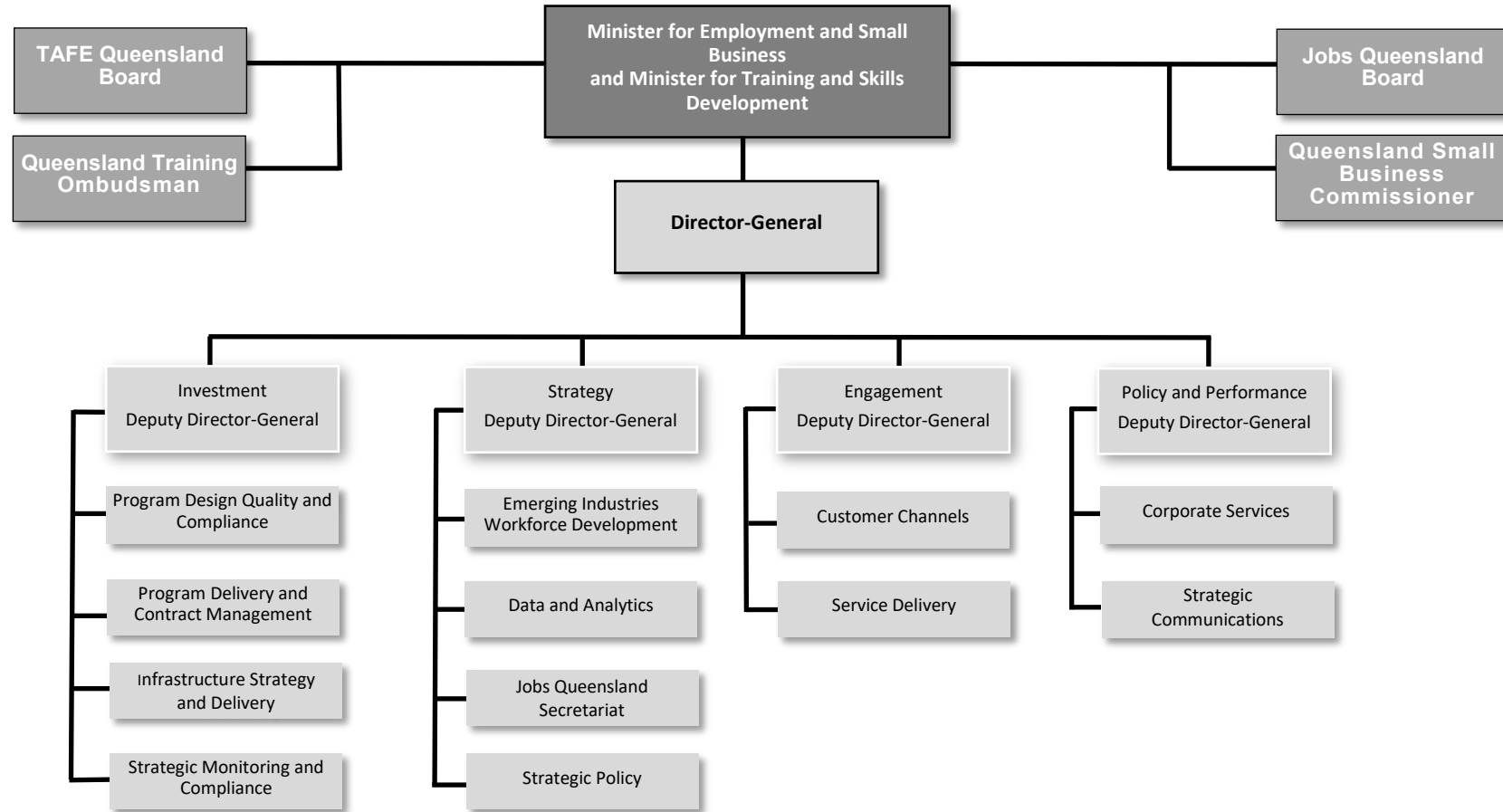
- In March 2022, the department led the delivery of the Queensland Workforce Summit 2022, bringing together experts, thought leaders and change makers to plan the future of work in Queensland.
- At the summit, the Queensland Government made a number of key announcements:
 - the development of a Queensland Workforce Strategy
 - the release of Jobs Queensland’s *Anticipating Future Skills* employment projections
 - investment of \$15 million for new training and skills strategies as part of the VET Emerging Industries initiative under the Future Skills Fund
 - the launch of the Growing Workforce Participation Fund in target areas, providing one off grant funding of between \$20,000 and \$200,000 to support jobseekers who experience greater disadvantage in the labour market.
- Throughout Queensland Small Business Month in May, we, and our partners, ran events across the state to celebrate our diverse small businesses and connect them to support, grants and partnerships that will help them thrive.
- We commenced the investment of \$100 million in funding over three years to upgrade TAFE campuses and improve training programs as part of the broader Equipping TAFE for Our Future initiative.
- We provided Free TAFE and Free Apprenticeships for Under 25s through a \$21 million investment which provided Queenslanders aged under 25 with free Certificate III courses across 26 priority skills areas including agriculture, manufacturing, health services, engineering, aged and disability support and early childhood education as well as free apprenticeships across 139 priority qualification areas including carpentry, mechanics, electrical and hospitality.
- We invested more than \$1 billion to continue delivering high quality training and skills initiatives which contribute to building Queensland’s workforce to support our economic recovery and growth.
- Through the 2021 COVID-19 Business Support Package, we delivered more than \$320 million to over 35,000 businesses which lost revenue due to the lockdowns.

Our legislation

Information about the legislation and responsibilities administered by us, is available at:

- <https://desbt.qld.gov.au/about-us/our-department/legislation>
- the Queensland Government Administrative Arrangements Order webpage: <https://www.qld.gov.au/about/how-government-works/government-responsibilities>

Organisational structure



Outlook planned priorities for 2022–23

Employment

In 2022–23, the department is committed to delivering employment policies and programs to increase employment opportunities for Queenslanders, in particular, disadvantaged cohorts and unemployed jobseekers. Our objective is to continue preparing Queensland's workforce for the demands of current and future industries. This includes:

- delivering a Queensland Workforce Strategy to position Queensland's workforce as a key enabler of the state's prosperity, by helping to build the workforce that the state needs now and, in the future.
- continuing to deliver targeted employment programs to assist employers and disadvantaged job seekers as well as supporting innovative solutions to industry-specific employment challenges through the revitalised Back to Work program (up to \$140 million)
- supporting workforce adaption to high-growth and emerging industries including the hydrogen industry
- delivering strategic advice on future skills needs, workforce planning and development.

Small Business

In 2022–23, the department is committed to delivering small business policies and programs to ensure small businesses are supported to start, grow, and thrive. This includes implementation of:

- increased funding of \$10.1 million over four years and \$3.2 million per annum ongoing to establish a permanent Queensland Small Business Commissioner's office to provide information and advocacy support to small businesses and assist in resolving commercial tenancy disputes
- increased funding of \$39.1 million over four years and \$12.6 million per annum ongoing to continue to provide small business grants and the Mentoring for Growth program. These programs will support digital capability and upgrades, strategic business and marketing advice, staff management and future business development and planning.
- continuing to strengthen the capability of small businesses through the Big Plans for Small Business grants programs and other small business services that support small businesses at various stages, from new and emerging to fast growing businesses
- continuing to implement the Queensland Social Enterprise Strategy and Social Enterprise Jobs Fund
- a \$6.75 million package to support the mental health and wellness of small business owners. In implementing the Small Business Wellness Package, the department will be partnering with the Queensland Mental Health Commission, the Queensland Small Business Commissioner and the Department of Agriculture and Fisheries.

Training and Skills

In 2022–23, the department is committed to facilitating access and participation in VET pathways, enabling Queenslanders to gain employment in current and future industries. Our objective is to connect people to quality training and skills. This includes:

- developing a VET Strategy to ensure that Queensland's \$1.2 billion annual investment in skills and training is tailored to meet current and future workforce needs
- continuing to contribute to Queensland's economic recovery by funding quality skills pathways and opportunities, including Free TAFE and apprenticeships for Queenslanders under the age of 25 in priority skills areas
- implementing the VET Emerging Industries \$15 million investment in skills development, including for the agribusiness, energy, manufacturing, and the screen and digital sectors
- investing additional funding of \$100.6 million over two years to support the delivery of VET services by Queensland's public training providers
- delivering investment in infrastructure through the Equipping TAFE for Our Future program to meet significant growth in training demand and ensuring that our training facilities are equipped to provide these emerging skills
- delivering a First Nations Training Strategy to support Aboriginal and Torres Strait Islander communities to develop skills relevant to local needs and be able to compete for jobs in the future economy
- continuing the Skilling Queenslanders for Work initiative to assist up to 15,000 disadvantaged Queenslanders each year through a suite of targeted skills and training programs
- investing additional funding of \$3.3 million over four years to support the implementation of several key initiatives included in the Queensland Resources Industry Development Plan. This includes the Queensland Future Skills for All program to assist industry, businesses and individuals seeking to enter, upskill and reskill in autonomous technologies fields and to develop pathways into higher education courses for those interested in pursuing a career in automation.
- investing \$16.5 million to establish Manufacturing Skills Queensland, an independent, not-for-profit, industry body to support both existing workers and new entrants into the manufacturing industry.

Financial performance summary

This financial summary of the department's performance and position provides an overview of the key financial information for the year ended 30 June 2022 and a statement by the Chief Finance Officer. A complete view is provided in the financial statements section of this report.

Financial performance

The department's 2021–22 total income was \$1.55 billion and total expenses of \$1.519 billion, resulting in a net surplus for the year of \$31.2 million, compared to a deficit of \$5.4 million in 2020–21. The year-end positions in both years have been driven by land revaluations with an increment in 2021–22 and a decrement in the previous year.

Table 1. Summary of financial results of the department's operations

Category	2021–22 \$'000	2020–21 \$'000	2019–20 \$'000
Total income	1,550,051	1,309,617	1,105,339
Total expenses	1,518,818	1,314,974	1,107,512
Operating result for the year	31,233	(5,357)	(2,173)

Income

The primary source of the department's revenue in 2021–22 was \$1.459 billion of appropriation from the Queensland Government, which accounted for 94 per cent of the total income. Further sources of revenue comprised \$34.9 million for a land increment, \$50.1 million from other revenue which included grant recoveries and contributions from TAFE Queensland for the Southbank Education Training Precinct Public Private Partnership (SETP).

The department also received \$3.2 million in grants and contributions as well as \$2.7 million of user charges and fees, mainly related to the hire of facilities and property income from TAFE Queensland facilities, controlled by the department.

Table 2. Income by category for the year ended 30 June 2022 and previous years

Category	2021–22 Percentages	2021–22 \$'000	2020–21 \$'000	2019–20 \$'000
Appropriation revenue	94.1%	1,459,156	1,271,505	1,073,112
Other revenue	3.2%	50,146	30,811	24,880
Land increment	2.3%	34,948	-	-
User charges, grants, and contributions	0.4%	5,801	7,301	7,347
Total revenue	100%	1,550,051	1,309,617	1,105,339

Expenses

Expenses totalled \$1.519 billion in 2021–22, which included \$1.26 billion (83 per cent) of grants and subsidies mainly related to training and skills programs (\$855.6 million), and another \$354.8 million was for small business programs predominately for the COVID-19 Business Support Grants.

The department expensed \$96.9 million on supplies and services with the largest spend on building maintenance and associated costs. To support the department's workforce, \$70.5 million was expensed on employee expenses. There were 570 full time equivalents at 30 June 2022 compared to 537 full time equivalents in 2021. Depreciation of \$57.8 million was incurred which predominately related to TAFE Queensland buildings controlled by the department, and a further \$21.7 million for finance/borrowing costs associated with the SETP finance liability, which will continue to 2039.

Table 3. Expenses by category for the year ended 30 June 2022 and previous years

Category	2021–22 Percentages	2021–22 \$'000	2020–21 \$'000	2019–20 \$'000
Grants and subsidies	82.9%	1,259,759	1,083,123	873,745
Supplies and services	6.4%	96,940	75,582	88,126
Employee expenses	4.6%	70,488	66,142	69,443
Depreciation and amortisation	3.8%	57,782	54,035	48,435
Finance/borrowing costs	1.4%	21,726	22,130	22,493
Other expenses (including Impairment losses and revaluation decrement)	0.8%	12,123	13,962	5,270
Total expenses	100%	1,518,818	1,314,974	1,107,512

Financial position

The net assets position or total equity reported in the financial statements shows the net worth of the department. As at 30 June 2022, this was \$1.513 billion.

Table 4. Summary of financial position – Assets, Liabilities and Equity

Category	2021–22 \$'000	2020–21 \$'000	2019–20 \$'000
Total assets	1,970,888	1,850,266	1,807,759
Total liabilities	(457,689)	(500,796)	(462,913)
Net assets	1,513,199	1,349,470	1,344,846
Contributed equity	1,204,016	1,234,040	1,240,749
Accumulated surplus/(deficit)	(75,054)	(106,287)	(100,929)
Asset revaluation surplus	384,237	221,717	205,026
Total equity	1,513,199	1,349,470	1,344,846

Assets

As at 30 June 2022, the department held assets totalling \$1.971 billion. Assets consist primarily of \$264.4 million in cash, and \$1.694 billion in property, plant, and equipment. Property, plant, and equipment represents 86 per cent of total assets and consists predominately of \$453.4 million in land, \$1.109 billion in buildings and \$131.8 million of work in progress on buildings, which are all at TAFE Queensland sites controlled by the department.

The department delivered \$31.2 million in capital works during 2021–22 compared to \$68.9 million in 2020–21. The annual revaluation of buildings had a net increase of \$162.5 million, increasing the building asset revaluation surplus to \$384.2 million. The revaluation of land resulted in a \$34.9 million increment that is recognised in the Statement of Comprehensive Income as the department has yet to establish a land asset revaluation reserve.

Liabilities

The department's liabilities as at 30 June 2022, totalled \$457.7 million consisting primarily of \$182.2 million in payables, \$202 million in interest-bearing liabilities, and \$70.2 million in provision for training services.

Payables relate to trade and capital creditors, amounts owed to grant and subsidy recipients and amounts payable to the Queensland Government to the Consolidated Fund.

Interest-bearing liabilities relate to the finance liability for the SETP, which will continue to 2039. A provision in training services is for obligations under contractual arrangements to registered training providers, for training delivery and assessment of students who commenced studies and did not complete their study prior to 30 June 2022.

Equity

The department's equity as at 30 June 2022, totalled \$1.513 billion consisting of \$1.204 billion contributed equity, a \$384.2 million asset revaluation surplus and \$75.1 million accumulated deficits. Contributed equity is predominantly made up of balances transferred into the department on establishment from the Machinery-of-Government changes in 2017-18 and ongoing appropriated equity adjustments to/from the consolidated fund. The asset revaluation surplus is for the building class and fluctuates with annual revaluations. The accumulated deficit position is predominately due to the annual land revaluations with the department yet to establish an asset revaluation reserve for the land class.

Statement by the Chief Finance Officer

In accordance with the requirements of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with financial statements confirming the financial internal controls of the department are operating efficiently, effectively, and economically in conformance with Section 38 of the *Financial and Performance Management Standard 2019*. The statement was presented at the Audit and Risk Committee meeting in August 2022. The Chief Finance Officer has fulfilled the minimum responsibilities required by the *Financial Accountability Act 2009*.

Our Service Performance Highlights 2021–22

Employment

We prepare Queensland's workforce for the demands of current and future industries.

Workforce Summit

Queensland and the nation are experiencing one of the tightest labour markets in recent history, with businesses and employers continuing to face workforce and skills shortages.

On 11 March 2022, the Queensland Government convened the Queensland Workforce Summit 2022 (the summit), with a focus on cooperatively planning the next phase of Queensland's economic recovery. DESBT led the delivery of this whole-of-government event.

The summit's theme – Building our Future, Together – reflected the importance of a collaborative partnership approach to building the workforce needed to ensure Queensland's continued prosperity. The summit delivered on a commitment made through the Big Plans for Small Business Strategy 2021–2023.

The summit brought together over 350 international and Queensland community, industry and economic experts, all levels of government (federal, state, and local), thought leaders and change makers to address current and future workforce challenges and plan for the future of work in Queensland.

The summit focussed on six key themes identified as priorities by industry, small businesses and the education and training sectors:

1. 'Growing your own' workforce in regions
2. Shaping work-ready Queenslanders through improved school-to-work experiences
3. Maximising workforce participation
4. Attracting and retaining staff in the new norm
5. Skills development pathways aligned to industry needs to ensure Queensland's workforce is ready for now, and the future
6. Harnessing workforce opportunities in emerging and growth industries in Queensland.

Summit delegates focussed on the key themes, to co-design innovative and practical solutions to ensure that Queensland has a ready workforce to support growth, strengthen our communities and keep Queensland at the forefront of new economic opportunities.

A key commitment made at the summit to develop a workforce strategy to strengthen Queensland's current and future workforce has been fulfilled by the government. The Queensland Workforce Strategy, which was launched in August 2022, outlines a shared vision for the future and the importance of industry, business, communities, and government working together to ensure the state's workforce is positioned to capitalise on the opportunities ahead.

Jobs Queensland's Anticipating Future Skills Series provided the central evidence base for the Workforce Summit. The employment projections from 2020–21 through to 2024–25 helped to identify current and future workforce challenges and guided the discussions around planning for the future of work in Queensland.

Back to Work Program

The Queensland Government has committed \$140 million over the next four years for the revitalised Back to Work program.

The program offers employers, often from the small business sector, financial and non-financial support, including payments of up to \$15,000 when they employ Queenslanders who have experienced a period of unemployment and up to \$20,000 youth boost payments when they employ eligible Queenslanders under the age of 25. As at 30 June 2022, more than 80 per cent of employers who benefited from the Back to Work program were small businesses.

As Queensland entered the latest phase of economic recovery, the Back to Work program included additional support for employers and jobseekers to support long-term and sustainable employment.

Back to Work has new programs to support jobseekers and employers to gain and retain employment opportunities beyond the first year of employment. These include:

- **Back to Work Incentive Payments** – including Back to Work Support Payment and Youth Boost Payments
- **Small Business Support Pool** – capped funding up to \$2,000 to support Back to Work employee retention
- **Small Business Short Courses** – free online courses to upskill small business employers to support Back to Work target groups
- **Pre-Employment Support Program** – helps jobseekers to determine career pathways that best suit local needs and personal aspirations
- **Jobseeker Support Pool** – funding to support jobseekers to overcome economic barriers to employment.

During the 2021–22 financial year, payments were made to 768 employers that assisted more than 942 previously unemployed Queenslanders who identified as belonging to one or more of the program's target groups. The successful jobseekers¹ were:

- 599 young people (63.6 per cent of approved applications)
- 498 long-term unemployed people (52.9 per cent of approved applications)
- 158 people with disability (16.8 per cent of approved applications)
- 150 Aboriginal and Torres Strait Islander peoples (15.9 per cent of approved applications).

Back to Work continued to support employers and jobseekers under the previous program during the 2021–22 financial year.

As at 30 June 2022, the previous Back to Work program had supported 27,613 previously unemployed Queenslanders into employment with 12,858 employers.

Back to Work is available throughout regional Queensland and in the Ipswich, Lockyer Valley, Logan, Moreton, Scenic Rim, and Somerset Local Government Areas (LGAs) in South East Queensland.

¹ Target group numbers represent the total unique number of jobseekers in each group. Jobseekers may identify as being from more than one target group, therefore the totals do not match the program's jobseeker total.

27,613

employees assisted

an increase of 2,067
(approximately 8.1%)
on 2020–21

12,858

employers supported

an increase of 833
(approximately 6.9%)
on 2020–21

7,745

**apprentices & trainees
supported**

an increase of 744
(approximately 10.6%)
on 2020–21

Growing Workforce Participation Fund

In March 2022, as part of the Back to Work initiative, the department launched the \$1.5 million Growing Workforce Participation Fund. This fund enables eligible organisations to apply for grants of \$20,000 to \$200,000 to trial new programs that will help jobseekers and employers to connect.

The fund is targeted at industry groups and recognises the importance of industry engagement in creating long-term sustainable employment outcomes for people who experience disadvantage in the labour market.

The fund enables and encourages industry partnerships, including organisations which represent target groups supported through Back to Work, to trial new approaches aimed at creating improved job matching, industry specific pre-employment pathways and the development of resources for both jobseekers and employers.

A mandatory criterion is that the projects must benefit Back to Work target groups and be delivered within the Back to Work eligible areas. Successful projects to be funded under round 1 of the Growing Workforce Participation Fund were announced in July 2022.

Queensland Business and Skilled Migration program

In partnership with Migration Queensland, the department supports the delivery of Queensland's business and skilled migration programs, including by setting the skilled occupation lists that support state visa nominations.

In 2021–22, due to international border restrictions, state visa nominations focused on securing skilled visa holders who were already onshore to help meet Queensland's critical skills needs in sectors impacted by COVID-19.

Regional Jobs Committees

The Regional Jobs Committees are part of our plan to work with all stakeholders to create more jobs, improve training pathways and drive economic activity across the state. The committees form one of the key actions of the Skills for Queensland – Great training for quality jobs strategy and the Big Plans for Small Business Strategy 2021–23.

The committees provide an opportunity for local stakeholders to work together to align regional skills and workforce development with local industry and employer needs.

The committees bring together local business, government, community leaders, training providers, industry representatives, high schools, and unions to develop and implement collaborative place-based solutions to workforce challenges and opportunities within their regions.

There are now nine committees operating across the state, in Cairns, Townsville, Mackay, Bundaberg, Fraser Coast, Redlands, Gold Coast, Springfield and Toowoomba.

These committees help drive job growth in their regions and plan for the future by:

- developing strategies that address local workforce and skills issues
- identifying new skills and maximising local employment opportunities
- providing regional industry advice to identify trends and opportunities in the local area
- ensuring the local workforce has the skills needed to fill future jobs.

The committees will continue to play an important role in understanding localised place-based workforce matters including the challenges that are encountered by small businesses and will support the department to better understand regional workforce needs and find local solutions.

The committees have a strong focus on engagement and local leadership to address skills and workforce challenges and are funded through the \$200 million Future Skills Fund.

The department acknowledges the role of Jobs Queensland in supporting the committees during 2021–22. Jobs Queensland's employment projections and tailored labour market resources have supported the committees to identify local workforce and skills issues; develop strategies to maximise local employment opportunities; and to ensure the local workforce has the skills needed to meet demands for future jobs.

The practical workforce planning tools and training, also delivered by Jobs Queensland, have provided the committees with a greater understanding of the benefits of, and have assisted in building capability and skills in workforce planning. This allows the committees to support small businesses within their region to undertake workforce planning and grow.

Supporting the transition of North Stradbroke Island (Minjerribah) workers

The department continued to support Minjerribah workers to upskill, reskill and transition to new employment opportunities, including supporting workers impacted by the cessation of sand mining on Minjerribah through the North Stradbroke Island Workers Assistance Scheme.

The scheme that was due to end in May 2021 was extended until 30 June 2022, to give former and current Sibelco workers more time to access assistance. The intent of the scheme was to supplement, not replace, the assistance package Sibelco provided to its workers. Under the scheme, a range of assistance measures were available, with different eligibility requirements. All eligible former and current Sibelco workers were offered support under the scheme.

Since 2016, a dedicated Employment Services Manager has been providing advice and case management services to affected Sibelco workers to ensure that they were aware of the assistance available to them.

During this time, the department provided support to 184 Sibelco workers, more than originally anticipated.

The North Stradbroke Island Workers Assistance Scheme ceased on 30 June 2022. Beyond 30 June 2022, affected workers will remain a priority cohort for the department.

Case studies

Back to Work – Attention to Detail, Townsville LGA

North Queensland based luxury car detailer, Attention to Detail has utilised the previous and new Back to Work programs to help two young people find employment.

Business owner, Philip Moravcik employed Josh in 2020 after he met him during a work-experience placement for school students. In November 2021, Philip accessed the Back to Work program to employ Robbie. Both Josh and Robbie love working on cars including Porsches and other luxury brands that most people can only dream about.

Philip recently accessed Back to Work's Small Business Support Pool payment of \$2,000 to send Robbie on a specialist training course, which now allows him to work autonomously when installing paint protection films. This has assisted Robbie to build his skill set and maintain ongoing employment in the business.

Philip claimed that Back to Work's assistance, together with other supports provided by the Queensland Government, helped his company expand, leading to the recent opening of a second location in Cairns.

Back to Work – General Panel Works, Rockhampton LGA

With over 40 years' experience, General Panel Works is a third generation, locally owned and operated business in the heart of Rockhampton. It prides itself on providing quality customer service and repairs to a high standard. Co-owner Tammy Jamieson says that Back to Work support has relieved the financial pressure on the business and allowed it to invest time in training and supervising its staff.

The business has accessed the previous Back to Work program and the revitalised program to employ two apprentices.

Joel is currently completing his third year in his Certificate III in Automotive Refinishing Technology apprenticeship. Joel aims to be the best spray painter in town and Tammy says he's going well to achieve this.

Mace started working at the business earlier this year and has commenced a Certificate III in Automotive Body Repair Technology.

Tammy said without Back to Work's support, the business would not have been in a financial position to support these two additional full-time employees. Funding has been used for staff onboarding and buying parts and paint products from local suppliers. The funding was also invaluable when the business had to temporarily close shop recently when employees contracted COVID-19.

Small Business

We help small businesses to start, grow and employ.

97%

of all grant recipients told the department their project funded by the grant was a success

98%

of grant recipients were satisfied or very satisfied with their interactions with the department

Supporting businesses to adapt through COVID-19

2021 COVID-19 Business Support Grants

Following COVID-19 lockdowns in July and August 2021, the Queensland Government delivered a range of support measures including the 2021 COVID-19 Business Support Grants program (jointly funded by the Queensland and Australian governments).

Approximately \$320.87 million was paid to 35,487 Queensland businesses through the 2021 COVID-19 Business Support Grant and Border Business Zone Hardship Grant programs.

Further support provided to businesses in the border zone region included:

- \$1 million Play Money Reward vouchers for Gold Coast residents to support border zone businesses and tourism operators
- \$700,000 worth of mental health services
- \$50,000 in financial support for marketing campaigns such as 'Essentially Coolly'.

The Queensland and Australian governments committed to supporting Queensland businesses impacted by COVID-19 lockdowns. They provided significant support to keep businesses open during crucial times, assisted them in adapting, and allowed them to continue trading throughout this difficult time.

Over 98 per cent of businesses continued to trade with the support of the COVID-19 Business Support Grant program. In addition, these grants supported more than 167,000 jobs in industries most impacted by the pandemic.

Small Business COVID-19 Adaption Grant Program

The Small Business COVID-19 Adaption Grant Program supported small businesses that were subject to closure or highly impacted by the COVID-19 shutdown restrictions announced by the Queensland Government. Grants of up to \$10,000 were made available to eligible small businesses to access resources, specialist advice, digital technologies, services, and equipment so they could adapt, sustain operations, and build resilience.

Small Business COVID-19 Adaption Grant Program: Snapshot

20,498	67	\$182.2M
applications approved	LGAs covered	paid to recipients

Regional network of support

To assist small businesses in regional Queensland to stay afloat and keep their employees employed during COVID-19, in late 2020, the department established a network of Regional Stakeholder Managers in partnership with the Chamber of Commerce and Industry Queensland. Seven officers were employed to help local business communities become aware of and access available government support and other assistance, information, grants, and programs. Regional Stakeholder Managers were in place for 12 months, to respond to the immediate impacts of the pandemic and concluded service delivery on 12 November 2021.

DESBT Regional Offices continue to connect small businesses with government services, establish local partnerships and foster collaboration to promote grants programs and services to assist small businesses impacted by the pandemic.

Business Queensland website making it easy to access services

The Business Queensland website, managed by the department, provides information and resources on a wide range of topics supporting business and industry. During 2021–22, key information included COVID-19 and disaster recovery support and advice. The website achieved its largest number of visitors in 2021–22 with over 8 million users, which is 12.7 per cent more than the previous year.

Small Business Hotline answering the call

The department operated a Small Business Hotline to assist Queensland small businesses that were impacted by COVID-19 by directing small businesses to relevant support and information including health updates and travel restrictions. During 2021–22, the hotline assisted 19,380 callers.

Keeping small businesses connected

The department's Small Business Connects monthly e-newsletter and frequent email alerts provided updates to small business subscribers, keeping them informed about the services and support available.

The department also communicated changes to COVID-19 restrictions, small business grants and access to natural disaster support. Small businesses have been using LinkedIn and the Business Queensland Facebook page to stay informed and ask questions.

Promoting the value of small business

During 2021–22, the department actively supported and promoted the following activities.

Queensland Small Business Month (QSBM)

QSBM highlights to communities across the state that small businesses are an important contributor to the state's economy. In 2022, the focus was on showcasing small businesses that drive our economy, create local jobs, and build strong communities.

During May 2022, 167 events, including expos and activities were registered on the Business Queensland calendar. Focus areas were:

- raising the awareness of procurement opportunities
- providing small businesses with the tools they need to expand their business
- celebrating our multicultural small businesses
- promoting the value social enterprises bring to the community.

Feedback from events highlighted those attendees:

- appreciated the networking, connections and support offered by the events and the Queensland Government
- were not aware of the full range of resources and support available for small businesses
- would like to see more events delivered throughout the year.

The Love Your Small Business social media campaign, which ran in conjunction with QSBM, was expanded from 2021 to include a month-long celebration of local small businesses.

The success of the 2022 campaign was reflected by an increased social media reach, from 7,500 in 2021 to 69,800 in 2022.

As part of QSBM, Jobs Queensland hosted webinars to allow attendees to learn and gain skills in workforce planning. The refreshed Workforce Planning Connect suite of resources were showcased, which offered tangible support for micro, small and medium-sized enterprises to undertake a workforce planning process to overcome economic and labour market challenges.

Grants helping small businesses bounce back better

Since launching in 2021, more than 4,440 grant recipients have been supported by the Big Plans for Small Business grant programs, with commitments totalling more than \$25 million.

New programs under the Big Plans for Small Business program provide an increased focus on new and emerging sectors and embracing revitalised or innovative technologies that have emerged through the COVID-19 response.

The grant programs are designed to:

- assist small businesses to build resilience and grow
- improve small business innovation and growth
- assist small businesses to access new markets.

The grants programs include:

- The **Business Basics Grants** of \$5,000 each provides support to businesses to increase core skills and adopt best practice.
- The **Business Boost Grants** of up to \$15,000 to support small business to invest in advancing operational efficiency and increasing productivity.

The Business Growth Fund with grants of up to \$50,000, for small and medium-sized businesses experiencing high-growth to buy specialised equipment to help unlock their growth potential, increase production, expand the workforce, and maximise economic returns.

Toowoomba launches national Indigenous Business Month

On 1 October 2021, the national launch of Indigenous Business Month, established by the alumni of the Melbourne Business School's MURRA Indigenous Business Master program was held in Toowoomba. The national launch was held at the Highfields Cultural Centre and included an exhibition of Queensland Indigenous businesses and a panel discussion on Indigenous innovation and entrepreneurship.

Collectively Aboriginal and Torres Strait Islander owned businesses contribute more than \$1 billion a year to the national economy, with revenues growing on average at 12.5 per cent annually.

Be Kind at Check In Time campaign

The Be Kind at Check In Time campaign was delivered from 15 December 2021 to 14 January 2022, to encourage people to be respectful to workers managing the entry of vaccinated customers to hospitality and entertainment venues. The campaign promoted a positive message through radio and social media advertising and in-store posters to support businesses and their staff as they played a vital role in the state's public health response.

Get Ready Small Business campaign

From 17 October 2021 to 27 November 2021, the Get Ready Small Business campaign promoted the importance of disaster preparation and business continuity for small businesses in Queensland's north and far northwest through radio and digital advertising. Advertising targeted small business owners and operators in the 14 local government areas affected by the 2019 monsoon trough event and encouraged them to 'Get Ready' ahead of the traditional summer storm and cyclone season.

The campaign encouraged the use of Small Business Disaster Hub resources on the Business Queensland website and participation in local engagement activities including information events and expos in Townsville and Port Douglas, local outreach activities across all 14 local government areas and a series of Get Ready webinars. This activity was delivered as part of a \$10 million support package jointly funded under the Commonwealth and Queensland Government's Disaster Recovery Funding Arrangements.

Mentoring for Growth – partnerships, prosperity, potential

During 2021–22, the department continued to deliver the Mentoring for Growth program, which celebrated its 20th birthday in 2022. The program offers eligible businesses free access to volunteer business experts who provide insights, options and suggestions relating to challenges and opportunities. Mentors are drawn from a Queensland-wide pool of registered mentors who have expertise and experience in coaching or developing businesses.

In the first half of 2021–22, the department worked on the administrative management of the program, including identifying key stakeholders for targeted cohorts, implementing a mentor recruitment strategy, and managing the intake and onboarding of mentors.

As part of the Big Plans for Small Business Strategy 2021–23, Mentoring for Growth targets regional areas, and specific cohorts including Aboriginal peoples, Torres Strait Islander peoples, women, culturally and linguistically diverse people and start-ups.

Overall, in 2021–22, 424 Mentoring for Growth sessions were held, with 397 unique businesses and mentors providing 625 volunteer hours of customised business mentoring. The program has been a great resource for businesses, which have had to change the way they operate, expand, and manage staff retention throughout the pandemic. Furthermore, tapping into other experienced business minds could potentially provide a new outlook and open new opportunities.

Small business regulatory reform

The department continued to work with the Office of Productivity and Red Tape Reduction (within Queensland Treasury) and the Queensland Small Business Commissioner to identify and champion regulatory reform activities being undertaken across the Queensland Government, to make it easier to do business. As part of this work, the department released the Better Regulation Update 2021 which showcases Queensland Government reforms that are reducing regulatory compliance requirements and costs for businesses, making processes easier and more straightforward and improving regulatory practices.

The department oversaw the implementation of the Queensland Government response to the Better Regulation Taskforce's Regulatory Review project related to artisan food and non-alcoholic producers.

The department also continued to lead the implementation of the \$60.1 million Small Business Regulatory Reform Agreement between the Queensland and Australian governments, which saw the delivery of seven transformative digital projects, by a range of Queensland Government agencies. These projects, which include DESBT's Queensland Business Launchpad, are streamlining regulatory compliance processes for small business.

Business health check

The \$140 million Big Plans for Small Business Strategy 2021–2023 includes a focus on providing easy access to information on running a business through the Business Ready initiative.

Business Ready will deliver a range of improvements to how the Queensland Government supports its business community through the Business Queensland website.

In June 2021, the department launched the 'Business health check', as part of the Business Ready initiative.

The 'Business health check' tool was designed to support small businesses recover from the impacts of COVID-19 and get into the best possible shape for future growth. The tool helps Queensland businesses find out how ready they are for change and how they can improve their resilience. By answering a series of questions, the health check provides each business with a personalised report and resources to help them address potential weaknesses.

Advocating for small business

Queensland Small Business Commissioner and supporting office

The Queensland Small Businesses Commissioner (QSBC) has continued to advocate for small business issues and assist small businesses under the *COVID-19 Emergency Response Act 2020* and Retail Shop Leases and Other Commercial Leases (COVID-19 Emergency Response) Regulation 2020. Further details are provided in Appendix 4 of this report.

The Queensland Small Business Advisory Council

Small business in Queensland gained a strengthened voice with the reinvigoration of the Queensland Small Business Advisory Council (QSBAC) to represent small business interests to the Queensland Government.

Council membership reflects the breadth and depth of small business in Queensland, with members representing a wide range of industries and locations. Members also represent a balance of voices from women in business, Aboriginal and Torres Strait Islander business, culturally and linguistically diverse business and social enterprise.

On 5 May 2022, the first meeting of the QSBAC was held during the opening week of Queensland Small Business Month. This meeting illustrated the importance of supporting and promoting the small business sector. The council will meet four times per year, including in regional locations.

The inception of the QSBAC came after the role and supporting office of the Queensland Small Business Commissioner was made permanent on 3 May 2022.

Together, the QSBAC and the Small Business Commissioner will help ensure that Queensland's small businesses have a strong voice and direct input to the government on issues important to them. Further details are provided in Appendix 5 of this report.

Rebuilding stronger following natural disasters

During 2021–22, Queensland experienced nine events of enough significance to activate Disaster Recovery Funding Assistance to support recovery of Queensland communities (eligible disasters).

In four of these instances, impacted small businesses could receive grants and loan assistance to recover and return to viable operations:

- Central, Southern and Western Queensland Rainfall and Flooding, 10 November – 3 December 2021
- Ex-Tropical Cyclone Seth, 29 December 2021 – 10 January 2022
- South East Queensland Rainfall and Flooding, 22 February – 7 March 2022
- Southern Queensland Flooding, 6 – 20 May 2022.

South East Queensland Rainfall and Flooding

The department supported Queensland businesses that were affected by the rainfall and flooding events during 22 February to 7 March 2022.

To understand the impact of the event, the department initiated a natural disaster business impact survey within South East Queensland. The survey was used to inform a joint Australian and Queensland Government disaster recovery assistance package worth \$558.5 million, including grants and loans for small business.

The department immediately mobilised regional staff to work with the Small Business Hotline to help connect small business owners with available support and to determine additional support that may be needed.

Departmental staff had direct engagement with flood-affected businesses as well as district disaster management working groups. The department collaborated with local councils to coordinate recovery support for small businesses and assisted with developing links to Australian and Queensland Government services to support small business owners.

The department provided information and referral to a wide variety of support including Queensland Government personal hardship financial assistance; Australian Government disaster recovery payments; the Queensland Small Business Commissioner's advice and support in lease dispute mediation and advocacy to government; natural disaster legal aid; industrial relations advice and support for mental health and wellbeing.

The department continued to provide employment, training, and small business programs to support businesses to grow and recover. These included: Mentoring for Growth and Recovery programs; Small Business Solutions through TAFE Queensland; Back to Work; and Skilling Queenslanders for Work employment programs and ongoing support for apprentices and trainees through the Queensland Apprenticeship and Traineeship Office.

As at 30 June 2022, 2,896 businesses had been contacted and received vital information and referrals to grant providers and business advisory services.

North and Far North Queensland Monsoon Trough

In 2020–21, a \$10 million Small Business and Industry Support Package was activated under Disaster Recovery Funding Arrangements following the North and Far North Queensland Monsoon Trough event in 2019. Due to COVID-19 restrictions, the program was extended and concluded on 30 June 2022.

Over \$4.6 million of the \$10 million package was provided directly to the small business community in grant funding. Applications closed in June 2021.

The Small Business Recovery Centre in Townsville continued to provide direct support to small business operators up to December 2021 with ongoing support provided through regional offices.

Under the Go Local funding, \$1.86 million of the \$10 million package was allocated for projects that supported locally led initiatives celebrating local small business, buy local campaigns and community events.

Small Business Concierge pilot program

In October 2021, the department launched the Small Business Concierge pilot program to provide direct and tailored support to small businesses to build capability and resilience to support long-term sustainability. Small businesses were provided with direct access to business specialists and a suite of subsidised tailored business support programs. Business support programs covered practical topics such as business fundamentals, human resources, digital literacy, and marketing. During the pilot program, 180 small businesses were supported.

This pilot program was funded under the Disaster Recovery Funding Arrangements.

Get Ready Small Business campaign

In October 2021, the department partnered with the Queensland Reconstruction Authority to support “Get Ready Queensland” week with a specific focus on small business stakeholders. The Get Ready Small Business campaign was conducted during October and November 2021 and promoted disaster preparedness and business continuity planning for small business. The department provided access to tools and resources that included the small business disaster hub and app with direct access to business specialist support services.

The department facilitated Get Ready expos in Townsville and Port Douglas which were attended by approximately 65 small business stakeholders. Webinars were delivered daily during the campaign period, aimed at building participant capability in the fields of digital marketing, grant writing basics, business continuity planning and workforce management.

This initiative was funded under the Disaster Recovery Funding Arrangements.

Southern Queensland bushfires: 6 to 12 September 2019

During 2021–22, the department continued to support four Go Local initiatives implemented as part of a \$6 million tourism recovery package to support bushfire-impacted communities.

The Disaster Recovery Funding Arrangements delivered \$600,000 to support the design and commencement of locally led activities, tailored to the specific needs, audiences, and opportunities in the following LGAs:

- Scenic Rim Regional Council – agribusiness/agritourism focus initiatives, including a 10-year strategic road map and ‘Shop Scenic Rim’ EFTPOS gift card program
- Noosa Shire Council – activities to drive tourism in the region including a ‘Discover the Noosa Villages’ online campaign with landing page and interactive online/printed maps, and sharable video and imagery
- Southern Downs Regional Council – multiple initiatives to assist local businesses, including support for marketing, business growth, shop local card and skills attraction program
- Sunshine Coast Regional Council – support for new or start-up and home-based businesses to fill long-term empty retail spaces and reinvigorate local high streets.

Paying businesses sooner – On-time Payment Policy

The department has continued to implement the government’s On-time Payment Policy which commenced on 1 July 2020 to ensure that registered small business suppliers get paid faster. Under the policy, small businesses are to be paid within 20 calendar days following receipt of a correct, undisputed invoice. If they do not receive payment within 20 calendar days, they can claim penalty interest.

The On-time Payment Small Business Register on the Business Queensland website allows small businesses to register enabling agencies to identify small business vendors to ensure they are paid on time. This is a simple but important way that small business suppliers can make sure that they are easily identified in agency financial systems for faster payment under the policy. Small businesses are still able to apply for late payment penalty interest, even if they have not registered.

Queensland small business: Snapshot as at 30 June 2022

Small businesses are a cornerstone of the Queensland economy. Small businesses operate across every industry and are found in every local community. They are an important source of investment and create jobs, particularly in our regions and provided an estimated \$120 billion gross state product to the Queensland economy as at June 2022.

448,000

Small Businesses in
Queensland and counting

979,000

Queenslanders employed
by Small Businesses

Case studies

Bundaberg's Business Basics Grant recipient

Bundaberg's Nathans Boutique was one of the businesses to receive funding in the first round of Business Basics in 2021. Owner Sue Hargreaves said the \$5,000 would make a real difference.

Sue said the business, which has been going for more than 30 years, had reinvented itself three years ago to start designing and making their own ladies clothing from their new location.

"I am thrilled to be getting this Business Basics grant and the first job is upgrading the website and getting it ready for the new season because along with my other seamstress we're kept busy with pattern making and stitching the clothes, and I don't get time to upgrade the website," Sue said.

"I also want to revamp the shop front here to help promote that this is a custom-made local dressmaking business along with our social media. We have suffered during the lockdown like many others and this grant will be invaluable for us."

Business Boost for Pioneer Valley restaurant

Owner-Directors Nicholas Flack and Emily Goss established The Flackyard bush tucker restaurant just four months before the COVID-19 pandemic hit and said the \$12,000 grant could not have come at a better time.

"We're passionate about using Australian bush tucker, sourcing native ingredients, supporting local farmers, growers and producers, and employing locals," they said.

"This grant will help us create a new 'Wider Whitsundays Package' to attract more visitors from the Mackay, Whitsundays, and Isaac region, redevelop our website and online bookings, and lift our business profile.

"Our goal is to continue to build relationships and partnerships with local producers, Indigenous food and beverage suppliers and harvesters, and make business connections with other locally owned and operated establishments."

Training and Skills

We connect people to quality training and skills.

Queensland apprenticeships and traineeships: Snapshot

The latest data on apprenticeships and traineeships in Queensland for the 12 months to 31 December 2021, indicates that:

80,085

in training

56,650

new
commencements

20,685

completions

Queensland Training Ombudsman's review

In January 2022, the Queensland Training Ombudsman's *Review of support provided to Queensland Apprentices and Trainees, with a focus on female apprentices in male-dominated occupations* was released. The Queensland Government accepted all 12 recommendations.

The key findings from the review indicate that, while major systemic changes are not required, enhancements can be made that focus on:

- preparing prospective employers and apprentices and trainees
- supporting apprentices, trainees, and their employers throughout their training contract
- ensuring that where intervention is required it happens in a co-ordinated manner and as early as possible.

The department will work collaboratively with the Queensland Training Ombudsman, other government agencies and apprenticeship and traineeship stakeholders throughout 2022–23 and beyond in progressing activity in response to the review's recommendations.

With more women pursuing careers in traditionally male-dominated occupations, it is particularly important to ensure a focus on their personal experience and what barriers and challenges may be hindering obtaining, progressing, and successfully completing apprenticeships. This activity builds on important work across the Queensland Government supporting improved outcomes for women such as greater economic security.

The literature review that informed this work, specifically focused on women in trade apprenticeships; workplace culture (bullying and harassment) and support mechanisms; and future apprenticeship models.

Supporting the social enterprise sector

In May 2021, the Queensland Government announced \$8 million over the next two years for the Social Enterprise Jobs Fund, as part of the Future Skills Fund.

The Social Enterprise Jobs Fund will continue to build on the commitments under the Queensland Social Enterprise Strategy to support the development of a sustainable and thriving social enterprise sector. Four grants' programs are being delivered under the Social Enterprise Jobs Fund.

Community Social Enterprise Development Grants

The Community Social Enterprise Development Grants program provided grants of between \$5,000 and \$20,000 to experienced non-profit community-based organisations to increase the capability and capacity of the social enterprises they operate.

In 2021–22, 36 projects across Queensland were awarded a total funding of \$604,900. All approved projects provided support to the growth of existing social enterprises that assist disadvantaged Queenslanders and have direct links to increasing employment outcomes or social enterprise sustainability.

Social Enterprise Growth Grants

The Social Enterprise Growth Grants program provides grants of between \$5,000 and \$25,000 to established Queensland social enterprises for capability and capacity building that supports the business to scale up or adapt. A total funding of \$635,692 has been awarded to 30 projects across Queensland.

Sector Development Grants

The Sector Development Grants program provides grants of between \$10,000 and \$200,000 for larger-scale projects that support the development and growth of the social enterprise ecosystem in Queensland including in regional areas. Eight projects across Queensland have been awarded total funding of \$990,800.

Social Enterprise Development Grants

The Social Enterprise Development Grants program will provide grants of between \$5,000 and \$25,000 for approved projects to support newly established or early-stage Queensland social enterprises to build capability and capacity and increase business resilience and confidence. Applications for this grant closed on 30 June 2022.

Strengthening quality

The Skills Assure framework, introduced in June 2020, supports students, parents, and employers to identify Registered Training Organisations (RTOs) that have met the criteria to deliver training and assessment that is subsidised by the Queensland Government.

Queenslanders can easily recognise Skills Assure Suppliers through the Skills Assure logo the suppliers display on their webpages and marketing materials.

Skills Assure safeguards the integrity and quality of training in Queensland for students. In 2021–22, the department continued to monitor its investment in vocational education and training and to reinforce its compliance model. RTOs who fail to meet requirements determined by the department will no longer be able to deliver government-subsidised training.

As at 30 June 2022, 412 Skills Assure Suppliers were contracted to deliver government-funded activity to Queenslanders.



Free TAFE and Free apprenticeships for under 25s

The department has funded the cost of training for apprentices and trainees under the age of 25 who enrol in, or are undertaking, one of the 139 priority apprenticeship and traineeship qualifications.

Under Free TAFE, the department has funded the full cost of training for eligible Queenslanders under the age of 25 years in 26 priority qualifications, with delivery of courses available at TAFE Queensland and Central Queensland University.

More than 50,000 young Queenslanders have been supported to date under these two free programs.

The Free TAFE and Free apprenticeships programs support government priorities to minimise skills shortages, focus on training for jobs that are in demand in our critical industries, and increase the number of Queenslanders with formal post-school qualifications.

Gateway to Industry Schools program

As part of the department's industry engagement framework, the Gateway to Industry Schools Program supports school students when they transition from school to their future career. The program also assists industries to meet their future workforce requirements.

The program promotes school–industry engagement in 10 industries considered priorities for Queensland's economic growth. As at 30 June 2022, there were 503 memorandums of understanding with 296 Queensland schools.

Pre-Apprenticeship Support program

Funded through the Future Skills Fund, the Pre-Apprenticeship Support program is being delivered with Group Training Organisations (GTOs) and has helped people not only to get into apprenticeships, but to complete them too.

For this new pre-apprenticeship pathway, we have worked with seven GTOs who have recruited and trained 301 people aged between 15 to 24 years old to complete a Certificate I in construction, engineering, or hospitality. Those who completed the program will be supported to transition into a subsequent apprenticeship, being employed by either the GTO or another employer.

This pathway allows people to explore the different options available to them before embarking on an apprenticeship, which means that when they decide to enrol in an apprenticeship program, they are more likely to successfully complete it.

Skilling Queenslanders for Work

The Skilling Queenslanders for Work initiative (SQW) continues to achieve success on social, economic, and fiscal fronts, with an ongoing annual investment of \$80 million to support up to 15,000 Queenslanders into work each year.

The initiative represents a commitment to increasing workforce participation, driving job growth, and strengthening the performance of the Queensland economy by improving skills development and work opportunities for disadvantaged Queenslanders. SQW funds the community sector and follows a place-based approach, which is tailored to specific disadvantaged cohorts and communities.

The COVID-19 pandemic has highlighted the importance of support for those in the community most vulnerable to reduced employment opportunities.

Tailored, local community-based support is offered to young people, mature-age job seekers, Aboriginal and Torres Strait Islander peoples, people with disability, women re-entering the workforce, Australian Defence Force veterans, recently released prisoners, and people from culturally and linguistically diverse backgrounds. SQW comprises of eight community-based training programs: Community Work Skills; Work Skills Traineeships; Get Set for Work; Community Foundation Skills; Skill Up; Ready for Work; Youth Skills; and one traineeship incentive program (First Start).

The two new programs added are Community Foundation Skills and Skill Up which will deliver a range of personal, social, and economic benefits. Community Foundation Skills supports people to build their language, literacy, numeracy, and digital skills to get prepared for further study or entering the workforce. Skill Up targets adult workers who have been retrenched or displaced and women returning to the workforce. It provides industry-focused training to help people get started on new career paths.

In 2021–22 one funding round was available for community-based organisations, during which they could apply for funding under the eight community-based training programs. On 17 November 2021, the results of the 2021–22 SQW funding round were announced with 279 projects totalling \$63.7 million to assist 8,835 disadvantaged Queenslanders approved.

Since 2015, more than 69,000 disadvantaged Queenslanders have been assisted under SQW, more than 44,100 people have secured a job as a direct result of SQW and more than 76 per cent of participants are in work or further training 12 months after exiting the initiative.

Helping kick-start careers

The SQW First Start program is part of the ongoing commitment to support training pathways and employment opportunities in local communities. This program, managed in partnership with the Local Government Association of Queensland, supported 66 local councils and a statutory authority to employ an additional 400 apprentices and trainees. More than half of the 2021–22 positions are with councils outside of South East Queensland, including 10 First Nations Councils. The program allows young people to continue to live and work in their local communities by providing local opportunities.

Case studies

Cairns Indigenous Art Fair – CIAF Evolution Project

Cairns Indigenous Art Fair Limited (CIAF) was awarded \$115,900 under the Work Skills Traineeships program to deliver the CIAF Evolution Project and employ four Indigenous job seekers as trainees for up to 26 weeks. The trainees completed a Certificate I in Business on-the-job and emerged with first-hand knowledge of what it takes to stage Australia's Premier Indigenous Art Fair and work and make connections in the creative arts industry.

CIAF represents 1500 Queensland Aboriginal and Torres Strait Islander artists and plays a critical role in strengthening culture by providing artists the opportunity to share stories, collaborate, experience Indigenous culture, and showcase artwork in an ethically run marketplace. CIAF culminates in an annual five-day festival.

The trainees were simultaneously immersed in the traditions of culture while learning new technology skills and gaining practical experience in administration, event production and exhibitions, marketing and visual and performing arts. Work activities included digital skills; film and media activities; project management; streaming live conversations for broadcast on social media; photography; installing, hanging, and packing artworks; curating and community engagement activities. Culturally appropriate wrap around support included social and emotional well-being, mentoring, job search, employability skills, personal grooming, language literacy and numeracy assistance and specialist services referral.

The project ended in October 2021. Four trainees were employed on the project, with all completing a nationally recognised qualification, and 10 gaining ongoing employment.

Participant profile:

Catherine, 19 years old, relocated from Cook Town to Cairns to begin her training and employment journey. Catherine said: "Being part of this program feels like a dream". Catherine was involved in many opportunities at CIA including the Ben and Jerry's Mural Project on the Cairns Esplanade. With support from the CIAF Exhibition Manager, Catherine produced three concept images in response to a brief supplied by Ben and Jerry's new ice-creamery. Catherine submitted a formal proposal, complete with original images, artists' biography, and statements about the art.

Catherine was commissioned as the lead artist for the new store fit out mural. Catherine's mural pays tribute to Tropical North Queensland and her Torres Strait Islander culture. Catherine was offered an opportunity for further employment at CIAF and has enrolled in a Certificate III in Business traineeship.

Multilink Community Services Inc – Warehousing

Multilink Community Services Inc was awarded \$90,900 under the Community Work Skills program to assist disadvantaged job seekers – primarily people from culturally and linguistically diverse backgrounds, and people from Pasifika communities to gain skills and experience for employment in the warehousing industry. Developed in partnership with Logan Samoan Advisory Council, the project provided participants with cultural support from their community leaders while they completed Certificate II in Warehousing Operations and competencies from Certificate II in Skills for Work and Vocational Pathways.

Tailored wrap around support for the participants included life skills, employability skills, networking, job preparation, job search and support for three months after participating in the project. Additional support included personal protective equipment (PPE), transport assistance, learner driver assistance, First Aid and Forklift licence training.

The project ended in December 2021, after assisting 25 people, of whom 23 completed accredited training and 22 (88 per cent) gained employment.

Participant Profile:

Aaron, a 31-year-old, has a disability and had been unemployed for more than 12 months. Aaron was struggling to obtain employment without qualifications or a driver's licence and past personal experiences that posed a real barrier to getting a job. Aaron excelled on the project, participating fully in every class, and showed great initiative by mentoring and supporting other participants. He made the most of all the available support and was also successful in obtaining his provisional driver's licence, First Aid Certificate and Forklift licence. Aaron also benefitted from other support provided: such as transport assistance; computer training; language, literacy, and numeracy assistance; resume writing advice; job search training; and a personal makeover session with Suited for Success. Aaron's determination was second to none, and upon project completion he successfully gained a part-time position with Remondis Australia at Rocklea, a global end-to-end waste management and recycling company.

Skilling Queenslanders for Work: Snapshot as at 30 June 2022

6,300

people assisted
into work

76%

participants engaged in
employment, training or a
combination of both, 12
months after exiting the
program

\$8

returned Queensland
economy for every dollar
invested

Investing in world-class training facilities

The department undertakes TAFE facility upgrades and new infrastructure developments across 42 TAFE campuses in Queensland to future-proof training infrastructure and to ensure businesses have the skills for more jobs in more industries.

During 2021–22, the department managed and delivered the following:

- Completed the Advancing Our Training Infrastructure initiative that invested \$112 million across several training sites as part of the long-term plan to revitalise the training portfolio. This investment supported the redevelopment and refurbishment of seven TAFE training sites: Pimlico, Toowoomba, Southport, Ashmore, Mount Gravatt, Alexandra Hills, and Cairns.
- Continued key training infrastructure projects under Queensland’s COVID-19 Economic Recovery Plan, including:
 - a maker space and new shade house at Bohle TAFE
 - modernisation of health training facilities at Bowen
 - general refurbishments at Bundaberg and Cannonvale
 - government’s grant funding of a new Renewable Energy Training Facility at Pinkenba and stage two of the Queensland Apprenticeship Centre at Beenleigh incorporating hydrogen training facilities.
- Received \$10.6 million in grant funding from the Australian Government’s Revitalising TAFE Campuses Across Australia initiative towards the following projects:
 - upgrade of electro-engineering training areas at Alexandra Hills TAFE
 - a new training plumbing tower at Ashmore TAFE
 - modernisation of trade facilities at Bundaberg TAFE
 - modernisation of metal manufacturing facilities at Bundamba TAFE
 - a new marine training facility at Coomera TAFE
 - upgrade of engineering and trade workshops at Mount Isa TAFE
 - a maker space at Bohle TAFE.
- Progressed the first year of the three-year Equipping TAFE for Our Future initiative including achieving:
 - new cyber security training facilities at Mooloolaba and Southbank
 - stage two of the Agricultural Centre of Excellence at Toowoomba
 - upgrade of nursing and allied health upgrades at Hervey Bay
 - a contribution to the fit-out of the new leased TAFE campus at Robina.

VET snapshot

Queensland is a leader in VET in schools, having the nation's highest participation rate in 2021, with nearly 100,000 students or 39.7 per cent of the national total. Queensland is also the national leader in school-based apprenticeships and traineeships, recording 55.1 per cent of the national total in 2021. This means more Queensland students are gaining world class training that will prepare them for their future.

VET participation in 2021

962,565

Queenslanders undertook some form of nationally recognised VET in 2021 an increase of approximately 13.0% compared to 2020

9%

Nationally, the number of students participating in VET increased by 9%

28%

Queensland participation rate was the highest of all jurisdictions. The national rate was 24%

53.5%

of 15-19 year olds participated in VET, the highest of all jurisdictions. The national rate was 44.6%

37.5%

of 20-24 year olds participated in VET, the second highest of all jurisdictions behind Tasmania (39.0%). The national rate was 34.9%

Source - [National Centre for Vocational Education Research - https://www.ncver.edu.au/](https://www.ncver.edu.au/)

Awards celebrating the power of skills

The Queensland Training Awards is the most prestigious and longest-running training sector awards program in the state, providing individuals and organisations with a unique opportunity to showcase their achievements, best practice, and innovation in training.

Across 14 categories, the annual awards celebrate the success stories of Queensland's outstanding apprentices, trainees, VET students and trainers, as well as employers, training providers and community-based organisations.

The winners and finalists of the 2021 Queensland Training Awards and regional winners were announced in September 2021. Due to COVID-19, the event was conducted online rather than in-person. To view the award winners, visit our website at <https://desbt.qld.gov.au/training/qta>

Our people

Our dedicated employees are essential for delivering government commitments and services to Queenslanders. They make a difference to people's education and training, careers and working lives. During 2021–22, the department continued to support employees with flexible work agreements enabling them to balance work and home life commitments, while ensuring operational requirements were met. Employees were able to work in hybrid teams.

The department's Flexible Work policy and procedures includes provision for flexible working hours, leave arrangements, part-time work and job sharing.

Maintaining service delivery

During 2021–22, the department's Rapid Response Group was activated when needed to ensure business continuity of service delivery for our customers, partners, stakeholders, and employees.

The Rapid Response Group includes leaders from across the department who play key roles in coordinating and facilitating critical business functions. This also includes information-sharing actions across the department, and with other government agencies, our customers, and stakeholders.

Our ethics and employee relations framework

Our ethical values underpin our workplace culture and management of employees. During 2021–22, the department continued its commitment to high behavioural standards and supported employees to do the right thing through educational training and administrative policies and practices.

The department continued its commitment to transparency and accountability, by complying with the public sector ethics principles set out in the Public Sector Ethics Act 1994. Employees completed online, annual refresher training in the Code of Conduct for the Queensland Public Service, as well as fraud and corruption. Employees who hold procurement and financial delegations also completed annual refresher training.

The department is committed to supporting ethical decision-making and has a policy and procedure to support the reporting of wrongdoing, including making public interest disclosures.

The *Industrial Relations Act 2016*, the *Public Service Act 2008* and the following instruments comprise our employee relations framework:

- *Queensland Public Service Officers and Other Employees Award – State 2015*
- *State Government Entities Certified Agreement 2019*.

During 2021–22, the department actively consulted with the Together Union through the Agency Consultative Committee regarding employee and industrial relations matters, including flexible workplace arrangements and workplace change.

Maintaining employee wellbeing

The Queensland Government has formal support options in place for employees who are experiencing domestic and family violence. The department is committed to providing a positive, ethical, and healthy workplace, and recognises that employees may face difficult situations in their work and personal life, such as domestic violence.

In May 2021, supporting Domestic and Family Violence Prevention Month, the Director-General and the Executive Leadership Team released their commitment statement supporting any employee experiencing domestic and family violence. In June 2021, the department received White Ribbon re-accreditation. A formal presentation ceremony recognised this re-accreditation on 27 May 2022.

During 2021–22, the department continued to roll-out health, safety, and wellbeing support mechanisms for DESBT employees and encouraged participation through a range of activities, including:

- continuing to support free flu vaccinations for employees
- providing influenza vaccination and flexible working arrangements to attend COVID-19 vaccination clinics during work hours
- supporting a Mental Health Support Officers Network, which provides a comprehensive approach to mental health and wellbeing to help employees experiencing mental health issues
- building awareness and support of a diverse organisation through celebrating and promoting annual recognition events including National Aborigines and Islanders Day Observance Committee (NAIDOC) Week, Disability Action Week, Harmony Week, White Ribbon Day, and International Women's Day
- providing information resources assisting employees with ergonomics to suit individual needs in the workplace
- implementing rehabilitation and return to work policy and procedures and supporting employees and their managers/supervisors on their return to work from injury and illness
- promoting an external employee assistance service that provides free, professional, and confidential counselling services to assist employees and immediate family members with both personal and work-related problems
- providing an Aboriginal and Torres Strait Islander employee support line via our employee assistance provider, Benestar.

Workforce profile

Table 1. Workforce profile data

Total FTE for Department of Employment Small Business and Training	FTE
Total FTE ¹	567.77

Note:

1. 567.77 full-time equivalent employees as per the Minimum Obligatory Human Resource Information full-time equivalent data for the fortnight ending 17 June 2022 (the last full pay period for 2021–22).

Valuing inclusion and diversity in our workplace

Table 2. Target Group data

Gender	Number (Headcount) ^{1,2}	Percentage of total workforce (Calculated on headcount)
Woman	453	71.9%
Man	177	28.1%
Non-binary	0	0
Diversity Groups	Number (Headcount)	Percentage of total workforce (Calculated on headcount)
Women	453	71.9%
Aboriginal Peoples and Torres Strait Islander Peoples	13	2.2%
People with disability	27	4.5%
Culturally and Linguistically Diverse – Born overseas	35	5.8%
Culturally and Linguistically Diverse – Speak a language at home other than English (including Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages)	21	3.5%
Women in Leadership Roles	Number (Headcount)	Percentage of total Leadership Cohort (Calculated on headcount)
Women in Leadership Roles ³	35	68.6%

Notes:

1. Data is based on Minimum Obligatory Human Resource Information full-time equivalents for the fortnight ending 17 June 2022 (the last full pay period for 2021–22)
2. People from culturally and linguistically diverse backgrounds are reported for the first time replacing the People from a non-English speaking background from 1 July 2021
3. Women in Leadership Roles are considered those positions that are Senior Officer and equivalent and above.

Strengthening our workplace culture

Strategic workforce planning

During 2021–22, the department continued to implement effective human resources policies and practices and progressed the following workforce planning initiatives to attract, recruit and retain an inclusive, diverse, and capable workforce. We continued to implement the DESBT Disability Service Plan 2020–21, ensuring people with disability have access to the same departmental services, information and facilities that are available to the broader community. This plan details the actions being undertaken to improve this access, including:

- supporting Queenslanders from diverse backgrounds to access VET, supporting Skills Assure suppliers with embedding the Inclusive Learning: A Way Forward framework by conducting scheduled audits
- ensuring our policies and programs reflect the needs and interests of people with disability and their carers
- promoting assistive technology that can support the participation of people with disability in VET
- promoting and creating opportunities for employees to participate in Disability Action Week activities.

We continued to implement the Cultural Capability Action Plan 2019–2023 as part of the Queensland Government Cultural Capability Framework. Cultural capability involves acquiring knowledge about the culture of individuals and groups of people, and integrating that knowledge into our standards, practices and attitudes and is about increasing our understanding of the historical and contemporary issues relating to Aboriginal and Torres Strait Islander peoples and engaging with them in a sustained, respectful, and participatory manner when developing policies, programs, and services.

We developed the DESBT Strategic Workforce Plan 2022–2024, implementation of which will commence in 2022–2023 and focus on talent acquisition, a contemporary and agile workforce, our workplace culture, and growing our leaders.

We developed key strategies to drive diversity and inclusion, capability development, reward and recognition, and wellbeing to ensure the department’s workforce is diverse, agile, and capable and prepared for the current and future world of work.

Executive and senior leaders were identified to champion Queensland public sector priorities and initiatives by supporting and driving engagement across key workforce management focus areas.

Managing high performance

High standards of performance and clear behavioural expectations are aligned to the Queensland Public Service values and are communicated to all employees through our policies, procedures, and online mandatory training. During 2021–22, employee performance continued to be managed through annual performance and development plans as part of the Queensland Public Service Commission’s Conduct and Performance Excellence service.

In supporting a high-performance culture, onboarding new employees through the induction process provides them and those transferring between teams the information they require to transition into a new work environment and new role as quickly as possible. Prior to commencement of new employees, managers are provided with a new starter checklist and information to implement reasonable workplace adjustments where required, to assist employees with disability and support an inclusive and diverse workplace.

The department measures collective performance against the Strategic Plan 2021–25. This includes the department’s response rate to the annual Working for Queensland employee opinion survey (Target 85 per cent). The September 2021 results showed that, as a department, we maintained a similar high response rate as in 2020, at 81 per cent. This is 38 per cent higher than the overall Queensland Public Sector response rate of 43 per cent.

The department’s survey results overall were positive, showing there were improvements compared to previous years in workplace factors such as job empowerment, workload and health, work group, manager, anti-discrimination, and innovation.

Encouraging learning and preparing for the future of work

During 2021–22, employees were actively supported and assisted with continued learning and development as part of annual performance and development planning. The MyCareer learning management system provided online mandatory training for departmental employees to keep the knowledge current and remain informed of developments.

The Senior Leaders met fortnightly during the COVID-19 pandemic response. This increased cross-departmental communication and collaboration. In 2021–22, the Senior Leaders continued to support a major review and development of the department’s strategic plan.

Other activities undertaken to invest in the capability of leaders was the implementation of *Everyday conversations for healthy minds* online training to support the development of a mentally healthy workplace environment.

In order to further prepare and position the department for the future of work, the following activities were undertaken:

- developed a foundational DESBT Capability Development Strategy 2022–2024 to drive contemporary learning and development across the department
- through the Small Business Engagement Framework project, invested in developing the capabilities of our frontline, regional staff
- continued to develop our workforce data analysis to understand trends and workforce issues in supporting workforce planning
- continued to participate in the sector’s Strategic Workforce Council and associated work in the addressing strategic issues for the Queensland Public Service
- continued our Senior Leadership Network as a forum for departmental senior officers to share knowledge and innovative practices and harness contemporary perspectives.

Supporting our communities

During 2021–22, there were several occasions the department sought employee volunteers to participate in community recovery activities, including:

- COVID-19 contact tracing
- Vaccination hubs
- assisting communities impacted by natural disasters, including widespread flooding, heavy rainfall, and ex-tropical cyclone Seth.

Recognising employee excellence

During 2021–22, DESBT developed the DESBT Reward and Recognition Strategy 2022–2024, to be implemented in the latter half of 2022. This strategy will provide a strong foundation for the ongoing informal and formal recognition of employees and promote excellence in service.

Early Retirement, Redundancy and Retrenchment

No redundancy, early retirement or retrenchment packages were paid during the period.

Our governance

We have internal accountability mechanisms in place to ensure governance operates effectively and transparently. These mechanisms enable DESBT to support effective and efficient service delivery that is strongly aligned with our vision, purpose, and strategic objectives.

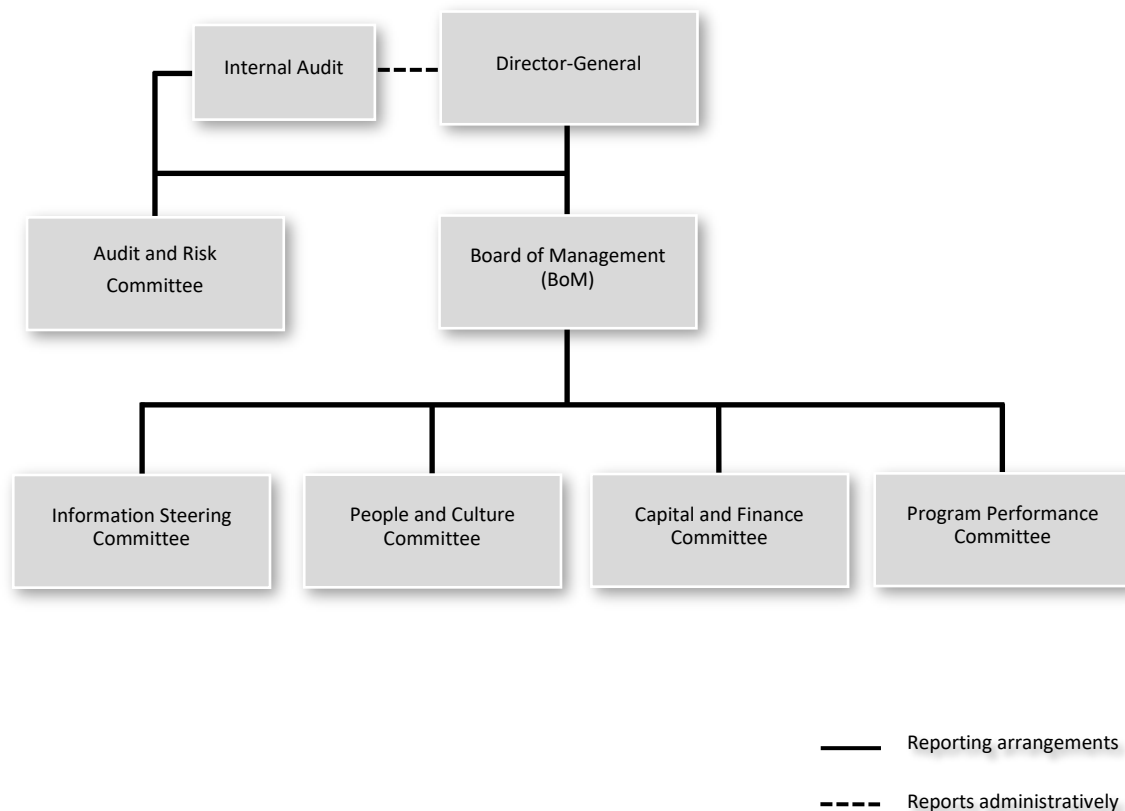
DESBT is committed to supporting good governance, by annually reviewing the Governance Framework that outlines the principles, elements, and mechanisms we use.

The department maintains a corporate governance structure using governance forums that provide leadership direction to the department’s Board of Management and Executive Leadership Team. These governance committees and, where relevant, supporting sub-committees meet regularly to advise and support the Director-General and senior executives in discharging their responsibilities and ensuring that departmental priorities and objectives are met.

During 2021–22, following a review of the Corporate Governance Framework, three new sub-committees were established: People and Culture Committee, Capital and Finance Committee and the Program Performance Committee. These new sub-committees will focus on oversight, assurance and accountability, decision-making within delegated authority, and escalation of material matters supported by recommendations.

Governance framework

The department’s governance arrangements are shown below.



Board of Management

The Board of Management (BoM) authorises strategic, budget, and operational decisions affecting DESBT and provides the Director-General with advice on issues relating to strategic policy, strategic planning, corporate governance, performance management, service delivery, culture, and values.

The role of the Board of Management is to:

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

Membership

- Chair – Director-General
- Standing Members
 - Deputy Director-General, Investment
 - Deputy Director-General, Engagement
 - Deputy Director-General Strategy
 - Deputy Director-General, Policy and Performance
- Observers
 - Director, Office of the Director-General
 - Head of Corporate Services

Executive Leadership Team

The Executive Leadership Team (ELT) facilitates discussion and decision-making on initiatives and issues with the purpose of determining the strategic and cultural direction for the department.

The ELT's responsibilities include:

- to be the 'thought leadership' forum with a focus on the strategic direction of the department including implementation and alignment of the Strategic Plan and its objectives
- to design and maintain oversight on strategies that influence government decision-making regarding employment growth, small business, and skill development
- to advise the Director-General on the strategic direction, goals, and overall performance of the department
- to maintain awareness of mega trends and their impact on departmental operations
- to focus on the culture of the organisation.

Membership

- Chair – Director-General
- Standing Members
 - Deputy Director-General, Investment
 - Deputy Director-General, Engagement
 - Deputy Director-General Strategy
 - Deputy Director-General, Policy and Performance
- Observers
 - Director, Office of the Director-General - Secretariat.

Warwick Agnew Director-General

Warwick Agnew was appointed as Director-General of the department in November 2020. Before joining DESBT, Warwick held the position of Director-General, Local Government, Racing and Multicultural Affairs. He also has direct experience in social and economic policy issues facing all areas of Queensland.

Throughout his career, Warwick has led social and economic infrastructure projects, economic analysis and policy, legislative reform, financial and commercial procurement, and corporate finance advisory services.

Warwick's private sector experience includes commercial project development and senior advisory roles for global companies servicing the resources, energy, industrial, infrastructure, property, and defence sectors. He has also served on key government boards including Queensland Treasury Corporation Capital Markets Board, the Long-Term Asset Allocation Board and the Queensland Rural and Industry Development Authority.

Warwick holds a Master of Applied Finance from the Macquarie University, as well as a Master of Social Science (Economics) and Bachelor of Economics from the University of Queensland.

Steve Koch Deputy Director-General – Investment

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

Steve has a strong background in vocational education and training (VET), employment, and small business, having held executive roles in departments responsible for these sectors over the past decade.

In Steve's current role, he leads DESBT's oversight of the state's training infrastructure portfolio, as well as program design and delivery for DESBT's suite of employment, small business, and VET programs. He is also a member of the Board of Directors of the Building and Construction Industry Training Fund (BCITF Qld).

Steve holds a Bachelor of Economics and a Bachelor of Business Management from the University of Queensland.

David Lucas

Acting Deputy Director-General – Engagement

David Lucas was appointed to the position of A/Deputy Director-General, Engagement Division in October 2021. In this role, David leads the Customer Channels and Service Delivery areas of DESBT, including a network of departmental regional staff across Queensland. Prior to this current role, David was the Executive Director, Service Delivery within DESBT.

Throughout his public sector career, David has worked in a number of agencies responsible for the employment and skills and training portfolios with a focus on regional delivery and central policy program development. This includes a number of executive positions, providing David with a strong understanding of the importance of effective employment, training and small business-related program development and delivery.

Rebecca Atkinson

Deputy Director-General – Strategy

Rebecca Atkinson joined DESBT in November 2020 to lead the Strategy division. In this role, Rebecca is shaping evidenced-based strategic policies that support employment growth, small business and increased economic readiness through skills and training, as well as overseeing data and analytics and facilitating employment and training pathways for emerging industries.

Rebecca has 10 years' experience in leadership roles across the Queensland Public Service and local government, including Acting Deputy Director-General of Arts Queensland, and Deputy Director-General, Strategy, Racing and Multicultural Affairs. Rebecca holds credentials from the Australian Institute of Company Directors and has non-executive director experience.

Leighton Craig

Deputy Director-General – Policy and Performance

Leighton Craig joined DESBT in November 2021 to lead the establishment of the Policy and Performance Division which delivers corporate services, strategic communications, the coordination of policy advice and whole of government engagement.

Leighton has more than 25 years' experience in the public sector. In his previous role as Cabinet Secretary in the Department of the Premier and Cabinet, he was responsible for supporting the operation of the Queensland Government's Cabinet system, legislation program and performance management framework.

Leighton has worked in a diverse range of policy and project areas within government, including law and justice policy, disaster relief, legal and constitutional services, community engagement on significant infrastructure and Aboriginal and Torres Strait Islander cultural heritage. He was a Clerk of the Executive Council for 11 years and has been involved in the transitional governance arrangements for successive Queensland governments. Leighton holds a Bachelor of Laws from Queensland University of Technology and was admitted as a solicitor of the Supreme Court of Queensland in 1996.

Note: Ms Rhiannan Howell was appointed as Head of Corporate in May 2021 and was part of the BoM from 1 July 2021 to 10 November 2021. As part of an internal departmental realignment, the role of Deputy Director-General Policy and Performance was established which replaced the role of Head of Corporate as part of BoM membership. Mr Leighton Craig was appointed to this role, commencing 11 November 2021.

Risk management and accountability

The department's Risk Management function works with business areas to identify relevant risk mitigation strategies to be implemented by the respective business areas.

The department has a two-tiered structure of risk registers to ensure that all risks are reviewed, escalated, managed, and reported at an appropriate level within the organisation, including reporting escalated risks quarterly to the departmental Board of Management.

During 2021–22, the department reviewed and updated the overarching strategic risks and established new enterprise risks impacting the entire department and strategic risks impacting the department's strategic objectives.

The enterprise and strategic risk registers managed by the ELT as Risk Sponsors, supported by the new role of Risk Leads, are a key input into the department's annual planning cycle.

Internal Audit

The Internal Audit function reports administratively to the DESBT Director-General and functionally for operations to the Audit and Risk Committee (ARC) through the Chair, with direct access to both if necessary.

The Internal Audit function operates in line with the ARC Charter and Internal Audit Charter, as well as relevant audit and ethical standards. The function is outsourced to PricewaterhouseCoopers (PwC) Consulting.

The charter is reviewed on an annual basis and is endorsed by the ARC.

Role and functions

Internal Audit has a primary responsibility to advise on governance, risk management and control issues and is required to report risks that are inadequately addressed and non-effective control processes to management and the ARC.

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

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

Internal Audit Plan

Internal Audit's scope of work is based on an annual audit plan endorsed by the ARC. This encompasses the review of all financial and non-financial policies and operations, including evaluating the adequacy and effectiveness of the department's governance, risk management process, system of internal control structure and quality of performance in carrying out assigned responsibilities to achieve the department's stated objectives. The *2022–23 Internal Audit Plan* was endorsed in June 2022.

Achievement highlights

During 2021–22, Internal Audit:

- completed seven Internal Audit reviews scheduled for the period
- monitored and reported on the status of the Internal Audit Plan and internal audit reports at each ARC meeting
- followed up and reported on the progress of management actions at each meeting, including open and overdue actions
- developed the 2022–23 Internal Audit Plan, including the update of the three-year Internal Audit plan
- provided management with an annual assessment of the maturity of internal controls for the period against the Commission of Sponsoring Organisations of the Treadway Commission internal control framework.

External scrutiny

The department is subject to external review. The following reports applicable to the department were tabled by the Queensland Auditor-General in State Parliament during 2021–22:

- Education 2021 (Report 19: 2021–22)
- Enhancing government procurement (Report 18: 2021–22)
- Appointing and renewing government boards (Report 17: 2021–22) Contract management for new infrastructure (Report 16: 2021–22)
- State Entities 2021 (Report 14: 2021–22).

More information is available on:

- the Queensland Audit Office website at www.qao.qld.gov.au/reports-resources/reports-parliament
- the Queensland Parliament website at www.parliament.qld.gov.au
- the Queensland Training Ombudsman's website at <https://trainingombudsman.qld.gov.au>

Audit and Risk Committee

The Audit and Risk Committee (ARC) is appointed by the Director-General and plays an important role in providing independent oversight of the department's governance, risk management, financial reporting process and internal control.

The ARC operates under an ARC Charter (the Charter) in accordance with the *Financial and Performance Management Standard 2019* and is directly responsible to the Director-General.

The ARC has the authority to:

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

The annual review of the Charter was endorsed by the ARC at the meeting held in March 2022. The ARC met five times during 2021–22.

The role and functions of the ARC are to:

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

The functions of the ARC do not replace or replicate:

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

Responsibilities

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

- financial statements—reviewing the appropriateness of our accounting policies, significant assumptions and critical judgements made by management, reviewing the appropriateness of disclosures in our financial statements, and analysing our financial performance
- integrity oversight and misconduct prevention—monitoring misconduct trends and prevention approaches and addressing any gaps in dealing with integrity issues in relation to misconduct. Monitoring the compliance of the department with relevant integrity legislation and whole-of-government policies, principles, and guidelines
- risk management—reviewing the effectiveness of our risk management framework, and processes for identifying, monitoring, escalating, and managing significant business risks
- internal control—reviewing, through the internal and external audit functions, the adequacy of our internal control structure and systems, including information technology security and control
- performance management—reviewing compliance with the relevant legislative and whole-of-government performance management and reporting requirements and identifying appropriate use of performance information
- internal and external audit—reviewing and endorsing our Internal Audit Plan and consulting with External Audit on our proposed audit strategy and reviewing findings and recommendations from audit activity accepted by management. Where issues remain unresolved, the ARC ensures that satisfactory progress is made to mitigate the risk associated with audit findings.

Achievement highlights

During 2021–22, Internal Audit:

- was chaired by an external member, with additional representation from an external public sector agency
- reviewed and endorsed the financial statements for 2020–21 and noted the Chief Finance Officer statement of assurance for 2020–21
- reviewed the 2021–22 Internal Audit Plan, with oversight of review outcomes
- reviewed and endorsed the 2022–23 Internal Audit Plan in June 2022
- endorsed the implementation of the International Standard 18: 2018 Information Security Annual Return and the International Standard 18: 2018 Information Security Attestation Letter for financial year 2020–21
- reviewed and endorsed the updated ARC Charter in June 2022
- reviewed and endorsed the updated Internal Audit Charter in June 2022
- increased maturity of departmental risk management processes.

ARC membership

Members, including the Chair, are appointed by the Director-General and are as follows.

Name	Position	Committee role	Membership period
Karen Prentis	Consultant	External Chair	July 2021 – June 2022
Steven Koch	Deputy Director-General, Investment	Member, departmental	July 2021 – June 2022
Maryanne Kelly	Deputy Director-General, Engagement	Member, departmental	July 2021 – August 2021
David Lucas	A/Deputy Director-General, Engagement	Member, departmental	November 2021 – June 2022
Rebecca Atkinson	Deputy Director-General, Strategy	Member, departmental	July 2021 – June 2022
Leighton Craig	Deputy Director-General, Policy, and Performance	Member, departmental	November 2021 – June 2022
Debbie Brooks	Chief Finance Officer, Queensland Treasury	Member, public sector external	July 2021 – June 2022

As an independent and external member of the committee, Karen Prentis received a remuneration of \$8,250 in 2021–22 to prepare for and attend meetings.

Customer complaints management

In 2021–22, the department received 16 customer complaints from external customers. None of the complaints were assessed as involving human rights.

The department provides a complaints management system, in accordance with section 219A (4) of the *Public Service Act 2008*, which gives people the opportunity to voice their satisfaction or dissatisfaction with our services. By 30 September each year, the department publishes the following information on its website: the number of customer complaints received, those resulting in further action, and those complaints that resulted in no further action. This information can be found at <https://desbt.qld.gov.au/about-us/reports>.

There is a formal process for documenting and assessing all complaints to determine the validity of the allegations raised.

Human rights complaints reporting

The department continued to implement the *Human Rights Act 2019* (HRA) and incorporate human rights considerations into its day-to-day operations. Building on past foundational actions, the department continued to be committed to respecting, protecting, and promoting human rights in our decision-making and actions.

Section 97(2) of the HRA requires that DESBT reports annually on details of actions taken during 2021–22 to further the objectives of the HRA, including details of reviews we undertook of policies, practices or services undertaken in relation to their compatibility with human rights.

The department is continuing to implement the HRA by delivering on this commitment, while managing day-to-day operations for skilling Queenslanders, assisting employment outcomes, and backing small businesses to support the wellbeing of Queenslanders and their communities. To further objectives of the HRA during 2021–22 the department has:

- continued to act and make decisions compatibly with human rights and
- incorporated human rights into DESBT's strategic planning processes
- ensured portfolio statutory bodies were aware of their obligations
- ensured human rights are central to the development of policy and legislation
- provided information about the HRA and compliance to Skills Assure providers via the Contract Connector newsletters
- raised awareness about human rights, including through articles about the Act, promoting Human Rights Day 2021 (10 December 2021), communicating the availability of human rights resources in the internal employees' newsletter and on the intranet, and circulating the Human Rights Newsletter
- ensured the mandatory online training module was available and completed by employees, including by new employees as part of the induction process
- maintained a dedicated human rights intranet page
- ensured any potential human rights complaints were managed through effective and accountable internal processes
- included human rights obligations in relevant contract processes
- ensured human rights compatibility was considered as part of decision-making in every executive briefing note.

Information systems and recordkeeping

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

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

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

Information security attestation

During the mandatory annual Information Security reporting process, the Director-General attested to the appropriateness of the information security risk management within the department to the Queensland Government Chief Information Security Officer, noting that appropriate assurance activities have been undertaken to inform this opinion and the department information security risk position.

Communicating roles and responsibilities

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

- delivered mandatory online employee training in information security and information privacy to increase employee awareness of their role in good information security practices and responsibilities, with annual refresher training for all employees
- maintained published policies and guidelines that are accessible by all employees
- promoted Privacy Awareness Week to reinforce privacy rights, and employees' responsibilities and protection of information.

Improvements

During 2021–22, several milestones were delivered in changing the way we manage information in the department. Highlights included:

- continuing to scope the department-wide record-keeping strategy to support collaborative, accurate and effective record-keeping including initiation of a project to implement an electronic Document and Records Management System (eDRMS)
- continuing the staged migration of users of multiple business units and sites from the Department of Education network to the DESBT network
- updating and migrating both the externally facing Training website, and the Customer Relationship Management system, from the Department of Education onto the DESBT cloud and network respectively
- refreshing the DESBT Digital Strategy to ensure aligned ICT investment.

Managing digital records and systems

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

As part of the department's information vision, and emphasising working digitally in an integrated way, several key milestones were achieved in 2021–22, including:

- greater use of SharePoint as a central communication platform within the department and managing digital records
- ongoing use of a Ministerial and Executive Correspondence System, and implementation of an improved information security classification to allow streamlined document workflow management
- improvements in cybersecurity protection of digital records and systems.

National and Whole-of-State Government Plans/Initiatives

National agreements and reform initiatives

During 2021–22, the department continued to lead the Queensland Government management of the *National Agreement for Skills and Workforce Development*.

The department continued to support training programs to meet the objective of the agreement, which is to achieve a VET system that delivers a more productive and highly skilled workforce, enabling all working age Australians to participate effectively in the labour market and contribute to Australia's economic future.

Queensland Government

During 2021–22, the department was responsible for leading and providing significant contribution to the following whole-of-government programs and initiatives:

- Back to Work program supporting eligible employers and jobseekers
- Skilling Queenslanders for Work initiative, supporting Queenslanders back into work
- Queensland Apprenticeship and Traineeship system
- Big Plans for Small Business Strategy 2021–23
- Good people. Good jobs: Queensland Workforce Strategy 2022-2032
- Business Queensland website, communicating government business services online
- Skills for Queensland: Great training for quality jobs strategy
- Queensland Social Enterprise Strategy
- On-time Payment Policy
- Queensland Small Business Procurement Commitment.

Further information about these initiatives is provided in this report.

Queensland Business Launchpad

During 2021–22, the department continued to implement the Queensland Business Launchpad project as part of the Small Business Regulatory Reform Agreement between the Australian and Queensland governments. Work progressed during 2021–22 included:

- delivering the second and final Small Business Regulatory Reform agreement milestone of the Queensland Business Launchpad project. This makes it easier for food and beverage and residential construction businesses to identify and apply for licences and meet the regulatory obligations for their business activities
- this service is now available to businesses in every location in Queensland
- by signing-in to the service, businesses can keep track of the progress they have made in applying for licences and meeting other regulatory obligations
- establishing a scalable solution suitable for expanding to other industries, initially retail trade, accommodation and food services and the remainder of the construction industry.

JobTrainer Fund

Queenslanders continued to have access to low-cost or free training in key industries thanks to an additional \$200 million joint investment by the Queensland and Federal governments. Almost 60,000 Queenslanders have taken the opportunity to upskill or reskill under the JobTrainer program since July 2020.

During 2021–22, the JobTrainer Fund was jointly funded by the Queensland and Commonwealth governments to support people through no-fee or low-fee training in areas that have strong employment prospects and will help drive our economy forward. The JobTrainer Fund is addressing critical skills shortages by expanding its second round to include any Queenslanders, regardless of age or employment status, who wants to undertake training in aged care, disability care, childcare, and digital skills.

Fee-free training was available for a range of short courses and certificates with low-fee training available for higher level qualifications. These training places are providing skills needed to find work, re-enter the labour market or explore new work opportunities as Queensland's economy recovers from the impacts of COVID-19.

Appendices

Appendix 1 – Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	5
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	4 73
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	3
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	3
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	3
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	3
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	9
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	10
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	22-47
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	74-76
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	18-20
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	13
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	58-59
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	81-84
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	49
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	66
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	9

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	61-65
	• Audit committee	ARRs – section 14.2	63-65
	• Internal audit	ARRs – section 14.3	61-62
	• External scrutiny	ARRs – section 14.4	62
	• Information systems and recordkeeping	ARRs – section 14.5	67-68
	• Information Security attestation	ARRs – section 14.6	67
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	52-53
	• Early retirement, redundancy, and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	54
Open Data	• Statement advising publication of information	ARRs – section 16	3
	• Consultancies	ARRs – section 33.1	3
	• Overseas travel	ARRs – section 33.2	3
	• Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	See audited financial statements on p. 85
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	See audited financial statements on p. 85

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

Appendix 2 – Glossary

<u>Acronym</u>	<u>Title</u>
ARC	Audit and Risk Committee
BCITF	Building and Construction Industry Training Fund
BoM	Board of Management
CIAF	Cairns Indigenous Art Fair Limited
COVID-19	Coronavirus Disease 2019
DESBT	Department of Employment, Small Business and Training
ELT	Executive Leadership Team
GST	Goods and services tax
GTO	Group Training Organisations
HRA	<i>Human Rights Act 2019</i>
ICT	Information Communication Technology
LGA	Local Government Area
MP	Member of Parliament
PwC	PricewaterhouseCoopers
Qld	Queensland
QSBM	Queensland Small Business Month
QSBC	Queensland Small Businesses Commissioner
QSBAC	Queensland Small Business Advisory Council
RTO	Registered Training Organisations
SATs	School-based Apprenticeships and Traineeships
SETP	Southbank Education Training Precinct Public Private Partnership
SQW	Skilling Queenslanders for Work
TAFE	Technical and Further Education
VET	Vocational Education and Training

Appendix 3 – Service areas and standards

The department's vision is skilled Queenslanders and vibrant small businesses growing Queensland's economy.

The department's purpose is to support Queensland's future workforce by connecting all Queenslanders to learning opportunities through quality training, employment opportunities and by helping small businesses to start, grow and thrive.

In 2021-22, the department has been working towards its strategic objectives:

- Employment
- Small business
- Training and skills
- Our DESBT culture

Employment		
Service standards	2021–22 Target/Est.	2021–22 Actual
<i>Effectiveness measures</i>		
Overall customer satisfaction with employment programs.	90%	93.3%
<i>Efficiency measure</i>		
Administrative cost per \$1,000 of employment program support ¹	\$103.80	\$49.29

Small Business		
Service standards	2021–22 Target/Est.	2021–22 Actual
<i>Effectiveness measures</i>		
Percentage of new or existing businesses reporting increased capability, (including digital), as a direct result of participation in small business grant programs	98%	99.1%
Percentage of businesses assisted by small business programs that report a projected increase in either employment, turnover, or profitability	98%	95.0%
Average score out of 5 by customers for how easy it is to use the Business Queensland website	3.5	3.2
<i>Efficiency measure</i>		
Administrative cost per \$1,000 for program support ²	\$130.60	\$27.02

Training and Skills³		
Service standards	2021–22 Target/Est.	2021–22 Est. Actual
<i>Effectiveness measures</i>		
Proportion of all attempted competencies successfully completed	93%	90.4%
Proportion of all Queenslanders with higher qualifications	62%	64.9%
Proportion of vocational and education training (VET) graduates in employment or further study ⁴	87%	79.1%
Number of completions – Apprenticeships ⁵	11,500	10,300
Number of completions – Traineeships ⁶	13,500	12,000
Number of completions – school-based apprenticeships and traineeships (SATs) ⁷	5,000	4,300
Proportion of graduates satisfied with the overall quality of their training	89%	88.5%
Proportion of employers satisfied with graduates of - national accredited training ⁸	85%	80.6%
Proportion of employers satisfied with graduates of - apprenticeships and traineeships ⁹	83%	73.9%
<i>Efficiency measure</i>		
Average cost per competency successfully completed ¹⁰	\$595	\$730

TAFE Queensland¹¹

Service standards	2021–22 Target/Est.	2021–22 Est. Actual
Proportion of attempted competencies successfully completed	91%	89.0%
Student post-training outcome (employed or in further study after training)	83%	83.9%
Proportion of graduates satisfied with the overall quality of their training	89%	89.9%
Proportion of employers satisfied with the overall quality of training	89%	92.1%
Average cost per competency	\$797	\$791

Notes:

1. The variance between the 2021–22 Target/Estimate and 2021–22 Estimated Actual is due to delivery of two iterations of the Back to Work program in one year.
2. The variance between the 2021–22 Target/Estimate and the 2021–22 Estimated Actual is due to an increase in the amount of grants issued and includes the 2021 COVID-19 Business Support Grants.
3. The data figures recorded for Training and skills service area are Estimated Actuals as some data figures i.e., completion of traineeships/apprenticeships/SATs will not be finalised until later in the year. As such, measures will be updated early next year.
4. The variance between the 2021–22 Target/Estimate and the 2021–22 Estimated Actual reflects the significant effects of COVID-19 on respondents' employment levels. The 2021–22 Estimated Actual for this measure is based on survey results from 2020 graduates surveyed in mid—2021.
5. The variance between the 2021–22 Target/Estimate and the 2021–22 Estimated Actual is consistent with national results affected by COVID-19 global economic conditions impacting employers and their ability to retain apprentices and provide work.
6. The variance between the 2021–22 Target/Estimate and the 2021–22 Estimated Actual is consistent with national results with uptake and retention of new traineeships impacted by COVID-19.
7. The variance between the 2021–22 Target/Estimate and the 2021–22 Estimated Actual is directly related to changeable labour market conditions due to the impact of COVID-19. This has resulted in a softening of the school-based apprenticeship and traineeship market.
8. The variance between the 2021–21 Target/Estimate and the 2021–22 Estimated Actual reflects a national trend of lower satisfaction with nationally accredited training reported at 78.7 per cent nationally.
9. The variance between the 2021–22 Target/Estimate and the 2021–22 Estimated Actual reflects a national trend of lower satisfaction with apprenticeship training reported at 74.2 per cent nationally.
10. The variance between the 2021–22 Target/Estimate, the 2021–22 Estimated Actual and the 2022–23 Target/Estimate is due to COVID-19 related expenditure. The training budget was revised higher than the growth in successfully completed competencies.
11. The data figures recorded for TAFE Queensland are Estimated Actuals as some data figures are yet to be finalised and may not be available until later in the year.

Appendix 4 – Statutory bodies

TAFE Queensland

TAE Queensland was established by the *TAFE Queensland Act 2013* as a statutory body under the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982* on 1 July 2014. This legislation prescribes TAFE Queensland's objectives and functions – TAFE's primary role is to provide VET services in a way that is efficient, effective, and responsive to the needs of industry, students, and the general community.

TAFE Queensland is the state's largest and most experienced further education and training provider, delivering practical, industry-relevant courses. This year we provided training for over 125,000 students (including 6,253 international students from over 130 countries), across more than 400 programs that range from foundation skills to degree level, along with a series of micro-credentials, skill sets and short courses.

Further information regarding TAFE Queensland and its performance is available in the TAFE Queensland's Annual Report 2021–22, on its website: <https://tafeqld.edu.au>

Jobs Queensland

Jobs Queensland is a statutory entity, established under the *Jobs Queensland Act 2015*. It is proud to be a trusted, independent advisor to the Queensland Government, providing independent expert advice to the Minister for Employment and Small Business and Minister for Training and Skills Development on future skills needs, workforce planning and development, and the apprenticeship and traineeship system.

Jobs Queensland's data and analytic expertise also helps deliver actionable relevant advice to industry, regions, and organisations across Queensland to identify future skills needs and opportunities to improve workforce planning and development.

In 2021–22, its flagship project – the Anticipating Future Skills series – released new employment projections for 2020–21 to 2024–25. This data provided the central evidence base for the Queensland Workforce Summit and the Queensland Workforce Strategy.

Jobs Queensland released several resources and reports to support and inform policy makers, regions, and industry to address current and future workforce challenges and help them plan for the future of work in Queensland. These included workforce planning tools for micro, small and medium-sized enterprises; a tailored suite of resources specifically for Agribusinesses, and the release of a second statewide NDIS report about the growth of the sector and its workforce.

Jobs Queensland's expertise has also informed other pieces of work delivered across government, including the Hydrogen Industry Workforce Foundational Scan which supported the development of the Hydrogen Industry Workforce Development Roadmap 2022–2032, and Apprenticeship, women and workplace culture: A literature review that informed the Queensland Training Ombudsman's systemic review of support provided to Queensland apprentices and trainees, with a focus on female apprentices in male dominated occupations.

Further information on Jobs Queensland and its performance is available in the Jobs Queensland's Annual Report 2021–22, on its website: <https://jobsqueensland.qld.gov.au>

Queensland Training Ombudsman

The Queensland Training Ombudsman is a statutory position that reports directly to the Minister for Employment and Small Business and Minister for Training and Skills Development.

The main objective of the Office of the Queensland Training Ombudsman (the Office) is to enhance the quality and integrity of vocational education and training (VET) in Queensland by providing a free, confidential, and independent service to review and resolve enquiries and complaints from stakeholders in the VET system, including apprentices, trainees, students, employers, training providers and other parties.

The Queensland Government established the Queensland Training Ombudsman and supporting Office as part of its commitment to reinvigorate the state's VET sector. The Office commenced operation on 14 September 2015.

The Queensland Training Ombudsman provides a dedicated single point of contact to support consumers with advocacy, comprehensive advice, referral services and solutions. All complaints and investigations are conducted free of charge and in accordance with the principles of procedural fairness. Importantly, the Queensland Training Ombudsman also identifies systemic issues and recommends changes to the Minister to positively impact the provision of quality VET in Queensland.

The Queensland Training Ombudsman is also required to carry out promotional and educational activities related to Queensland VET as well as undertake reviews and research commissioned by the Minister.

The Office complies with the Queensland Government's Information Privacy Principles and *Human Rights Act 2019*.

Further information regarding the Queensland Training Ombudsman, and its performance is available in, Queensland Training Ombudsman's Annual Report 2021–22 on its website: <https://trainingombudsman.qld.gov.au>

Queensland Small Business Commissioner

The Queensland Small Businesses Commissioner (QSBC) has continued to advocate for small business issues and assist small businesses under the *COVID-19 Emergency Response Act 2020* and Retail Shop Leases and Other Commercial Leases (COVID-19 Emergency Response) Regulation 2020.

On 3 May 2022, the QSBC transitioned to a permanent service under the *Small Business Commissioner Act 2022* with expanded functions to enhance the operating environment for small businesses in Queensland; and to reduce the time and costs associated with resolving disputes involving small businesses.

Since permanent commencement, the QSBC has continued to deliver a vital service for small business - providing a central point of contact in government to access information, support, and advice; and to seek assistance for small business disputes, including through informal resolution and mediation of retail tenancy disputes, small business lease disputes, small business franchise disputes, and COVID-19 affected lease disputes.

Further information regarding Queensland Small Business Commissioner and its performance is available in the Queensland Small Business Commissioner's Annual Report 2021–22, on the website: www.business.qld.gov.au/running-business/support-assistance/qsbc/about

Appendix 5 – Government Boards and Committees

This appendix forms the 2021–22 report for the Department of Employment, Small Business and Training’s (DESBT) boards and committees with reporting arrangements to the department.

Jobs Queensland	
Act or instrument	<i>Jobs Queensland Act 2015</i>
Functions	<p>Jobs Queensland was established as a statutory entity in January 2016 to provide independent advice to assist government on future skills needs, workforce planning and development, and apprenticeships and traineeships.</p> <p>Jobs Queensland brings together industry, employers and unions, regions, and communities to gather information to inform its advice to government. It works proactively across all levels of government to shape advice and priorities that will facilitate a cohesive and capable workforce for now and the future.</p>
Achievements	<p>Jobs Queensland has provided extensive advice to the Queensland Government on future skills needs, workforce planning and development, and apprenticeships and traineeships.</p> <p>During 2021–22, Jobs Queensland continued to undertake significant skills and workforce research, as well as workforce planning projects focused on a number of the state’s key employing industry sectors. Reports and resources that Jobs Queensland released on its website in 2021–22 included:</p> <ul style="list-style-type: none"> • Strengthening Queensland’s NDIS workforce • Lifelong learning: The foundation of future work • Queensland Security Industry Workforce Development Plan 2020–2025 • Workforce Planning Connect Toolkit for the Disability Sector, in partnership with WorkAbility • Workforce Planning Connect Workbook for the Disability Sector, in partnership with WorkAbility • Launch of the Anticipating Future Skills Series – Employment projects 2020–21 to 2024–25, which provided the evidence-base for the Queensland Workforce Summit held in March 2022 • Workforce Planning Connect Guide: An introduction to workforce planning for SMEs • Workforce Planning Connect Toolkit: A workforce planning toolkit for small and medium-sized enterprises • Workforce Planning Connect Workbook: A practical guide for micro business and small enterprises • Strengthening Queensland’s NDIS Workforce 2021, in partnership with WorkAbility • Workforce Planning Connect Toolkit: A workforce planning toolkit for small and medium-sized enterprises in the Agriculture Industry, in partnership with Queensland Farmers Federation • Workforce Planning Connect Workbook: A practical guide for micro business and small enterprises in the Agriculture Industry, in partnership with Queensland Farmers Federation • Apprenticeships, women, and workplace culture: A literature review, which informed the Queensland Training Ombudsman’s systemic review. <p>The findings and recommendations have provided the Queensland Government with vital direction on its employment, training and workforce programs and investment.</p> <p>Jobs Queensland also developed a Hydrogen Industry Workforce Foundational Scan to provide an evidence base of the work of the Ministerial Hydrogen Sub-Committee and support the development of the Hydrogen Industry Workforce Development Roadmap.</p>

Financial reporting	Jobs Queensland's costs are contained within the DESBT's financial statements.				
Remuneration					
Position	Name	Meetings/sessions attendance	Approved annual, sessional, or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	<i>Donna Bonney</i>	<i>8 out of 8</i>	\$10,000	N/A	\$10,000
Member	<i>Peter Henneken</i>	<i>8 out of 8</i>	\$7,500	N/A	\$7,500
Member	<i>Tamilyn Brennan</i>	<i>8 out of 8</i>	\$7,500	N/A	\$7,500
Member	<i>Heidi Cooper</i>	<i>7 out of 8</i>	\$7,500	N/A	\$7,500
Member	<i>Brett Schimming</i>	<i>7 out of 8</i>	<i>Elected not to receive fees</i>	N/A	N/A
Member	<i>Rohan Webb</i>	<i>5 out of 8</i>	<i>Elected not to receive fees</i>	N/A	N/A
Member	<i>Jennifer Thomas</i>	<i>5 out of 8</i>	\$7,500	N/A	\$7,500
Member	<i>Daniel Gschwind</i>	<i>7 out of 8</i>	\$7,500	N/A	\$7,500
Member	<i>Cathy Janetzki</i>	<i>1 out of 8</i>	\$7,500	N/A	\$3,750
Member	<i>Kristine Skippington</i>	<i>3 out of 3 (resigned on 16 August 2021)</i>	\$956.25	N/A	\$956.25
No. scheduled meetings/sessions	Eight meetings were held during 2021–22.				
Total out of pocket expenses	Nil				

Queensland Small Business Advisory Council					
Act or instrument	Not applicable				
Functions	The Queensland Small Business Advisory Council (QSBAC) provides advice and solutions to the Minister on issues related to small business growth, sustainability, and employment. Ongoing engagement with small business underpinned delivery of the <i>Big Plans for Small Business Strategy 2021–23</i> . Through this work, the QSBAC not only identified the issues relevant to small business across Queensland but also actively worked to progress solutions and opportunities that impacted the small business operating environment.				
Achievements	<p>Key achievements of the QSBAC in 2021–22 included:</p> <ul style="list-style-type: none"> QSBAC was reinvigorated both in terms of council membership and structure during 2021–22. The new Council has 10 small business representatives, the Queensland Small Business Commissioner as ex-officio member and a representative from Chamber of Commerce and Industry Queensland (CCIQ) as ex-officio member. Council membership reflects the breadth and depth of small business in Queensland, with members coming from a wide range of industries and locations. Membership also represents a balance of voices from women in business, Aboriginal and Torres Strait Islander business, Culturally and Linguistically Diverse business, and social enterprise. The reinvigorated QSBAC was announced on 5 May 2022 and held its first meeting on that day too, during Queensland Small Business Month. 				
Financial reporting	QSBAC costs are contained within DESBT's financial statements.				
Remuneration - No remuneration was paid to members for their time					
Position	Name	Meetings/sessions attendance	Approved annual, sessional, or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Di Famer MP	1 out of 1	N/A	N/A	\$0
Ex – Officio	Queensland Small Business Commissioner	1 out of 1	N/A	N/A	\$0
Ex – Officio	CCIQ nominee	1 out of 1	N/A	N/A	\$0
Member	Gerard Byrne	1 out of 1	N/A	N/A	\$0
Member	Tiffany English	1 out of 1	N/A	N/A	\$0
Member	Sarah Graham-Hooper	0 out of 1	N/A	N/A	\$0
Member	Laurie Johansen	1 out of 1	N/A	N/A	\$0
Member	Dipak Paudyal	1 out of 1	N/A	N/A	\$0
Member	Jennifer Qin	1 out of 1	N/A	N/A	\$0
Member	Murray Saylor	1 out of 1	N/A	N/A	\$0
Member	Tony Sharp	1 out of 1	N/A	N/A	\$0
Member	Alison Shaw	1 out of 1	N/A	N/A	\$0
Member	Petina Tieman	1 out of 1	N/A	N/A	\$0
No. scheduled meetings/sessions	During 2021–22, 1 QSBAC meeting was held.				
Total out of pocket expenses	\$1,581.79 (excluding GST) for reimbursement of members' travel (i.e., airfares, accommodation, mileage, and parking) costs.				

The Building and Construction Industry Training Fund (BCITF) (Qld) Ltd Board					
Act or instrument	<i>Building and Construction Industry (Portable Long Service Leave) Act 1991</i>				
Functions	Established on 1 January 1999 to assist in the acquisition and enhancement of the knowledge, skills, training, and education of workers in the building and construction industry. Trading as Construction Skills Queensland (CSQ).				
Achievements	A statement of CSQ operations and related budget is outlined in its Annual Training Plan, along with Output Reports, which are published on the CSQ website www.csq.org.au				
Financial reporting	BCITF financial statements are published on the CSQ website at www.csq.org.au/about-us/corporate-publications/				
Remuneration*					
Position	Name	Meetings/sessions attendance	Approved annual, sessional, or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Michael Kinnane	Board – 6 Committee: • Remuneration – 2 • Finance, Risk & Audit – 5 • Governance – 3	\$18,000 pa	\$1,500 pa	\$21,450
Director	Penny Cornah	Board – 6 Committee: Governance – 4	\$3,000 pa	\$1,000 pa	\$4,000
Director	Marina Chambers	Board – 6 Committee: Finance, Risk & Audit – 6	\$3,000 pa	\$1,000 pa	\$4,000
Director	Emma Eaves	Board – 5 Committee: Governance – 3	\$3,000 pa	\$1,000 pa	\$4,000
Director	Sue-Ann Fresneda	Board – 5 Committee: Governance – 4	\$2,750 pa	\$458 pa	\$3,208
Director	Steven Koch	Board – 6 Committee: Finance, Risk & Audit – 6	N/A	N/A	N/A
Director	Damian Long	Board – 6 Committee: • Finance, Risk & Audit – 6 • Remuneration – 2	\$3,000 pa	\$1,500 pa	\$4,500
Director	Rohan Webb	Board – 3 Committees: • Governance – 2 • Remuneration – 2	\$3,000 pa	\$1,500 pa	\$4,500
No. scheduled meetings/sessions	The following meetings were scheduled during 2021–22: • Board – 6 • Committees: o Finance, Risk & Audit – 6 o Governance – 4 o Remuneration – 2.				
Total out of pocket expenses	\$168 for reimbursement of travel costs.				

* Note the actual fees paid presented in the table above may vary to the BCITF (Qld) reported financial figures due to the latter being reported as rounded up to the nearest thousand dollars.

Financial Statements

Department of Employment, Small Business and Training Financial Statements
For the Year Ended 30 June 2022

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Department of Employment, Small Business and Training
Statement of Comprehensive Income
for the year ended 30 June 2022

OPERATING RESULT	Notes	2022 Actual \$'000	2022 Original Budget \$'000	Budget Variance * \$'000	2021 Actual \$'000
Income from continuing operations					
Appropriation revenue	2	1 459 156	1 245 822	213 334	1 271 505
User charges and fees	3	2 651	1 705	946	3 248
Grants and contributions		3 150	3 700	(550)	4 053
Other revenue	4	50 146	17 131	33 015	30 811
Revaluation increment	11	34 948	-	34 948	-
Total income from continuing operations		1 550 051	1 268 358	281 693	1 309 617
Expenses from continuing operations					
Employee expenses	5	70 488	70 508	(20)	66 142
Supplies and services	7	96 940	113 925	(16 985)	75 582
Grants and subsidies	8	1 259 759	1 010 591	249 168	1 083 123
Depreciation and amortisation		57 782	49 108	8 674	54 035
Impairment losses	10	5 809	-	5 809	4 086
Finance/borrowing costs		21 726	21 726	-	22 130
Revaluation decrement	11	-	-	-	5 357
Other expenses	9	6 314	2 500	3 814	4 519
Total expenses from continuing operations		1 518 818	1 268 358	250 460	1 314 974
Operating result from continuing operations		31 233	-	31 233	(5 357)
OTHER COMPREHENSIVE INCOME					
<u>Items that will not be reclassified to operating result:</u>					
Increase/(decrease) in asset revaluation surplus	11	162 520	-	162 520	16 691
Total items that will not be reclassified to operating result		162 520	-	162 520	16 691
TOTAL OTHER COMPREHENSIVE INCOME		162 520	-	162 520	16 691
TOTAL COMPREHENSIVE INCOME		193 753	-	193 753	11 334

*An explanation of major variances is included at Note 20.

The accompanying notes form part of these financial statements.

Department of Employment, Small Business and Training – Statement of Comprehensive Income by Major Departmental Service
for the year ended 30 June 2022

	Training and Skills		Small Business		Employment		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from continuing operations								
Appropriation revenue	1 067 225	1 013 496	349 683	212 561	42 248	45 448	1 459 156	1 271 505
User charges and fees	2 650	3 248	1	-	-	-	2 651	3 248
Grants and contributions	263	130	2 800	3 916	87	7	3 150	4 053
Other revenue	22 703	30 536	27 443	224	-	51	50 146	30 811
Revaluation increment	34 948	-	-	-	-	-	34 948	-
Total income from continuing operations	1 127 789	1 047 410	379 927	216 701	42 335	45 506	1 550 051	1 309 617
Expenses from continuing operations								
Employee expenses	55 828	51 063	9 517	10 129	5 143	4 950	70 488	66 142
Supplies and services	75 892	55 642	15 548	15 118	5 500	4 822	96 940	75 582
Grants and subsidies	873 381	856 317	354 844	191 084	31 534	35 722	1 259 759	1 083 123
Depreciation and amortisation	57 779	54 030	2	4	1	1	57 782	54 035
Impairment losses	5 652	3 889	9	197	148	-	5 809	4 086
Finance/borrowing costs	21 726	22 130	-	-	-	-	21 726	22 130
Revaluation decrement	-	5 357	-	-	-	-	-	5 357
Other expenses	6 298	4 339	7	169	9	11	6 314	4 519
Total expenses from continuing operations	1 096 556	1 052 767	379 927	216 701	42 335	45 506	1 518 818	1 314 974
Operating result from continuing operations	31 233	(5 357)	-	-	-	-	31 233	(5 357)
Operating result for the year	31 233	(5 357)	-	-	-	-	31 233	(5 357)
Other comprehensive income								
<u>Items that will not be reclassified to operating result:</u>								
Increase/(decrease) in asset revaluation surplus	162 520	16 691	-	-	-	-	162 520	16 691
Total other comprehensive income	162 520	16 691	-	-	-	-	162 520	16 691
Total comprehensive income	193 753	11 334	-	-	-	-	193 753	11 334

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

Department of Employment, Small Business and Training
Statement of Financial Position
as at 30 June 2022

		2022	2022	Budget	2021
	Notes	Actual	Original Budget	Variance*	Actual
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash		264 377	155 654	108 723	303 951
Receivables	10	10 159	10 320	(161)	15 259
Prepayments		1 518	652	866	1 561
Total current assets		276 054	166 626	352 623	301 755
Non-current assets					
Property, plant and equipment	11	1 694 366	1 552 092	142 274	1 528 859
Intangible assets		468	(246)	714	636
Total non-current assets		1 694 834	1 551 846	142 988	1 529 495
Total assets		1 970 888	1 718 472	252 416	1 850 266
Current liabilities					
Payables	12	182 178	95 914	86 264	212 646
Interest-bearing liabilities	13	4 465	4 465	-	4 017
Accrued employee benefits		2 106	1 917	189	1 917
Provisions	14	70 198	76 092	(5 894)	79 808
Unearned revenue		1 223	89	1 134	424
Total current liabilities		260 170	178 477	81 693	298 812
Non-current liabilities					
Interest-bearing liabilities	13	197 519	197 518	1	201 984
Total non-current liabilities		197 519	197 518	1	201 984
Total liabilities		457 689	375 995	81 694	500 796
Net assets		1 513 199	1 342 477	170 722	1 349 470
Equity					
Contributed equity		1 204 016			1 234 040
Accumulated surplus		(75 054)			(106 287)
Asset revaluation surplus	11	384 237			221 717
Total equity		1 513 199			1 349 470

*An explanation of major variances is included at Note 20.

The accompanying notes form part of these financial statements.

Department of Employment, Small Business and Training – Statement of Assets and Liabilities by Major Departmental Service
as at 30 June 2022

	Training and Skills		Small Business		Employment		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets								
Cash	260 515	282 788	1 169	17 206	2 693	3 957	264 377	303 951
Receivables	7 568	12 788	2 297	1 256	294	1 215	10 159	15 259
Prepayments	1 453	1 363	39	136	26	62	1 518	1 561
Total current assets	269 536	296 939	3 505	18 598	3 013	5 234	276 054	320 771
Non current assets								
Property, plant and equipment	1 694 366	1 528 843	-	13	-	3	1 694 366	1 528 859
Intangible assets	468	636	-	-	-	-	468	636
Total non-current assets	1 694 834	1 529 479	-	13	-	3	1 694 834	1 529 495
Total assets	1 968 232	1 826 418	3 505	18 611	3 013	5 237	1 970 888	1 850 266
Current liabilities								
Payables	177 037	189 534	2 284	18 086	2 857	5 026	182 178	212 646
Interest-bearing liabilities	4 465	4 017	-	-	-	-	4 465	4 017
Accrued employee benefits	1 701	1 505	253	290	152	122	2 106	1 917
Provisions	70 198	79 808	-	-	-	-	70 198	79 808
Unearned revenue	251	100	968	235	4	89	1 223	424
Total current liabilities	253 652	274 964	2 336	18 611	3 013	5 237	260 170	298 812
Non current liabilities								
Interest-bearing liabilities	197 519	201 984	-	-	-	-	197 519	201 984
Total non current liabilities	197 519	201 984	-	-	-	-	197 519	201 984
Total liabilities	451 171	476 948	3 505	18 611	3 013	5 237	457 689	500 796

* Cash has been attributed across Major Departmental Services and amended for prior financial year. Cash has been allocated to Small Business and Employment to align with Total Liabilities and with the balance of Cash attributed to the Training and Skill service.

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

Department of Employment, Small Business and Training
Statement of Changes in Equity
for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Contributed equity			
Opening balance		1 234 040	1 240 749
Transactions with owners as owners			
Appropriated equity injections	2	24 242	47 326
Appropriated equity withdrawals	2	(54 266)	(54 035)
Closing Balance		1 204 016	1 234 040
Accumulated surplus/ (deficit)			
Opening balance		(106 287)	(100 929)
Operating result from continuing operations		31 233	(5 357)
Closing Balance		(75 054)	(106 287)
Asset revaluation surplus			
Opening balance		221 717	205 026
Increase in asset revaluation surplus			
Buildings	11	162 520	16 691
Closing balance		384 237	221 717
Total Equity		1 513 199	1 349 470

The accompanying notes form part of these financial statements.

Accounting policy

Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities* specifies the principles for recognising contributed equity by the department. Appropriations for equity adjustments is recognised as contributed equity by the department during the reporting and comparative year.

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

Department of Employment, Small Business and Training
Statement of Cash Flows
for the year ended 30 June 2022

	2022 Actual \$'000	2022 Original Budget \$'000	Budget Variance* \$'000	2021 Actual \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Inflows:</i>				
Service appropriation receipts	1 418 410	1 245 822	172 588	1 295 952
User charges, fees and other revenue	4 862	1 705	3 157	30 125
Grants and contributions	2 797	3 700	(903)	3 786
GST input tax credits from ATO	26 722	-	26 722	31 000
GST collected from customers	4 729	-	4 729	4 536
Other	50 134	17 131	33 003	-
<i>Outflows:</i>				
Employee expenses	(70 248)	(70 508)	260	(67 195)
Supplies and services	(88 466)	(113 925)	25 459	(85 260)
Grants and subsidies	(1 265 015)	(1 010 591)	(254 424)	(1 062 977)
Finance/borrowing costs	(21 726)	(21 726)	-	(22 130)
GST paid to suppliers	(27 663)	-	(27 663)	(30 171)
GST remitted to ATO	(5 360)	-	(5 360)	(5 001)
Other	(1 713)	(2 500)	787	(1 772)
Net cash provided by operating activities	27 463	49 108	(21 645)	90 893
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Inflows:</i>				
Sales of property, plant and equipment	990	-	990	6
<i>Outflows:</i>				
Payments for property, plant and equipment	(33 986)	(53 808)	19 822	(73 032)
Net cash used in investing activities	(32 996)	(53 808)	20 812	(73 026)
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Inflows:</i>				
Equity injections	24 242	47 825	(23 583)	47 326
<i>Outflows:</i>				
Equity withdrawals	(54 266)	(49 108)	(5 158)	(48 412)
Repayments of borrowings/finance liability payments	(4 017)	(4 017)	-	(3 613)
Net cash (used in)/provided by financing activities	(34 041)	(5 300)	(28 741)	(4 699)
Net Increase/(decrease) in cash	(39 574)	(10 000)	(29 576)	13 168
Cash - opening balance	303 951	165 654	138 297	290 783
Cash - closing balance	264 377	155 654	108 722	303 951

*An explanation of major variances is included at Note 20.

The accompanying notes form part of these financial statements.

Accounting policy and disclosure – Cash

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

On 11 May 2018, an overdraft facility was approved by Queensland Treasury for the department's main bank account. This facility is limited to \$40 million and remains in effect permanently. This facility remained fully undrawn at 30 June 2022 and is available for use in the next reporting period. The current overdraft interest rate is 4.85 percent (2021: 3.6%).

Department of Employment, Small Business and Training
Statement of Cash Flows
for the year ended 30 June 2022

NOTES TO THE STATEMENT OF CASH FLOW

Reconciliation of operating result to net cash provided by operating activities

	2022	2021
	\$'000	\$'000
Operating surplus/(deficit)	31 233	(5 357)
Non-cash items included in operating result:		
Depreciation and amortisation expense	57 781	54 035
Revaluation (increment)/ decrement	(34 948)	5 357
Net Losses on disposal of property, plant and equipment	4 599	2 748
Impairment losses	5 809	4 086
<i>Change in assets/liabilities:</i>		
(Decrease)/increase in deferred appropriation payable to Consolidation Fund	(40 746)	24 447
(Increase)/decrease in GST input tax credits receivable	(1 572)	364
(Increase)/decrease in net operating receivables	863	(5 301)
(Increase)/decrease in other current assets	41	(910)
Increase/(decrease) in other current liabilities	(8 812)	4 050
Increase/(decrease) in payables	13 026	7 373
Increase/(decrease) in accrued employee benefits	189	1
Net cash provided by operating activities	27 463	90 893

Change in Liabilities Arising from Financing Activities

Finance liability		
Opening balance	206 000	209 613
<i>Cash Flows:</i>		
Cash Repayment	(4 017)	(3 613)
Closing balance	201 983	206 000

Department of Employment, Small Business and Training
Management Certificate
for the year ended 30 June 2022

1 BASIS OF FINANCIAL STATEMENT PREPARATION

THE REPORTING ENTITY

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

The head office and principal place of business of the department is 1 William Street, Brisbane QLD 4000.

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

The department's purpose is to support Queensland's future workforce by connecting Queenslanders to learning opportunities through quality training and employment opportunities, and by helping small businesses to start, grow and thrive.

Contribution to the Government's objectives for the community

- supporting jobs;
- making it for Queensland;
- growing our regions;
- backing small businesses;
- investing in skills;
- building Queensland; and
- backing our frontline services.

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

The financial statements include the value of all income, expenses, assets, liabilities, and equity of the department. The department has elected not to consolidate its investment in the controlled entity, Building Construction Industry Training Fund (Qld) Ltd as the transactions and balances are immaterial to the department. Refer to Note 18.

DEPARTMENTAL SERVICES AND PRINCIPAL ACTIVITIES

Employment

Preparing Queensland's workforce for the demands of current and future industries by increasing employment opportunities for Queenslanders in particular disadvantaged cohorts and unemployed jobseekers.

Small Business

Helping small businesses to start, grow and employ by ensuring small businesses can seamlessly interact with government and are supported.

Training and Skills

Connecting people to quality training and skills by regulating Queensland apprenticeships and traineeships and facilitating access and participation in vocational education and training pathways, enabling Queenslanders to gain employment in current and future industries.

COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The department has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. These financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2021.

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

NEW AND REVISED ACCOUNTING STANDARDS

Accounting standards applied for the first time or early adopted

No new accounting standards or interpretations that apply to the department for the first time in 2021-22 have any material impact on the financial statements.

No Australian Accounting Standards have been early adopted for 2021-22.

AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

Department of Employment, Small Business and Training
Management Certificate
for the year ended 30 June 2022

1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

PRESENTATION

Currency and rounding

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

Comparatives

Comparative information reflects the audited 2020-21 financial statements.

Current/ non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the statement of financial position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for Land and buildings assets which are measured at fair value; and Provisions expected to be settled 12 or more months after reporting date which are measured at their present value.

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

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

RELATED PARTY TRANSACTIONS

Transactions with people/entities related to Key Management Personnel

The department had no related party transactions during 2021-2022 with people and entities related to Key Management Personnel. Refer to Note 6 for policy and remuneration information of Key Management Personnel.

Transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from Government for its services are appropriation revenue and equity injections (Note 2), both of which are provided in cash via Queensland Treasury. The department has an overdraft facility approved by Queensland Treasury and the key terms and conditions of the facility are outlined in the Accounting policy and disclosure under the Statement of Cashflow.

Grants provided by the department to other State government entities was approximately 36 percent (2020-21: 33%), with the majority paid to TAFE Queensland being for the state contribution grant and delivery of VET programs.

TAXATION

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

CLIMATE RISK DISCLOSURE

The department has not identified any material climate related risks relevant to the financial report at the reporting date, however continues to monitor the emergence of such risks under the Queensland Government's Climate Transition Strategy, and Climate Action Plan 2030.

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

EVENTS AFTER THE BALANCE DATE

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

Department of Employment, Small Business and Training
Management Certificate
for the year ended 30 June 2022

2 APPROPRIATION

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

	2022	2021
	\$'000	\$'000
Original budgeted appropriation	1 245 822	1 360 279
Supplementary amounts:		
Transfers from/(to) other headings (variation in headings)	34 364	(720)
Unforeseen expenditure	138 224	-
Lapsed appropriation	-	(63 607)
Total appropriation received (cash)	1 418 410	1 295 952
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	103 037	78 590
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(62 291)	(103 037)
Net Appropriation revenue	1 459 156	1 271 505
Appropriation revenue recognised in statement of comprehensive income	1 459 156	1 271 505
Variance between original budgeted and actual appropriation revenue	213 334	(88 774)

Reconciliation of payments from consolidated fund to equity adjustment

Original budgeted equity adjustment appropriation	(1 283)	(2 504)
Supplementary amounts:		
Transfers from/(to) other headings - (variation in headings)	(34 364)	720
Equity adjustment receipts (payments)	(35 647)	(1 784)
Plus: Opening balance of equity adjustment payable	5 623	698
Less: Closing balance of equity adjustments payable	-	(5 623)
Equity adjustment recognised in contributed equity	(30 024)	(6 709)
Variance between original budget and actual equity adjustment appropriation	28 741	4 205

Accounting policy

Appropriations provided under the *Appropriation (Parliament) Act 2021* are recognised as revenue when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity.

3 USER CHARGES AND FEES

Revenue from contracts with customers		
General fees	17	17
Other user charges and fees		
Hire of facilities	458	1 986
Property income	2 176	1 245
Total	2 651	3 248

Accounting policy - Hire of facilities/ property income

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

Disclosure - Hire of facilities/ property income

The department provides TAFE Queensland access to training facilities. The income value of this right of use access has not been accounted for during 2021-22 as a reliable measurement of rent payable is unable to be determined. This is because the ongoing arrangement includes a number of sites, varying utilisation at each site, varying condition of the buildings and facilities, and the costs borne by TAFE Queensland in the management of the facilities.

Department of Employment, Small Business and Training
Management Certificate
for the year ended 30 June 2022

4 OTHER REVENUE

	2022 \$'000	2021 \$'000
Contributions to finance liability	17 292	17 038
Recoveries from grants programs	32 854	13 773
Total	50 146	30 811

Accounting policy - Other revenue

Recoveries from grants programs have been reviewed during the financial year 2021-22 and are recognised at the time that appropriate evidence is available to request the return of funds. At this time an invoice is raised to recover all or part of the grant from the recipient.

Disclosure - Contributions to finance liability

The department, due to contractual agreements for the right of use access to the Private Provision of Public Infrastructure (PPPI) asset at Southbank Education and Training Precinct (SETP), receives from TAFE Queensland contributions on a monthly basis. These contributions are towards the outflows associated with the precinct. Information regarding the amount of the contribution and conditions for variations are contained in schedules which form part of the agreement, refer to Note 19.

5 EMPLOYEE EXPENSES

Employee benefits		
Wages and salaries	54 412	51 268
Annual leave/ levy expenses	6 421	6 063
Long service leave levy	1 439	1 224
Employer superannuation contributions	7 365	7 047
Termination benefits*	114	15
Employee related expenses		
Fringe benefits tax	134	67
Workers' compensation premium	188	177
Staff rental accommodation	22	18
Other employee related expenses**	393	263
Total	70 488	66 142

*Termination benefits relate to post-employment expenses, no redundancy payments were made during financial year 2021-22 or 2020-21.

**Staff training and Staff transfer costs reported in financial year 2020-21 are collectively reported under Other employee related expenses.

	2022 No.	2021 No.
Number of full-time equivalent employees ***	570	537

*** Full-Time equivalent employee data as at 30 June 2022 (based upon the fortnight ending 1 July 2022).

Accounting policy – Wages and salaries

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

Accounting policy – Sick leave

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

Department of Employment, Small Business and Training
Management Certificate
for the year ended 30 June 2022

5 EMPLOYEE EXPENSES (continued)

Accounting policy – Annual leave and long service leave

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

Accounting policy – Superannuation

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

Defined Contribution Plans – Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

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

Accounting policy – Workers' compensation premiums

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

6 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES

Details of Key Management Personnel (KMP)

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

The following details for non-Ministerial KMP personnel includes those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2021-22 and 2020-21. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management. Further information on these positions can be found in the Annual Report under the section titled Our Department.

Remuneration expenses

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 are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

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

Remuneration expenses for those key management personnel comprise the following components:

Short term employee expenses which include:

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

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

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

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

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

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6 KEY MANAGEMENT PERSONNEL AND REMUNERATION EXPENSES (continued)

Remuneration expenses (continued)

1 July 2021 – 30 June 2022

Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Director-General	343	3	8	42	-	396
Deputy Director-General, Engagement ¹ to 05/10/2021	57	2	1	6	-	66
Deputy Director-General, Engagement ² from 27/09/2021	206	2	5	19	-	232
Deputy Director-General, Investment ³	228	3	6	24	-	261
Deputy Director-General, Policy and Performance ⁴ from 08/11/2021	133	2	4	17	-	156
Deputy Director-General, Strategy	233	3	6	25	-	267
Head of Corporate Services ⁵ to 05/11/2021	69	1	2	7	-	79

(1) Deputy Director-General Engagement was seconded to Queensland Treasury from 5 October 2021 and was officially appointed to Queensland Treasury on 26 May 2022.

(2) Deputy Director-General Engagement acting in position from 27 September 2021.

(3) Deputy Director-General Investment acted in the position of Director-General for periods less than 4 weeks during the financial year.

(4) Deputy Director-General Policy and Performance position was newly created during financial year 2021-22, commenced 8 November 2021.

(5) Head of Corporate no longer regarded as KMP from commencement of Deputy Director-General Policy and Performance.

1 July 2020 – 30 June 2021

Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Director-General ¹ from 23/11/2020	246	2	5	25	-	278
Director-General to 22/11/2020	134	2	3	16	-	155
Deputy Director-General, Engagement ³	232	4	5	27	-	268
Deputy Director-General, Investment ³	227	4	5	24	-	260
Deputy Director-General, Strategy ² from 26/11/2020	195	2	3	16	-	216
Deputy Director-General, Strategy to 02/10/2020	83	1	2	7	-	93
Head of Corporate Services ^{4,5}	204	4	4	20	-	232

(1) Director-General appointed to role after State Election.

(2) Deputy Director-General, Strategy appointed to role after the State Election.

(3) Deputy Director-General, Engagement and Deputy Director-General, Investment acted in the role of Director-General for periods less than 4 weeks during the financial year.

(4) Acting Head of Corporate Services was officially appointed to the role from 1 June 2021.

(5) Acting Head of Corporate Services was remunerated (Short-term Monetary expenses \$0.037 million) for extended responsibilities, including minor administrative duties of Deputy Director-General, Strategy during 3 October 2020 to 25 November 2020.

Performance Payments

Key Management Personnel do not receive performance or bonus payments.

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7 SUPPLIES AND SERVICES

	2022	2021
	\$'000	\$'000
Building maintenance	34 691	27 682
Consultants and contractors	18 522	18 212
Materials and running costs	15 912	9 915
Computer costs	7 875	6 575
Equipment and building refurbishment	7 352	1 362
Office accommodation	5 630	5 484
Utilities	4 184	3 844
Payments to shared service provider/inter-agency services	1 701	1 485
Travel	547	452
Motor vehicle - QFleet	526	555
Lease expenses	-	16
Total	96 940	75 582

Accounting policy – Distinction between grants and procurement

For a transaction to be classified as supplies and services, the value of goods or services received by the department must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant in Note 8.

Office accommodation and employee housing

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework and residential accommodation properties under the Government Employee Housing (GEH) program arise from non-lease arrangements with the Department of Energy and Public Works, who has substantive substitution rights over the assets used within these schemes. Payments are expensed as incurred and categorised within Office accommodation in Note 7 and Staff rental accommodation in Note 5.

Lease expenses

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

8 GRANTS AND SUBSIDIES

Recurrent

Training and skills programs	855 576	826 869
Small business programs	354 844	191 079
Employment programs	31 533	35 720
Other grants and allowances to organisations	21	37

Capital

State Government		
Training Centre Grants	17 785	29 418
Total	1 259 759	1 083 123

Accounting policy – Grants and subsidies

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

Disclosure – Additional grant programs

Additional grant programs have been implemented by the department directly due to COVID-19. Grant payments under the department's key priority of Small Business programs significantly increased in the 2021-22 financial year by \$168.54 million (2020-21: \$173.46 million).

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9 OTHER EXPENSES

	2022	2021
	\$'000	\$'000
Insurance premium – Queensland Government Insurance Fund	1 457	1 397
Queensland Audit Office-external audit fees for the audit of the financial statements ⁽¹⁾	176	219
Loss on disposal of property plant and equipment	4 599	2 747
Special payments: ⁽²⁾		
Ex-gratia payments	20	-
Other expenses	62	156
Total	6 314	4 519

Audit fees

(1) Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are estimated to be \$0.204 million (2020-21: \$0.199 million).

Special payments

(2) Special payments represent ex gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. Special payments during 2021-22 includes a payment over \$5,000 in connection with the settlement of termination arrangements for an employment related matter.

10 RECEIVABLES

Current		
Trade debtors	7 289	16 436
Less: Loss allowance	(3 595)	(5 705)
	3 694	10 731
GST receivable	3 641	2 068
Long service leave reimbursements	422	329
Annual leave reimbursements	1 315	1 239
Sundry receivables	1 087	892
Total	10 159	15 259

Accounting policy – Receivables

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

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

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

Movement in loss allowance for trade debtors

Loss allowances as at 1 July	5 705	4 358
Increase/(decrease) in allowance recognised in the operating result	5 809	4 086
Amounts written off during the year	(7 919)	(2 739)
Loss allowance as at 30 June	3 595	5 705

During the 2021-22 financial year all trade debtors were reviewed and where it has been determined that the long-term outstanding debt was unlikely to be collected by the department, it has been written off. This resulted in a decrease in the loss allowance.

Loss allowance for the current year relating to the department's receivables is \$3.595 million.

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10 RECEIVABLES (continued)

IMPAIRMENT OF RECEIVABLES

Receivables credit risk – ageing analysis

Past due and Impaired	Overdue					Total
	1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	More than 120 days	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022						
Trade debtors	59	19	84	27	3 636	3 825
2021						
Trade debtors	929	3 318	43	12	9 411	13 713

Accounting policy – Impairment of receivables

The loss allowance for trade and other debtors is recognised using the simplified approach to the lifetime expected credit losses. Under AASB9 *Financial Instruments* the department has assessed each debtor individually to calculate loss rates adjusted for forward-looking information.

The department's other receivables are from Queensland Government agencies or Australian Government agencies. No loss allowance is recorded for these receivables on the basis of low credit risk. Refer to Note 15 for the department's credit risk management policies.

Where the department has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when the debt is over 120 days past due and the department has ceased enforcement activity. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss. The write-off of the debt does not release the customer from the debt and future action may be taken to recover the debt.

The amount of impairment losses recognised for receivables is \$5.809 million (2020-21: \$4.086 million).

Disclosures – Credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. Collateral is held as security for a number of long-term leases of training assets, no other collateral is held as security and there are no other credit enhancements relating to the department's receivables.

The department has reviewed the provision matrix approach for measuring expected credit loss on trade debtors and determined that due to the small number of debtors that is more efficient to assess each debtor individually.

The calculations reflect an expected credit loss based on the outstanding amount, probability of default and percentage of loss given default.

Disclosures - Credit risk management practices

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

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

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

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11 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE

CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	Land	Buildings	Plant and Equipment	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant, and equipment 30 June 2022					
Gross	453 418	2 138 719	302	131 799	2 724 238
Less: Accumulated depreciation	-	(1 029 732)	(140)	-	(1 029 872)
Carrying amount at 30 June 2022	453 418	1 108 987	162	131 799	1 694 366

Represented by movements in carrying amount:

Carrying amount at 1 July 2021	419 460	960 331	193	148 875	1 528 859
Acquisitions (including upgrades)	-	-	11	31 230	31 241
Disposals	(990)	(4 599)	-	-	(5 589)
Transfers between classes	-	48 306	-	(48 306)	-
Revaluation increments in asset revaluation surplus	-	162 520	-	-	162 520
Revaluation increments in operating surplus/(deficit)	34 948	-	-	-	34 948
Depreciation expense	-	(57 571)	(42)	-	(57 613)
Carrying amount at 30 June 2022	453 418	1 108 987	162	131 799	1 694 366

	Land	Buildings	Plant and Equipment	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment 30 June 2021					
Gross	419 460	1 794 534	307	148 875	2 363 176
Less: Accumulated depreciation	-	(834 203)	(114)	-	(834 317)
Carrying amount at 30 June 2021	419 460	960 331	193	148 875	1 528 859

Represented by movements in carrying amount:

Carrying amount at 1 July 2020	425 766	942 409	78	136 947	1 505 200
Acquisitions (including upgrades)	-	-	97	68 857	68 954
Disposals	(949)	(1 804)	-	-	(2 753)
Transfers between classes	-	56 860	61	(56 929)	(8)
Net revaluation increments in asset revaluation surplus	-	16 691	-	-	16 691
Revaluation decrements in operating surplus/(deficit)	(5 357)	-	-	-	(5 357)
Depreciation expense	-	(53 825)	(43)	-	(53 868)
Carrying amount at 30 June 2021	419 460	960 331	193	148 875	1 528 859

Department of Employment, Small Business and Training
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11 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

RECOGNITION AND ACQUISITION

Accounting policy – Recognition

Basis of Capitalisation and Recognition Thresholds

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

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

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

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

Componentisation of complex assets

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

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

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

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

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

Accounting policy – Cost of acquisition

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

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

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised as assets and revenues at their fair value at the date of acquisition.

Accounting policy – Measurement using Historical Costs

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

Accounting policy – Measurement using Fair Value

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

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

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

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11 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

RECOGNITION AND ACQUISITION (continued)

Accounting policy – Measurement using Fair Value (continued)

Use of specific appraisals

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

For the purposes of revaluation, the department for 30 June 2022 comprehensively revalued materially all land and building assets. A new program of revaluations has been implemented and includes the yearly revaluation of significant land and building assets.

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

Use of indices

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

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

Fair Value Measure

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

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

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

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

Fair Value Measurement Hierarchy

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

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

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

Accounting for changes in fair value

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

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

Land

The effective date of the last specific appraisal of the department's land was 30 June 2022, conducted by State Valuation Services and a market-based assessment approach was used.

In accordance with AASB13 *Fair Value Measurement*, the department's land assets are categorised at level 2.

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11 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

Accounting policy – Measurement using Fair Value (continued)

Accounting for changes in fair value (continued)

Land (continued)

Determining the fair value of land involved physical inspection and reference to publicly available data on recent sales of similar land in nearby localities in accordance with Industry standards.

Approximately 78 percent of the department's land was independently valued. In determining the values, adjustments were made to the sales data to consider the location of the department's land, its size, street/road frontage and access, and any significant restrictions. The extent of the adjustments made varies in significance for each parcel of land. Overall, the adjustments averaged an increase of 7 percent to land values.

The remaining land assets have been indexed to ensure that values reflect fair value as at reporting date. State Valuation Service provided indices for each of these sites based on recent market transactions for local land sales. An average indexation 11 percent has been applied to land parcels.

Buildings

The department's buildings were last revalued based on specific appraisal by State Valuation Services as at 30 June 2022. The fair value of building assets was based on All purpose—built facilities are valued at current replacement cost, as there is no active market for these facilities.

In accordance with AASB13 *Fair Value Measurement*, the department's building assets are categorised at Level 3.

State Valuation Services conducted physical inspections and applied construction costs based on recent tenders for typical specialised buildings supported by specialised Quantity Surveyor information.

Approximately 77 percent of the department's buildings were independently valued. The current replacement cost was based on standard training facilities and specialised fit-out constructed by the department, adjusted for more contemporary design/construction approaches. Significant judgement was also used to assess the remaining service potential of these facilities, including the current physical condition of each facility.

The remaining buildings were indexed using the Building Price Index provided by GRC Quantity Surveyors. The change in the Building Price Index (June 2021 to June 2022) was a 6 percent increase. State Valuation Service have certified that the Building Price Index is the most appropriate measure for reflecting price changes in the department's buildings in the years when an independent valuation is not undertaken. Management is of the opinion that the continuing investment in general and specific priority maintenance would prevent any abnormal deterioration in asset values in the period between independent valuations.

DEPRECIATION EXPENSE

Accounting policy

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

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

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

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

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

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

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

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

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

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

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11 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION (continued)

DEPRECIATION EXPENSE (continued)

Depreciation rates

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

Class	Current useful life (years)	Class	Current useful life (years)
Building - Complex		Building - Infrastructure	
Building – Shell	18 – 80	Hard Infrastructure	31 – 81
Building – Fit Out	10 – 43	Soft Infrastructure	15 – 40
Building - Plant	11 – 44	Invisible Infrastructure	25 - 78
Building – Non-Complex	15 - 58	Plant and Equipment	
		Computer equipment	5
		Office equipment	5 - 10

IMPAIRMENT

Accounting policy

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

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

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

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

12 PAYABLES

	2022	2021
	\$'000	\$'000
Current		
Trade creditors	17 078	2 942
Capital creditors	48 553	51 298
Fringe benefit tax and other taxes	31	20
Grants and subsidies payable	54 225	49 726
Deferred appropriation payable to Consolidated Fund	62 291	103 037
Equity payable to Consolidated Fund	-	5 623
Total	182 178	212 646

Accounting policy - Payables

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

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13 INTEREST BEARING LIABILITIES

	2022	2021
	\$'000	\$'000
Current:		
Finance liability - SETP	4 465	4 017
Total	4 465	4 017
Non-Current:		
Finance liability - SETP	197 519	201 984
Total	197 519	201 984

FINANCE LIABILITY

Finance terms and conditions

The finance liability of the department relates to the PPPI Arrangement - SETP for a term of 34 years. The nature of the PPPI Arrangement has been reassessed under AASB 16 *Leases* and it has been concluded this arrangement is not a lease arrangement, but more in the nature of financing to construct and maintain the SETP. There have been no defaults or breaches of the liability agreement during the 2021-22 or 2020-21 financial years. Refer to Note 19 for details of the agreement.

Interest rates

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

The fixed implicit interest rate for the finance liability is 10.64 percent (2020-21: 10.64%).

Security

No security is held over the finance liability, however contractual agreement sets out risk and impacts to the department in event of default. Refer to Note 19 for details.

Accounting policy – Finance liabilities

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

The fair value of finance liability is subsequently measured at amortised cost.

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

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

DISCLOSURE ABOUT SENSITIVITY TO INTEREST RATE MOVEMENTS

Interest rate sensitivity analysis evaluates the outcome on profit or loss if interest rates would change by +/- 1 per cent from the year-end rates applicable to the department's financial assets and liabilities. With all other variables held constant, the department would have a surplus and equity increase/(decrease) of \$2.644 million (2020-21: \$3.040 million).

FAIR VALUE DISCLOSURES FOR FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

Finance liabilities relate to the Southbank Education and Training Precinct (refer to Note 19) and the fair value of the liability is calculated using discounted cash flow analysis and the effective interest rate and is disclosed below:

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Finance liabilities at amortised cost:				
Finance liability	201 984	134 332	206 001	171 842
Total	201 984	134 332	206 001	171 842

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14 PROVISIONS

	2022	2021
	\$'000	\$'000
Current:		
Training Services	70 198	79 808
Total	70 198	79 808

Accounting policy – Provisions

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

Key estimates and judgements – Provisions

The department enters into contractual arrangements with registered training organisations (RTOs) of Skills Assure Supplier status. This status allows access to subsidised funding for the delivery of training and assessment for eligible students under approved Vocational and Education and Training (VET) programs in Queensland. As part of the contractual arrangements, RTOs can claim a 50 percent payment when a student was engaged in some learning activities but was subsequently withdrawn from a competency. The department recognises a training services provision for these RTOs' claims.

The department uses the VET activity data submitted by RTOs and applies historical trends to determine the withdrawal rates and other non-payable outcomes. This withdrawal rate in 2021-22 ranged from 31.96 percent to 35.28 percent across the programs (2020-21: 26.23% to 33.1%). The decrease of \$9.61 million in the current year was mainly due to an increase in the withdrawal rate, in conjunction with a reduction in the number of students being reported as resulted.

15 FINANCIAL RISK DISCLOSURES

FINANCIAL INSTRUMENT CATEGORIES

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

Category	Note		
Financial assets			
Cash		264 377	303 951
Financial assets at amortised cost:			
<i>Receivables</i>	10	10 159	15 259
Total financial assets		274 536	319 210
Financial liabilities			
Financial liabilities measured at amortised cost:			
<i>Payables</i>	12	182 178	212 646
<i>Finance liability</i>	13	201 984	206 001
Total financial liabilities at amortised cost		384 162	418 647

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

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15 FINANCIAL RISK DISCLOSURES (continued)

FINANCIAL RISK MANAGEMENT

Risk Exposure

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

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

Risk Exposure	Definition	Exposure
Credit Risk	Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The maximum exposure to credit risk is in respect of its receivables (Note 10).
Liquidity Risk	Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The department is exposed to liquidity risk in payables (Note 12) and finance liability (Note 13).
Market Risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	The department does not trade in foreign currency and is not materially exposed to commodity price changes. The department is exposed to interest rate risk through its finance liability (Note 13).

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

Liquidity Risk	2022	Contractual Maturity		
	Total \$'000	<1 year \$'000	1 - 5 years \$'000	> 5 years \$'000
Financial Liabilities				
Payables	182 178	182 178	-	-
Finance liability	481 392	28 317	113 269	339 806
Total	663 570	210 495	113 269	339 806
	2021	Contractual Maturity		
	Total \$'000	<1 year \$'000	1 - 5 years \$'000	> 5 years \$'000
Financial Liabilities				
Payables	212 646	212 646	-	-
Finance liability	509 709	28 317	113 269	368 123
Total	722 355	240 963	113 269	368 123

Risk Measurement and Management Strategies

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

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

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16 CONTINGENCIES

Litigation in Progress

At 30 June 2022, there were no cases filed in the courts naming the State of Queensland acting through the Department of Employment, Small Business and Training as defendant.

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

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

Financial Guarantees and Associated Credit Risks

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

Native Title Claims over Departmental Land

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

At 30 June 2022, two native title claims have been received in respect of departmental land covering a total area of approximately 40 hectares in the Sunshine Coast and Wide Bay regions. Together the land has a carrying amount of \$3.03 million. At reporting date, it is not possible to make an estimate of any probable outcome of these claims, or any financial effects.

17 COMMITMENTS

	2022	2021
	\$'000	\$'000
Capital expenditure commitments		
Buildings		
No later than one year	31 002	39 912
Later than one and not later than five years	-	3 950
Total Capital expenditure commitments - Buildings	31 002	43 862
Grant commitments		
No later than one year	74 450	34 840
Later than one and not later than five years	6 373	21 901
Total Grant commitments	80 823	56 741
Other commitments (Public Private Partnership, Priority Purchasing Program and other) *		
No later than one year	61 228	38 863
Later than one and not later than five years	181 335	96 389
Less than five years	427 929	367 198
Total Other commitments	670 492	502 450

*Fixed operating costs for Public Provision of Private Infrastructure for Southbank Education and Training Precinct – Axiom, have been included in the estimates of "Other commitments" (refer also to Note 19).

18 CONTROLLED ENTITY

Building Construction Industry Training Fund (Qld) Limited

The BCITF (Qld) Limited ('the Company') was established on 1 January 1999 to assist in the acquisition and enhancement of the knowledge, skills, training and education of workers in the building and construction industry. The Company is established as a public company, limited by guarantee, and the Minister is the sole shareholder. The Company is 100 percent controlled by the department and is audited by the Auditor-General of Queensland.

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

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

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19 PRIVATE PROVISION OF PUBLIC INFRASTRUCTURE ARRANGEMENT

Private Provision of Public Infrastructure (PPPI) Agreement

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

The land and buildings are owned by the department and are recognised as Property Plant and Equipment (PPE). The Southbank Education and Training Precinct (SETP) buildings are depreciated in accordance with the department's policy for the PPE Buildings' asset class, refer Note 11.

The department recognises the future payments for the construction of the buildings as a financial liability. The monthly service payments are split between the capital component to affect the systematic write down of the liability over the term of the agreement, and the financing component which will be recognised as an expense when incurred. Other components such as facilities management, maintenance, and insurance will be expensed when incurred and are reflected in Note 17 as a commitment.

PPPI Arrangement	Southbank Education and Training Precinct (SETP) – Axiom – Public Private Partnership
Entered Into Contract	April 2005
Partner	Axiom Education Queensland Pty Ltd
Agreement Type	Design, construct, maintain, and finance SETP
Agreement Period	34 years
Financing Arrangement	Finance during the design and construction phases was provided by JEM (Southbank) Pty Ltd. The department will pay abatable and undissected service payments to Axiom for the operation, maintenance, and provision of the precinct. Axiom is granted the right to enter and operate on the site and is required to maintain the facilities to a high standard.
Construction Period	July 2005 to 31 October 2008
Risks during the Concession Period	Axiom has accepted site risks for existing structures. DESBT bears the risks associated with performance specifications and changes to current and future requirements of the specifications including operating and maintenance risks. DESBT is also exposed to risks associated with early termination, market value, sponsor and financial requirements, and rehabilitation of the site.

Accounting policy

The private provisions of public infrastructure arrangement between the department and Axiom Education Queensland Pty Ltd do not fall within scope of AASB 1059 *Service Concession Arrangements: Grantors* as the management of public services delivered remain the responsibility of the department. Disclosures are included in accordance with AASB 116 *Property, Plant and Equipment* and Queensland Treasury's financial reporting requirements under FRR 5D – *Service Concession Arrangements and Other Public-Private Partnerships*.

Private Provision of Public Infrastructure – Cash Flow

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

	2022	2021
	\$'000	\$'000
Inflows		
No later than 1 year	16 809	16 762
Later than 1 year but not later than 5 years	65 611	68 902
Later than 5 years but not later than 10 years	79 922	92 156
Later than 10 years	105 057	159 709
Net cash flow	267 399	337 529
Outflows		
No later than 1 year	(50 177)	(43 058)
Later than 1 year but not later than 5 years	(180 571)	(185 525)
Later than 5 years but not later than 10 years	(207 617)	(238 951)
Later than 10 years	(220 312)	(349 363)
Net cash flow	(658 677)	(816 897)
Total Net Cashflow	(391 278)	(479 368)

Disclosure about Private Provision of Public Infrastructure Arrangement Cash Flows

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

Fixed costs are based on a risk-free rate of 3.77 percent (2020-21: 1.52%).

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20 BUDGETARY REPORTING

This section contains explanations of major variances between the department's actual 2021-22 financial result and the original budget presented to Parliament.

SIGNIFICANT FINANCIAL IMPACTS – COVID-19 PANDEMIC

The following significant transactions were recognised by the department during 2021-22 financial year in the response to the COVID-19 pandemic.

Operating Statement	2022	2021
	\$'000	\$'000
<u>Significant expense transactions arising from COVID-19</u>		
COVID-19 Business Support Grants	340 770	-
National Partnership Job Trainer and Infection control funds	53 343	12 662
Workers Assistance Package Skilling for Recovery including delivery and impact assessment and Hardship payments	3 107	3 867
Queensland Small Business Commissioner	2 320	1 703
Chamber of Commerce and Industry Qld	360	840
Small Business Adaption grants package	227	189 699
Queensland COVID-19 Cleaning Rebate	221	-
Small Business COVID-19 assistance package	75	17
Jobs Finder online portal and Training	15	1 473
Total	400 438	210 261
<u>Additional revenue transactions arising from COVID19</u>		
Additional revenue received to fund COVID-19 initiatives	400438	210 261
Balance Sheet		
<u>Significant liabilities arising from COVID19</u>		
COVID-19 Business Support Grants	477	-
Queensland COVID-19 Cleaning Rebate	279	-
Chamber of Commerce and Industry Queensland	74	360
Small Business COVID-19 assistance package	59	133
Jobs Finder online portal and Training	45	9 595
National Partnership Job Trainer and Infection Control Fund	44	15 379
Queensland Small Business Commissioner	-	147
Small Business Adaption grants package	-	2 310
Workers Assistance package impact assessment	-	20 078
Total	978	48 002

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20 BUDGETARY REPORTING (continued)

EXPLANATION OF MAJOR VARIANCES – STATEMENT OF COMPREHENSIVE INCOME

<i>Appropriation revenue</i>	The increased Appropriation revenue is predominately explained by the Grants and subsidies variance explanation below, partially offset by a decrease in the Supplies and Services noting the variance explanation below.
<i>Other revenue</i>	The increase in Other revenue mainly relates to \$27.4 million of funds returned from Queensland Rural and Industry Development for the Small Business Adaption grants and COVID-19 Business support grants programs as well as higher than anticipated grant expenditure recoveries mainly in the Skilling Queenslanders for Work and Certificate 3 Guarantee programs as a result of compliance audits and final grant acquittals.
<i>Revaluation increment</i>	The variance arises from an unanticipated and unbudgeted revaluation increment during the year for the departments land assets. The movement is predominately due to increases across most of the TAFE sites with \$14 million at the South Bank campus, \$3.5 million at Grovely and \$3 million at Bracken Ridge.
<i>Supplies and services</i>	The decrease in Supplies and services is mainly due to revised delivery schedules and milestone payments due to delays experienced across various programs including Vocational and Education and Training ICT systems projects and support programs, Future Skills Fund initiatives, Small Business Package initiatives and the Queensland Business Launch Pad.
<i>Grants and subsidies</i>	The increased grants expenditure is mainly due to the Australian and State Government funded COVID-19 Business support grants program (\$341M as per previous page) this is partially offset due to revised grant program scheduling as a result of delays experienced which impacts the timing of opening grant rounds and the flow on of assessing applications and confirming payments for various initiatives including Back to Work, Skilling Queenslanders for Work and the Australian Government Job Trainer and Infection Control Training Funds.
<i>Depreciation and amortisation</i>	The increase is due to the effect of the 2020-21 revaluation program and the department capitalising buildings throughout the year, with asset values increasing and adjustments to useful lives impacting on annual depreciation expenses.
<i>Impairment losses</i>	The variance arises from an unbudgeted impairment of receivables mainly due to the uncertainty around grant recoveries from Registered Training Organisations and other grant recipients for various programs including Certificate 3 Guarantee, Skilling Queenslanders for Work and the Back to Work grants program.
<i>Other expenses</i>	The increase is mainly due to losses on disposals of buildings as a result of building demolitions undertaken as part the department's ongoing renewal and revitalisation of training infrastructure across the state.

EXPLANATION OF MAJOR VARIANCES – STATEMENT OF FINANCIAL POSITION

<i>Cash</i>	The variance of \$108.7 million is mainly attributable to a higher than forecast cash opening balance, compared to what was estimated in the budget \$135.1 million. The remainder of the variance (-26.4 million) is substantially due to factors outlined in the explanations of major variances in the Statement of Cashflows.
<i>Property, plant and equipment</i>	The increase is mainly due to the effect of the annual revaluation program with higher asset revaluations than anticipated due to significant increases in construction costs and shortage of supply of trade skilled workers as well as investment in the Training and Skills capital program adjusted for annual depreciation.
<i>Payables</i>	The increase is mainly due to the year-end payable to the Consolidated Fund for various limited life programs (\$62M) due to delays experienced across the initiatives and grants payable to registered training providers for Vocational Education and Training programs such as User Choice, Higher Level Skills and Certificate 3 Guarantee due to the timing of claims being submitted and actual payments being made.
<i>Unearned revenue</i>	The increase is mainly due to a contribution from the Queensland Mental Health Commission towards the Business Wellness Coaches program to be delivered over future years.

EXPLANATION OF MAJOR VARIANCES – STATEMENT OF CASH FLOW

<i>Appropriation receipts</i>	Increased Appropriation receipts is primarily due to increased Australian and State Government funding for COVID-19 Business support grants and revised depreciation estimates, partly offset by timing adjustments for a number of programs, including the Australian Government's Job Trainer and Infection Control Training Fund and State-funded programs including Skilling Queenslanders for Work and the Future Skills Fund.
<i>User charges and fees</i>	The increase is mainly due to additional rental/hire of facilities income received than anticipated.
<i>Sales of property, plant and equipment</i>	The decreased Payments for property, plant and equipment is mainly due to revised schedules for the capital works program due to delays experienced from supply issues in the building construction industry.
<i>Equity injections</i>	The decrease in Equity injections is mainly due to revised schedules for the capital works program due to delays experienced from supply issues in the building construction industry.
<i>Equity withdrawals</i>	The increase relates to increased depreciation and as a result an increase in equity withdrawals to the consolidated fund.

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

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Employment, Small Business and Training for the financial year ended 30 June 2022, and of the financial position of the department at the end of that year; and

The Director-General, as the Accountable Officer of the department, acknowledge(s) responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Stephen Blatchford CPA
A/Chief Finance Officer
Department of Employment, Small Business
and Training

Date: 2-9-2022



Warwick Agnew
Director-General
Department of Employment, Small Business
and Training

Date: 2-9-2022

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental service as at 30 June 2022, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental service for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *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 Auditing Standards*.

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

Key audit matters

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

Valuation of buildings (\$1.1 billion as at 30 June 2022)

Refer to note 11 in the financial report

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

Responsibilities of the department for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

Statement

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

Prescribed requirements scope

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



Bhavik Deoji
as delegate of the Auditor-General

5 September 2022

Queensland Audit Office
Brisbane