# 08 Financial Statements

Department of Seniors, Disability Services and
Aboriginal and Torres Strait Islander
Partnerships

Annual Financial Statements 2020-21

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Financial Statements

for the year ended 30 June 2021

CONTENTS **Page**

**Financial Statements**

Income Statement - Controlled 2

Income Statement by Major Departmental Services - Controlled 3

Balance Sheet - Controlled 4

Statement of Assets and Liabilities by Major Departmental Services - Controlled 5

Statement of Changes in Equity - Controlled 6

Statement of Cash Flows - Controlled (including Notes to the Statement of Cash Flows) 7

Income Statement - Administered 9

Balance Sheet - Administered 10

Statement of Cash Flows - Administered (including Notes to the Statement of Cash Flows) 11

**Notes to the Financial Statements**

**About this Report and What We Do** 12

A1 Departmental Objectives 12

A2 Basis of Financial Statement Preparation 12

A3 Machinery-of-Government (MoG) Changes 15

A4 National Disability Insurance Scheme 17

**Our Performance** 17

B1 Revenue 17

B2 Expenses 19

**Our Financial Position** 22

C1 Cash and Cash Equivalents 22

C2 Receivables 23

C3 Non-Current Assets Held for Sale 24

C4 Property, Plant and Equipment 24

C5 Intangibles 30

C6 Payables 32

C7 Accrued Employee Benefits 32

C8 Equity 32

**Other Key Information** 33

D1 Financial Risk Disclosures 33

D2 Contingencies 34

D3 Commitments 34

D4 Events After the Balance Date 34

E1 Budgetary Reporting Disclosures 34

F1 Key Management Personnel Disclosures 36

F2 Related Party Transactions 39

F3 Climate Risk Disclosures 40

F4 Impact of COVID-19 pandemic 40

**What We Look After On Behalf of Whole-of-Government** 40

G1 Administered 40

**Certification**

 Management Certificate 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Income Statement - Controlled

for the year ended 30 June 2021

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Note** | **Actual****2021****$'000** | **Original Budget^2021$'000** | **Budget Variance\*****2021$'000** | **Actual****2020****$'000** |
| **Income from Continuing Operations** |   |   |   |   |   |
|  Appropriation revenue | B1-1 | **320,736** | 353,897 | (33,161) | 358,744 |
|  User charges and fees | B1-2 | **10,178** | 3,512 | 6,666 | 7,424 |
|  Grants and other contributions | B1-3 | **13,489** | 12,217 | 1,272 | 14,920 |
|  Interest |   | **3** | - | 3 | 15 |
|  Reversal of revaluation decrement | C4-1 | **1,229** | - | 1,229 | 6,410 |
|  Other revenue | B1-4 | **4,188** | 2,448 | 1,740 | 18,474 |
|  Other gains/(losses) – net |   | **-** | - | - | 21 |
| **Total Income from Continuing Operations** |   | **349,823** | **372,074** | **(22,251)** | **406,008** |
| **Expenses from Continuing Operations** |   |   |   |   |   |
|  Employee expenses | B2-1 | **205,688** | 207,150 | (1,462) | 193,782 |
|  Supplies and services | B2-2 | **116,539** | 137,584 | (21,045) | 163,852 |
|  Grants and subsidies | B2-3 | **16,763** | 21,530 | (4,767) | 31,112 |
|  Depreciation and amortisation | B2-4 | **5,117** | 7,306 | (2,189) | 5,907 |
|  Impairment losses |   | **(57)** | 500 | (557) | 1,498 |
|  Other expenses | B2-5 | **2,944** | 1,479 | 1,465 | 2,410 |
|  Revaluation decrement | C4-1 | **112** | - | 112 | - |
| **Total Expenses from Continuing Operations** |   | **347,106** | **375,549** | **(28,443)** | **398,561** |
| Operating Result from Continuing Operations |   | **2,717** | (3,475) | 6,192 | 7,447 |
| **Operating Result for the Year** |   | **2,717** | **(3,475)** | **6,192** | **7,447** |
| **Total Comprehensive Income** |   | **2,717** | **(3,475)** | **6,192** | **7,447** |

\*^ An explanation of major variances is included at Note E1-1.

 These figures represent budgeted figures as published in the 2020-21 Service Delivery Statement tabled in Parliament.

The accompanying notes form part of these financial statements.

2 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Income Statement by Major Departmental Services - Controlled

for the year ended 30 June 2021

|  | **Disability Services****2021****$'000** | **Disability Services****2020****$'000** | **Community Services^****2021****$'000** | **Seniors Services^****2021****$'000** | **Community & Seniors Services^****2020****$'000** | **Economic Participation Services\*****2021****$'000** | **Community Participation Services\*****2021****$'000** | **Total****2021****$'000** | **Total****2020****$'000** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Income from Operations** |  |  |  |  |  |  |  |  |  |
|  Appropriation revenue | 211,125 | 183,298 | 64,832 | 11,701 | 175,446 | 16,236 | 16,842 | 320,736 | 358,744 |
|  User charges and fees | 7,826 | 2,363 | 2,341 | - | 5,061 | 5 | 6 | 10,178 | 7,424 |
|  Grants and other contributions | 11,469 | 12,780 | 1,460 | - | 2140 | 93 | 467 | 13,489 | 14,920 |
|  Interest | 3 | 15 | - | - | - | - | - | 3 | 15 |
|  Reversal of revaluation decrement | 1,220 | 4,842 | - | - | 1,568 | 1 | 8 | 1,229 | 6,410 |
|  Other revenue | 2,781 | 15,516 | 742 | 6 | 2,958 | 26 | 633 | 4,188 | 18,474 |
|  Other gains/(losses) - net | - | 21 | - | - | - | - | - | - | 21 |
| **Total Income from Operations** | **234,424** | **218,835** | **69,375** | **11,707** | **187,173** | **16,361** | **17,956** | **349,823** | **406,008** |
| **Expenses from Operations** |  |  |  |  |  |  |  |  |  |
|  Employee expenses | 177,589 | 163,942 | 5,743 | 739 | 29,840 | 10,473 | 11,414 | 205,688 | 193,782 |
|  Supplies and services | 45,983 | 34,064 | 51,827 | 10,402 | 129,788 | 4,419 | 3,908 | 116,539 | 163,852 |
|  Grants and subsidies | 4,099 | 13,707 | 9,221 | 520 | 17,405 | 1,202 | 1,721 | 16,763 | 31,112 |
|  Depreciation and amortisation | 3,434 | 3,282 | 980 | - | 2,625 | 39 | 6,64 | 5,117 | 5,907 |
|  Impairment losses | (57) | 1,491 | - | - | 7 | - | - | (57) | 1,498 |
|  Other expenses | 716 | 316 | 1,874 | 36 | 2,094 | 146 | 172 | 2,944 | 2,410 |
|  Revaluation Decrement | 112 | - | - | - | - | - | - | 112 | - |
| **Total Expenses from Operations** | **231,876** | **216,802** | **69,375** | **11,697** | **181,759** | **16,279** | **17,879** | **347,106** | **398,561** |
| **Operating Result from Operations** | 2,548 | 2,033 | - | 10 | 5,414 | 82 | 77 | 2,717 | 7,447 |
| **Operating Result for the Year** | **2,548** | **2,033** | **-** | **10** | **5,414** | **82** | **77** | **2,717** | **7,447** |
| **Total Comprehensive Income** | **2,548** | **2,033** | **-** | **10** | **5,414** | **82** | **77** | **2,717** | **7,447** |

\* ATSIP Economic and Community Participation Services transactions are from 13 November 2020 to 30 June 2021 due to the Machinery-of-Government changes.

^ Community Services transactions are from 1 July 2020 to 30 November 2020 due to the Machinery-of-Government changes. Seniors Services transactions are for the full year.

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Balance Sheet - Controlled

as at 30 June 2021

|  |  |  |  |
| --- | --- | --- | --- |
|   | **Note** | **Actual ^****2021****$'000** | **Actual****2020****$'000** |
| **Current Assets** |   |   |   |
| Cash and cash equivalents | C1 | **54,840** | 72,041 |
| Receivables | C2 | **6,009** | 4,841 |
| Other current assets |   | **1,774** | 2,377 |
|   |   | **62,623** | 79,259 |
| **Total Current Assets** |   | **62,623** | 79,259 |
| Property, plant and equipment | C4 | **181,296** | 283,925 |
| Intangibles | C5 | **1,050** | 3,226 |
| Right-of-use assets |   | **-** | 51 |
| **Total Non-Current Assets** |   | **182,346** | 287,202 |
| **Total Assets** |   | **244,969** | **366,461** |
| **Current Liabilities** |   |   |   |
| Payables | C6 | **37,926** | 32,599 |
| Accrued employee benefits | C7 | **8,811** | 7,619 |
| Provisions |   | **119** | 2,501 |
| Other current liabilities |   | **571** | - |
| Lease liabilities |   | **-** | 51 |
| **Total Current Liabilities** |   | **47,427** | 42,770 |
| **Total Non-Current Liabilities** |   | **-** | - |
| **Total Liabilities** |   | **47,427** | 42,770 |
| **Net Assets** |   | **197,542** | **323,691** |
| **Equity** |   |   |   |
| Contributed equity |   | **174,080** | 303,051 |
| Accumulated surplus |   | **23,462** | 20,640 |
| **Total Equity** |   | **197,542** | **323,691** |

^ Individual agencies budgeted Balance Sheets were not published in the 2020-21 Service Delivery Statements.

The accompanying notes form part of these financial statements.

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Statement of Assets and Liabilities by Major Departmental Services - Controlled

as at 30 June 2021

|  | **Disability Services****2021****$'000** | **Disability Services****2020****$'000** | **Community Services^****2021****$'000** | **Seniors Services^****2021****$'000** | **Community & Seniors Services^****2020****$'000** | **Economic Participation Services\*****2021****$'000** | **Community Participation Services\*****2021****$'000** | **Total****2021****$'000** | **Total****2020****$'000** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Current Assets** |  |  |  |  |  |  |  |  |  |
|  Cash and cash equivalents | 30,241 | 43,301 | - | 2,374 | 28,740 | 7,280 | 14,945 | 54,840 | 72,041 |
|  Receivables | 4,765 | 4,547 | - | 19 | 294 | 590 | 636 | 6,009 | 4,841 |
|  Other current assets | 1,173 | 2,219 | - | 10 | 158 | 252 | 339 | 1,774 | 2,377 |
| **Total Current Assets** | 36,178 | 50,067 | - | 2,403 | 29,192 | 8,122 | 15,920 | 62,623 | 79,259 |
| **Non-Current Assets** |  |  |  |  |  |  |  |  |  |
|  Property, plant and equipment | 165,545 | 169,948 | - | - | 113,977 | 708 | 15,042 | 181,296 | 283,925 |
|  Intangibles | 962 | 1,086 | - | - | 2140 | - | 88 | 1,050 | 3,226 |
|  Right-of-use assets | - | - | - | - | 51 | - | - | - | 51 |
| **Total Non-Current Assets** | 166,507 | 171,034 | - | - | 116,168 | 708 | 15,130 | 182,346 | 287,202 |
| **Total Assets** | **202,685** | **221,101** | **-** | **2,403** | **145,360** | **8,830** | **31,050** | **244,969** | **366,461** |
| **Current Liabilities** |  |  |  |  |  |  |  |  |  |
|  Payables | 21,627 | 14,252 | - | 2,344 | 18,347 | 5,226 | 8,729 | 37,926 | 32,599 |
|  Accrued employee benefits | 7,511 | 6,896 | - | 59 | 723 | 596 | 645 | 8,811 | 7,619 |
|  Provisions | 104 | 343 | - | 0 | 2,158 | 7 | 7 | 119 | 2,501 |
|  Other current liabilities | 571 | - | - | - | - | - | - | 571 | - |
|  Lease liabilities | - | - | - | - | 51 | - | - | - | 51 |
| **Total Current Liabilities** | 29,814 | 21,491 | - | 2,403 | 21,279 | 5,829 | 9,381 | 47,427 | 42,770 |
| **Total Liabilities** | **29,814** | **21,491** | **-** | **2,403** | **21,279** | **5,829** | **9,381** | **47,427** | **42,770** |

\* ATSIP Economic and Community Participation Services transactions are from 13 November 2020 to 30 June 2021 due to the Machinery-of-Government changes.

^ Community Services assets and liabilities were transferred to Department of Communities, Housing and Digital Economy due to the Machinery-of-Government changes. Seniors Services transactions are for the full year.

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Statement of Changes in Equity - Controlled

for the year ended 30 June 2021

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Contributed Equity$'000** | **Accumulated Surplus$'000** | **Total$'000** |
| **Balance as at 1 July 2019** | 302,252 | 13,191 | 315,443 |
| **Operating Result** |   |   |   |
| Operating result from continuing operations | - | 7,447 | 7,447 |
| **Total Comprehensive Income for the Year** | **-** | **7,447** | **7,447** |
| Net transfers in/(out) from other Queensland Government entities |   |   |   |
| - other | (2,458) | - | (2,458) |
| Net appropriated equity injections | 3,259 | - | 3,259 |
| **Net Transactions with Owners as Owners** | **801** | **-** | **801** |
| **Balance as at 30 June 2020** | **303,051** | **20,640** | **323,691** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Operating Result** | **Contributed Equity$'000** | **Accumulated Surplus$'000** | **Total$'000** |
| Operating result from continuing operations | - | 2.717 |  2,717 |
| **Total Comprehensive Income for the Year** | **-** | **2,717** | **2,717** |
| **Transactions with owners as owners:** |   |   |   |
| Net transfers in/(out) from other Queensland Government entities |   |   |   |
| - MoG\* | (133,472) | 105 | (133,367) |
| Net appropriated equity injections | 4,501 | - | 4,501 |
| **Net Transactions with Owners as Owners** | (128,971) | - | (128,866) |
| **Balance as at 30 June 2021** | **174,080** | **23,462** | **197,542** |
| \* Refer to Note A3 for further information. |   |   |   |

The accompanying notes form part of these financial statements.

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Statement of Cash Flows - Controlled

for the year ended 30 June 2021

|  |  |  |  |
| --- | --- | --- | --- |
| *Cash Flows from Operating Activities**Inflows:* | **Note** | **Actual ^****2021****$'000** | **Actual****2020****$'000** |
| Service appropriation receipts |   | **316,892** | 363,347 |
| User charges and fees |   | **10,672** | 7,181 |
| Grants and other contributions |   | **11,748** | 13,311 |
| GST input tax credits received from ATO |   | **6,603** | 20,625 |
| GST collected from customers |   | **1,996** | 1,934 |
| Interest receipts |   | **3** | 15 |
| Other inflows |   | **4,762** | 18,038 |
| *Outflows:* |   |   |   |
| Employee expenses |   | **(206,337)** | (205,861) |
| Supplies and services |   | **(112,378)** | (171,440) |
| Grants and subsidies |   | **(21,339)** | (28,024) |
| GST paid to suppliers |   | **(5,931)** | (20,772) |
| GST remitted to ATO |   | **(1,996)** | (1,934) |
| Other outflows |   | **(3,679)** | (1,048) |
| **Net Cash Provided by Operating Activities#**  |   | **1,016** | **(4,628)** |
| **Cash Flows from Investing Activities** |   |   |   |
| *Inflows:* |   |   |   |
| Sales of property, plant and equipment |   | **1,895** | 1,089 |
| *Outflows:* |   |   |   |
| Payments for property, plant and equipment |   | **(16,334)** | (12,115) |
| Payments for intangible assets |   | **-** | (1,078) |
| **Net Cash Used in Investing Activities** |   | **(14,439)** | **(12,104)** |
| **Cash Flows from Financing Activities** |   |   |   |
| *Inflows:* |   |   |   |
| Equity withdrawals |  | **(183)** | - |
| Equity injections |   | **4,501** | 5,565 |
| **Net Cash Provided by Financing Activities** |  | **4,318** | **5,565** |
| **Net (decrease) increase in cash and cash equivalents** |   | **(9,105)** | (11,167) |
| Cash and Cash Equivalents - Opening balance |   | **72,041** | 83,208 |
| Cash transfers from restructure | **(8,097)** | - |
| **Cash and Cash Equivalents - Closing balance** | C1 | **54,840** | **72,041** |

^ Individual agencies budgeted Statement of Cash Flows were not published in the 2020-21 Service Delivery Statements.

# Reconciliation is shown on the following page.

The accompanying notes form part of these financial statements.

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Statement of Cash Flows - Controlled

for the year ended 30 June 2021

Notes to the Statement of Cash Flows

Reconciliation of Operating Result to Net Cash Provided by Operating Activities

|  |  |  |
| --- | --- | --- |
|   | **2021****Note $'000** | **2020****$'000** |
| Operating Result for the Year | **2,717** | 7,447 |
| *Non-cash items included in operating result* |   |   |
|  Reversal of revaluation increment | **112** | - |
|  Reversal of revaluation decrement | **(1,229)** | (6,410) |
|  Depreciation and amortisation expense | **5,117** | 5,907 |
|  Loss (gain) on disposal of non-current assets | **209** | 1,308 |
|  Impairment losses | **(52)** | 1,477 |
| *Changes in assets and liabilities* |   |   |
|  (Increase) decrease in GST input tax credits receivable | **672** | (148) |
|  (Increase) decrease in trade receivables | **494** | 11,293 |
|  (Increase) decrease in other current receivables | **182** | 6,389 |
|  (Increase) decrease in other assets | **572** | (2,364) |
|  (Increase) decrease in non-current receivables | **-** | 4,202 |
|  (Increase) decrease in right-of-use assets | **-** | (51) |
|  Increase (decrease) in payables | **4.235** | (2,998) |
|  Increase (decrease) in accrued employee benefits | **(647)** | (16,078) |
|  Increase (decrease) in provisions | **(2,382)** | (1,644) |
|  Increase (decrease) in other liabilities | **(8.983)** | (13,009) |
|  Increase (decrease) in lease liabilities | **-** | 51 |
| **Net Cash Provided by (Used in) Operating Activities** | **1,016** | **(4,628)** |

The accompanying notes form part of these financial statements.

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Income Statement - Administered

for the year ended 30 June 2021

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Note** | **Actual****2021****$'000** | **Original Budget^2021$'000** | **Budget Variance 2021$'000** | **Actual****2020****$'000** |
| **Income from Continuing Operations** |   |   |   |   |   |
|  Administered appropriation revenue | G1-1 | **2,393,476** | 2,430,653 | (37,177) | 2,313,108 |
|  Grants and other contributions | G1-2 | **2,853** | 13,605 | (10,752) | 71,949 |
| **Total Income from Continuing Operations** |   | **2,396,329** | **2,444,258** | **(47,929)** | **2,385,057** |
| **Expenses from Continuing Operations** |   |   |   |   |   |
|  Employee expenses |   | **206** | - | 206 | 2,940 |
|  Supplies and services | G1-3 | **1,002** | - | 1,002 | 8,612 |
|  Grants and subsidies | G1-4 | **2,406,599** | 2,444,258 | (37,659) | 2,328,217 |
| **Total Expenses from Continuing Operations** |   | **2,407,807** | **2,444,258** | **(36,451)** | **2,339,769** |
| **Operating Result from Continuing Operations** |   | **(11,478)** | - | (11,478) | 45,288 |
| **Operating Result for the Year** |   | **(11,478)** | - | (11,478) | 45,288 |
| **Total Comprehensive Income** |   | **(11,478)** | - | (11,478) | 45,288 |

^ These figures represent budgeted figures as published in the 2020-21 Service Delivery Statement tabled in Parliament.

\* An explanation of major variances is included at Note G1-8.

The accompanying notes form part of these financial statements.

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Balance Sheet - Administered

as at 30 June 2021

|  |  |  |  |
| --- | --- | --- | --- |
|   | **Note** | **Actual ^****2021****$'000** | **Actual****2020****$'000** |
| **Current Assets** |   |   |   |
| Cash and cash equivalents |   | **44,315** | 190,692 |
| Receivables | G1-5 | **1,959** | 16,964 |
| **Total Current Assets** |   | **46,274** | 207,656 |
| **Total Assets** |   | **46,274** | 207,656 |
| **Current Liabilities** Payables | G1-6 | **47,733** | 235,774 |
| **Total Current Liabilities** |   | **47,733** | 235,774 |
| **Total Non-Current Liabilities** |   | **-** | - |
| **Total Liabilities** |   | **47,733** | **235,774** |
| **Net Assets** |   | **(1,459)** | **(28,118)** |

^ Individual agencies budgeted Balance Sheets were not published in the 2020-21 Service Delivery Statements.

The accompanying notes form part of these financial statements.

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Statement of Cash Flows - Administered

for the year ended 30 June 2021

|  |  |  |
| --- | --- | --- |
| **Cash Flows from Operating Activities** *Inflows:* | **Actual****2021****$'000** | **Actual****2020****$'000** |
| Administered appropriation revenue | **2,429,198** | 2,142,690 |
| User charges and fees | **-** | - |
| Grants and other contributions | **2,853** | 71,949 |
| GST input tax credits received from ATO | **9** | 19,559 |
| GST collected from customers | **7,195** | 7,195 |
| Other inflows | **-** | - |
| *Outflows:* |   |   |
| Employee expenses | **(206)** | (5,328) |
| Supplies and services | **(1,009)** | (10,610) |
| Grants and subsidies | **(2,615,554)** | (2,264,348) |
| GST paid to suppliers | **195** | (19,520) |
| GST remitted to ATO | **(7,195)** | (7,195) |
| **Net Cash Used in Operating Activities** | **(184.514)** | **(65,608)** |
| **Net (decrease) in cash and cash equivalents** | **(184,514)** | (65,608) |
| Cash and Cash Equivalents - Opening balance | **190,692** | 256,300 |
| Cash transfers from restructure | **38,137** | - |
| **Cash and Cash Equivalents - Closing balance** | **44,315** | **190,692** |
| Notes to the Statement of Cash Flows |   |   |
| *Reconciliation of Operating Result to Net Cash Provided by Operating Activities* |   |   |
|   | **2021$'000** | **2020$'000** |
| Operating Result for the Year | **(11,478)** | 45,288 |
| *Changes in assets and liabilities* |   |   |
| (Increase) decrease in GST input tax credits receivable | **204** | 39 |
| (Increase) decrease in trade receivables | **-** | (14,801) |
|

|  |  |  |
| --- | --- | --- |
| (Increase) decrease in other current receivables | **-** | (14,801) |

 | **14,944** | - |
| Increase (decrease) in payables | **(7)** | (93,745) |
| Increase (decrease) in accrued employee benefits | **-** | (2,389) |
| Increase (decrease) in other liabilities | **(188,177)** | - |
| **Net Cash Used in Operating Activities** | **(184,514)**  | **(65,608)** |

The accompanying notes form part of these financial statements.

11 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

A1 Departmental Objectives

As part of the Machinery-of-Government changes, effective 12 November 2020:

* The former Department of Communities, Disability Services and Seniors was renamed the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships.
* The functions of the former Department of Aboriginal and Torres Strait Islander Partnerships were transferred to the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships effective from 13 November 2020. Refer to Note A3-1 and Note A2-7 for further information.
* Community Services activities were transferred to the Department of Communities, Housing and Digital Economy effective from 1 December 2020. Refer to Note A3-2 and Note A2-7 for further information.

The Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships' vision is to partner with people of all ages, abilities and backgrounds so that they can thrive culturally, socially and economically. The department's purpose is to improve the social and economic wellbeing of Queensland seniors and people of all abilities by delivering quality targeted support, and to lead change through enhanced relationships and improved decision-making across government, to enable Aboriginal and Torres Islander Queenslanders to truly thrive.

The Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships delivers its services through the following major service areas:

* Seniors Services: develop programs and services for seniors that reduce the cost of living, enhance wellbeing, support community participation and prevent and address elder abuse. Age-friendly communities assist seniors to contribute economically, socially and culturally to their communities.
* Disability Services: enable people to access disability services that assist them with the core activities of daily living and achieving their goals, as part of inclusive communities, and to contribute to systems that safeguard and protect the rights of people with disability.
* Economic Participation: increase the economic participation of Aboriginal peoples and Torres Strait Islander peoples.
* Community Participation: increase the community participation of Aboriginal peoples and Torres Strait Islander peoples.

The department is funded for the departmental services it delivers principally by parliamentary appropriations. It also provides the following on a fee for service basis:

* Application fees for an assessment of persons seeking engagement to work in disability services delivered or funded by the department.

A2 Basis of Financial Statement Preparation

A2-1 General Information

The Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (the department) is a State Government department established under the Public Service Act 2008 and controlled by the State of Queensland, which is the ultimate parent. The department was formed from the former Department of Communities, Disability Services and Seniors and the former Department of Aboriginal and Torres Strait Islander Partnerships.

The head office of the department is 1 William Street, Brisbane QLD 4000.

The major departmental services undertaken by the department are disclosed in the Income Statement by Major Departmental Services - Controlled, and are further detailed in Note A1 Departmental Objectives.

12 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

A2 Basis of Financial Statement Preparation (continued)

A2-2 Compliance with Prescribed Requirements

The department has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2020.

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 Flow which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

A2-3 Presentation

Currency and Rounding

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

Comparatives

Comparative information reflects the audited 2019-20 financial statements. The current year is not comparable to the previous year due to the Machinery-of-Government changes. Refer to Note A3.

Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the balance sheet 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.
A2-4 Authorisation of Financial Statements for Issue

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

A2-5 The Reporting Entity

The reporting entity is the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships. The financial statements include all income, expenses, assets, liabilities and equity of the department.

The department has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity. As a result, the department has determined that it does not control any other entity and has no interests in unconsolidated structured entities.

A2-6 Basis of Measurement

Historical cost is used as the measurement basis in this financial report except for land and buildings which are measured at fair value.

*Historical Cost*

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

13 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

A2 Basis of Financial Statement Preparation (continued)

A2-6 Basis of Measurement (continued)
*Fair Value*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Where fair value is used, the fair value approach is disclosed. Refer to Note C4-7 for further information about fair value measurement by the department.

A2-7 Controlled and Administered Transactions and Balances

Transactions and balances are controlled by the department where they can be deployed for the achievement of the departmental objectives.

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

The department has elected to report the administered transactions and balances as discrete financial statements within the agency’s overall financial statements. Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless stated otherwise.

The department's administered ledger is used for the following purposes:

* The payment to the National Disability Insurance Agency under the National Disability Insurance Scheme.
* The payment of concessions, such as rebates on household expenses, to eligible recipients.
* The payment to the Western Cape Community Trust to provide and benefit the general welfare of the communities described under the Western Cape Co-Existence Agreement, including the Aboriginal communities and Traditional Owners of Western Cape York Peninsula.
* The payment to the Family Responsibilities Commission to support welfare reform and responsible standards of behaviour, local authority and wellbeing.
* To administer Community Recovery disaster costs and the subsequent reimbursement of those costs from the Queensland Reconstruction Authority (QRA) under commonwealth-state Disaster Recovery Funding Arrangements (DRFA) guidelines and associated State Government programs.

The department processed $48.830M in the controlled ledger and $23.716M in the administered ledger in 2020-21 on behalf of the Department of Communities, Housing and Digital Economy following the Machinery-of-Government restructure. These amounts are not included in these Annual Financial Statements.

A2-8 Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the department. GST credits receivable from, and GST payable to, the Australian Taxation Office (ATO) are recognised (refer to Note C2).

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

A2 Basis of Financial Statement Preparation (continued)

A2-9 Current Year Impact of New or Amended Accounting Standards Changes

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

*AASB 1059* Service Concession Arrangements: Grantors

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

As the department does not have any service concession arrangements in operation now, or plans to have them in the future, the impact of adoption of the standard is expected to be immaterial.

A3 Machinery-of-Government (MoG) Changes

A3-1 Transfers in - Controlled and Administered Activities

Details of transfer: The Department of Aboriginal and Torres Strait Islander Partnerships was abolished with its assets and liabilities transferring to the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships.

Basis of transfer: Public Service Departmental Arrangements Notice (No. 4) 2020.

Date of transfer: Effective from the 13th November 2020.

The assets and liabilities transferred as a result of the changes were as follows:

|  |  |  |
| --- | --- | --- |
|   | **2021****Controlled****$'000** | **2021****Administered****$'000** |
| **Current assets** |   |   |
| Cash and Cash equivalents | **27,437** | **154** |
| Receivables | **1,293** | **-** |
| Appropriation revenue receivable | **-** | **143** |
| Other current assets | **705** | **-** |
| **Total current assets** | **29,435** | **297** |
| **Non-current assets** |   |   |
| Non-current assets | **16,217** | **-** |
| Intangibles | **139** | **-** |
| **Total non-current assets** | **16,356** | **-** |
| **Current liabilities** |   |   |
| Payables | **(20,468)** | **-** |
| Appropriation payable equity withdrawal | **-** | **(194)** |
| Accrued employee benefits | **(1,025)** | **-** |
| Other current liabilities | **(79)** | **-** |
| **Total current liabilities** | **(21,572)** | **(194)** |
| **Net assets transferred in** | **24,219** | **103** |

The increase in net assets of $24.219M (controlled) has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity.

15 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

A3 Machinery-of-Government (MoG) Changes (continued)

A3-1 Transfers in - Controlled and Administered Activities (continued)

Budgeted appropriation revenue of $51.383M (controlled) and nil (administered) was reallocated from the former Department of Aboriginal and Torres Strait Islander Partnerships to the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships as part of the Machinery-of-Government changes.

A3-2 Transfers out - Controlled and Administered Activities

Details of transfer: Community Services activities were transferred to the Department of Communities, Housing and Digital Economy as part of Machinery-of-Government changes.

Basis of transfer: Public Service Departmental Arrangements Notice (No. 4) 2020.

Date of transfer: Effective from the 1st December 2020.

|  |  |  |
| --- | --- | --- |
|   | **2021****Controlled****$'000** | **2021****Administered****$'000** |
| ***Current assets*** |   |   |
| Cash and cash equivalents | **35,534** | **(38,008)** |
| Receivables | **14,166** | **-** |
| Other current assets | **191** | **-** |
| **Total current assets** | **49,891** | **(38,008)** |
| ***Total non-current assets*** |   |   |
| Property, plant and equipment | **124,670** | **-** |
| Intangibles | **1,989** | **-** |
| Other non-current assets | **30** | **-** |
| **Total non-current assets** | **126,689** | **-** |
| ***Current liabilities*** |   |   |
| Payables | **16,238** | **129** |
| Accrued employee benefits | **630** | **-** |
| Provisions | **1,995** | **-** |
| Other current liabilities | **30** | **-** |
| **Total current liabilities** | **18,893** | **129** |
| **Net assets transferred/(received)** | **157,687**  | **(38,137)** |

The decrease in net assets of $157.687M (controlled) has been accounted for as a decrease in contributed equity as disclosed in the Statement of Changes in Equity.

Budgeted appropriation revenue of $79.760M (controlled) and nil (administered) was reallocated from the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships to the Department of Communities, Housing and Digital Economy as part of the Machinery-of-Government changes.

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

A4 National Disability Insurance Scheme

Full scheme arrangements under the Bilateral Agreement between the Commonwealth and State of Queensland on the National Disability Insurance Scheme (Full Scheme Agreement) commenced from 1 October 2020. Under the Full Scheme Agreement, Queensland has committed to paying its fixed and capped full scheme annual contribution of $2.128B, escalated at 4% per annum. Full scheme contributions commenced in Queensland from 1 October 2020 and were pro-rated for the 2020-21 financial year.

B1 Revenue

|  |  |  |
| --- | --- | --- |
| B1-1 Appropriation Revenue**Reconciliation of Payments from Consolidated Fund to Appropriation Revenue Recognised in Operating Result** | **2021****$'000** | **2020****$'000** |
| Budgeted appropriation revenue | **328,408** | 361,571 |
| Lapsed appropriation revenue | **(6,262)** | - |
| Additional appropriation revenue for unforeseen expenditure | **-** | 1,776 |
| Treasurers transfers | **(5,520)** | - |
| **Total Appropriation Receipts (cash)** | **316,626** | 363,347 |
| Less: Opening balance of appropriation revenue receivable | **-** | (4,202) |
| Plus: Effect of adoption of new accounting standards \* | **-** | 4,202 |
| Plus: Opening balance of departmental services revenue payable | **21,652** | 17,049 |
| Adjustment for Machinery-of-Government transfer | **10,721** | - |
| Less: Closing balance of departmental services revenue payable | **(28,263)** | (21,652) |
| **Net Appropriation Revenue** | **320,736** | **358,744** |
| **Appropriation Revenue Recognised in Income Statement** | **320,736** | **358,744** |
| *Accounting Policy - Appropriation Revenue* |  |  |

Appropriations provided under the *Appropriation Act 2019* are recognised as revenue when received.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as ‘administered’ appropriations (refer to Note G1-1).

\* There was a change in Australian Accounting Standards for leasing expenses in 2019-20, with the 2018-19 appropriation revenue receivable being held with Queensland Treasury under AASB 117, along with a corresponding non-current liability being eliminated at the start of the 2019-20 financial year through an opening balancing adjustment.

B1-2 User Charges and Fees

The department received the following revenue for user charges and fees during the financial year.

* $4.037M in Yellow Card application fees for screening of workers within the disability services industry.
* $2.860M from the National Disability Support Agency to provide specialist disability accommodation and client support.
* $2.202M in funding to operate Gambling Help counselling services and hotline. This service has transitioned to the Department of Communities, Housing and Digital Economy in the Machinery-of-Government restructure. For further information on the restructure refer to Note A3.
* $0.676M in rent received from clients in specialist disability accommodation.
* $0.403M in other fees and charges.

17 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

B1 Revenue (continued)

|  |  |  |
| --- | --- | --- |
| B1-3 Grants and Other Contributions |   |   |
|   | **2021** | 2020 |
|   | **$'000** | $'000 |
| **Revenue from contracts with customers** |   |   |
| Commonwealth grants - specific obligations | **11,374** | 11,590 |
| **Other grants and contributions** |   |   |
| Commonwealth grants - non-specific obligations | **95** | 1,190 |
| Grants from Queensland Reconstruction Authority\* | **-** | 131 |
| Queensland Government grants | **362** | - |
| Services received below fair value | **1,658** | 2,009 |
| **Total** | **13,489** | **14,920** |
|  |   |   |

\* Queensland Reconstruction Authority grants are from 1 July to 30 November due to the Machinery-of-Government changes.

*Accounting Policy - Grants, contributions and donations*

Grants, contributions and donations are non-reciprocal transactions where the department does not directly provide the grantor with value approximately equal to the revenue received.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the department to transfer goods or services to a third-party on the grantor’s behalf, the revenue is accounted for under AASB15 *Revenue from Contracts with Customers*. In this case revenue is initially deferred (as unearned revenue) and recognised as or when the performance obligations are satisfied.

In all other cases the revenue is accounted for in accordance with AASB 1058 *Income of Not-for-Profit Entities*. Revenue is recognised upon receipt unless it is related to special purpose capital grants for construction of non-financial assets that will be controlled by the department. Under the latter circumstances the grant is recognised as unearned revenue initially, and subsequently recognised as revenue progressively as obligations are met through construction of the related asset.

*Disclosure - Grants and contributions*

The department has a number of grant arrangements with the Commonwealth that relate to funding of activity-based services. One of these arrangements is for the Continuity of Support (CoS) program and has been identified as having sufficiently specific performance obligations under enforceable grant agreements.

The remaining Commonwealth grants, although under enforceable agreements, do not contain sufficiently specific performance obligations, these grants are recognised upon receipt.

*Accounting Policy - Services received below fair value*

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

*Disclosure - Services received below fair value*

Services received below fair value include $1.460M for community recovery volunteer services (2019-20: $2.009M) and $0.198 (2019-20: nil) for state archiving services. All services were provided by other State Government entities. The community recovery program transferred to the Department of Communities, Housing and Digital Economy in the Machinery-of-Government changes. Refer to Note A3 for further information.

 18 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

B1 Revenue (continued)

B1-4 Other Revenue

|  |  |  |
| --- | --- | --- |
|   | **2021** | **2020** |
|   | **$'000** | **$'000** |
| Expenditure recoveries | **5** | 3 |
| Grant and service procurement refunds^ | **2,283** | 15,197 |
| Other | **1,900** | 3,274 |
| **Total** | **4,188** | **18,474** |

^ These refunds relate to the return of prior year unspent funds by non-government organisations.

B2 Expenses

|  |  |  |
| --- | --- | --- |
| B2-1 Employee Expenses**Employee Benefits** | **2021****$'000** | **2020****$'000** |
| Wages and salaries | **162,067** | 151,552 |
| Employer superannuation contributions | **18,792** | 17,479 |
| Annual leave levy | **15,303** | 14,697 |
| Long service leave levy | **3,826** | 3,497 |
| Other employee benefits | **1,345** | 3,150 |
|   | **201,333** | 190,375 |
| **Employee Related Expenses** Workers' compensation premium | **2,941** | 2,113 |
| Other employee related expenses | **1,414** | 1,294 |
|   | **4,355** | 3,407 |
| **Total** | **205,688** | **193,782** |

The number of employees on a full-time equivalent (FTE) basis under the Minimum Obligatory Human Resource Information (MOHRI) classification methodology is:

 **2021 2020**

Number of full-time equivalent employees: \_\_\_\_**1,888** 1,767

*Accounting Policies - Employee Benefits
Accounting Policy - Wages and Salaries*

Wages and salaries due, but unpaid at reporting date, are recognised in the balance sheet at the current salary rates. As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts. Wages and salaries includes any non-vesting sick leave that has been paid by the department during the financial year.

19 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

B2 Expenses (continued)

B2-1 Employee Expenses (continued)

*Accounting Policies - Employee Benefits (continued)*

*Accounting Policy - Annual Leave*

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

*Accounting Policy - Long Service Leave*

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

*Accounting Policy - Superannuation*

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the State 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 employee’s total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

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

20 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

B2 Expenses (continued)

|  |  |  |
| --- | --- | --- |
| B2-2 Supplies and Services**Service Procurement** | **2021****$'000** | **2020****$'000** |
| Disability Services+ | **10,048** | 48,707 |
| Seniors Services | **9,946** | 10,339 |
| Aboriginal and Torres Strait Islander Partnerships Services | **1,172** | - |
| Community Services\* | **48,789** | 55,433 |
| Outsourced corporate services | **14,554** | 15,599 |
| Property and motor vehicle expenses | **10,067** | 11,461 |
| Property support, repairs and maintenance costs | **8,584** | 8,904 |
| Professional and technical fees | **9,205** | 9,256 |
| Other | **4,174** | 4,028 |
| Consultancies | **-** | 125 |
| **Total** | **116,539** | **163,852** |
|  |  |  |

\* Community Services transactions are from 1 July 2020 to 30 November 2020 due to the Machinery-of-Government changes

+ The decrease in Disability Services expenses between years relates to the reclassification of the Queensland Community Support Services program and the Meals on Wheels program to Community Services programs in 2020-21. This reclassification reflects the change of focus of these programs because of the transition to the National Disability Insurance Scheme and their stronger alignment to community services.

*Accounting Policy - Property and Motor Vehicle Expenses*

The majority of the property and motor vehicle expenses relate to arrangements where the Department of Energy and Public Works provides the department with access to office accommodation and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because the Department of Energy and Public Works has substantive substitution rights over the assets.

*Accounting Policy - Distinction between Service Procurement and Grants*

For a transaction to be classified as service procurement, 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 (refer to Note B2-3).

|  |  |  |
| --- | --- | --- |
| B2-3 Grants and Subsidies^ |   |   |
|   | **2021** | **2020** |
|   | **$'000** | **$'000** |
| Disability Services+ | **4,099** | 13,707 |
| Seniors Services | **520** | 1,394 |
| Aboriginal and Torres Strait Islander Partnership Services | **2,922** | - |
| Community Services \* | **9,221** | 15,843 |
| Donations and gifts | **1** | 168 |
| **Total** | **16,763** | **31,112** |
|  |   |   |

\* Community Services transactions are from 1 July 2020 to 30 November 2020 due to the Machinery-of-Government changes.

^ Refer to B2-2 for the accounting policy on the distinction between service procurement and grants.

+ Refer to B2-2 for explanation of variance on Disability Services expenditure between years.

21 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

B2 Expenses (continued)

|  |  |  |
| --- | --- | --- |
| B2-4 Depreciation and Amortisation |   |   |
|   | **2021** | **2020** |
|   | **$'000** | **$'000** |
| Depreciation - property, plant and equipment (refer C4-1) | **4,756** | 5,448 |
| Depreciation - right-of-use assets | **22** | 51 |
| Amortisation - intangible assets (refer C5-1) | **339** | 408 |
| **Total** | **5,117** | **5,907** |

Refer to Notes C4-5 and C5-3 for the accounting policies for depreciation and amortisation expense.

|  |  |  |
| --- | --- | --- |
| B2-5 Other Expenses |   |   |
|   | **2021** | **2020** |
|   | **$'000** | **$'000** |
| Net losses on disposal of property, plant and equipment | **209** | 1,328 |
| Insurance premiums | **758** | 750 |
| External audit fees | **285** | 285 |
| Special payments - ex gratia payments | **3** | 36 |
| Other | **1,689** | 11 |
| **Total** | **2,944** | **2,410** |
| *Audit Fees* |  |  |

The Queensland Audit Office is the department's external auditor. Total external audit fees relating to the 2020-21 financial year are estimated to be $0.285M (2019-20: $0.285M). There are no non-audit services included in this amount.

*Special Payments*

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 2020-21 and 2019-20 include the following payments over $5,000:

* No special payments over $5,000 were made during 2020-21. Special payments during 2019-20 include $0.028M paid on behalf of a community services provider that experienced financial difficulties to ensure continuity of service to the department's clients and $0.008M paid to cover the funeral expenses of a client in the care of the department.

C1 Cash and Cash Equivalents

|  |  |  |
| --- | --- | --- |
|  | **2021$'000** | **2020$'000** |
| Cash on hand | **5** | 4 |
| Cash at bank | **54,835** | 72,037 |
| **Total** | **54,840** | **72,041** |

22 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

C1 Cash and Cash Equivalents (continued)

*Accounting Policy - Cash and Cash equivalents*

For the purposes of the balance sheet and the statement of cash flows, cash assets include all cash and cheques receipted but not banked at 30 June 2021.

The department's cash at bank is held with the Commonwealth Bank of Australia except for a cash fund held with the Queensland Treasury Corporation (QTC) for the Elderly Parent Carer Innovation Initiative established in February 2013. The weighted average effective interest rate for the QTC cash fund is 0.52% per annum.

C2 Receivables

|  |  |  |
| --- | --- | --- |
| **Current** | **2021****$'000** | **2020****$'000** |
| Trade and other debtors | **1,934** | 2,177 |
| Less: Allowance for impairment loss | **(1,671)** | (1,780) |
|   | **263** | 397 |
| GST input tax credits receivable | **637** | 1,302 |
| Annual leave reimbursements | **4,175** | 2,481 |
| Long service leave reimbursements | **934** | 661 |
| **Total** | **6,009** | **4,841** |

*Accounting Policy - Receivables*

Trade and other debtors are recognised at the amounts due at the time of sale or service delivery. Settlement of these amounts is required within 30 days from invoice date. The collectability of receivables is assessed periodically with provision being made for impairment.

*Accounting Policy - Impairment of receivables*

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. If the amount of the debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

*Disclosure - Impairment of receivables*

The balance of allowance for impairment loss of $1.674M is due to trade debtors being deemed to be likely to be uncollectable in the current and future financial years. The debts are mainly related to the transition of disability services to the NDIS with the department no longer holding related funding agreements.

*Disclosure - COVID-19 pandemic impact*

The department recognises receivables from non-government organisations when required to repay excess funds from prior years, based on the terms and conditions of their funding arrangements. To date there has been minimal impact upon related receivables beyond that which existed prior to the pandemic.

The ability of non-government organisations to repay excess funds held from prior years could however manifest over a period of time, as the full impact of the pandemic hits the economy. The department continues to monitor the financial viability of non-government organisations holding funding agreements to identify risks in service delivery and debt recovery.

23 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

C2 Receivables (continued)

*Disclosure - Credit risk of receivables*

The majority of the department's receivables are from the State Government or Commonwealth agencies who are expected to have an insignificant, and therefore immaterial, level of credit risk exposure. No loss allowance is recorded for these receivables on the basis of materiality.

C3 Non-Current Assets Held for Sale

The department sold land and buildings at the Gold Coast in 2020-21 due to the properties no longer being suitable for the department's needs. The total market value of the land and buildings was $1.895M. Refer to Note C4-1 for further details of the department's land and building assets.

C4 Property, Plant and Equipment

|  |  |  |
| --- | --- | --- |
| C4-1 Closing Balances and Reconciliations of Carrying Amount**Property, Plant and Equipment Reconciliation at 30 June 2021 Land** | **2021****$'000** | **2020****$'000** |
| At fair value | **50,663** | 82,986 |
|   | **50,663** | 82,986 |
| **Buildings** |   |   |
| At fair value | **178,759** | 242,084 |
| Less accumulated depreciation | **(50,541)** | (52,339) |
|   | **128,218** | 189,745 |
| **Plant and equipment** At cost | **6,846** | 7,204 |
| Less accumulated depreciation | **(4,900)** | (5,187) |
|   | **1,946** | 2,017 |
| **Capital works in progress** |   |   |
| At cost | **469** | 9,177 |
|   | **469** | 9,177 |
| **Total** | **181,296** | **283,925** |

24 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

C4 Property, Plant and Equipment (continued)

C4-1 Closing Balances and Reconciliations of Carrying Amount (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Represented by Movements in Carrying Amount:** | **Land$'000** | **Buildings****$’000**  | **Plant and equipment$'000** | **Capital works in progress$'000** | **Total$'000** |
| Carrying amount at 1 July 2019 | 81,998 | 180,144 | 2,657 | 11,646 | 276,445 |
| Acquisition | - | - | - | 11,005 | 11,005 |
| Disposals | (741) | (588) | - | - | (1,329) |
| Transfers out to other Queensland Government entities | (1,258) | (1,200) | - | - | (2,458) |
| Assets classified as held for sale and other disposals | (500) | (200) | - | - | (700) |
| Transfers between asset classes | 33 | 13,304 | 137 | (13,474) | - |
| Revaluation surplus | 3,454 | 2,956 | - | - | 6,410 |
| Depreciation charge | - | (4,671) | (777) | - | (5,448) |
| Carrying amount at 30 June 2020 | 82,986 | 189,745 | 2,017 | 9,177 | 283,925 |
| Carrying amount at 1 July 2020 | 82,986 | 189,745 | 2,017 | 9,177 | 283,925 |
| Acquisition | - | 119 | 48 | 14,020 | 14,187 |
| Disposals | (1,037) | (3,786) | (6) | - | (4,829) |
| Transfers in from other Queensland Government entities MoG\* | 1,410 | 14,316 | 491 | - | 16,217 |
| Transfers out to other Queensland Government entities MoG\* | (32,840) | (76,683) | (195) | (14,952) | (124,670) |
| Adjustments MoG | - | - | - | - | - |
| Transfers between asset classes | - | 7,663 | 113 | (7,776) | - |
| Net revaluation increments/ (decrements) in asset revaluation surplus | 144 | 1,078 | - | - | 1,222 |
| Revaluation surplus | - | - | - | - | - |
| Depreciation charge | - | (4,234) | (522) | - | (4,756) |
| Carrying amount at 30 June 2021 | 50,663 | 128,218 | 1,946 | 469 | 181,296 |
| \* Refer to Note A3 for further information. |   |   |   |   |   |

C4-2 Recognition and Acquisition

*Accounting Policy - Recognition*

*Basis of Capitalisation and Recognition Thresholds*

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

|  |  |
| --- | --- |
|  Buildings (including land improvements) | $10,000 |
|  Land | $1 |
|  Plant and equipment | $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 it will increase the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

25 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

C4 Property, Plant and Equipment (continued)

C4-2 Recognition and Acquisition (continued)
*Accounting Policy - Cost of Acquisition*

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition (such as architect's fees and engineering design fees), plus all other costs incurred in getting the assets ready for use.

Where assets are received free of charge from another State Government entity, whether as a result of a Machinery-of-Government change, or other involuntary transfer, the acquisition is recognised as the carrying amount in the books of the other entity immediately prior to the transfer.

C4-3 Measurement Using Historical Cost*Accounting Policy*

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

C4-4 Measurement Using Fair Value*Accounting Policy*

Land and buildings are measured at fair value as required by Queensland Treasury's NCAP 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 impairment losses where applicable (refer to Note C4-1).

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

Land and buildings are revalued on an annual basis either by appraisals undertaken by an independent professional valuer or by the use of appropriate and relevant indices.

*Use of Specific Appraisals*

Revaluations using independent professional valuers are undertaken at least once every five years. The department’s land and buildings were revalued by independent professional valuers, APV Valuers & Asset Management (APV) valuers certificates 2962 and 4079, in the current financial year. The effective date of the revaluation is 29 February 2021. Management have confirmed there has been no significant shift in the values since then.

Revaluations using independent professional valuers are undertaken annually. However, if a particular asset class experiences significant and volatile changes in fair value, the class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

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. Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

*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. APV performed the comprehensive revaluation of the department's land and buildings in 2019-20, with indices sourced from APV being applied to these assets (refer to Note C4-7).

APV supplies the indices and provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Management assesses and confirms the relevance and suitability of indices provided by APV based on the department's own particular circumstances.

26 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

C4 Property, Plant and Equipment (continued)

C4-4 Measurement Using Fair Value (continued)
*Accounting for Changes in Fair Value*

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

The department depleted its asset revaluation reserve in the 2011-12 financial year and a $201.000M revaluation decrement was recognised. The decrement was due to the revaluation of rental housing stock at fair value prior to the asset transfer to the former Department of Housing and Public Works. The fair value of the housing stock was significantly lower than the book value due to economic factors impacting on the property market at that time.

In accordance with Australian Accounting Standards, the revaluation increment on the department’s land and buildings in 2020-21 has been recognised as revenue in the Income Statement, as a reversal of the revaluation decrement.

As at 30 June 2021, the carrying amount of the asset revaluation decrements were $71.187M (2019-20: $71.331M) for land and $75.394M (2019-20: $76.367M) for buildings.

C4-5 Depreciation Expense*Accounting Policy*

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life to the department. The remaining useful lives of buildings, plant and equipment are reviewed annually.

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

Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the department.

Assets under construction (work-in-progress) are not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is the earlier. These assets are then reclassified to the relevant class within property, plant and equipment.

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

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

*Depreciation Rates*

Key Estimates: Depreciation rates for each class of depreciable asset (including significant identifiable components):

*Asset Range of Useful Life Average Useful Life*

Buildings 10-120 years 56.12 years

Plant and Equipment 4-19 years 11.51 years

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

C4 Property, Plant and Equipment (continued)

C4-6 Impairment

*Accounting Policy - Property, Plant and Equipment*

*Indicators of Impairment and Determining Recoverable Amount*

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement.* If an indicator of possible impairment exists, the department determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is equal to the higher of the fair value less costs of disposal.

C4-7 Fair Value Measurement

*Fair Value Measurement Hierarchy*

All assets of the department for which fair value is measured are categorised within the following fair value hierarchy:

* level 1 - represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
* level 2 - represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
* level 3 - represents fair value measurements that are substantially derived from unobservable inputs. None of the department’s valuations of assets or liabilities are eligible for categorisation into level 1.

*Categorisation of Assets Measured at Fair Value*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Level 22021****$’000** | **Level 2****2020****$’000** | **Level 32021****$’000** | **Level 32020****$’000** | **Total Carrying Amount2021$’000** | **Total Carrying Amount****2020****$’000** |
| Land | **50,663** | 82,816 | **-** | 170 | **50,663** | 82,986 |
| Buildings | **8,728** | 8,135 | **119,490** | 181,610 | **128,218** | 189,745 |

Level 3 Fair Value Measurement - Reconciliation

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Land 2021 $‘000** | **Land 2020 $‘000** | **Buildings 2021 $‘000** | **Buildings 2020 $’000** |
| Carrying amount at 1 July 2020 | **170** | 3,987 | **181,610** | 165,512 |
| Acquisitions | **-** | - | **119** | - |
| Disposals | **-** | (741) | **(2,928)** | (417) |
| Transfers in from other Queensland Government entities MoG\* | **-** | - | **12,082** | - |
| Transfers out to other Queensland Government entities | **-** | (351) | **-** | (1,082) |
| Transfers out to other Queensland Government entities MoG\* | **(170)** | - | **(75,733)** | - |
| Transfers between asset classes | **-** | - | **7,637** | 13,304 |
| Transfers into level 3 from level 2 | **-** | - | **-** | 5,661 |
| Transfers out of level 3 to level 2 | **-** | (2,725) | **-** | - |
| Net revaluation increments/ (decrements) in operating surplus | **-** | - | **714** | - |
| Net revaluation increments/ (decrements) in asset revaluation surplus | **-** | - | **-** | 2,954 |
| Depreciation | **-** | - | **(4,011)** | (4,322) |
| Carrying amount at 30 June 2021 | **-** | 170 | **119,490** | 181,610 |

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

C4 Property, Plant and Equipment (continued)

C4-7 Fair Value Measurement (continued)
*Basis for Fair Values of Assets*

The land and buildings portfolio for Seniors and Disability Services was comprehensively revalued by APV in the 2019-20 financial year in accordance with AASB 13 *Fair Value Measurement*. The land and buildings portfolio for Aboriginal and Torres Strait Islander Partnerships was transferred to the department at fair value following the Machinery-of-Government restructure. Refer to Note A3-1 for further information.

The valuation approach for the department's land assets is a market based assessment. Inputs for this assessment include publicly available data on recently sold properties which are of a similar type. This comparison is adjusted to take into consideration the characteristics of the land, such as size, zoning, topography and configuration etc.

The department transferred assets to the Department of Communities, Housing and Digital Economy as part of the Machinery-of-Government restructure with effect from 1 December 2020. The department received assets from the former Department of Aboriginal and Torres Strait islander Partnerships with effect from 13 November 2020. Refer to Note A3 for further information.

The department's general purpose buildings (level 2 category) also used a market based assessment as their valuation approach. This included residential properties where the relevant inputs were able to be observed from current market evidence. The residential properties fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size.

The department's special purpose buildings (level 3 category) as well as buildings where due to external circumstances there was no evidence to support a market based approach, are valued using current replacement cost as their valuation approach. Under this approach the cost to replace the asset is calculated and then adjusted to take account of any obsolescence. Key inputs used in this approach include the condition of the building assets, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and useful life. The cost approach method is based on determining the current replacement cost of the buildings modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed obsolescence.

C4-8 Retail Stores and Community Facilities Divestment Program

The department is the trustee of various reserve lands located within discrete indigenous communities, urban communities and islands in the Torres Strait, some of which have community facilities attached used by the local communities. The department is assessing options to transfer these assets to Traditional Owners or local councils, and there is no certainty as to likely outcomes over the foreseeable future. Until agreement is reached with the Traditional Owners and relevant local councils for these prospective transfers, the department will continue to control these assets.

These assets include:

* Olandi Hall, Thursday Island (land held in trust and buildings) - value $1.609M
* Mona Mona (land held in trust and a meeting shed) - value $0.821M
* Residential dwellings and land held in trust, Irvinebank - value $0.213M
* A number of reserves in remote locations in the Torres Strait and on the mainland. The majority of these reserves are valued at $1 in accordance with The Land Act 1994 which enables unallocated state land held in trust for the local community to be valued at a nominal amount.

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

C4 Property, Plant and Equipment (continued)

C4-8 Retail Stores and Community Facilities Divestment Program (continued)

The department currently controls a number of Retail Stores and associated housing assets in remote communities. These assets are valued at $9.400M. Community Enterprise Queensland currently operates the Retail Stores on behalf of the department under memorandum of understanding arrangements whereby Community Enterprise Queensland reimburses the department's depreciation expenses. The department also controls the Lockhart River Multi-Tenant Service Centre ($2.014M).

C4-9 Land and Buildings not on Deed of Grant in Trust (DOGIT) Land

In 2020-21, the department revalued land and buildings by use of appropriate indices. The department engaged APV to supply these indices.

The indices are either publicly available, or are derived from available market information. APV provides assurance of their robustness, validity and appropriateness for application to the relevant assets.

Management assesses and confirms the relevance and suitability of these indices. Land is valued at a nominal value of $1 per parcel as land is held in trust for the local community. As there is no active market for departmentally-owned buildings on DOGIT land, the current replacement cost approach is used.

The indices are either publicly available, or are derived from available market information. APV provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Management assesses and confirms the relevance and suitability of these indices.

Current replacement cost reflects the current cost that would be required to replace the service capacity of the asset as it currently exists. The cost is estimated to be the amount that would be incurred by a market participant to acquire or construct a substitute asset, adjusted for obsolescence.

C5 Intangibles

|  |  |  |  |
| --- | --- | --- | --- |
| *C5-1 Closing Balances and Reconciliations of Carrying Amount* |   |   |   |
|   |   | **2021** | **2020** |
|   |   | **$'000** | **$'000** |
| **Intangible Assets Reconciliation at 30 June 2021** |   |   |   |
| **Internally Generated** |   |   |   |
| Software - internally generated (at cost) |   | **1,722** | 45,889 |
| Less accumulated amortisation |   | **(672)** | (43,741) |
|   |   | **1,050** | 2,148 |
| **Works in progress** |   |   |   |
| Software - work in progress (at cost) |   | **-** | 1,078 |
|   |   | **-** | 1,078 |
| **Total** |   | **1,050** | **3,226** |
| **Represented by Movements in Carrying Amount:** | **Softwareinternallygenerated$’000** | **Software works in progress $’000** | **Total$’000** |
| Carrying amount at 1 July 2019 | 2,556 | - | 2,556 |
| Transfer in from other Queensland Government Entities MoG\* | - | 1,078 | 1,078 |
| Amortisation | (408) | - | (408) |
| Carrying amount at 30 June 2020 | **2,148** | **1,078** | **3,226** |

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

C5 Intangibles (continued)

C5-1 Closing Balances and Reconciliations of Carrying Amount (continued)

| **Represented by Movements in Carrying Amount:** | **Softwareinternally generated $'000** | **Software works in progress $'000** | **Total$'000** |
| --- | --- | --- | --- |
| Carrying amount at 1 July 2020 | 2,148 | 1,078 | 3,226 |
| Additions | - | 13 | 13 |
| Transfer in from other Queensland Government Entities MoG\* | 142 | - | 142 |
| Adjustments MoG | (3) | - | (3) |
| Transfers between classes | 1,091 | (1,091) | - |
| Transfers out to other Queensland Government entities MoG\* | (1,989) | - | (1,989) |
| Amortisation | (339) | - | (339) |
| Carrying amount at 30 June 2021 | **1,050** | **-** | **1,050** |
| \* Refer to Note A3 for further information. |  |   |   |

C5-2 Recognition and Measurement

*Accounting Policy*

Intangible assets of the department comprise internally developed software and software works in progress. Intangible assets with a historical cost or other value equal to or greater than $100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

There is no active market for any of the department's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

C5-3 Amortisation Expense

All intangible assets of the department have finite useful lives and are amortised on a straight line basis over their estimated useful life to the department. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible’s useful life. The residual value of all the department's intangible assets is nil.

For each class of intangible asset the following amortisation useful lives are used:

|  |  |  |
| --- | --- | --- |
| *Asset* | *Range of Useful Life* | *Average Useful Life* |
| Software Internally Generated | 7-9 years | 7 years |

C5-4 Impairment

*Accounting Policy - Intangibles*

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the department, including discontinuing the use of the software or patent. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

31 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

C6 Payables

|  |  |  |
| --- | --- | --- |
| **Current** | **2021****$'000** | **2020****$'000** |
| Trade creditors and accruals | **8,074** | 5,107 |
| Grants and subsidies payable | **1,359** | 5,501 |
| Deferred appropriation payable to Consolidated Fund | **28,263** | 21,652 |
| Other | **230** | 339 |
| **Total** | **37,926** | **32,599** |

*Accounting Policy - Payables*

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

*Disclosure - COVID-19 pandemic impact*

In response to COVID-19 the State Government announced a new payment policy to assist suppliers with the financial impact of the pandemic. The department now pays suppliers as soon as possible after the goods or services are received and following receipt of a tax invoice. There is no cash risk to the department. The department continues to monitor the financial viability of major non-government suppliers annually to identify risks to provision of government services.

C7 Accrued Employee Benefits

|  |  |  |
| --- | --- | --- |
|  | **2021$’000** | **2020$’000** |
| Salaries and wages payable | **2,943** | 2,649 |
| Annual leave levy payable | **4,759** | 4,003 |
| Long service leave levy payable | **1,109** | 967 |
| **Total** | **8,811** | **7,619** |

*Accounting Policy - Accrued Employee Benefits*

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

C8 Equity

C8-1 Contributed Equity
*Accounting Interpretation*

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* specifies the principles for recognising contributed equity by the department. The following items are recognised as contributed equity by the department during the reporting and comparative years:

* Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of Machinery-of-Government changes; and
* Appropriations for equity adjustments (refer to Note C8-2 Appropriations Recognised in Equity).

32 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

C8 Equity (continued)

|  |  |  |
| --- | --- | --- |
| C8-2 Appropriations Recognised in Equity |   |   |
|   | **2021$'000** | **2020$'000** |
| **Reconciliation of Payments from Consolidated Fund to Equity Adjustment** |   |   |
| Budgeted equity adjustment appropriation | **9,470** | 3,259 |
| Additional appropriation revenue for unforeseen expenditure | **-** | 2,306 |
| Lapsed equity adjustment | **(4,520)** | - |
| **Equity Adjustment Receipts (Payments)** | **4,950** | 5,565 |
| Less: Closing balance of equity adjustment payable | **(449)** | (2,306) |
| **Equity Adjustment Recognised in Contributed Equity** | **4,501** | **3,259** |

D1 Financial Risk Disclosures

D1-1 Financial Instrument Categories

Financial assets and liabilities are recognised in the balance sheet when the department becomes party to the contractual provisions of the financial instrument.

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

|  |  |  |  |
| --- | --- | --- | --- |
|   | **Note** | **2021****$'000** | **2020****$'000** |
| **Financial Assets** |   |   |   |
| Cash and cash equivalents | C1 | **54,840** | 72,041 |
| **Financial assets at amortised cost:** |   |   |   |
| Current Receivables | C2 | **6,009** | 4,841 |
| **Total financial assets** |   | **60,849** | **76,882** |
| **Financial Liabilities** |   |   |   |
| **Financial liabilities at amortised cost - comprising:** |   |   |   |
| Payables | C6 | **37,926** | 32,599 |
| **Total financial liabilities at amortised cost** |   | **37,926** | 32,599 |
| D1-2 Financial Risk Management |   |   |   |

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

All financial risk is managed under policies approved by the department. The department provides written principles for overall risk management, as well as policies covering specific areas.

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

*Risk Exposure Measurement Method*

Credit risk Ageing analysis, earnings at risk

Liquidity risk Sensitivity analysis

Market risk Interest rate sensitivity analysis

33 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

D1 Financial Risk Disclosures (continued)

D1-2 Financial Risk Management (continued)

There are no material liquidity, market and credit risks for the department. A sensitivity analysis has not been undertaken for the interest rate risk of the department as it has been determined that the possible impact on income from fluctuations in interest rates is immaterial.

Management review and follow up aged receivables monthly to minimise the credit risk exposure of the department.

D2 Contingencies

D2-1 Native Title Claims over Departmental Assets

As at reporting date native title claims exist that covers departmental land with buildings and site improvements totalling $0.655M. At the reporting date it is not possible to make an estimate of any probable outcome of this claim, or any financial effects.

D3 Commitments

D3-1 Capital Expenditure Commitments

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **1 year 2021 $’000** | **1 year 2020 $’000** | **2-5 years 2021 $’000** | **2-5 years 2020 $’000** | **5 years+ 2021 $’000** | **5 years+ 2020 $’000** | **Total 2021 $’000** | **Total 2020 $’000** |
| **Payable** |  |  |  |  |  |  |  |  |
| Land and buildings | 1,287 | 12,666 | - | - | - | - | 1,287 | 12,666 |
| Intangibles | - | 82 | - | - | - | - | - | 82 |
| **Total** | **1,287** | **12,748** | **-** | **-** | **-** | **-** | **1,287** | **12,748** |

D4 Events After the Balance Date

On 21 August 2021, the Torres Shire Council resolved to accept the transfer and ownership of Olandi Hall for nil consideration under the department’s asset divestment program to empower local communities. The transaction is intended to be recognised as an administered grant in 2021-22 as permitted under the Financial Reporting Requirements 4F.5. The asset’s value as at 30 June 2021 is $1.609M (land $0.495M; buildings $1.114M).

E1 Budgetary Reporting Disclosures

E1-1 Explanation of Major Variances – Income Statement
Appropriation revenue

Appropriation revenue is $33.161M lower than budget of $353.897M due to a range of timing adjustments for initiatives including splash parks in discrete communities, the Disability Connect Outreach Program and the reallocation of funding for the Community Services function to the Department of Communities, Housing and Digital Economy. Further, appropriation revenue was reduced by $4.037M to offset revenues received for the processing of Yellow Card applications.

User charges and fees

User charges and fees is $6.666M higher than budget of $3.512M principally due to funding received from the NDIS for specialist disability accommodation. This item is not budgeted for due to the variable nature of these recovery costs. Further, the department recognised $4.037M in user charges relating to the processing of Yellow Card applications which has been offset against appropriation revenue. 34 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

E1 Budgetary Reporting Disclosures (continued)

E1-1 Explanation of Major Variances – Income Statement (continued)
*Grants and other contributions*

Grants and other contributions is $1.272M higher than budget of $12.217M principally reflecting the recognition of services received below fair value of $1.460M for the contribution of employee effort from other state government departments towards community disaster recovery projects. This item is not budgeted for due to the variable nature of these recovery events. A commensurate offsetting expense has been recognised and reported under other expenses.

*Reversal of revaluation decrement*

The reversal of the revaluation decrement balance at year end of $1.229M is due to the increment of the annual revaluation of land and building assets being adjusted against the historical revaluation decrement. A budget was not provided for this item due to the difficulty in forecasting revaluation movements across the asset portfolio.

*Other revenue*

Other revenue is $1.740M higher than the budget of $2.448M reflecting funding received from Queensland Health for reimbursement of COVID-19 pandemic related expenses incurred in prior years ($0.650M) the de-recognition of provisions ($0.550M), and the return of grant funds unspent from prior years being $0.400M above forecast.

*Supplies and services*

Supplies and services expenses were $21.045M lower than the budget of $137.584M due to the timing adjustments for initiatives the Disability Connect Outreach Program, the NDIS Worker Screening project and the Royal Commission into violence, abuse, neglect and exploitation of people with disability. A number of outsourced service delivery programs required being reprogrammed due to the ongoing impact of the COVID-19 pandemic and the ability to community engage and operationalise initiatives.

*Grants and subsidies*

Grants and subsidies expenses were $4.767M lower than the budget of $21.530M due to the timing of a number of grant programs including splash parks in discrete communities being reprogrammed due to the ongoing impact of the COVID-19 pandemic and the ability to engage fully with local communities and operationalise initiatives.

*Depreciation and amortisation*

Depreciation and amortisation were $2.189M lower than the budget of $7.306M, reflecting lower impacts of asset revaluations on the 2020-21 financial year than originally forecast and the recalibration of the asset portfolio and depreciation budget following the Machinery-of-Government changes.

*Impairment losses*

The department regularly reassesses its debts and other assets for impairment. Debt impairments were lower in 2020-21 compared to original forecasts with allowance for impairment losses reducing from $1.780M to $1.671M.

*Other expenses*

Other expenses were $1.465M higher than the budget of $1.479M principally reflecting the recognition of Services received below fair value of $1.460M for the contribution of employee effort from other state government departments towards community relief efforts. This item is not budgeted for due to the variable nature of these recovery events. A commensurate offsetting revenue has been recognised under grants and other contributions.

35 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

F1 Key Management Personnel Disclosures

F1-1 Details of Key Management Personnel and Remuneration Expense

The department’s responsible Minister is identified as part of the department's Key Management Personnel (KMP), consistent with additional guidance included in AASB 124 *Related Party Disclosures*. The department operated under two Ministers during the financial year - the Honourable Coralee O’Rourke MP, Minister for Communities, Disability Services and Seniors from 1 July 2020 to 12 November 2020; and the Honourable Craig Crawford MP, Minister for Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships from 13 November 2020 to 30 June 2021. The following details for non-ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2020-21 and 2019-20. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

The following disclosures focus on the expenses incurred by the department attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Income Statement. The remuneration expenses disclosed include the substantive KMP's remuneration expenses as well as remuneration earned while he/she has acted in another KMP position throughout the financial year on a short term basis. It does not include non-KMPs acting in the position less than six months.

*1 December 2020 - 30 June 2021*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Position Title** | **Short Term Employee Expenses Monetary Expenses $'000** | **Short Term Employee ExpensesNon-Monetary Benefits $'000** | **Other Employee BenefitsLong Term Employee Expenses $’000** | **Other Employee Benefits Post-Employment Expenses $’000** | **Other Employee Benefits Termination Benefits $’000** | **Total Expenses $’000** |
| Director-General | 279 | 2 | 7 | 34 | - | 322 |
| Associate Director-General Seniors and Disability Services | 200 | 2 | 4 | 25 | - | 231 |
| Deputy Director-General Culture and Economic Participation | 148 | 2 | 3 | 16 | - | 169 |
| Deputy Director-General Policy & Corporate Services | 122 | 2 | 3 | 14 | - | 141 |
| Assistant Director-General (Disability and Seniors Connect) | 120 | 2 | 3 | 14 | - | 139 |
| Assistant Director-General (Disability, Accommodation, Respite and Forensic Services) | 143 | 2 | 3 | 15 | - | 163 |
| Chief Human Resources Officer | 125 | 2 | 3 | 13 | - | 143 |
| Chief Finance Officer | 120 | 2 | 3 | 13 | - | 138 |

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

F1 Key Management Personnel Disclosures (continued)

F1-1 Details of Key Management Personnel and Remuneration Expense

*(continued) 1 July 2020 - 30 November 2020*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Position Title** | **Short Term Employee Expenses Monetary Expenses $'000** | **Short Term Employee ExpensesNon-Monetary Benefits $'000** | **Other Employee BenefitsLong Term Employee Expenses $’000** | **Other Employee Benefits Post-Employment Expenses $’000** | **Other Employee Benefits Termination Benefits $’000** | **Total Expenses $’000** |
| Director-General | 143 | 2 | 3 | 18 | - | 166 |
| Assistant Director-General (Community Services and Seniors) | 95 | 1 | 2 | 11 | - | 109 |
| Assistant Director-General (Disability, Accommodation and Respite Services) | 104 | 1 | 2 | 11 | - | 118 |
| Assistant Director-General (Disability Connect Queensland) | 88 | 1 | 2 | 10 | - | 101 |
| Assistant Director-General (Corporate Services) | 91 | 1 | 2 | 10 | - | 104 |
| Executive Director (Strategic Policy and Legislation) | 74 | 1 | 2 | 9 | - | 86 |
| Chief Human Resources Officer | 89 | 1 | 2 | 9 | - | 101 |
| Chief Finance Officer | 84 | 1 | 2 | 9 | - | 86 |

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

F1 Key Management Personnel Disclosures (continued)

F1-1 Details of Key Management Personnel and Remuneration Expense (continued)

*1 July 2019 - 30 June 2020*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Position Title** | **Short Term Employee Expenses Monetary Expenses $'000** | **Short Term Employee ExpensesNon-Monetary Benefits $'000** | **Other Employee BenefitsLong Term Employee Expenses $’000** | **Other Employee Benefits Post-Employment Expenses $’000** | **Other Employee Benefits Termination Benefits $’000** | **Total Expenses $’000** |
| Director-General | 331 | 5 | 8 | 43 | - | 387 |
| Assistant Director-General (Community and Seniors Services) | 249 | 5 | 6 | 26 | - | 286 |
| Assistant Director-General (Accommodation Support and Respite Services) | 230 | 5 | 5 | 26 | - | 266 |
| Deputy Director-General (Disability Services) - until 9 August 2019 | 74 | 1 | 1 | 4 | 253 | 333 |
| Assistant Director-General (Disability Connect Queensland) - from 16 September 2019 | 170 | 4 | 4 | 15 | - | 193 |
| Deputy Director-General (Corporate Services) - until 13 September 2019 | 75 | 1 | 1 | 5 | 233 | 315 |
| Assistant Director-General (Corporate Services) - from 16 September 2019 | 188 | 2 | 4 | 17 | - | 211 |
| Assistant Director-General (Strategic Policy and Legislation) - until 27 September 2019 | 91 | 1 | 1 | 6 | 47 | 146 |
| Executive Director (Strategic Policy and Legislation) - from 3 July 2019 | 196 | 5 | 4 | 19 | - | 224 |
| Assistant Director-General (NDIS Program Management Office) - until 19 July 2019 | 16 | - | - | 1 | - | 17 |
| Chief Finance Officer | 207 | 5 | 5 | 22 | - | 239 |
| Chief Human Resources Officer | 195 | 5 | 4 | 21 | - | 225 |

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

F1 Key Management Personnel Disclosures (continued)

F1-2 Remuneration Policies

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

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

Effective from 1 September 2017, remuneration packages of KMP increased by 2.5% in accordance with government policy.

Remuneration expenses for those KMP comprise the following components:

* *Short term employee expenses* including:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of

the year during which the employee occupied a KMP position.

- non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to

the benefit.

* *Long term employee expenses* include amounts expensed in respect of long service leave entitlements earned.
* *Post-employment expenses* include amounts expensed in respect of employer superannuation obligations.
* *Termination benefits* include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

F1-3 Performance Payments

No remuneration packages for KMP provide for any performance or bonus payments.

F2 Related Party Transactions

F2-1 Transactions with other Queensland Government-controlled entities

The department’s primary ongoing sources of funding from State Government for its services are appropriation revenue (refer Note B1-1) and equity injections (refer Note C8-2), both of which are provided in cash via Queensland Treasury.

The department’s primary source of accommodation, motor vehicles and asset works and repairs are managed through the Department of Energy and Public Works and its controlled entities.

The department also purchases corporate services from the Department of Children, Youth Justice and Multicultural Affairs.

F2-2 Transactions with people/entities related to KMP

Based upon KMP declarations, there have been no transactions with related parties that have materially affected the agency’s operating result and/or financial position.

39 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

F3 Climate Risk Disclosures

The department has not identified any material climate related risks relevant to the financial statements at the reporting date. Climate risks are considered by the department within the context of its Enterprise Risk Management framework.

F4 Impact of COVID-19 Pandemic

The department provided the financial assistance below during the financial year as a result of the pandemic. The assistance has a limited life and expenditure between years is not comparable.

Expenditure recognised in the Income Statement - Administered includes the following items under the heading of grants and subsidies.

* $6.708M in relief payments provided under the State Government Power Bill Relief Package for small and medium business enterprises with consumption less than 100,000 kilowatt hours (kWh), with a $500 rebate being automatically applied to electricity accounts. $85.920M provided in 2019-20.
* $11.447M in electricity rebates provided under the State Government Household Utility Assistance Package to Queensland residential households, with a $50 rebate being automatically applied to their electricity accounts. $404.213M provided in 2019-20.

Expenditure recognised in the Income Statement - Controlled includes the following under the heading of grants and subsidies.

* $2.201M provided under the International Students in Crisis grants program to enrolled international students living in Queensland who were suffering severe financial hardship as a result of the pandemic. $2.666M provided in 2019-20.

Further information on the impact of the COVID-19 pandemic is provided within Note C2, Receivables and Note C6 Payables.

G1 Administered

G1-1 Appropriation Revenue

|  |  |  |
| --- | --- | --- |
|   | **2021$'000** | **2020$'000** |
| **Reconciliation of Payments from Consolidated Fund to Administered** |   |   |
| **Appropriation Revenue Recognised in Operating Result** |   |   |
| Budgeted appropriation revenue | **2,423,678** | 1,527,222 |
| Treasurer's transfers | **5,520** | 500,000 |
| Additional appropriation revenue for unforeseen expenditure | **-** | 115,468 |
| **Total Appropriation Receipts (cash)** | **2,429,198** | 2,142,690 |
| Less: Opening balance of appropriation revenue receivable | **(14,801)** | - |
| Plus: Closing balance of appropriation revenue receivable | **-** | 14,801 |
| Plus: Opening balance of appropriation revenue payable | **-** | 155,617 |
| Less: Closing balance of appropriation revenue payable | **(20,921)** | - |
| **Net Appropriation Revenue** | **2,393,476** | 2,313,108 |
| Plus: Adjustment for MoG transfer | **-** | - |
| **Administered Appropriation Revenue recognised in Income Statement\*** | **2,393,476**  | **2,313,108** |

\* This appropriation revenue is provided in cash via Queensland Treasury and funds activities and expenses that the department administers on behalf of the State Government (refer to Note A2-7).

40 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

G1 Administered (continued)

G1-2 Grants and Other Contributions

|   | **2021 $'000** | **2020 $'000** |
| --- | --- | --- |
| Commonwealth grants | **900** | - |
| Grants from Queensland Reconstruction Authority\* | **1,953** | 71,949 |
| **Total** | **2,853** | **71,949** |

\* Queensland Reconstruction Authority grants are from 1 July 2020 to 30 November 2020 due to the Machinery-of-Government changes.

G1-3 Supplies and Services

|  |  |  |
| --- | --- | --- |
|  | **2021****$'000** | **2020****$'000** |
| Service procurement | **725** | 111 |
| Professional and technical fees | **-** | 11 |
| Disaster recovery | **277** | 8,490 |
| **Total** | **1,002** | **8,612** |

G1-4 Grants and Subsidies

|  |  |  |
| --- | --- | --- |
|   | **2021 $'000** | **2020 $'000** |
| Grants - National Disability Insurance Agency | **1,976,912** | 1,544,285 |
| Grants – Disaster Recovery | **11,157** | 11,694 |
| Grants – Western Cape Communities | **7,025** | - |
| Grants - Electricity - COVID-19 - Small Medium Business Relief | **6,708** | 85,920 |
| Grants - Family Responsibilities Commission | **2,079** | - |
| Grants - Disaster Recovery Personal Hardship Assistance Scheme | **1,065** | 3,414 |
| **Total grants and subsidies** | **2,004,946** | **1,645,313** |
| Concession - Asset ownership electricity dividend | **104,780** | 2,944 |
| Concession - Electricity | **198,835** | 189,956 |
| Concession - Electricity - COVID-19 - Residential Household Relief | **11,447** | 404,213 |
| Concession - Rates | **54,340** | 53,256 |
| Concession - Water | **18,271** | 17,682 |
| Concession - Home Energy Emergency Assistance | **7,696** | 8,739 |
| Concession - Natural gas | **2,497** | 2,388 |
| Concession - Life Support | **2,071** | 2,099 |
| Concession - Medical cooling and heating electricity | **1,716** | 1,627 |
| **Total concession payments** | **401,653** | **682,904** |
| **Total** | **2,406,599** | **2,328,217** |

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

G1 Administered (continued)

G1-5 Receivables

|  |  |  |
| --- | --- | --- |
| **Current** | **2021****$'000** | **2020****$'000** |
| Net trade receivables | **-** | - |
| GST input tax credits receivable | **1,959** | 2,163 |
| Appropriation revenue receivable | **-** | 14,801 |
| **Total** | **1,959** | **16,964** |

G1-6 Payables

|  |  |  |
| --- | --- | --- |
|  | **2021$'000** | **2020$'000** |
| Service concessions available | **26,808** | 93,867 |
| Appropriation revenue payable | **20,921** | - |
| Trade creditors and accruals | **3** | 10 |
| Grants and subsidies payable | **-** | 141,895 |
| Other | **1** | 2 |
| **Total** | **47,733** | **235,774** |

G1-7 Financial Instruments

The department does not consider that there are any material financial management risks associated with the above financial assets and liabilities.

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Assets** | **Note** | **2021****$'000** | **2020****$'000** |
| Cash and cash equivalents |   | **44,315** | 190,692 |
| **Financial assets at amortised cost:** |   |   |   |
| Current Receivables | G1-5 | **1,959** | 16,964 |
| **Total financial assets** |   | **46,274** | **207,656** |
| **Financial Liabilities** |   |   |   |
| **Financial liabilities at amortised cost - comprising:** |   |   |   |
| Payables | G1-6 | **47,733** | 235,774 |
| **Total financial liabilities at amortised cost** |   | **47,733** | 235,774 |

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Notes to the Financial Statements

for the year ended 30 June 2021

G1 Administered (continued)

G1-8 Budgetary Reporting Disclosures

*(i) Explanation of Major Variances - Income Statement
Appropriation revenue*

Administered appropriation revenue is $37.177M lower than the budget of $2.431B principally due to the timing of concessions payments for electricity rebates for households and small or medium businesses. The variance is influenced by timing of application of rebates to quarterly consumer bills.

*Grants and other contributions*

Grants and other contributions principally reflect natural disaster relief and recovery grants received from the Queensland Reconstruction Authority. The original budget of $13.605M included an estimation of those grants to be recognised by the department prior to the Machinery-of-Government change for the transfer of the Community Services function to the Department of Communities, Housing and Digital Economy. Actual disaster relief grants received were less than forecast.

*Supplies and services*

Supplies and services of $1.002M were incurred in relation to natural disaster relief and recovery events and are recoverable from the Queensland Reconstruction Authority.

*Grants and subsidies*

Grants and subsidies were $37.659M lower than the budget of $2.444B. The key contributor to the variance relates to electricity concessions and rebates for households and small or medium businesses with expenditure outlays influenced by the timing of application for the rebates.

43 of 44

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Management Certificate

For the year ended 30 June 2021

CERTIFICATE OF THE DEPARTMENT OF SENIORS, DISABILITY SERVICES AND ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS

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

1. the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
2. the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships for the financial year ended 30 June 2021 and of the financial position of the department at the end of that year.

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

Signed by

Mr Narinder Singh ACMA CGMA CPA Bsc (Hons)

Chief Finance Officer

26 August 2021

Dr Chris Sarra, PhD

Director-General

26 August 2021

Queensland

• Audit Office

Better public services

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

*Report on the audit of the financial report
Opinion*

I have audited the accompanying financial report of the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships.

In my opinion, the financial report:

1. gives a true and fair view of the department's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended
2. complies with the *Financial Accountability Act 2009,* the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the balance sheets and statement of assets and liabilities by major departmental services as at 30 June 2021, the income statements, statement of changes in equity, statement of cash flows and income statement of by major departmental services for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

*Basis for opinion*

I conducted my audit in accordance with the *Auditor-General 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.

|  |
| --- |
| *Queensland**• Audit Office**Better public services**Valuation of Specialised Buildings ($119.490 million) Refer to notes C4-4 and C4-7 in the financial report.* |
| **Key audit matter** | **How my audit addressed the key audit matter** |
| The Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (DSDSATSIP) specialised building assets were valued at balance date using the current replacement cost method that comprises:* Gross replacement cost, less
* Accumulated depreciation

Specialised buildings represented 93 per cent of the total building assets as at balance date. The department's assets were valued on an annual basis according to the valuation methodology adopted for each category by comprehensively valuing the assets at regular intervals and applying indices in the years between comprehensive valuations. Specialised buildings were transferred to DSDSATSIP from the former Department of Aboriginal and Torres Strait Islander Partnerships at current replacement cost on 13 November 2020 as part of a Machinery-of-Government (MoG) change. As part of the MoG change, specialised buildings were also transferred out to the Department of Communities, Housing and Digital Economy from DSDSATSIP at current replacement cost on 1 December 2020.The department derived the gross replacement cost of its specialised buildings at balance date using unit prices that required significant judgements for:* Identifying the components of buildings with separately identifiable replacement costs (known as unit categories)
* Developing a unit rate for each of these components, including:
* Estimating the current cost for a modern substitute (including locality factors and on-costs), expressed as a rate per unit
* Identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so, estimating the adjustment to the unit rate required to reflect this difference
* Indexing unit rates for subsequent increases in input costs.
 | For this year specialised buildings were indexed. My procedures included, but were not limited to:* obtaining an understanding of the valuation methodology and appropriateness using common industry practices
* assessing the competence, capability and objectivity of the independent valuer
* reviewing the scope and instructions provided to the independent valuer
* evaluating the reasonableness of the indices used against other publicly available information about movements in values for replacement costs of similar assets.
* ensuring Machinery-of-Government transfers in and transfers out were processed completely and accurately.
 |
|
|  |  |  |

Queensland

• Audit Office

Better public services

*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.

Queensland

• Audit Office

Better public services

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

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

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

*Statement*

In accordance with s.40 of the *Auditor-General Act 2009,* for the year ended 30 June 2021:

1. I received all the information and explanations I required.
2. 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.

*Signed by*

*John Welsh Queensland Audit Office*

*as delegate of the Auditor-General Brisbane*

*27 August 2021*

Annual Report 2020–2021

**Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships**

www.dsdsatsip.qld.gov.au