

ANNUAL REPORT 2022–23



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Letter of compliance



Department of **Housing**

27 September 2023

The Honourable Meaghan Scanlon MP
Minister for Housing
Level 32, 1 William Street
Brisbane, QLD 4000

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2022–23 and financial statements for the Department of Housing.

This report is prepared based on current administrative arrangements for this department applying for the whole of the 2022–23 financial year. That is, it reflects the structure, operations and performance of the Department of Housing as it now exists.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found at page 48 of this annual report.

Yours sincerely

Mark Cridland
Director-General
Department of Housing

Communication objective

This annual report provides information about the Department of Housing's financial and non-financial performance for 2022–23. It has been prepared in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and the *Annual report requirements for Queensland Government agencies*.

The report records the significant achievements against the strategies detailed in the department's *Strategic Plan 2022–26* and the *2022–23 Service Delivery Statements*.

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty understanding the annual report, you can contact us on 13 QGOV (13 74 68) and we will arrange an interpreter to communicate the report to you.



www.qld.gov.au/languages

Department of Housing Annual Report 2022–23

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Online open data reporting

Content for the following annual reporting requirements can also be accessed on the department's website at www.housing.qld.gov.au and the Queensland Government data website at data.qld.gov.au/:

- consultancies
- overseas travel
- Queensland Languages Services Policy.

Our department

Message from the Director-General

This has been a productive year for the Department of Housing. Machinery-of-government (MoG) changes effective 18 May 2023 provided us with a strengthened mandate in supporting Queenslanders to have a safe and stable place to live. This annual report outlines the progress the department has already made in contributing to the Government's objectives for the community. It also recognises the ongoing work across the department throughout the past year.

During this financial year, the Housing Summit and two Housing Roundtables were held to address housing challenges across the state.

We are seeing the outcomes of the Summit already making a difference and putting a roof over the heads of vulnerable Queenslanders.

This includes the \$1 billion boost to the flagship Housing Investment Fund (HIF), bringing the total investment in this fund to \$2 billion. This will support 5,600 social and affordable home commencements across Queensland by 30 June 2027. That's over 10,000 Queenslanders who will have a place to call home in the future.

We saw the first two HIF-funded projects commence during the 2022–23 financial year and a further 71 proposals were shortlisted as part of the second round of funding.

The supply of additional social and affordable housing was one of our highest priorities this year. We contracted more than 1,700 new social housing homes and delivered 858 across the state in 2022–23. This was more than double the number of homes delivered during the previous financial year and resulted in 858 households in need having safe and stable housing.

The release of the 2023–24 State Budget in June has brought the government's total investment in social and affordable housing, and housing and homelessness support to \$5 billion, which is the largest investment in Queensland's history. This will support 13,500 home commencements by 30 June 2027.

Additionally, we explored innovative solutions to increase housing supply and delivered modular homes and tiny homes for social housing in areas of need across the state—including Longreach and Gympie.

This also included purchasing vacant former retirement villages in 2022–23 in Clayfield and Toowoomba, and leasing another in Redland Bay, which will provide housing for more than 120 households in need.

We also saved resumed homes and moved them to Queensland Government land to provide social housing for families in need, including a five-bedroom house to land in Sunnybank Hills.

We signed a contract to purchase a 23-room property in inner-Brisbane to accommodate small families impacted by domestic and family violence. This is supporting some of the most vulnerable Queenslanders, including children, with safe and stable housing.

In 2022–23, we also announced a buyback scheme of up to 335 individual National Rental Affordability Scheme (NRAS) properties in Townsville and South East Queensland (SEQ), with contracts signed on the first 94 homes.

Addressing homelessness remained a focus for our department. In March 2023, an additional \$28 million was committed for the Immediate Housing Response Package, bringing the total investment in the package to \$54 million over two years. This initiative provides families in urgent housing need with access to temporary accommodation and support, while the department assists them to transition to longer-term housing. This year, 6,850 households were assisted through the package.

We are committed to working with a variety of valued partners to improve housing outcomes for Queenslanders.

We understand it is a challenging time for many Queenslanders, including the more than one-third of Queensland households who rent their home.

That's why we expanded our private rental assistance products and services in 2022–23 for people experiencing severe rental stress to prevent them losing their tenancies, including more bond loans, rental grants, and financial assistance for people to pay their rent, through a \$10 million investment.

And the government responded to the significant national pressures impacting on private rental markets right across Australia.

That includes taking decisive action to help to stabilise rents by limiting rent increase frequency to once a year from 1 July 2023, as an immediate response to the challenging conditions in Queensland's private rental market.

Limiting the frequency of rent increases aimed to help improve consumer protections while Stage 2 Rental Law Reform is progressed. This builds on the Queensland Government's record of strong, balanced rental law reform delivered in Stage 1.

In February 2023, the Queensland Government announced a \$15 million trial to help seniors secure their homes as part of Government's investment in initiatives and law reforms to tackle youth crime across the state. The three-month trial commenced on 1 April 2023 in Cairns, Townsville and Mt Isa local government areas where services are delivered by the local Home Assist Secure provider. In the 2023–24 State Budget, the Queensland Government announced the expansion of the Helping Seniors Secure Their Homes initiative to include greater Cairns (Mareeba and Tablelands) and Toowoomba, committing a further \$15 million to the initiative.

The department invests in a variety of housing and support activities that respond to the needs of older women, including:

- social and affordable housing
- private market assistance
- Better Together Housing to assist older women to establish co-tenancies to share the cost of living and decrease social isolation
- demonstration projects which shows how the built form can respond to the needs of older people.

In 2022–23, we also launched community consultation to inform the development of a new four-year First Nations Housing and Homelessness Action Plan. *Our Place: A First Nations Housing and Homelessness Action Plan 2024–2027* will set the direction to improve housing outcomes for First Nations peoples living in Queensland.

This is backed by investment of \$51.3 million to support the second action plan, announced in the State Budget in June, with a focus on progressing Closing the Gap initiatives, enhancing culturally safe services and delivering innovative housing supply solutions.

These achievements in 2022–23 give us a solid foundation to continue delivering better housing outcomes for Queenslanders, particularly vulnerable people and families, into the 2023–24 financial year and beyond.

I would like to acknowledge and thank the people of our department, and our partners, for the real housing outcomes they delivered in 2022-23.

Mark Cridland
Director-General

About us

As a result of the MoG changes that came into effect on 18 May 2023, the Department of Communities, Housing and Digital Economy was renamed the Department of Housing.

These changes resulted in the transfer of the Arts Queensland, Community Services, the Corporate Administration Agency, and Customer and Digital Services service areas to other departments. These changes are detailed in our organisational structure outlined below.

As a result of these changes, our 2022–23 annual report reflects the Housing and Homelessness Services service area performance, against the 2022–26 strategic plan of the former Department of Communities, Housing and Digital Economy.

Our vision

Thriving communities where all Queenslanders can have a safe and stable place to live and enjoy high levels of social and economic wellbeing, supported by a strong digital economy and a vibrant arts sector.

Our purpose

To improve the lives of Queenslanders by increasing social, cultural, economic and digital inclusion.

Contribution to the Queensland Government's objectives for the community

The priorities and objectives of the Queensland Government guide and frame the department's strategic direction. The department contributes to the government's objectives for the community by:

Queensland Government's objectives for the community	Department's objectives	Department's service areas
<ul style="list-style-type: none">• Good jobs: Good, secure jobs in our traditional and emerging industries• Better services: Deliver even better services right across Queensland• Great lifestyle: Protect and enhance our Queensland lifestyle as we grow	<p>Improve social and economic outcomes for Queenslanders across the state</p> <p>Ensure Aboriginal and Torres Strait Islander peoples and culture are central to all engagement, design and delivery</p> <p>Integrate proactive frontline services, assistance and programs for Communities, Housing, Digital and the Arts</p> <p>Support a thriving digital economy where Queenslanders, their businesses and communities can transact successfully with government and each other</p>	<p>Housing and Homelessness Services</p> <p>Benefit Queenslanders and their communities by providing housing and homelessness services that are responsive, integrated and accessible, and enrich the lives of Queenslanders</p>

Our operating environment

Our strong partnerships across diverse sectors, including non-government organisations, other government agencies and communities, means we can deliver on the Queensland Government's priorities and services to best support all Queenslanders.

Understanding current and future community needs and putting people at the centre of our work drives our service design for individuals, families and communities.

Our key challenges are:

- **External pressures** in the community challenge the department's ability to improve the social and economic outcomes for Queenslanders
- **Policies and program solutions** don't meet the culturally diverse needs of the First Nations peoples and communities across Queensland
- **Opportunities to collaborate** across the department are not optimised to deliver seamless and connected frontline services for customers
- **Our resource capacity and capability** to deliver services to Queenslanders doesn't keep pace with community demands and/or expectations
- **Competing priorities and unanticipated events** rapidly change the department's operating and control environment, and impact the department's ability to deliver robust and secure services, and optimise resource management.

We will continue to be responsive to the changing environment and will continue to take a lead role in ensuring Queenslanders have better access to housing and homelessness services.

Our key opportunities are:

- Use data analytics and learn from our experience to proactively anticipate the social and economic needs and aspirations of Queenslanders
- First Nations partnerships underpinned by collaboration and respect that lead to transformation of policies, system design and programs that place First Nations peoples and communities' experiences and barriers first, which will improve service delivery for all Queenslanders
- Leverage common arrangements and remove barriers to collaboration to increase value and opportunities for our customers
- Forecast demand pressures through evidence-based planning and utilise agile program management to respond to changing needs
- Harness the talent of our people through robust succession planning and multiskilling to build a resilient and responsive workforce.

Our values

Through our values and principles, we aim to develop a diverse, flexible, compassionate, and culturally safe workforce that respects one another and all those to whom we provide frontline services.

These values guide the services we deliver for Queensland:

- Customers first
- Ideas into action
- Unleash potential
- Empower people
- Be courageous

Organisational structure

Following MoG changes, the department underwent a structural realignment resulting in the following changes:

The department is responsible for the following additional functions:

- Queensland Housing Growth Initiative (from Queensland Treasury)
- Queensland Housing Supply Expert Panel (from Department of State Development, Infrastructure, Local Government and Planning)

The department is no longer responsible for the following functions:

- Queensland State Archives (moved to Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts)
- Arts Queensland (moved to Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts)
- Community Services (moved to Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts)
- Corporate Administration Agency (moved to Department of Transport and Main Roads)
- Digital Economy (Customer and Digital Services) (moved to Department of Transport and Main Roads)

The departmental structure as at 30 June 2023 consisted of three key areas:

Housing and Homelessness Services:

- Aboriginal and Torres Strait Islander Housing
- Service Delivery
- Social and Affordable Housing Growth
- Strategy, Policy and Programs

Strategy and Corporate Services:

- Communication and Engagement
- Digital Business Group
- Finance and Procurement
- Governance, Planning and Reporting
- Human Resources
- Internal Audit
- Strategic Policy and Legislation

Office of the Director-General

- Cabinet Legislation and Liaison Officer
- Department Liaison and Executive Services

Year in review

- During 2022–23, the department continued to invest in new social and affordable housing and provide critical housing and support to vulnerable Queenslanders, including seniors and those experiencing domestic and family violence.
- We provided almost 213,000 forms of housing assistance to Queenslanders including emergency housing, social housing, private market assistance and homelessness services.
- In 2022–23, we supported more than 6,850 households with an immediate housing response, including brokering 113,900 nights of short-term temporary accommodation, as part of \$26 million provided for the Immediate Housing Response package for families.
- We assisted over 78,000 Queensland households to access or keep housing in the private housing market through an investment of \$84.9 million. This resulted in assistance to 29,767 households to find, apply and keep private tenancies through our bond loans, rental grants, RentConnect, and rental security subsidies.
- We collaborated with the community housing sector to support the most vulnerable, and assisted over 37,400 people through funded responses to housing emergencies and homelessness.
- We delivered 858 new social housing properties. This included completing construction on 485 properties and purchasing 373 properties. This will provide much needed support to more than 1,950 Queensland households requiring safe and secure homes.
- We launched the Stay Connected Fund in August 2022 to provide \$2.5 million to support one-off projects that reduce social isolation and loneliness for some Queenslanders, especially women aged 55 years and over.
- We engaged the expertise of the Australian Housing and Urban Research Institute (AHURI) to develop modelling to predict future supply and demand for housing in Queensland.
- We funded the Local Government Association of Queensland (LGAQ) to develop 38 local housing action plans with Queensland local governments. These plans will support local housing responses in key government areas, benefiting Queenslanders across the state.
- We purchased vacant former retirement villages in Clayfield and Toowoomba, and leased another in Redland Bay, which will provide housing for more than 120 households in need. These properties will be supported by a \$32 million support package, which will also enhance services at five youth shelters across Queensland and create new specialist mobile supports for young people at 13 locations.
- We introduced a pilot program, Helping Seniors Secure Their Homes, alongside a \$15 million package to assist homeowners aged 60 years or over to make security improvements to their homes. The program commenced in Cairns, Townsville, and Mount Isa.
- We engaged with Queenslanders to inform legislative improvement changes and new housing strategies, co-design housing solutions, and seek ideas for housing solutions. Consultations included rental law reform improvements, review of the *Manufactured Homes (Residential Parks) Act 2003* and a new four-year First Nations housing and homelessness action plan, worth \$51.3 million.
- We worked with approximately 60 stakeholders to co-design a new disability housing action plan.
- We launched the Housing Opportunities Portal receiving 101 submissions.
- We received an additional \$1.1 billion in the 2023–24 State Budget for the delivery and supply of social housing across Queensland, including \$322.2 million to boost QuickStarts Qld by 500 homes, bringing the target to 3,265 social home commencements by 30 June 2025.

Our strategic objectives

As a result of the MoG changes, our 2022–23 Annual Report details the work of the Department of Housing against the former Department of Communities, Housing and Digital Economy *Strategic Plan 2022–26*.

This strategic plan mapped our future direction and the steps we intended to take over the next four years to deliver our strategic outcomes and the Queensland Government's objectives for the community. The plan also guided us on how we worked with our customers and key stakeholders.

The objectives identified in our *Strategic Plan 2022–26* were:

1. Improve social and economic outcomes for Queenslanders across the state
2. Ensure Aboriginal and Torres Strait Islander peoples and their culture are central to all engagement, design and delivery
3. Integrated and proactive frontline services, assistance and programs for Housing
4. Support a thriving digital economy where Queenslanders, their businesses and communities can transact successfully with government and each other
5. Enabling objective: adhere to the highest standards of professional conduct and integrity and embed best practices in everything we do.

To achieve the delivery of our strategic objectives, the department provides services through the service areas as reported in our Service Delivery Statements (SDS).

The service areas for 2022–23 are:

- **Housing and Homelessness Services:** Benefit Queenslanders and their communities by providing housing and homelessness services that are responsive, integrated and accessible, and enrich the lives of Queenslanders.



Refer DCHDE 2022–23 Service Delivery Statements for more information:

https://s3.treasury.qld.gov.au/files/Budget_2022-23_SDS_Department_of_Communities_Housing_and_Digital_Economy.pdf

Strategic objective one

Improve social and economic outcomes for Queenslanders across the state

Our achievements

This objective is achieved through the following strategies:

Grow housing and support for Queenslanders and transform the way housing services are delivered through the *Housing and Homelessness Action Plan 2021–25*.

Create jobs, increase the supply of social and affordable homes through new investment, partnering with the community housing sector and private industry.

Drive new supply to support current and future housing need across Queensland through the Housing Investment Fund.

Deliver essential services for Queenslanders, including people experiencing homelessness, women and families experiencing domestic and family violence, and dedicated responses for vulnerable young people.

In 2022–23, we:

Boosted housing supply and increased access to housing and homelessness support across Queensland

This included the following activities:

- Continued delivery of the *Housing and Homelessness Action Plan 2021–25*, to boost housing supply and increase housing and homelessness support across Queensland
- Doubled the HIF to \$2 billion, with \$130 million per annum now available to support 5,600 social and affordable home commencements by 30 June 2027
- Provided a suite of private rental assistance products such as bond loans, rent subsidies and tenancy support services that helped over 29,767 households access or keep their housing
- Executed the Social Housing Accelerator funding agreement, securing \$398.3 million in federal funding for the delivery and supply of additional social housing across Queensland by June 2028
- Provided \$26 million for the Immediate Housing Response package for temporary accommodation to families at risk of homelessness
- Delivered 858 homes including 485 builds and 373 purchases. This represents a 109% increase on homes delivered in 2021–22
- Provided funding for the buyback of up to 335 National Rental Affordability Scheme dwellings in partnership with the National Affordable Housing Consortium. There are 94 homes approved in the first tranche that have settled, with 82 homes that are already tenanted, providing homes for 168 people
- Purchased and leased several residential and commercial properties to increase the supply of immediate temporary supported accommodation in Queensland.

Focused on legislation reform

This included the following activities:

- Amended the *Housing Act 2003* to support the operation of the Homes for Homes donation deed model in Queensland
- Consulted on Stage 2 rental law reforms, releasing an options paper for six-week consultation on potential options across the five key legislative reform priorities including: installing security, safety and accessibility modifications, making minor personalisation changes, balancing privacy and access, improving the rental bond process and fairer fees and charges
- Amended the *Residential Tenancies and Rooming Accommodation Act 2008* to limit rent increase frequency to once every 12 months, delivering rental certainty for households in the private rental market
- Amended the *Retirement Villages Act 1999* to maintain public confidence and enhance consumer protections by increasing transparency, accountability and consistency of financial reporting in retirement villages.

Delivered services to the most vulnerable

This included the following activities:

- Continued the implementation of recommendations from the *Queensland Auditor-General's Report to Parliament No 1: 2022–23 - Delivering social housing services* which examined whether social housing is effectively managed to meet the housing needs of vulnerable Queenslanders
- Provided almost 213,000 forms of housing assistance in 2022–23 including social housing, private market assistance and homelessness services
- Supported more than 6,850 households through the Immediate Housing Response, including providing more than 113,900 nights of short-term, temporary accommodation to families experiencing or at risk of homelessness
- Assisted over 78,000 households to access or keep housing in the private housing market through an investment of \$84.9 million
- Assisted 29,767 households to find, apply and keep private tenancies by providing private rental products as follows:
 - 12,552 households with bond loans
 - 4,724 households with rental grants
 - 11,616 households through RentConnect support
 - 875 households with rental security subsidies
- Established the Housing Older Women's initiative with government and non-government partners to co-design housing and support responses for Queensland women over 55 years experiencing or at risk of homelessness
- Opened the Housing Older Women's Support Service Hub in West End, Brisbane and the first regional spoke in Mackay that provides a flexible and responsive service, offering free and confidential advice, support and referral for women experiencing homelessness or housing stress
- Queenslanders with Disability Network facilitated two co-design workshops with approximately 60 stakeholders from diverse backgrounds, including people with lived experience of disability, to inform the development of a new disability housing action plan (in progress)
- Continued to implement targeted initiatives to assist women experiencing domestic, family and sexual violence to access and sustain safe housing, including expanding the Domestic, Family and Sexual Violence Housing with Support initiative to headlease properties in Rockhampton, Townsville and Toowoomba

- Continued to work with other Queensland Government agencies to support the delivery of recommendations from the Women's Safety and Justice Taskforce *Hear her voice* reports 1 and 2, including contributing to the establishment of a high-risk team in Townsville from July 2023
- Introduced a pilot program, Helping seniors secure their homes, alongside a \$15 million package to assist homeowners, to make security improvements to their homes. The program trial sites were in Cairns, Townsville, and Mount Isa
- Launched and commenced implementation of *Towards ending homelessness for young Queenslanders 2022–2027*, a policy and framework of housing with support for young people
- Awarded Salvation Army Qld \$1.8 million over 3 years to expand existing services for veterans to deliver a tailored housing and homelessness support program for veterans and their families who are homeless or at risk of homelessness.

Looking forward

In 2023–24, we will continue to support government and departmental commitments and priorities by:

- continuing delivery of the Queensland Housing Summit and Roundtable outcomes for critical housing supply, and housing support initiatives
- delivering \$240.6 million in 2023–24 as part of total increased funding of \$1.1 billion over 5 years to continue the delivery of the *Housing and Homelessness Action Plan* commencement targets, and to expand the QuickStarts Queensland program of new social housing, with a new commencement target of 3,265 dwellings by 30 June 2025. This includes:
 - \$322.2 million over 4 years commencing 2023–24 to expand the QuickStarts Queensland program by a further 500 new social housing dwelling commencements
 - \$778.1 million over 5 years to continue the delivery of *Housing and Homelessness Action Plan* commencement targets, including in remote and discrete First Nations communities, and to offset unavoidable cost increases and supply chain impacts in the construction sector, and to retain and upgrade dwellings for social housing that would have otherwise been sold
- continuing to deliver the Housing Investment Fund, including the assessment of 71 proposals shortlisted to progress to the next stage of the latest round
- implementing the Social Housing Accelerator funding agreement with the Australian Government to increase the supply of social housing across Queensland
- negotiating housing and homelessness funding arrangements ahead of the expiry of the existing National Housing and Homelessness Agreement on 30 June 2024. This will ensure ongoing social housing funding certainty for the Queensland Government and our service delivery partners
- continuing implementation of *Towards ending homelessness for young Queenslanders 2022–2027* with the housing and homelessness sector and young people, including allocation of \$29.8 million over four years
- implementing key actions identified through the review of the private rental products and services, and evaluation of the Queensland Statewide Tenant Advice and Referral Service
- releasing the Queensland Disability Housing Action Plan 2024–27, setting the strategic framework for delivering on the *Queensland Housing Strategy 2017–2027* and associated action plans for people with disability, and Queensland Government's commitments in key national and state disability strategies from a housing perspective.

Strategic objective two

Ensure Aboriginal and Torres Strait Islander peoples and their culture are central to all engagement, design and delivery

Our achievements

This objective is achieved through the following strategies:

Engage, collaborate and partner with First Nations peoples to identify and respond to local housing challenges and priorities including a focus on the *Aboriginal and Torres Strait Islander Housing Action Plan 2019–2023* guiding responses to housing needs.

Partner with the peak body Aboriginal and Torres Strait Islander Housing Queensland, Indigenous Community Housing Organisations, Aboriginal and Torres Strait Islander councils and non-government organisations to improve outcomes for First Nations peoples in accessing appropriate sustainable housing.

In 2022–23, we worked in partnership with First Nations peoples, communities and organisations to:

Increase access to housing for First Nations communities

This included the following activities:

- Continued to deliver the commitments under the *Aboriginal and Torres Strait Islander Housing Action Plan 2019–2023*
- Funded \$44.9 million towards upgrades to existing homes in Aboriginal and Torres Strait Islander communities
- Delivered \$65.1 million worth of social housing maintenance activities
- Continued to work with First Nations communities to develop local housing action plans to identify and develop solutions to support place-based, community-led improved housing outcomes. Progressed development of 17 draft plans in collaboration with Aboriginal and Torres Strait Islander local government authorities, with two endorsed by the councils into implementation
- Worked in partnership with Aboriginal and Torres Strait Islander Housing Queensland to strengthen housing outcomes for First Nations peoples and support sustainability of Indigenous housing providers and the community housing sector, including supporting the First Nations Housing Conference in Queensland
- Supported Aboriginal and Torres Strait Islander people who are at risk of homelessness, through continued redevelopment of Kagarabah
- Increased home ownership for 27 First Nations peoples living on Indigenous communal lands
- Delivered *Allocations for Remote and Discrete Aboriginal and Torres Strait Islander Communities* policy and process to ensure allocations in remote and discrete communities are appropriate. Through this process, councils provide advice on cultural aspects of vacant property including customs, historical issues and conflicts of interest within the community.

Enhance our capacity to provide culturally congruent services

This included the following activities:

- Provided culturally responsive housing assistance through a frontline service offer for First Nations peoples across the housing continuum, including through implementing culturally responsive pathway planning and care coordination
- Created culturally welcoming spaces in housing service centres by having artefacts that acknowledge the diverse languages, customs and knowledge of First Nations peoples
- Engaged a supplier to develop customer journey maps for seven priority cohorts including Aboriginal and Torres Strait Islander peoples to inform decisions about service channels, policy and services.

Closing the Gap

This included the following activities:

- Implemented Phase 2 of the Aboriginal and Torres Strait Islander Traineeship Program with 64 trainees placed across the state since the program commenced in 2020. So far, 27 trainees have completed their traineeships and transitioned into employment
- Developed and implemented a Healthy Homes pilot program in Badu Island and Yarrabah in partnership with Queensland Health to support improved health outcomes in the home.

Looking forward

We will continue to support self-determination and to work with Aboriginal and Torres Strait Islander peoples to close the gap. In 2023–24, we will:

- implement the Forward Remote Capital Program with \$29.6 million in capital expenditure to increase the supply of social housing and upgrades to existing dwellings in partnership with community housing providers and Aboriginal and Torres Strait Islander councils
- provide \$55.4 million in funding for housing upgrades in Aboriginal and Torres Strait Islander communities
- fund Aboriginal and Torres Strait Islander local governments \$124.6 million to deliver new housing, extensions and land infrastructure against community-identified priorities, and upgrade social housing in remote and discrete communities
- continue to deliver the *Aboriginal and Torres Strait Islander Housing Action Plan 2019–2023* to close the gap for First Nations peoples through co-designed, place-based, person-centred and culturally responsive housing
- build on the achievements of the 2019–2023 plan by co-designing *Our Place: A First Nations Housing and Homelessness Action Plan 2024–2027*
- continue to increase home ownership opportunities for Aboriginal and Torres Strait Islander peoples through working with communities and partners
- continue the delivery of social housing supply for Aboriginal and Torres Strait Islander communities across the state
- progress projects and initiatives that contribute to a frontline service offer for First Nations peoples, including development of customer journey maps, culturally safe and welcoming spaces, and supporting staff to enhance their cultural capability through learning and development.

Strategic objective three

Integrated and proactive frontline services, assistance and programs for Housing

Our achievements

This objective is achieved through the following strategies:

Work with regulated accommodation providers and other partners to improve the supply of regulated accommodation, the quality of services provided to residents and to protect the rights of residents.

Work in collaboration with the sector and partner agencies to deepen integration of service responses and improve housing outcomes for people with complex needs through integrated place-based services.

Coordinate and co-design housing and homelessness responses across government and the community sector as outlined in the *Queensland Housing Strategy 2017–2027*.

In 2022–23, we:

Focused on regulated accommodation to support Queenslanders to access a fair and equitable accommodation system

This included the following activities:

- Amended the *Retirement Villages Act 1999* to maintain public confidence and enhance consumer protections by increasing transparency, accountability, and consistency of financial reporting in retirement villages
- Consulted with residents of residential parks to begin the task of reviewing the *Manufactured Homes (Residential Parks) Act 2003* to make residential parks fairer and to address concerns about unfair rent increases and the problems caused when homes do not sell
- Worked with the Office of the Public Guardian, the Queensland Human Rights Commission and the Public Advocate to protect the rights of retirement village residents
- Completed 1,372 compliance activities as part of the regulation of retirement villages
- Worked with specialist disability accommodation providers and the NDIS Quality and Safeguards Commission to ensure that disability accommodation residents' rights to be safe and to receive quality services are being upheld.

Collaborated to strengthen the community housing sector and support the most vulnerable

This included the following activities:

- Coordinated two housing roundtables and a housing summit that hosted over 200 participants and delivered a doubling of the Housing Investment Fund to \$2 billion
- Provided over \$3 million in funding to peak bodies to support the housing and homelessness sector
- Launched the Community Housing Futures Program, part of a \$5 million commitment over two years to support capacity and capability in the community housing providers sector, funded through the HIF
- Assisted over 37,400 people (up until 31 March 2023) through funded responses to housing emergencies and homelessness

- Developed a coordinated response model for people with complex support needs in Cairns, Townsville and Mount Isa
- Enhanced the Coordinated Housing and Homelessness Responses in priority locations across Queensland to identify people experiencing homelessness and coordinate services for people with complex housing and support needs
- Linked over 4,900 clients who are homeless or sleeping rough, including 1,140 people who identify as Aboriginal or Torres Strait Islander, with temporary emergency accommodation through after-hours outreach services in Brisbane, Moreton Bay, Sunshine Coast, Gold Coast, Townsville and Cairns.

Looking forward

We will continue to support the government's commitments and priorities. In 2023–24, we will:

- prepare recommendations for reform of the *Manufactured Homes (Residential Parks) Act 2003* in line with the *Queensland Housing and Homelessness Action Plan 2021–2025*
- provide \$250.8 million in funding for the delivery of homelessness services
- fund the Coordinated Housing and Homelessness Responses to deliver state-wide support to housing and homelessness networks
- implement the Community Housing Futures program, delivered in partnership with peak bodies as part of the state's \$5 million commitment over two years to support capacity and capability in community housing providers
- work with peak community housing organisations to develop a new Master Agreement for community housing providers
- invest \$30 million to assist older Queensland homeowners with the costs of security features to make their home safe and secure, continuing trials in Cairns, Townsville, Mount Isa, Toowoomba, Tablelands and Mareeba local government areas
- develop a formalised service delivery framework between state government agencies to prevent people exiting government services into homelessness through better use of investment across government to respond to the needs of people experiencing or at risk of homelessness.

Strategic objective four

Support a thriving digital economy where Queenslanders, their businesses and communities can transact successfully with government and each other

Our achievements

This objective was predominantly the responsibility of the former Customer and Digital Services service area that was transitioned out of the department following the MoG change of 18 May 2023. The key strategic objective underpinning this objective was:

Continue to transform services by utilising emerging technologies to drive frontline service excellence.

In 2022–23, the Department of Housing deployed the following activities:

- Developed and implemented enhanced digital solutions for the services we regulate including:
 - launched the Compare Retirement Villages website on 12 November 2022 to help seniors and their families make quick and easy comparisons between retirement village living options
 - launched a Regulatory Self-Service Portal on 23 November 2022 to improve digital pathways.
- Established the Housing Opportunities Portal—101 submissions have been received as at 30 June 2023.

Looking forward

We will continue to support government commitments and priorities. In 2023–24, we will:

- develop a business case for change that articulates changing business and community needs, and the importance of optimising and leveraging digital technology
- continue to improve our digital response to support people to access services, with a focus on First Nations peoples, young people, older people and people with a disability
- update our contact centre environment, to modernise connection to customers and improve overall efficiency
- implement a fit-for-purpose complaints/case management system to enable robust and efficient data capturing, storage, reporting, analysis and searching, as well as enhanced efficiency and monitoring of Housing Services case management and compliance
- adopt digital signature capability that will modernise the department's technology environment, providing for safe and secure electronic signing of customer agreements
- replace the department's workplace health and safety platform which is at end-of-life with support no longer available for the system. The new system will support staff with a more user-friendly experience
- deliver new and improved digital resources for young people and their support networks to:
 - access housing, homelessness and domestic, family and sexual violence services early
 - learn how to secure and sustain tenancies in the private rental market
 - plan pathways to home ownership through existing state, federal and other supports.

Enabling objective five

Adhere to the highest standards of professional conduct and integrity and embed best practices in everything we do

Our achievements

This objective is achieved through the following strategies:

Strategy – Support the Path to Treaty by enabling self-determination and truth-telling, building cultural safety and ensuring that Aboriginal and Torres Strait Islander peoples are at the centre of everything we do.

Supporting the Path to Treaty

Prior to MoG changes, the department established the First Nations Strategy Unit to strengthen the department's commitment to reframing its relationships with First Nations peoples, communities and organisations. This was a first for a Queensland Government department. The Unit provided support to business areas to develop and implement strategies, policies, operational guidance and programs. The Unit's cultural authority ensured the department could apply a First Nations lens to its design, delivery and decision-making processes. In establishing the First Nations Strategy Unit, the department:

- progressed the Whole-of-Government First Nations Reform Agenda and provided high-level linkages between the Queensland Government's First Nations reforms and the department's First Nations initiatives
- strengthened its response to the First Nations whole-of-government reforms: Treaty Readiness, Local Thriving Communities, Closing the Gap, and Brisbane 2032 Olympic and Paralympic Games (under development).

The department also delivered several initiatives outlined in its *Aboriginal and Torres Strait Islander Cultural Capability Action Plan*—a commitment to culturally-safe service delivery, system responses and relationships. Some of the key achievements included:

- the First Nations mentoring program with 13 First Nations mentees and 13 mentors participating in the program
- cultural capability development of staff, including online learning (SBS Aboriginal and Torres Strait Islander Cultural Competence) and Building on the Strengths of Our Stories – Cultural Agility Program
- support for the Aboriginal and Torres Strait Islander Traineeship Program
- promotion of the *Aboriginal and Torres Strait Islander Respectful Language Guide*—designed to support and guide effective communication through respectful use of words, terms and language
- progressing the whole-of-government initiatives targeted at First Nations peoples, including the Aboriginal and Torres Strait Islander Career Pathways service and the Public Sector Management Program
- promoting and sharing information and development opportunities, including the delivery of a First Nations Staff Forum in acknowledgement of the benefits gained from strengthening cultural ties and networking with peers
- delivery of NAIDOC Week activities, which recognised the contribution and value of First Nations peoples and cultures.

Strategy – Develop a diverse, flexible, compassionate and culturally-safe workforce that displays integrity and respects, protects and promotes the human rights of all Queenslanders.

Building an inclusive and diverse workforce

The department is committed to building an inclusive and diverse workforce where all employees feel safe and supported. To ensure the department reflects the community we serve and provides innovative and inclusive services, there has been a focus on providing employment and career opportunities for diversity groups.

The department continued to implement its *Diversity and Inclusion Strategy 2021–2023* with key achievements, including:

- promoting the online diversity training modules, with the disability awareness and cultural capability modules mandated for all staff
- re-establishing the LGBTIQ+ and All Abilities Employee Network Groups and senior executive champions for each diversity theme
- celebrating a range of diversity events, including Disability Action Week, Pride Month, International Day Against Homophobia, Biphobia and Transphobia, National Reconciliation Week, NAIDOC Week and Multicultural Queensland month.

Work-life balance

The department is committed to providing flexible working arrangements for employees to improve the balance between their professional and personal lives.

Employees can access a range of flexible working options based on how, when and where they work. These include working part-time, job sharing, utilising compressed hours or staggered start and finish times. Staff can also purchase leave or use their recreation and long service leave for parental and caring purposes. Telecommuting also allows staff the flexibility to work remotely, including from home and distributed work centres.

Following the COVID-19 pandemic and at the peak of flu season, the department has continued to leverage the benefits of increased flexible work practices while maintaining a staff presence in the office working environment.

Embedding a culture of human rights

In 2022–23, 364 departmental staff participated in human rights training including many staff from frontline service centres. The training provided skills in assessing compatibility with human rights when making decisions and how to keep accurate records of this work. When responding to training evaluation questions, 80% of participants said they strongly agreed or agreed with the statement ‘I will apply what I have learned in this training to my work’. This indicates a significant increase in confidence in assessing compatibility with human rights when making decisions.

The department’s Human Right Continuous Improvement Network met five times during 2022–23. At each meeting there was a focus on one of the sections of the Act that provided an in-depth understanding of the rights protected under the section, as well as practical examples of how the rights have been applied in courts and decision making.

Human Rights is a priority for the department and central to its decision-making. This was reinforced throughout the year by departmental communications, messaging, and promotion of a new suite of human rights resources including decision logs and checklists.

Additionally, the department continued to review several policies and procedures for compatibility with human rights.

Human rights complaints

Human rights complaints overview - 1 July 2022 to 30 June 2023

Number of complaints received	
Number of complaints that were external (Customer)	25
Number of complaints that were internal (Employee)	0

Nature of complaints	
Eligibility or wait times	6
Staff conduct	6
Level of service provided	4
Property maintenance	3
Neighbourhood disputes	2
Staff skill/knowledge	1
Privacy	1
Treatment by a funded housing provider	1
The handling of a complaint	1

Outcome of complaints	
Customers provided with an explanation - Complaint resulted in further action	12
Complaint could not be substantiated	7
Apology	3
Staff training	2
Provision of housing	1

Strategy – Demonstrate effective and ethical leadership that manages resources and delivers best-practice frontline services in a complex and changing environment.

Performance Excellence Framework

The Performance Excellence Framework and policy outlines the department's commitment to promoting and supporting a high-performance culture through four key areas:

- Recruitment and induction
- Engagement
- Performance and review
- Reward and recognition

The department's human resources programs and practices align with and contribute to the framework's key areas. The aim is to maximise employee potential by having the right people with the right skills in the right place at the right time.

Regular and ongoing conversations about work expectations, career aspirations, professional development requirements and performance feedback are the foundation of the framework. Formal performance and conduct conversations also occur between managers and employees as part of the department's achievement and development planning process.

Developing leaders at all levels

Leadership development continues to be a high priority for the department with a focus on building leadership capability at all levels. The department provides employees with access to a range of leadership development opportunities and resources to assist them in their career development. The department's programs are aligned to the Queensland public sector *Leadership competencies for Queensland*.

In 2022–23, 27 departmental employees participated in a range of programs including:

- the Learning to Lead program, which provides knowledge and skills to build the confidence of supervisors and managers to effectively manage people and service delivery requirements
- the Leader Support Series program, which provides developing leaders with a supportive and collaborative space to work with a cohort of peers on leadership challenges of the moment
- the People Matters program, which assists staff to gain supervisory skills.

A key action in the department's diversity and inclusion strategy is to encourage women to participate in leadership development with the goal of increasing the representation of women in senior roles. Of the total number of staff completing leadership development programs, 81 per cent identified as female.

Ethics and Code of Conduct—supporting our employees to do the right things, right

Employment in the public sector is a position of trust, and as such, we hold ourselves and our colleagues to a high standard.

To ensure our people are aware of their ethical obligations as Queensland public sector employees under the *Public Sector Ethics Act 1994*, we have developed a Public Sector Ethics online training module. It includes the *Code of Conduct for the Queensland Public Service*, the four ethics principles, key legislation guiding professional conduct, and employees' responsibilities and obligations to disclose conflicts of interest.

Public Sector Ethics training is provided to new employees as part of their induction, with staff required to undertake a mandatory annual refresher.

Our policies and procedures are in line with the *Code of Conduct for the Queensland Public Service* and our ethics, principles and values. These support our people to undertake their roles in an impartial and apolitical manner.

Strategy – Develop an agile, engaged and healthy workforce that is focussed and continually building capability and potential, while achieving excellence in frontline service delivery.

Developing our workforce

The department recognises the need to build the capabilities required for the workplace of the future—a workplace that is adaptable, digitally capable, and collaborative in an agile working environment.

The department is committed to providing all employees with access to a range of learning and development opportunities, including the technical and business-specific skills they need to do their roles as well as opportunities to develop capabilities to meet their career aspirations.

Professional development is offered via a number of mediums including online and in-person. Employees are also encouraged to take opportunities to gain experience through transfers at level, higher duties and secondments.

In 2022–23, we:

- showcased the department’s frontline services that support Queenslanders through customer-centric good news stories
- remained responsive, agile and innovative when delivering internal services to the department
- conducted a survey and workshops to measure the behaviours and practices that shape our current and ideal operating culture to inform how to improve the department’s effectiveness and build a solid foundation for future performance excellence
- continued to implement the *People Strategy 2022–26*
- empowered our people and business through digital literacy and capability-building initiatives for new ways of working
- implemented mechanisms that fostered cross-functional collaboration and multi-skilling for staff.

Recognising our employees

The department recognises the strong link between employee recognition, employee engagement and job satisfaction. We provide a framework that demonstrates our commitment to recognising and rewarding employees both formally and informally.

Our formal recognition programs include:

- Recognition of Excellence Awards—the department’s premier event for recognising and acknowledging the outstanding achievements of individuals, teams and projects. The inaugural awards align to the department’s strategic objectives, with an additional Director-General’s award for Leadership Excellence
- Length of Service Awards—presented to employees for continuous eligible service of 15, 25, 40 and 50 years with the department, Queensland Government, or in accordance with the Recognition of Previous Services and Employment Directive
- Divisional awards program—divisional award ceremonies were held to recognise employees’ outstanding achievements and conduct throughout the year.

Informal recognition also occurs with the purpose of acknowledging employee progress towards or achievement of specific goals as well as outstanding behaviours. Appreciating and recognising the efforts of our people occurs through informal channels throughout the department and is an important part of our workplace culture.

Industrial and Employee Relations Framework

The department's employees are covered by the *State Government Entities Certified Agreement 2019* (commonly referred to as the Core Agreement).

The department continues to support the government's policies on contracting-out services, union encouragement and employment security.

The department actively encourages union membership among its employees, including by:

- acknowledging the roles union delegates and job representatives play within a workplace, including during the agreement-making process
- allowing employees full access to union delegates/officials during working hours to discuss any employment matter or seek union advice, while ensuring that service delivery is not disrupted and work requirements are not unreasonably affected
- affirming its commitment to joint union and employer consultative committees at both an agency and local level
- providing an application for union membership and information on the relevant union/s to all employees at the point of engagement and during induction
- providing union/s with details of new employees and periodical current staffing lists
- actively consulting with unions about organisational change and restructuring initiatives, and other significant matters affecting the welfare of employees.

Consultative committees are the principal consultative bodies established to facilitate meaningful consultation between the department and the relevant union/s on matters arising under the applicable certified agreements, or on matters that otherwise impact or may impact upon the department's workforce. The department coordinates a network of consultative committees, including an Agency Consultative Committee supported by various business area and local consultative committees.

The department attempts to provide stability to employees by limiting organisational restructuring and the contracting-out of services, as well as maximising employment security for tenured public sector employees. The department's commitment to employment security is reinforced by its efforts to maximise permanent employment through the continued conversion of non-permanent employees to permanent, where possible.

Workforce profile

Staffing numbers – 30 June 2023 ¹	FTE ²	Headcount ³
Aboriginal and Torres Strait Islander Housing	107.06	113
Service Delivery	768.87	822
Strategy Policy and Programs	296.30	316
Strategy and Corporate Services	131.95	142
Office of the Director-General	14.80	15
Total	1,318.98	1,408

¹ Data sourced from the Minimum Obligatory Human Resource Information (MOHRI) system for fortnight ending 30 June 2023.

² The ratio of an individual's working hours to the relevant award full-time standard hours for the work being performed.

³ A count of people who were employed and paid at the time of the snapshot.

Occupation type – 30 June 2023	Percentage of total workforce (calculated on FTE)
Frontline (including key frontline roles) and frontline support roles ⁴	88.91%
Corporate roles ⁵	11.09%
Total	100%

Appointment type – 30 June 2023	Percentage of total workforce (calculated on FTE)
Permanent ⁶	80.88%
Temporary ⁷	17.56%
Casual and contract ^{8,9}	1.56%
Total	100%

Employment status – 30 June 2023	Percentage of total workforce (calculated on headcount)
Full-time	84.46%
Part-time ¹⁰	15.18%
Casual	0.36%
Total	100%

Permanent separation rate result 2022–23	8.03%
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⁴ Frontline (including key frontline roles) and frontline support roles deliver services, programs and outcomes directly to the community, or provide essential support enabling the development and delivery of frontline services, programs and outcomes. Delivery can be via government centres, telephone, online or in-field.

⁵ Corporate roles provide organisation-wide support to the sector so that it can deliver the Queensland Government's objectives for the community.

⁶ An employee who is employed on a continuing basis to perform ongoing functions.

⁷ Temporary employees are employed for fixed-term engagements of specific periods of time. The circumstances for engaging temporary employees are many and include specific budget allocation for particular projects, replacing permanent employees who are absent from their substantive position or assistance required to meet peak workloads. Temporary employees are generally employed on the same conditions as permanent employees as prescribed by the applicable industrial instrument. Where temporary appointment type is referred to in this report, it is to be read as fixed-term temporary employment.

⁸ Casual employees are not permanent employees and normally work less than full-time hours as prescribed by the applicable industrial instrument. Casual employment attracts the payment of a loading (as prescribed by the applicable industrial instrument) in lieu of sick and recreation leave. Casual employment is characterised by its ad hoc nature with each engagement standing alone.

⁹ Includes senior executives and chief executives and equivalents contracted under the *Public Sector Act 2022* or similar provisions in other relevant Acts. Also includes employees on common law contracts.

¹⁰ An employee who works less than full-time hours and performs those duties on a regular basis.

Target group data as at 30 June 2023

Gender	Number (headcount)	Percentage of total workforce (calculated on headcount)
Woman	1,039	73.79%
Man	368	26.14%
Non-binary ¹¹	1	0.07%

Diversity groups	Number (headcount)	Percentage of total workforce (calculated on headcount)
Women	1,039	73.79%
Aboriginal Peoples and Torres Strait Islander peoples	102	7.24%
People with disability	97	6.89%
Culturally and linguistically diverse – born overseas	180	12.78%
Culturally and linguistically diverse – Speak a language at home other than English (including Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages)	122	8.66%

	Number (headcount)	Percentage of total leadership cohort (calculated on headcount)
Women in leadership roles ¹²		
Senior officers (Classified and s122 equivalent combined)	31	62%
Senior executive service and chief executives (Classified and s122 equivalent combined)	10	50%

Early retirement, redundancy and retrenchment

During 2022–23¹³, six employees received redundancy packages at a cost of \$436,662.27.

¹¹ An umbrella term describing gender identities that are not exclusively man or woman.

¹² Women in leadership roles are considered those positions that are Senior Officer and equivalent, and above.

¹³ Based on the employees' separation date from the department and redundancy packages paid under *Directive 04/18 – Early Retirement, Redundancy and Retrenchment*.

Strategy – Embrace the digitisation of services, emerging technologies and innovative ways of delivering frontline services while also supporting jobs creation.

Data governance

In 2022–23, we:

- developed and reviewed governance, risk and strategic reporting plans for the department
- supported confidentiality, integrity and availability of information through supporting information management and Information Security Management System (ISMS) implementation and reporting
- supported data governance, analytics and decision-making through:
 - managing and publishing information assets on Open Data
 - supporting data governance and literacy across divisions through supporting investment and developing capability
- supported decision-making through enabling data-driven insights, visualisation and analytics
- maintained oversight over departmental ICT investment, including digital investment portfolio management, Savings and Debt plan processes, ICT workplans, roadmaps and assurance.

Digitisation of services

In 2022–23, we:

- supported the department's governance of digital and ICT investment and direction-setting through:
 - providing support, insights and recommendations to the Information Steering Committee
 - developing a digital strategy and information security strategy for the department
 - managing digital and ICT guardrails for the department (ICT and information management policies and standards, advice, enterprise strategy and architecture)
 - maintaining the Digital Projects dashboard
 - providing advice on investment decisions, emerging technology, future vision and innovation
 - supporting digital/ICT risk and business continuity management.
- embedded Procure to Invest (P2i) for the procurement and contract management of the agency's social services spend, enabling optimised management of investment in social services and administrative time savings for both the agency and suppliers
- embedded the information and insights strategy, and enhanced the department's analytics capability.

Strategy – Grow our services and relationships to meet future demands and position ourselves to be even more relevant to customers.

In 2022–23, we:

- designed and delivered annual ICT-related business continuity exercises to test and improve the department's and supplier ICT business continuity and disaster recovery arrangements
- established a records management transformation function to provide departmental strategic direction and records management capability uplift
- continued to uplift the department's information security management, including elevating governance maturity and staff awareness
- developed customer journey maps for vulnerable cohorts identified in the *Queensland Housing Strategy 2017–2027*. The customer journey maps provide a customer's perspective of their experience as they navigate housing assistance, products and services offered by the department. These highlight and identify areas of importance and value to the customer, and help inform future decisions about how products and services are developed and delivered.

Looking forward

We will continue to harness our shared strengths and expertise to build a resilient, unified organisation. In 2023–24, we will:

- review procurement processes, technology and digital service arrangements and other project works to include information security control assessment as part of changes to information assets
- continue to enhance our security awareness training by implementing physical security assessments and social engineering awareness
- establish 12-month review cycles for each information asset owned by the department to make sure risk profiles have not changed and no further controls are required
- continue to participate in the Social Services Category Council, which supports cross-agency and sector collaboration through the identification of joint commissioning and place-based activities to deliver on the Social Services Category Strategy and the continued commitment to government targets of increasing spend with First Nations businesses and increasing spend with Small and Medium Enterprises
- develop an Equity and Diversity Audit Report to identify potential inequities within the workforce. The report, which considers numerous datasets by gender and other diversity groups, will be used to facilitate evidence-based conversations with employees and stakeholders about possible causes of inequities and how to address them. Findings from the audit will be used to develop an equity and diversity action plan to further progress equity and diversity in the workplace, including measures to address identified inequities and the gender pay gap
- continue to implement streamlined processes for improving and efficiently delivering the department's digital services
- continue to enhance the department's analytics capability
- continue the department's records management transformation, including improved digital records management capability
- review and update the ISMS, including governance structure and policy framework where required, to reflect MoG changes and organisational realignment
- progress our work to protect and promote human rights through our Human Rights Continuous Improvement Network and staff training

- implement the new Queensland Public Service Customer Complaint Management Framework and Guideline to ensure we uphold our obligations under the *Public Sector Act 2022* and ensure responsive and timely customer engagement
- implement recommendations from the current integrity reforms, and changes stemming from the new *Public Sector Act 2022* in relation to the management of employee conduct matters
- introduce an automated case management and reporting system for employee conduct and performance matters
- develop an Integrity Action Plan which contains measures to address key areas of risk identified by the department.

Services overview (including performance information)



Refer DCHDE 2022–23 Service Delivery Statements for more information:

https://s3.treasury.qld.gov.au/files/Budget_2022-23_SDS_Department_of_Communities_Housing_and_Digital_Economy.pdf

The service areas within the Department of Housing include:

- **Housing and Homelessness Services:** Benefit Queenslanders and their communities by providing housing and homelessness services that are responsive, integrated and accessible, and enrich the lives of Queenslanders.

The service area contributes to the Queensland Government’s objectives for the community—*Good jobs, Better services, and Great lifestyle*—by delivering housing and homelessness services that are responsive, integrated, and accessible, and enrich the lives of Queenslanders. We provide sustainable and tangible housing solutions for Queenslanders through investment and collaboration with our partners.

The achievements of the department are identified in the strategic objective sections.

We track our performance through a range of service standards, as published in the 2022–23 Service Delivery Statements (SDS) budget paper.

Housing and Homelessness Services

Service standards are provided for two service types:

- Housing
- Homelessness

Service: Housing

Housing and Homelessness Services	Notes	2022–23 Target/Est	2022–23 Actual
Service standards			
<i>Effectiveness measures</i>			
Level of overall client satisfaction			
Public Housing	1	86%	(N/A)
Community Housing		81%	(N/A)
Percentage of new households assisted into government-owned and managed social rental housing who were in very high or high need	2	95%	99.9%
Average wait time to allocation for assistance (months) with government-owned and managed social rental housing for clients in very high or high need	3	12	19
Percentage of department owned social rental housing dwellings in acceptable condition	4	95%	97.8%
Proportion of total new households assisted to access rental accommodation who moved into the private rental market		86%	86.9%
Proportion of newly-constructed social housing dwellings meeting the Liveable Housing Design guidelines gold or platinum standards	5	50%	43.5%
Percentage of under-occupied government-owned and managed social rental housing		15%	15.1%
Proportion of government-owned social rental housing stock matched to greatest demand		54%	56.2%
<i>Efficiency measure</i>			
Average tenancy and property management administration cost per households assisted with social rental housing	6	\$1,454	\$1,321

Service: Homelessness

Housing and Homelessness Services	Notes	2022–23 Target/Est	2022–23 Actual
Service standards			
<i>Effectiveness measures</i>			
Percentage of clients who were homeless or at risk of homelessness who needed assistance to obtain or maintain independent housing and obtained or maintained independent housing after support	7	65%	60.4%
<i>Efficiency measure</i>			
Recurrent cost per client accessing homelessness services	8	\$4,172	\$4,060

Notes:

1. In 2020 the National Social Housing Survey was postponed due to the COVID-19 pandemic and was subsequently undertaken in 2021. As these surveys are conducted biennially, the next survey is being undertaken in 2023 (results not published until January 2024 through the Report on Government Services). Therefore no results are available for the 2022–23 Actual. The overall client satisfaction in 2021–22 was 83.1 per cent for public housing and 81.5 per cent for community housing.
2. The variance between the 2022–23 Target/Estimate and the 2022–23 Actual is due to increased social housing support being provided to targeted vulnerable cohorts, for example people who are homeless or at risk of homelessness, or experiencing domestic and family violence. The department's priority is the safety and wellbeing of Queenslanders, and a focus on those most vulnerable in the community.
3. The variance between the 2022–23 Target/Estimate and the 2022–23 Estimated Actual is due to social housing being impacted by the tightening of private market conditions state-wide, including regional and rural Queensland, and the corresponding reduction in turnover of social housing properties. The 2023–24 Target/Estimate remains at 12 months.
4. The Property Standards Index (PSI) maintenance target is set at 95% of the portfolio having a PSI maintenance rating greater than 8 to satisfy Queensland Audit Office requirement for the depreciation methodology and extend the remaining life of building elements. The variance between the 2022–23 Target/Estimate and 2022–23 Actual is due to the department's efforts to maintain the condition of the portfolio without falling below the requirement.
5. The 2022-23 result was lower than target mainly due to the high proportion of detached house and duplex projects built to gold standard through the Works for Tradies program.
6. The variance between the 2022-23 Target/Estimate and 2022–23 Actual is due to an increase in the number of households assisted and lower actual costs compared to budget.
7. The variance between the 2022–23 Target/Estimate and the 2022–23 Actual is due to the current housing market conditions, and a number of factors impacting the sustainable housing outcomes for clients. Factors include cost of rent in private rental housing, level of income support and client circumstances.
8. The variance between the 2022-23 Target/Estimate and 2022–23 Actual is due to accurate estimate and targets being difficult to predict as figures are adjusted each year using the General Government Final Consumption Expenditure chain price deflator.

Our governance

Our governance framework sets out the principles of accountability and transparency that support our strategic objectives. It establishes the alignment of our structure, management, planning, performance, service delivery, risk management, reporting and decision-making with our corporate, legislative and regulatory requirements.

The framework ensures our people can act and respond to our changing legislative and fiscal environment while fostering continuous improvement and enhanced productivity within the department.

The framework supports the Director-General, as the Accountable Officer, to meet the requirements of the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019*, the *Public Sector Ethics Act 1992* and other legislative and accountability requirements.

Following the MoG changes on 18 May 2023, the department established an interim governance structure in mid-June 2023. This will remain in place until completion of an internal functional realignment process and implementation of a governance structure tailored to the Department of Housing.

Executive Leadership Team

The Executive Leadership Team is the department's strategic governing body, responsible for setting the strategic direction of the department, demonstrating leadership, overseeing financial and business performance, ensuring effective use of resources and supporting the Director-General as the Accountable Officer.

The role of the Executive Leadership Team is to:

- set the department's strategic direction, goals and performance levels, aligned to government objectives
- provide stewardship over the implementation of programs and policies
- demonstrate visible and aligned leadership to the agency
- ensure effective financial management and use of resources, including reprioritisation when necessary
- monitor the performance of business activities and the achievement of priorities and objectives
- ensure effective business continuity practices and culture within the department
- support the Director-General to meet legislative requirements and accountabilities
- ensure the effective management of risk through:
 - setting the organisation's risk culture and appetite, and monitoring enterprise risks
 - ensuring fraud and corruption risk assessments occur at enterprise, divisional and business area levels.

Chair: Director-General

Members:

- Deputy Director-General, Strategy and Corporate Services
- General Manager, Service Delivery
- General Manager, Strategy, Policy and Programs
- Executive Director, Aboriginal and Torres Strait Islander Housing
- Chief Finance Officer

Our Executive Leadership Team as at 30 June 2023

Mark Cridland

Chair: Director-General

BComm

Mark Cridland joined the Department of Housing in May 2023. Mark is a highly experienced senior executive with over 30 years of proven leadership experience in large and complex government and private sector organisations. Mark's passion and commitment to public service is driven through his view, based on real world experience at the centre of government, that we can play a fundamental role in creating positive influence and outcomes for all Queenslanders.

Prior to this role, Mark was the Director-General of the Department of Resources (2022–23) and the Associate Director-General of the Cabinet Office in the Department of the Premier and Cabinet (DPC) (2021–22). In his role with DPC, Mark was responsible for leading policy, intergovernmental relations, cabinet and parliamentary services, and the reform and delivery teams, and for providing high level strategic policy advice to the Premier and Cabinet.

Mark also held the role of Deputy Director-General (Policy) in DPC (2018–21), responsible for providing strategic leadership on economic, social, and environment policy, and intergovernmental relations.

Mark has also held senior roles in the private sector and in senior executive service roles for Queensland and New South Wales governments.

Matthew Nye

Member: Deputy Director-General, Strategy and Corporate Services

BBus (Public Relations), Mbus (Professional Accounting)

Matthew has nearly 30 years experience in the Queensland public sector, working in corporate services, shared services and service delivery roles. Matthew is responsible for strategic policy and legislation, and all corporate functions of the department including finance, human resources, communications and governance.

Matthew has extensive leadership experience and skills in business strategy, service delivery, planning, and project delivery to lead organisations through transformational change. Matthew has held senior leadership roles as Deputy Director-General, Strategy and Corporate Services at the former Department of Communities, Housing and Digital Economy, and the Department of Communities, Disability Services and Seniors; and General Manager at Smart Service Queensland.

Chantal Raine

Member: General Manager, Service Delivery

BA (Government)

Chantal has over 25 years experience in public sector management and administration in the Queensland and Australian public sector and has led transformation and change management agendas across service delivery systems, policies, processes, and practice, including workforce management and stakeholder engagement to improve customer outcomes.

As General Manager, Service Delivery, Chantal has a responsibility and oversight for the delivery of housing and homelessness assistance provided to Queenslanders. This includes leading frontline service delivery staff in 21 housing service centres across the state, contract management, loans and debt management and various teams supporting and enabling frontline teams. Chantal leads these teams to work locally with non-government, local government, business and private sector partners to deliver place-based service responses.

Mark Wall

Member: General Manager, Strategy, Policy and Programs

MBA

Mark has over 30 years experience in the department, with senior and executive roles in both frontline service delivery, development and implementation of strategic policies, legislation, regulation oversight, program development and implementation.

Mark has led and delivered several billion dollar housing capital programs that has provided social and affordable housing across Queensland over this time. He leads a team who fund and deliver a range of responses to reduce homelessness and support people to access and sustain a tenancy in the private market.

Mark openly engages with stakeholders to ensure housing responses assist local communities and build productive partnerships.

Sharon Kenyon

Member: Executive Director, Aboriginal and Torres Strait Islander Housing

Degree in Business (Organisational Development); Tertiary qualifications in Housing Management and Policy, and Public Sector Management and Administration.

Sharon is a descendent of the Yuin Nation through her grandmother, and was born on and lives on Turrbal/Jagera country.

Over almost 30 years in the public sector, Sharon has a strong record of delivering human services and housing outcomes for vulnerable people and communities across Queensland. Sharon has significant experience working across many areas of housing and homelessness policy, and program and service delivery since joining the public sector as a graduate.

Sharon leads Aboriginal and Torres Strait Islander Housing and has led the implementation of significant reforms to delivery of housing services and assistance under the *Queensland Housing Strategy 2017–2027*, focussed on providing services and assistance that are culturally safe and appropriate to the needs of people, families and communities. Sharon's work includes social policy reform, delivery of major initiatives across the government and community sectors, and place-based service innovations that focus on community-led participation and transformation.

Corynne Scott

Member: Chief Finance Officer

BBus (Accountancy), CPA

Corynne has over 24 years experience in financial management within the public sector. Corynne has extensive experience in financial and management accounting, including internal and external budgeting, financial analysis, system implementation, statutory reporting, taxation compliance, governance and assurance processes.

Corynne was previously Chief Financial Officer at the Department of Justice and Attorney-General, and has held senior officer positions within several other Queensland Government agencies, including the Department of Natural Resources, Mines and Energy, Corporate Administration Agency, and Queensland Shared Services.

Governance committees

Audit and Risk Committee

The Audit and Risk Committee (ARC) acts as an advisory service to the Director-General to assist in the effective discharge of the responsibilities detailed in the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and other relevant legislation and prescribed requirements. In doing so, it provides independent comment, advice and counsel to the Director-General.

The ARC charter sets out the authority, roles and responsibilities, membership and operations expected of the committee. The committee observed the terms of its charter in 2022–23 and had due regard to Queensland Treasury's Audit Committee Guidelines.

Chair: Chris Johnson (external member)

Members:

- Sue Ryan (external member)
- Karen Prentis (external member)
- Deputy Director-General, Strategy and Corporate Services
- General Manager, Service Delivery, Housing and Homelessness.

In 2022–23, the ARC:

- reviewed and recommended approval of the department's financial statements
- considered and endorsed the External Audit Plan and proposed fees of the external auditors
- considered and endorsed the annual Internal Audit Plan and related changes
- considered and endorsed the Chief Finance Officer Assurance Project Plan
- considered and endorsed the Audit and Risk Charter and the Internal Audit Charter
- considered Queensland Audit Office and internal audit findings and recommendations, and monitored their sustainable implementation
- considered the appropriateness of the systems of performance measurement and reporting
- considered the ability of financial management and risk management to identify, monitor and manage significant risks, noted fraud risks and actions taken by the department to manage these risks, including training and awareness activities
- reviewed corrupt conduct complaints and other matters dealt with by the Integrity Services Unit
- considered and endorsed that there are adequate governance and processes in place for the preparation of the information security annual return and Director-General attestation
- considered the outcomes of the department's business continuity exercise
- self-assessed the committee's effectiveness and agreed improvement initiatives
- briefed the Director-General on relevant matters, opinions, decisions and recommendations made by the committee.

The ARC met on five occasions during 2022–23.

The remuneration paid to external members was as follows: Chris Johnson (\$7,800 exclusive of GST), Sue Ryan (\$5,160 exclusive of GST) and Karen Prentis (\$2,880 exclusive of GST).

Governance sub-committees

Prior to the MoG change, the department's leadership team was supported by five sub-committees, which advised on matters within their terms of reference. The chairs of these committees reported to the Director-General and provided regular updates to the leadership team.

These arrangements will be revised following finalisation of the functional realignment. The realignment will inform a new governance structure tailored to the Department of Housing.

The sub-committees listed below operated up until the time of the MoG change.

Executive Finance Committee

The Executive Finance Committee considered and provided advice to the Director-General about the effective alignment and deployment of financial resources to support the former department's strategic objectives and government priorities.

Information Steering Committee

The Information Steering Committee provided support to the Director-General in leading the strategy and investment in digital and ICT, and reports to the Executive Leadership Team. The role of the committee included strategic leadership, value creation and prioritisation on digital and ICT capability and enhancement.

People and Culture Committee

The People and Culture Committee provided strategic support to the Director-General and Executive Leadership Team to build a culture that reflects the department's values through effective human resource strategies and programs. The focus of the committee included:

- provision of strategic leadership in building a culture that reflects our values
- guidance of the investment, development, implementation and review of our people strategies and practices to build capability across the department
- monitoring performance against and mitigation strategies for organisational risks
- identification of opportunities to guide and implement best practice and innovative strategies to improve our people management practices.

Workplace Health and Safety Committee

The Workplace Health and Safety (WHS) Committee provided direction and leadership to support an effective workplace health and safety management system to achieve improved performance and culture. The focus of the committee included:

- provision of strategic direction to assist with the development of WHS plans to effectively manage WHS risks
- review of the department's WHS performance and lead initiatives to achieve improved performance, supporting the department's strategic objectives
- monitoring of WHS plans to ensure compliance with relevant legislation, directives and policies, and ensure appropriate resources are available to implement WHS plans.

Housing and Homelessness Governance Board

The purpose of the Housing and Homelessness Governance Board was to provide oversight and overall strategic direction for the delivery of the *Queensland Housing and Homelessness Action Plan 2021–2025*, *Aboriginal and Torres Strait Islander Action Plan 2019–2023* and associated Budget measures. The board was an internal governance group, consisting of senior executive leaders representing key housing and homelessness services, corporate and partner areas of the department. It was established to ensure collective ownership and accountability of all work under the action plans and associated budget measures to support their implementation and success.

Strategic planning, performance monitoring and reporting

The department's *Strategic Plan 2022–26* was the roadmap which guided our direction and outlined the actions that were intended over the next four years to deliver the department's vision and strategic outcomes. Internally, this was cascaded into the departmental operational plan, which linked the government's strategic priorities and targets with our objectives and operationalised them through the department's business areas.

The department has recently developed a new Strategic Plan which recognises the MoG changes. This plan will be reported against over the coming financial year consistent with previous arrangements.

We develop a set of strategic measures each year to demonstrate our success against the strategic objectives, and service standards for each service area through our Service Delivery Statements. We measure our progress through quarterly reporting to our Executive Leadership Team and in the annual report. Our performance is also monitored externally through the Parliamentary Estimates committee process held after each year's State Budget.

The department's Performance Management Framework sets the department's direction and performance oversight arrangements. Our performance reporting arrangements are established in line with the DPC's Queensland Government Performance Management Framework. The framework articulates the relationship between whole-of-government priorities and our department's governance, planning, risk, business continuity, performance reporting and monitoring and evaluation elements.

Risk management

Our Enterprise Risk Management Framework enables risks and opportunities to be identified, assessed, and treated in a systematic way ensuring there is a consistent approach to prioritising, escalating and responding to those risks regardless of their nature. The framework is a critical component of our strategic and operational planning, service delivery, business continuity, decision-making and management, in ensuring the department achieves its strategic objectives.

The framework, supported by our risk appetite statement, demonstrates our risk management internal controls are consistent with the *Financial Management Act 2009*, *Financial and Performance Management Standard 2019* and are aligned with AS/NZS ISO 31000:2018 and IEC 31010:2019. Risks that may result in fraud or corruption, an information privacy breach or have health and safety causes and impacts are identified separately on risk registers to enable scrutiny of the assessments and effectiveness of the controls. Risks are identified, assessed and managed at enterprise, divisional and business levels by risk owners. All risks are reviewed quarterly, and high and trending risks are reported to the Executive Leadership Team, and the Audit and Risk Committee.

To support the Queensland Government's Climate Adaption Strategy, climate risk will be incorporated into risk management consequence tables and processes to protect assets and services.

Climate initiatives for 2022–23 are being reported through the Department of Environment and Science as part of their annual reporting for Queensland's Climate Action Plan.

Integrity services

The department's Integrity Services Unit (ISU) deals with corrupt conduct matters (including fraud and corruption) and provides expert and high-level advice about conflicts of interest, public interest disclosures, complaints management and other integrity-related matters.

ISU is integral to the department's prevention, detection and response in relation to corrupt conduct and other integrity-related matters.

During 2022–23, the department (through ISU) demonstrated its commitment to integrity through setting, implementing and monitoring integrity standards and through managing non-conformance. This included:

- implementing new and updated integrity-related policies and procedures for reporting corrupt conduct and public interest disclosures, fraud and corruption prevention, conflicts of interest and contact with lobbyists, including development of education and training
- embedding the department's integrity framework, which sets out the elements necessary to prevent, detect and respond to alleged corrupt conduct and other integrity-related matters
- increasing awareness about fraud and corruption risks through targeted awareness campaigns, such as International Fraud Awareness Week and International Anti-Corruption Day, and through collaboration with departmental governance committees and communities of practice encouraging the internal and external reporting of suspected wrongdoing
- effectively assessing and dealing with suspected wrongdoing.

Internal audit

Internal audit is a key component of the department's corporate governance. It provides independent assurance that the department's policies, operations, systems and procedures meet appropriate standards of effectiveness, efficiency, propriety, regulatory requirements and good business practice, while adequately recognising and managing risk and complying with internal policies.

The department's Internal Audit Unit operates in accordance with an approved Internal Audit Charter as required under the *Financial and Performance Management Standard 2019*. The charter defines the purpose, authority and roles and responsibilities of the function and is consistent with the requirements of the *International Standards for the Professional Practice of Internal Auditing* as set by the Institute of Internal Auditors. The Internal Audit Unit applies and upholds the principles of integrity, objectivity, confidentiality and competency under the Institute of Internal Auditors' formal *Code of Ethics*. The charter authorises appropriate access to all functions, records, property and personnel within the department as well as direct access to the Chair and independent members of the Audit and Risk Committee.

Internal Audit provides a broad range of assurance, advisory and support activities in line with the Internal Audit Plan endorsed by the Audit and Risk Committee and approved by the Director-General. During the year, the Internal Audit Unit assisted management with:

- operational reviews
- compliance reviews
- change management reviews
- real-time assurance.

The Internal Audit Unit applies a risk-based approach to strategic internal audit planning and triaging its program of work. Collaboration with the corporate risk management function ensures appropriate coverage of risks and controls across the department.

Internal Audit also coordinates its activities with the Queensland Audit Office to obtain satisfactory audit coverage and minimise duplication of effort, and has a quality improvement program to ensure the effective, efficient and economical operation of the function.

During 2022–23, the Internal Audit Unit completed 14 internal audit reviews, four management requests and provided ad hoc advice to managers and staff on a range of issues. The Internal Audit Unit had due regard to the Audit Committee Guidelines.

External reviews

In 2022–23, the department participated in the following reviews:

Queensland Audit Office – Delivering social housing services Report No 1: 2022–23

The Auditor-General of Queensland tabled Report to Parliament No 1: 2022–23 – Delivering Social Housing on 12 July 2022. This report examined whether social housing is effectively managed to meet the needs of vulnerable Queenslanders. The Queensland Audit Office made a total of eight recommendations aimed at improving the department’s housing register management, focusing on the application and allocation assessment process, and on the ongoing eligibility of tenants for social housing.

The department accepted all eight recommendations and five recommendations have been implemented. The three remaining recommendations are on track for completion by December 2023.

One of the remaining recommendations includes modelling future demand for social housing at a state and regional level, incorporating historical and predictive analysis. To progress this recommendation, the Australian Housing and Urban Research Institute has been engaged to develop a model to predict future demand for and supply of housing in Queensland.

Queensland Audit Office – Implementing machinery-of-government changes Report No 17: 2022–23

The Auditor-General tabled Report to Parliament No 17: 2022–23 – Implementing machinery-of-government (MoG) changes on 28 June 2023. This report examined central agency leadership, change management and the impacts on departmental internal controls resulting from MoG changes.

The department participated in the examination of the audit as an agency impacted by the 2020 MoG changes. The recommendations and key observations highlighted by the Auditor-General in the report informed the department’s management of the 2023 MoG changes.

Information systems and recordkeeping

The department manages digital and hardcopy records through a range of business information systems and dedicated records management systems, supported by policies, procedures, and assistance from the department’s records management transformation unit.

The department continued digitisation of paper records across 2022–23, resulting in the removal of multiple compactus units across the state, enabling modernisation of workspaces to better support service delivery to Queenslanders.

In 2023–24, the department will continue to demonstrate a commitment to achieving compliance with respect to recordkeeping practices by:

- continuing to deliver the records management transformation function to provide departmental strategic direction and records management capability uplift, with a particular focus on improved digital records management capability
- collaborating with the department’s technology provider for the existing electronic document and records management system, to ensure it remains fit-for-purpose and effective
- providing ongoing records management support and education
- continuing to undertake authorised disposal activities in accordance with authorised retention and disposal schedules
- ensuring that the lifecycle management of departmental public records is undertaken in accordance with legislative requirements.

Information security attestation

The department is in the process of compiling the attestation documentation required to comply with the Queensland Government Information Security Policy (IS18:2018). Included will be the assurance reporting by our service provider in Energy and Public Works, and the ISMS governance documentation and policy framework, which will provide the required evidence for this year's Annual Return. This information will be endorsed by divisional heads and provided to the Director-General for attestation, and subsequently submitted to the Queensland Government Chief Information Security Officer. This process will be finalised by the due date of 30 September 2023.

The department is heavily reliant on information to deliver a range of services to customers with the expectation that this information is both secure and managed. To help achieve information security, the department has a directive to comply with IS18:2018. This ensures that an ISMS is in place to effectively manage the information security risks. An ISMS is an ongoing system of both practise and improvement that is based on the current standard of ISO/IEC 27001.

In 2022–23, we:

- established ISMS quarterly reporting to Executive Leadership Team, meeting all the requirements for an Operating Information Security Management System
- enhanced security awareness education through staff webinars on improving individual security, and phishing campaigns to test staff awareness.

Whole-of-government plans and specific initiatives

The department has a number of whole-of-government and specific purpose plans including:

- *Aboriginal and Torres Strait Islander Cultural Capability Action Plan 2021–2022*
- *Aboriginal and Torres Strait Islander Housing Action Plan 2019–2023*
- *Business Continuity Plan*
- *Disability Service Plan 2022–25*
- *Diversity and Inclusion Strategy 2019–23*
- *Fraud and corruption control plan*
- *Housing Summit Outcomes Report 2022*
- *Multicultural Action Plan 2022–24*
- *Procurement Plan 2021–25*
- *Queensland Housing and Homelessness Action Plan 2021–2025*
- *Queensland Housing Strategy 2017–2027*
- *Strategic Internal Audit Plan 2022–23*
- *Towards ending homelessness for young Queenslanders 2022–2027*

This year, the department also collaborated on the following intergovernmental initiatives:

- Brisbane City Council Metro Project
- Stronger Places, Stronger People (an Australian Government initiative).

Specific initiatives

The Queensland Government is committed to addressing the housing needs of Queenslanders and acknowledges how the current housing market pressures experienced across the country are impacting Queenslanders. The Queensland Government is investing \$5 billion in social and affordable housing supply, and housing and homelessness support—comprising \$3 billion of funding to support the *Queensland Housing and Homelessness Action Plan 2021–2025*, and a \$2 billion investment for the HIF.

This investment builds on the *Queensland Housing Strategy 2017–2027* (the housing strategy) which was launched in July 2017. This was the first strategy in the state's history to encompass the entire housing continuum from homelessness services and social housing to affordable housing, the private rental market, and home ownership through to retirement living.

Over the 10-year life of the housing strategy, the Queensland Government is increasing the supply of social and affordable housing by 13,500, including 3,265 new social and affordable housing homes through the QuickStarts Queensland program by 30 June 2025, and 5,600 new social and affordable housing homes through the HIF by 30 June 2027.

In October 2022, in recognition of the housing challenges being experienced across Queensland, the Premier and Minister for the Olympic and Paralympic Games hosted the Queensland Housing Summit (the Summit). The Summit provided over 200 industry and other stakeholders an opportunity to discuss innovative strategies to support improved housing outcomes.

The Premier and senior Queensland Government representatives heard from stakeholders about a range of ideas to address housing challenges, including using regulatory reforms to boost housing supply, better supporting and sustaining tenancies in the rental sector, and promoting a positive conversation about growing our communities through good design and diverse housing.

Following the Summit, the Queensland Housing Summit Outcomes Report (the Outcomes Report) was released on 1 December 2022 which includes a program of actions backed by \$56 million in new funding and focuses on expanding housing supply and increasing housing support for Queenslanders. In March 2023, the Premier hosted a second Housing Roundtable at which additional funding of \$32.5 million and measures to address housing concerns were announced.

On 13 June 2023, the Queensland Government announced that the 2023–24 State Budget is providing increased funding of \$1.1 billion for the delivery and supply of social housing across Queensland through the *Queensland Housing and Homelessness Action Plan 2021–2025*. This includes:

- \$322.2 million to boost the QuickStarts Qld program target by 500 homes, bringing it to 3,265 social housing commencements by 30 June 2025
- in recognition of increasing construction costs, \$778.1 million to support the ongoing delivery of social housing across the state and retain and upgrade social housing homes that would have otherwise been sold.

The 2023–24 Budget also commits over \$150 million over five years to provide temporary accommodation and extend and enhance housing and homelessness services. This includes:

- \$51.3 million for the second Aboriginal and Torres Strait Islander Housing Action Plan 2024–2027 with a focus on progressing Closing the Gap initiatives, enhancing culturally safe services and delivering innovative housing supply solutions
- \$61.9 million for emergency supported accommodation
- \$18.1 million to enhance and expand youth housing and homelessness services
- \$13.9 million for operational services including at three accommodation sites
- \$5.4 million to continue the delivery of critical frontline housing services
- \$2 million for the Helena's House project, to support the safe transition of young people with a disability from the family home to a living solution of their choice.

National agreements and national partnership agreements

To support progress of Queensland's national commitments, during 2022–23 we:

- delivered the Household Resilience Program Phase 3 Project Agreement in partnership with the Department of Energy and Public Works of \$20 million (\$10 million Australian Government contribution and the state contribution of \$10 million), supporting people in cyclone-affected areas to improve the resilience of their homes built pre-1984, while also stimulating the local jobs economy
- supported re-establishment of the Housing and Homelessness Ministerial Council (HHMC) by the National Cabinet on 30 September 2022, and attended HHMC meetings on 6 December 2022 and 3 May 2023 to contribute to development of practical, collaborative solutions to improve housing and homelessness outcomes
- negotiated and signed the Social Housing Accelerator funding agreement (June 2023) between the state and the Australian Government, securing \$398.3 million for the delivery and supply of additional social housing across Queensland by June 2028
- negotiated a 12-month extension to Queensland's bilateral schedule to the National Housing and Homelessness Agreement, providing \$355.8 million in funding for housing and homelessness services for 2023–24
- made a submission to the Productivity Commission's Review of the National Housing and Homelessness Agreement. The Review report was released publicly on 30 September 2022.

Appendices

Appendix 1 – Statutory bodies

The following statutory bodies and authorities prepare separate annual reports that are provided to the Minister for Housing.

Name of body as described in the constituting Act	Constituting Act	Annual reporting arrangements
Residential Tenancies Authority	<i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Annual report to Parliament

Appendix 2 – Government bodies, boards and committees

The following bodies, boards and committees were active during 2022–23 with reporting arrangements to the department. Additional information on government bodies is available on the department’s website, www.housing.qld.gov.au/news-publications/annual-report.

Brisbane Housing Company Ltd

Brisbane Housing Company Ltd (BHC) is a not-for-profit organisation that delivers and manages affordable housing and mixed tenure developments that incorporate elements of social housing, National Rental Affordability Scheme, market for sale product, retail and commercial space.

Brisbane Housing Company Ltd provides quarterly unaudited management accounts, and an annual audited balance sheet and profit and loss account to the department.

Queensland Housing Supply Expert Panel (QHSEP)

The South-East Queensland Housing Supply Expert Panel, established in 2018, provided independent expert advice to government about how to manage land supply and associated issues in fast-growing South-East Queensland.

In December 2022, a new Housing Supply Expert Panel was established and its remit expanded to provide advice and guidance to government on housing and land supply, affordability and diversity across Queensland.

Appendix 3 – Glossary

ACNC	Australian Charities and Not-for-profits Commission
AHURI	Australian Housing and Urban Research Institute
ARC	Audit and Risk Committee
BHC	Brisbane Housing Company Ltd
COVID-19	Coronavirus disease of 2019
DCHDE	Department of Communities, Housing and Digital Economy
DoH	Department of Housing
DPC	Department of the Premier and Cabinet
FTE	Full-time equivalent
GST	Goods and Services Tax
HHMC	Housing and Homelessness Ministerial Council
HHS	Housing and Homelessness Service
HIF	Housing Investment Fund
IAU	Internal Audit Unit
ICT	Information and communications technology
ISMS	Information Security Management System
ISU	Integrity Services Unit
LGAQ	Local Government Association of Queensland
LGBTIQ+	Lesbian, Gay, Bisexual, Trans, Intersex, Queer, and minority gender identities and sexualities not explicitly included in the term LGBTIQ
MoG	Machinery of Government
MOHRI	Minimum Obligatory Human Resource Information system
NAHC	National affordable Housing Consortium
NAIDOC	National Aborigines and Islanders Day Observance Committee
NDIS	National Disability Insurance Scheme
NHHA	National Housing and Homelessness Agreement
NRAS	National Rental Affordability Scheme
NRSCH	National Regulatory System for Community Housing
P2i	Procure to Invest
PSI	Property Standards Index
QAO	Queensland Audit Office
QGOV	Queensland Government
QHSEP	Queensland Housing Supply Expert Panel
QSRSCH	Queensland State Regulatory System for Community Housing
QTC	Queensland Treasury Corporation
RTA	Residential Tenancies Authority
SDS	Service Delivery statements
SEQ	South-East Queensland
SHA	Social Housing Accelerator
WFT	Works for Tradies
WHS	Workplace Health and Safety

Appendix 4 – Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	3
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	1-2 47
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	4
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3	4
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs – section 9.4	4
	<ul style="list-style-type: none"> Information Licensing 	QGEA – Information Licensing ARRs – section 9.5	4
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	5-6
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	7, 42-43
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	11-30, 31-33
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	31-33
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	51-53
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	9
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	34-36
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	45-46
	<ul style="list-style-type: none"> Public Sector Ethics 	Public Sector Ethics Act 1994 ARRs – section 13.4	23
	<ul style="list-style-type: none"> Human Rights 	Human Rights Act 2019 ARRs – section 13.5	21-22
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	8
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	39
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	37
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	40-41
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	41
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	41
	<ul style="list-style-type: none"> Information Security attestation 	ARRs – section 14.6	42

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	20-30
	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	27
Open Data	• Statement advising publication of information	ARRs – section 16	4
	• Consultancies	ARRs – section 31.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 31.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Financial Statement, 46
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Financial Statement, 47

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Financial summary

As at 30 June 2023 the reporting entity was Department of Housing.

As a result of the Public Service Departmental Arrangement Notice (No. 2) 2023, the former Department of Communities, Housing and Digital Economy was renamed to the Department of Housing on 18 May 2023.

Pursuant to section 80 of the *Financial Accountability Act 2009*, for financial reporting purposes the effective date of the transfers is 1 June 2023. Transactions from the 18 May 2023 to 31 May 2023 are reported in the financial statements of the transferring departments.

As part of these machinery of government changes, the following functions were transferred from and to the department:

- Arts Queensland and Community Services transferred out to the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts
- Customer and Digital Services, CITEC, Queensland Shared Services and Corporate Administration Agency transferred out to the Department of Transport and Main Roads
- Queensland Housing Supply Expert Panel transferred in from the Department of State Development, Infrastructure, Local Government and Planning
- Queensland Housing Growth Initiative transferred in from Queensland Treasury

Summary of financial performance

The department's service areas up until the May 2023 machinery of government change were:

- Arts Queensland
- Community Services
- Customer and Digital Services
- Housing and Homelessness Services

The department also included, up until the machinery of government change, one commercialised business unit (CBU) and two shared service providers (SSP), as follows:

- CITEC
- Corporate Administration Agency
- Queensland Shared Services

From 1 June 2023 Housing and Homelessness Services is the remaining service area.

The following table summarises the operating result and financial position for the Department of Housing including the CBU and SSP's for 2022-23 and 2021-22.

Statement of Comprehensive Income	2022 23	2021 22
	\$'000	\$'000
Total income	2,107,526	2,345,799
Total expenses	2,207,234	2,029,023
Income tax benefit/(expense)	0	158
Total other comprehensive income	2,070,467	2,309,413
Total comprehensive income	1,970,759	2,626,347

Balance Sheet	2022-23	2021-22
	\$'000	\$'000
Total assets	21,251,365	20,580,925
Total liabilities	606,029	824,638
Net Assets/equity	20,645,336	19,756,287

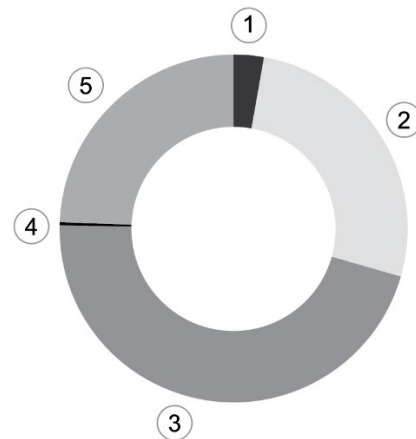
Income and expenses

The purpose of the Department of Housing is to improve the lives of Queenslanders by increasing social, cultural, economic, and digital inclusion. Funding for these services is received primarily through state appropriation and user charges and fees.

For 2022-23, the Department of Housing reported income totalling \$2,108 million. This income included \$82 million relating to gains on disposal/remeasurement of assets, which is mainly due to increases in the value of property portfolios of social housing and Arts Queensland reflecting increases in valuations across the Queensland property market. The breakup of income is as follows:

Income

1. Gains on disposal/remeasurement of assets \$82.8M (3.93%)
2. User Charges and fees \$728.8M (34.58%)
3. Appropriation Revenue \$1,252.5M (59.43%)
4. Grants and other contributions \$12.M (0.57%)
5. Other Revenue \$31.4M (1.49%)

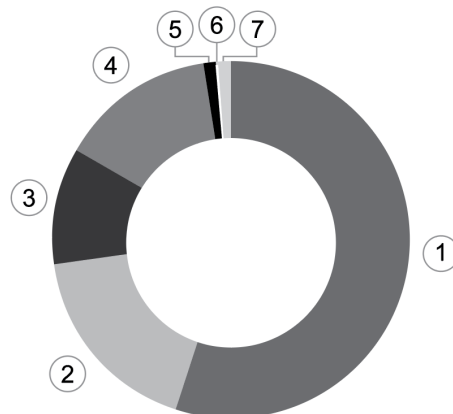


Revenue and expenses by Major Departmental Services, Commercialised Business Units and Shared Service Providers do not include internal departmental transaction eliminations which are eliminated in the Statement of Comprehensive Income and Balance Sheet.

For 2022-23, Department of Housing reported expenditure of \$2,207.2 million. The breakup of expenditure is as follows:

Expenses

1. Supplies and Services \$1,216.9M (55.13%)
2. Employee Expenses \$389.5M (17.65%)
3. Depreciation and amortisation \$235.6M (10.67%)
4. Grants and Subsidies \$315.2M (14.28%)
5. Finance/borrowing costs \$20.2M (0.91%)
6. Impairment losses on loans and receivables \$2.8M (0.13%)
7. Other Expenses \$27.1M (1.23%)

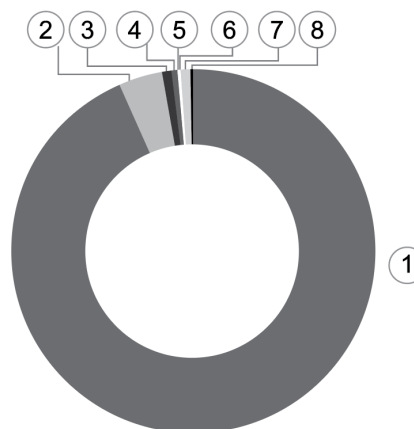


Summary of financial position

Department of Housing was in a positive financial position at 30 June 2023. The total equity (assets less liabilities) of Department of Housing at the end of 2022-23 was \$20,645 million. The increase from \$19,756 million in 2021-22 was mainly due to the increase in the value of property portfolios of social housing increases in valuations across the Queensland property market. The financial position of the department at 30 June 2023 was mainly comprised of:

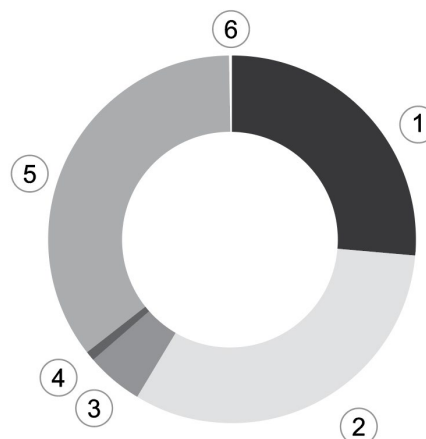
Assets

1. Property, Plant and Equipment \$19,879.65M (93.55%)
2. Right-of-use assets \$824.63M (3.88%)
3. Cash and Cash Equivalents \$185.06M (0.87%)
4. Loans and Receivables \$102.199M (0.68%)
5. Prepayments \$11.50M (0.05%)
6. Non-current assets classified as held for sale \$1.22M (0.01%)
7. Other Financial Assets \$237.41M (1.12%)
8. Intangible Assets \$9.70M (0.05%)



Liabilities

1. Lease liabilities, \$158.59M (26.17%)
2. Payables, \$196.85M (32.48%)
3. Unearned revenue, \$29.786M (4.91%)
4. Accrued employee benefits, \$5.122M (0.85%)
5. Borrowings, \$215.43M (35.55%)
6. Other liabilities, \$0.251M (0.04%)



Events occurring after balance date

There were no significant events after balance date that could be expected to impact the reported operating results for the department for the year ended 30 June 2023.

STATEMENT BY THE CHIEF FINANCE OFFICER

In accordance with the requirements of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement confirming the financial internal controls of the department are operating efficiently, effectively and economically in conformance with Section 54 of the *Financial and Performance Management Standard 2019*. The statement was presented at the Audit Committee meeting in August 2023.

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



Queensland Government

Department of **Housing**

Financial Statements

for the year ended

30 June 2023

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Department of Housing
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	*2022 \$'000
Income			
User charges and fees	2.1	728,849	770,602
Appropriation revenue	2.2	1,252,495	1,129,128
Grants and other contributions		12,001	16,634
Other revenue	2.3	31,421	42,402
Total revenue		<u>2,024,766</u>	<u>1,958,766</u>
Gains on disposal/remeasurement of assets	2.4	82,760	387,033
Total income		<u>2,107,526</u>	<u>2,345,799</u>
Expenses			
Supplies and services	2.5	1,216,911	1,144,420
Depreciation and amortisation		235,589	228,241
Employee expenses	2.6	389,482	392,717
Grants and subsidies	2.7	315,195	212,626
Finance/borrowing costs		20,154	19,806
Impairment losses on loans and receivables	3.3	2,803	5,261
Other expenses	2.8	27,100	25,952
Total expenses		<u>2,207,234</u>	<u>2,029,023</u>
Operating result before income tax		<u>(99,708)</u>	<u>316,776</u>
Income tax benefit/(expense)		-	158
Operating result after income tax		(99,708)	316,934
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	3.1	2,070,467	2,309,413
Total other comprehensive income		<u>2,070,467</u>	<u>2,309,413</u>
Total comprehensive income		<u>1,970,759</u>	<u>2,626,347</u>

*The 2022 comparative figures relate to the published annual financial statements of the former Department of Communities, Housing and Digital Economy. Comparative information has not been re-cast to reflect the transfer of activities as a result of machinery-of-government changes (refer to Note 1.5).

The accompanying notes form part of these financial statements.

**Department of Housing
Balance Sheet
as at 30 June 2023**

	Note	2023 \$'000	*2022 \$'000
Current assets			
Cash and cash equivalents		185,059	357,906
Loans and receivables	3.3	73,762	109,186
Prepayments		11,503	15,095
Other financial assets	3.5	7,000	7,000
		<u>277,324</u>	<u>489,187</u>
Non-current assets classified as held for sale	3.6	1,215	2,789
Total current assets		<u>278,539</u>	<u>491,976</u>
Non-current assets			
Property, plant and equipment	3.1	19,879,650	18,905,001
Right-of-use assets	3.2	824,633	931,281
Other financial assets	3.5	230,411	200,179
Loans and receivables	3.3	28,437	29,825
Intangible assets		9,695	20,598
Prepayments		-	2,065
Total non-current assets		<u>20,972,826</u>	<u>20,088,949</u>
Total assets		<u>21,251,365</u>	<u>20,580,925</u>
Current liabilities			
Lease liabilities	3.2	5,652	29,197
Payables	3.8	196,846	271,095
Unearned revenue	3.9	29,786	29,248
Accrued employee benefits		5,122	11,806
Borrowings	3.7	16,193	16,119
Other current liabilities	3.10	251	2,810
Total current liabilities		<u>253,850</u>	<u>360,275</u>
Non-current liabilities			
Lease liabilities	3.2	152,938	247,507
Borrowings	3.7	199,241	215,434
Other non-current liabilities	3.10	-	1,422
Total non-current liabilities		<u>352,179</u>	<u>464,363</u>
Total liabilities		<u>606,029</u>	<u>824,638</u>
NET ASSETS		<u>20,645,336</u>	<u>19,756,287</u>
EQUITY			
Contributed equity	3.12	13,958,821	15,040,531
Asset revaluation surplus	3.1	6,975,579	5,205,561
Accumulated surplus/(deficit)		(289,064)	(489,805)
Total equity		<u>20,645,336</u>	<u>19,756,287</u>

*The 2022 comparative figures relate to the published annual financial statements of the former Department of Communities, Housing and Digital Economy. Comparative information has not been re-cast to reflect the transfer of activities as a result of machinery-of-government changes (refer to Note 1.5).

The accompanying notes form part of these financial statements.

Department of Housing
Statement of Changes in Equity
for the year ended 30 June 2023

	Contributed equity (Note 3.12) \$'000	Asset revaluation surplus (Note 3.1(d)) \$'000	Accumulated surplus/(deficit) \$'000	Total \$'000
Balance as at 1 July 2021	14,904,285	2,896,148	(806,739)	16,993,694
Operating result	-	-	316,934	316,934
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	-	2,309,413	-	2,309,413
Total comprehensive income for the year	-	2,309,413	316,934	2,626,347
Transactions with owners as owners				
- Appropriated equity injections (Note 3.13)	188,499	-	-	188,499
- Appropriated equity withdrawals (Note 3.13)	(66,697)	-	-	(66,697)
- Non-appropriated equity adjustments	14,431	-	-	14,431
- Net transfers in/(out) from/(to) other Queensland Government entities	13	-	-	13
Net transactions with owners as owners	136,246	-	-	136,246
Balance as at 30 June 2022	15,040,531	5,205,561	(489,805)	19,756,287
Balance as at 1 July 2022	15,040,531	5,205,561	(489,805)	19,756,287
Operating result	-	-	(99,708)	(99,708)
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	-	2,070,467	-	2,070,467
- Transfer to accumulated surplus/(deficit) for asset class disposed	-	(300,449)	300,449	-
Total comprehensive income for the year	-	1,770,018	200,741	1,970,759
Transactions with owners as owners				
- Appropriated equity injections (Note 3.13)	419,313	-	-	419,313
- Appropriated equity withdrawals (Note 3.13)	(45,807)	-	-	(45,807)
- Non-appropriated equity adjustments	6,460	-	-	6,460
- Net transfers in/(out) from/(to) other Queensland Government entities	(1,461,676)	-	-	(1,461,676)
Net transactions with owners as owners	(1,081,710)	-	-	(1,081,710)
Balance as at 30 June 2023	13,958,821	6,975,579	(289,064)	20,645,336

The accompanying notes form part of these financial statements.

**Department of Housing
Statement of Cash Flows
for the year ended 30 June 2023**

	2023	*2022
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Inflows:</i>		
User charges and fees	721,677	764,282
Appropriation receipts	1,194,177	1,130,554
GST input tax credits received from the Australian Taxation Office	231,003	180,160
GST collected from customers	28,212	34,131
Grants and other contributions	12,729	2,652
Other	31,677	41,569
<i>Outflows:</i>		
Supplies and services	(1,199,018)	(1,135,869)
Employee expenses	(389,394)	(391,610)
Grants and subsidies	(312,410)	(213,511)
GST remitted to the Australian Taxation Office	(171,965)	(149,364)
GST paid to suppliers	(87,889)	(65,912)
Finance/borrowing costs	(20,136)	(19,791)
Other	(25,900)	(22,895)
Net cash provided by (used in) operating activities	12,763	154,396
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Inflows:</i>		
Sales of property, plant and equipment	17,624	83,392
Loans and advances redeemed	21,965	31,213
Redemption of other financial assets	2,843	9,325
<i>Outflows:</i>		
Payments for property, plant and equipment	(387,956)	(285,396)
Loans and advances made	(25,030)	(22,272)
Payments for intangible assets	(2,626)	(3,505)
Net cash provided by (used in) investing activities	(373,180)	(187,243)
CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Inflows:</i>		
Equity injections	428,248	203,686
Transfers from other government entities	6,000	-
<i>Outflows:</i>		
Payment of lease liabilities	(29,397)	(30,300)
Equity withdrawals	(76,862)	(65,868)
Borrowing redemptions	(16,119)	(15,873)
Net cash provided by (used in) financing activities	311,870	91,645
Net increase (decrease) in cash and cash equivalents	(48,547)	58,798
Increase (decrease) in cash and cash equivalents from machinery-of-government changes (Note 1.5)	(124,300)	-
Cash and cash equivalents – opening balance	357,906	299,108
Cash and cash equivalents – closing balance	185,059	357,906

*The 2022 comparative figures relate to the published annual financial statements of the former Department of Communities, Housing and Digital Economy. Comparative information has not been re-cast to reflect the transfer of activities as a result of machinery-of-government changes (refer to Note 1.5).

The accompanying notes form part of these financial statements.

Department of Housing
Notes to the Statement of Cash Flows
for the year ended 30 June 2023

	2023 \$'000	2022 \$'000
Reconciliation of operating result to net cash from operating activities		
Operating surplus/(deficit) before income tax	(99,708)	316,776
Less: income tax benefit/(expense)	-	158
	<u>(99,708)</u>	<u>316,934</u>
<i>Non-cash items:</i>		
Depreciation and amortisation expense	235,589	228,241
Donated assets and services expensed	7,600	4,332
Contributed assets and services received	-	(5,940)
Impairment losses	2,676	7,189
Loss/(gain) on disposal of non-current assets	1,922	(10,770)
Revaluation decrement/(increment)	(45,941)	(346,383)
Write-off of assets	1,320	1,541
Net loss/(gain) on revaluation of financial assets	(36,391)	(29,880)
<i>Change in assets and liabilities:</i>		
(Increase) decrease in GST input tax credits receivable	(1,684)	(2,112)
(Increase) decrease in loans and receivables	(9,977)	566
(Increase) decrease in prepayments	(8,985)	13,869
Increase (decrease) in GST payable	3,120	1,885
Increase (decrease) in payables	(42,816)	(13,182)
Increase (decrease) in unearned revenue	572	120
Increase (decrease) in accrued employee benefits	(1,258)	(1,123)
Increase (decrease) in lease liabilities	6,946	-
Increase (decrease) in other liabilities	(222)	(10,891)
Net cash from operating activities	<u>12,763</u>	<u>154,396</u>

Changes in liabilities arising from financing activities

	Borrowings \$'000	Lease liabilities \$'000	Total \$'000
Balance as at 1 July 2021	247,426	289,255	536,681
Cash flows:			
Cash paid	(15,873)	(30,300)	(46,173)
Non-cash changes:			
Leases acquired/surrendered	-	7,961	7,961
Remeasurement of lease liability	-	9,782	9,782
Other	-	6	6
Balance as at 30 June 2022	<u>231,553</u>	<u>276,704</u>	<u>508,257</u>
Balance as at 1 July 2022	231,553	276,704	508,257
Cash flows:			
Cash paid	(16,119)	(29,397)	(45,516)
Non-cash changes:			
Leases acquired/surrendered	-	20,931	20,931
Remeasurement of lease liability	-	(502)	(502)
Net transfers from machinery-of-government changes (Note 1.5)	-	(109,139)	(109,139)
Other	-	(7)	(7)
Balance as at 30 June 2023	<u>215,434</u>	<u>158,590</u>	<u>374,024</u>

For changes in liabilities relating to equity appropriations refer to Note 3.13 which details equity appropriations payable/receivable.

Department of Housing

Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units (CBU), and Shared Service Providers (SSP)

for the year ended 30 June 2023

	Housing and Homelessness Services		Arts Queensland		Community Services		Customer and Digital Services		CITEC (CBU)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income										
User charges and fees	426,362	419,184	18,629	17,009	6,780	4,404	62,228	84,600	142,717	161,929
Appropriation revenue	827,967	702,382	125,929	137,349	155,624	129,980	134,748	152,001	-	-
Grants and other contributions	11,390	12,512	-	2,010	242	2,112	450	-	-	-
Other revenue	16,542	18,912	3,222	5,388	2,062	4,664	9,132	11,552	2	2
Total revenue	1,282,261	1,152,990	147,780	161,756	164,708	141,160	206,558	248,153	142,719	161,931
Gains on disposal/remeasurement of assets	82,760	245,151	-	130,170	-	11,713	-	-	-	(1)
Total income	1,365,021	1,398,141	147,780	291,926	164,708	152,873	206,558	248,153	142,719	161,930
Expenses										
Supplies and services	888,554	792,443	41,094	40,139	131,076	104,237	111,106	147,275	88,631	100,109
Depreciation and amortisation	148,463	142,022	54,150	48,430	3,613	3,575	16,129	16,338	12,177	16,011
Employee expenses	133,813	128,724	14,847	14,318	14,414	12,605	74,108	78,654	37,061	40,460
Grants and subsidies	256,854	131,618	42,825	60,741	13,249	18,759	2,141	1,670	-	-
Finance/borrowing costs	17,073	16,203	-	-	-	-	2,860	3,309	220	291
Impairment losses on loans and receivables	2,802	5,258	-	-	-	-	-	1	1	2
Other expenses	22,114	21,913	555	588	2,356	1,823	214	171	448	456
Total expenses	1,469,673	1,238,181	153,471	164,216	164,708	140,999	206,558	247,418	138,538	157,329
Operating result before income tax	(104,652)	159,960	(5,691)	127,710	-	11,874	-	735	4,181	4,601
Income tax benefit/(expense)	-	-	-	-	-	-	-	-	-	158
Operating result after income tax	(104,652)	159,960	(5,691)	127,710	-	11,874	-	735	4,181	4,759
OTHER COMPREHENSIVE INCOME										
Items that will not be reclassified to operating result										
Increase/(decrease) in asset revaluation surplus	1,958,639	2,076,922	102,395	231,052	9,433	1,439	-	-	-	-
Total other comprehensive income	1,958,639	2,076,922	102,395	231,052	9,433	1,439	-	-	-	-
Total comprehensive income	1,853,987	2,236,882	96,704	358,762	9,433	13,313	-	735	4,181	4,759

Refer to Note 1.4 for information on changes to services provided over the reporting period.

Department of Housing

Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units (CBU), and Shared Service Providers (SSP)

for the year ended 30 June 2023

	Queensland Shared Services (SSP)		Corporate Administration Agency (SSP)		General - not attributed		Inter-service/ unit eliminations		Total department	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income										
User charges and fees	132,226	146,485	10,260	11,082	39,774	39,731	(110,127)	(113,822)	728,849	770,602
Appropriation revenue	-	-	-	-	8,227	7,416	-	-	1,252,495	1,129,128
Grants and other contributions	-	-	-	81	-	-	(81)	(81)	12,001	16,634
Other revenue	99	2,429	-	-	562	484	(200)	(1,029)	31,421	42,402
Total revenue	132,325	148,914	10,260	11,163	48,563	47,631	(110,408)	(114,932)	2,024,766	1,958,766
Gains on disposal/remeasurement of assets	-	-	-	-	-	-	-	-	82,760	387,033
Total income	132,325	148,914	10,260	11,163	48,563	47,631	(110,408)	(114,932)	2,107,526	2,345,799
Expenses										
Supplies and services	51,447	56,275	2,447	2,532	12,964	15,406	(110,408)	(113,996)	1,216,911	1,144,420
Depreciation and amortisation	1,039	1,846	-	-	18	19	-	-	235,589	228,241
Employee expenses	72,227	78,236	7,884	8,438	35,128	32,018	-	(736)	389,482	392,717
Grants and subsidies	-	-	-	-	126	38	-	(200)	315,195	212,626
Finance/borrowing costs	1	3	-	-	-	-	-	-	20,154	19,806
Impairment losses on loans and receivables	-	-	-	-	-	-	-	-	2,803	5,261
Other expenses	727	794	194	207	492	-	-	-	27,100	25,952
Total expenses	125,441	137,154	10,525	11,177	48,728	47,481	(110,408)	(114,932)	2,207,234	2,029,023
Operating result before income tax	6,884	11,760	(265)	(14)	(165)	150	-	-	(99,708)	316,776
Income tax benefit/(expense)	-	-	-	-	-	-	-	-	-	158
Operating result after income tax	6,884	11,760	(265)	(14)	(165)	150	-	-	(99,708)	316,934
OTHER COMPREHENSIVE INCOME										
Items that will not be reclassified to operating result										
Increase/(decrease) in asset revaluation surplus	-	-	-	-	-	-	-	-	2,070,467	2,309,413
Total other comprehensive income	-	-	-	-	-	-	-	-	2,070,467	2,309,413
Total comprehensive income	6,884	11,760	(265)	(14)	(165)	150	-	-	1,970,759	2,626,347

Refer to Note 1.4 for information on changes to services provided over the reporting period.

Department of Housing

Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units (CBU), and Shared Service Providers (SSP)

as at 30 June 2023

	Housing and Homelessness Services		Arts Queensland	Community Services	Customer and Digital Services	CITEC (CBU)	Queensland Shared Services (SSP)
	2023	2022	2022	2022	2022	2022	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets							
Cash and cash equivalents	185,059	191,635	26,056	37,644	48,016	11,553	36,289
Loans and receivables	73,762	47,510	3,800	14,386	17,646	15,124	14,105
Prepayments	11,503	4,299	90	97	3,022	5,139	1,571
Other financial assets	7,000	7,000	-	-	-	-	-
	277,324	250,444	29,946	52,127	68,684	31,816	51,965
Non-current assets classified as held for sale	1,215	2,344	-	445	-	-	-
Total current assets	278,539	252,788	29,946	52,572	68,684	31,816	51,965
Non-current assets							
Property, plant and equipment	19,879,650	17,717,489	1,034,221	144,452	1,473	7,110	202
Right-of-use assets	824,633	819,260	-	-	93,360	18,616	45
Other financial assets	230,411	200,179	-	-	-	-	-
Loans and receivables	28,437	29,825	-	-	-	-	-
Intangible assets	9,695	9,455	-	1,417	2,996	905	5,825
Prepayments	-	-	-	-	1,198	850	17
Total non-current assets	20,972,826	18,776,208	1,034,221	145,869	99,027	27,481	6,089
TOTAL ASSETS	21,251,365	19,028,996	1,064,167	198,441	167,711	59,297	58,054
Current liabilities							
Lease liabilities	5,652	2,908	-	-	15,091	11,149	49
Payables	196,846	167,582	7,023	25,425	59,407	10,943	3,675
Unearned revenue	29,786	29,248	-	-	-	-	-
Accrued employee benefits	5,122	3,975	371	414	2,214	1,300	2,354
Borrowings	16,193	16,119	-	-	-	-	-
Other current liabilities	251	-	-	-	631	1,874	-
Total current liabilities	253,850	219,832	7,394	25,839	77,343	25,266	6,078
Non-current liabilities							
Lease liabilities	152,938	153,345	-	-	87,060	7,102	-
Borrowings	199,241	215,434	-	-	-	-	-
Other non-current liabilities	-	250	-	-	964	208	-
Total non-current liabilities	352,179	369,029	-	-	88,024	7,310	-
TOTAL LIABILITIES	606,029	588,861	7,394	25,839	165,367	32,576	6,078

Refer to Note 1.4 for information on changes to services provided over the reporting period.

Department of Housing
Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units (CBU), and Shared Service Providers (SSP)
as at 30 June 2023

	Corporate Administration Agency (SSP)	General - not attributed	Inter-service/unit eliminations	Total department	
	2022	2022	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	3,971	2,742	-	185,059	357,906
Loans and receivables	792	4,591	(8,768)	73,762	109,186
Prepayments	684	193	-	11,503	15,095
Other financial assets	-	-	-	7,000	7,000
	<u>5,447</u>	<u>7,526</u>	<u>(8,768)</u>	<u>277,324</u>	<u>489,187</u>
Non-current assets classified as held for sale	-	-	-	1,215	2,789
Total current assets	<u>5,447</u>	<u>7,526</u>	<u>(8,768)</u>	<u>278,539</u>	<u>491,976</u>
Non-current assets					
Property, plant and equipment	-	54	-	19,879,650	18,905,001
Right-of-use assets	-	-	-	824,633	931,281
Other financial assets	-	-	-	230,411	200,179
Loans and receivables	-	-	-	28,437	29,825
Intangible assets	-	-	-	9,695	20,598
Prepayments	-	-	-	-	2,065
Total non-current assets	<u>-</u>	<u>54</u>	<u>-</u>	<u>20,972,826</u>	<u>20,088,949</u>
TOTAL ASSETS	<u>5,447</u>	<u>7,580</u>	<u>(8,768)</u>	<u>21,251,365</u>	<u>20,580,925</u>
Current liabilities					
Lease liabilities	-	-	-	5,652	29,197
Payables	227	5,581	(8,768)	196,846	271,095
Unearned revenue	-	-	-	29,786	29,248
Accrued employee benefits	242	936	-	5,122	11,806
Borrowings	-	-	-	16,193	16,119
Other current liabilities	305	-	-	251	2,810
Total current liabilities	<u>774</u>	<u>6,517</u>	<u>(8,768)</u>	<u>253,850</u>	<u>360,275</u>
Non-current liabilities					
Lease liabilities	-	-	-	152,938	247,507
Borrowings	-	-	-	199,241	215,434
Other non-current liabilities	-	-	-	-	1,422
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>352,179</u>	<u>464,363</u>
TOTAL LIABILITIES	<u>774</u>	<u>6,517</u>	<u>(8,768)</u>	<u>606,029</u>	<u>824,638</u>

Refer to Note 1.4 for information on changes to services provided over the reporting period.

1 BASIS OF PREPARATION

1.1 Authorisation of financial statements

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

1.2 General information

The Department of Housing is a not-for-profit Queensland Government department established under the *Public Sector Act 2022 (formerly the Public Service Act 2008)* and controlled by the State of Queensland.

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

1.3 Statement of compliance

The department has prepared these general purpose financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*, the Australian Accounting Standards and Interpretations applicable to not-for-profit entities, and Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2022.

1.4 Department objectives and principal activities

As part of the machinery-of-government changes outlined in Note 1.5, the former Department of Communities, Housing and Digital Economy was renamed to the Department of Housing.

During 2022-23 the service areas within the department contributed to the following government objectives:

- improve social and economic outcomes for Queenslanders across the State
- ensure Aboriginal and Torres Strait Islander peoples and culture are central to all engagement, design and delivery
- integrate proactive frontline services, assistance and programs for communities, housing, digital and the arts
- support a thriving digital economy where Queenslanders, their businesses and communities can transact successfully with government and each other.

The following services were delivered by the department during 2022-2023. Due to the machinery-of-government changes outlined in Note 1.5, responsibility for all services except for Housing and Homelessness Services was transferred to other departments with an effective date of 1 June 2023.

Housing and Homelessness Services

Housing and Homelessness Services benefits Queenslanders and their communities by providing housing and homelessness services that are responsive, integrated and accessible, and enrich the lives of Queenslanders.

The following services were delivered by the department until 1 June 2023, prior to machinery-of-government changes outlined in Note 1.5.

Arts Queensland

Arts Queensland enhances Queenslanders' access to arts and culture, through investment in the creation, development and presentation of arts product, cultural experiences, and cultural infrastructure.

Community Services

Community Services supports communities to thrive by building their resilience, providing aid in recovery from natural disasters, improving the social and economic inclusion and wellbeing of all Queenslanders, and preserving community history.

Customer and Digital Services

Customer and Digital Services benefits Queenslanders and their businesses by delivering and improving government services and investing in a digitally enabled economy.

CITEC

CITEC provides whole-of-government and commercial information and technology solutions that support the delivery of frontline services to Queensland communities and businesses.

1.4 Department objectives and principal activities (continued)

Queensland Shared Services

Queensland Shared Services provides effective corporate services that support Queensland Government entities.

Corporate Administration Agency

The Corporate Administration Agency provides effective corporate services that support Queensland Government entities including statutory bodies.

1.5 Machinery-of-government changes

As a result of the *Public Service Departmental Arrangements Notice (No. 2) 2023*, the former Department of Communities, Housing and Digital Economy was renamed to the Department of Housing on 18 May 2023.

As part of these machinery-of-government changes, the following functions were transferred from and to the department:

- Arts Queensland and Community Services transferred out to the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts
- Customer and Digital Services, CITEC, Queensland Shared Services and Corporate Administration Agency transferred out to the Department of Transport and Main Roads
- Queensland Housing Supply Expert Panel transferred in from the Department of State Development, Infrastructure, Local Government and Planning
- Queensland Housing Growth Initiative transferred in from Queensland Treasury.

Pursuant to section 80 of the *Financial Accountability Act 2009*, for financial reporting purposes the effective date of the transfers is 1 June 2023. For functions transferred out of the department, transactions prior to 1 June 2023 are included in these financial statements.

Assets and liabilities transferred

	Transfers (out)		Transfers in	
	Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts	Department of Transport and Main Roads	Queensland Treasury	Total net transfers
	\$'000	\$'000	\$'000	\$'000
Controlled				
Cash and cash equivalents	(52,826)	(71,474)	-	(124,300)
Loans and receivables	(36,421)	(45,093)	2,250	(79,264)
Prepayments	(7,653)	(15,068)	-	(22,721)
Property, plant and equipment	(1,296,017)	(8,103)	-	(1,304,120)
Right-of-use assets	-	(100,670)	-	(100,670)
Intangible assets	(1,085)	(8,419)	-	(9,504)
Total assets	(1,394,002)	(248,827)	2,250	(1,640,579)
Lease liabilities	-	(109,139)	-	(109,139)
Payables	(27,597)	(32,942)	2,250	(58,289)
Accrued employee benefits	(1,314)	(4,110)	-	(5,424)
Other liabilities	-	(3,781)	-	(3,781)
Total liabilities	(28,911)	(149,972)	2,250	(176,633)
Net assets	(1,365,091)	(98,855)	-	(1,463,946)

1.5 Machinery-of-government changes (continued)

Assets and liabilities transferred (continued)

	Transfers out		
	Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts \$'000	Department of Transport and Main Roads \$'000	Total net transfers \$'000
Administered			
Cash and cash equivalents	-	(1,520)	(1,520)
Receivables	(1,930)	-	(1,930)
Total assets	(1,930)	(1,520)	(3,450)
Payables	(20,487)	(763)	(21,250)
Total liabilities	(20,487)	(763)	(21,250)
Net assets	18,557	(757)	17,800

The decrease in net assets has been accounted for as a decrease in contributed equity as disclosed in the Statement of Changes in Equity.

There were no asset or liability transfers from the Department of State Development, Infrastructure, Local Government and Planning.

The following budgeted appropriations were reallocated as part of the machinery-of-government changes:

	Transfers out		Transfers in	
	Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts \$'000	Department of Transport and Main Roads \$'000	Queensland Treasury \$'000	Total net transfers \$'000
Controlled - appropriation revenue	(43,938)	(32,648)	2,250	(74,336)
Controlled - equity adjustments	18,120	3,808	-	21,928
Administered - appropriation revenue	-	(5,170)	-	(5,170)

1.6 Measurement

The historical cost convention is used as the measurement basis unless otherwise stated.

1.7 Presentation

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

Comparative information reflects the audited 2021-22 financial statements of the former Department of Communities, Housing and Digital Economy.

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.

1.8 New and revised accounting standards

No new or revised accounting standards were adopted during 2022-23.

2 STATEMENT OF COMPREHENSIVE INCOME NOTES

2.1 User charges and fees

Property rental		
Social housing	422,871	415,269
Other	774	885
Revenue from contracts with customers		
Information, communication and technology services	140,101	176,728
Services provided by shared service providers	133,829	151,148
Other	31,274	26,572
Total	728,849	770,602

Property rental - social housing

Operating lease rent is received in respect of social housing and remote Aboriginal and Torres Strait Islander housing provided by the department to low-income households. Variable rent charges are capped at 25% of total household assessable income. Rent is recognised as revenue in the period in which it is earned.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when the department transfers control over a good or service to the customer. The following table provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for the department's major categories of user charges revenue from contracts with customers. From 1 June 2023, significant changes to the department's user charges revenue streams occurred with responsibility for these services transferring to other departments under the machinery-of-government changes detailed in Note 1.5.

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Information, Communication and Technology (ICT) Services	<p>Prior to 1 June 2023 the department provided ICT services and information solutions to other Queensland state government entities and private sector clients.</p> <p>The contracts contained multiple performance obligations relating to the ICT services being provided. Customers simultaneously received and consumed the benefits provided during that period and the department invoiced on a bi-monthly or monthly basis in a manner that fairly represented the transfer of these services. Consideration is receivable when invoiced.</p>	Revenue was recognised on a bi-monthly or monthly basis as the actual services were provided over the duration of the contract.
Services provided by Shared Service Providers	<p>Prior to 1 June 2023 the department provided shared finance and payroll services to other Queensland state government entities.</p> <p>The contracts contained multiple performance obligations relating to the shared services being provided. Customers simultaneously received and consumed the benefits provided during that period and the department invoiced on a monthly basis in a manner that fairly represented the transfer of these services. Consideration was receivable when invoiced.</p>	Revenue was recognised on a monthly basis as the actual services were provided over the duration of the contract.

2.2 Appropriation revenue

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

Original budgeted appropriation revenue	1,283,257	1,223,496
Supplementary amounts:		
Transfers from/to other headings - variation in headings	(89,080)	-
Lapsed appropriation revenue	-	(92,942)
Total appropriation receipts (cash)	1,194,177	1,130,554
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	116,819	116,310
Less: Transfer of deferred appropriation payable to other Queensland Government entities	9,651	(917)
Plus: Transfer of appropriation receivable to other Queensland Government entities	(13,539)	-
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(54,613)	(116,819)
Appropriation revenue recognised in Statement of Comprehensive Income	1,252,495	1,129,128
Variance between original budgeted and actual appropriation revenue	(30,762)	(94,368)

Appropriations provided under the *Appropriation Act 2022* are recognised as revenue when received under AASB 1058 *Income of Not-for-Profit Entities*. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation payable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity (refer to Note 3.13).

2.3 Other revenue

	2023 \$'000	2022 \$'000
Insurance compensation from loss of property	11,087	14,865
Grants and service procurement refunds	9,229	11,853
Interest	957	1,121
Other	10,148	14,563
Total	31,421	42,402

2.4 Gains on disposal/remeasurement of assets

Revaluation increment - buildings	45,941	346,383
Net gain on financial assets at fair value through profit or loss	36,819	31,315
Net gain on disposal of assets	-	9,335
Total	82,760	387,033

2.5 Supplies and services

Property repairs and maintenance	339,365	309,942
Outsourced service delivery - Housing and Homelessness Services	266,986	213,807
Information, communication and technology expenses	148,812	191,763
Rates to local governments*	184,218	172,493
Outsourced service delivery - Community Services	122,041	96,383
Property rental [†]	48,387	52,535
Consultants and contractors	44,159	52,485
Other property expenses	13,087	12,174
Other	49,856	42,838
Total	1,216,911	1,144,420

* The department is not required to pay general rates to local governments for properties covered by Section 95 of the *Housing Act 2003* so these payments are considered special payments. Consequently, rates to local governments include special payments totalling \$59.479 million (2022 \$57.382 million) in respect of general rates.

[†] Property rental figures stated above include payments made to the Department of Energy and Public Works in respect of non-specialised commercial office accommodation under the Queensland Government Accommodation Office framework. These payments arise from non-lease arrangements under which the Department of Energy and Public Works has substantive substitution rights over the assets used within this program. All payments are expensed as incurred.

2.6 Employee expenses

	2023 \$'000	2022 \$'000
Employee benefits		
Wages and salaries	299,357	301,552
Employer superannuation contributions	40,658	40,394
Annual leave levy	32,716	33,677
Long service leave levy	7,841	7,558
Termination benefits	911	1,404
Other employee benefits	571	616
	382,054	385,201
Employee-related expenses	7,428	7,516
Total	389,482	392,717

Wages and salaries

Wages and salaries due (but unpaid at reporting date) are recognised in the Balance Sheet at 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.

Employer superannuation contributions

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories are now administered by the Government Division of the Australian Retirement Trust) 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 Enterprise Bargaining Agreement 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.

2.6 Employee expenses (continued)

Annual leave and long service leave

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

Employee-related expenses

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

Number of employees

The number of employees (measured on a full-time equivalent basis) as at 30 June 2023 is 1,314 (2022 3,332).

Key management personnel and remuneration disclosures are detailed in Note 5.1.

2.7 Grants and subsidies	2023 \$'000	2022 \$'000
Housing grants	256,854	131,418
Arts Queensland grants	42,825	60,741
Community services grants	13,249	18,759
Other grants and subsidies	2,267	1,708
Total	315,195	212,626

2.8 Other expenses

Insurance premiums - Queensland Government Insurance Fund	16,545	15,315
Insurance premiums - other	1,755	1,851
Impairment losses on non-current assets classified as held for sale	(127)	1,928
Queensland Audit Office - external audit fees*	1,200	1,530
Net loss from disposal of assets	2,351	-
Losses:		
Buildings subject to insurance [†]	1,271	1,541
Special payments:		
Ex-gratia payments - other [‡]	719	86
Other	3,386	3,701
Total	27,100	25,952

* Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$0.497 million (GST exclusive) (2022 \$0.485 million). Other audit services relate to the audit of the report on service provider controls.

[†] Certain losses of public property are insured with the Queensland Government Insurance Fund (QGIF). The claims made in respect of these losses have yet to be assessed by QGIF, and the amount recoverable cannot be estimated reliably at reporting date. Upon notification by QGIF of the acceptance of a claim, revenue will be recognised for the agreed settlement amount. For each accepted claim the department is liable for the first \$10,000, being the insurance excess.

[‡] Special payments include ex-gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. Special payments over \$5,000 include:

- disaster recovery payments provided to Queenslanders impacted by declared disaster events that are not recoverable under joint State and Australian Government funding arrangements
- payments to tenants for damaged possessions
- payments to adjoining owners for private property damage
- payments to certain borrowers for maintenance of their houses.

The total of all special payments includes rates payments that are required to be disclosed within Supplies and services (Note 2.5).

3 BALANCE SHEET NOTES

3.1 Property, plant and equipment

Land: at fair value	13,376,328	12,046,302
Buildings: at fair value	6,352,515	6,193,300
Plant and equipment: at cost		
Gross	17,479	65,864
Less accumulated depreciation	(7,699)	(46,944)
	<u>9,780</u>	<u>18,920</u>
Heritage and cultural assets: at fair value		
Gross	-	776,660
Less accumulated depreciation	-	(334,356)
	<u>-</u>	<u>442,304</u>
Work in progress: at cost	141,027	204,175
Total	<u>19,879,650</u>	<u>18,905,001</u>

3.1 Property, plant and equipment (continued)

<i>Property, plant and equipment reconciliation</i>	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Heritage and cultural assets \$'000	Work in progress \$'000	Total \$'000
Carrying amount at 1 July 2021	9,950,038	5,843,742	18,719	231,361	171,911	16,215,771
Transfers from other Queensland Government entities	-	-	13	-	-	13
Acquisitions	49,901	20,533	2,500	-	220,403	293,337
Transfers between classes	6,935	135,250	2,295	22,064	(166,544)	-
Transfers to right-of-use assets	-	-	-	-	(21,595)	(21,595)
Disposals	(4,185)	(3,436)	(444)	-	-	(8,065)
Assets reclassified as held for sale	(44,774)	(16,323)	-	-	-	(61,097)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	2,088,387	-	-	221,026	-	2,309,413
Net revaluation increments/(decrements) recognised in operating result	-	346,383	-	-	-	346,383
Depreciation	-	(132,849)	(4,163)	(32,147)	-	(169,159)
Carrying amount at 30 June 2022	12,046,302	6,193,300	18,920	442,304	204,175	18,905,001
Carrying amount at 1 July 2022	12,046,302	6,193,300	18,920	442,304	204,175	18,905,001
Transfers from other Queensland Government entities	2,176	-	-	134	-	2,310
Transfers to other Queensland Government entities	(311,137)	(376,188)	(17,589)	(461,302)	(137,943)	(1,304,159)
Acquisitions	63,496	50,683	2,740	-	280,685	397,604
Transfers between classes	7,111	150,649	9,785	6,260	(173,805)	-
Transfers to right-of-use assets	-	-	-	-	(32,085)	(32,085)
Disposals	(7,601)	(2,458)	(83)	(6)	-	(10,148)
Assets reclassified as held for sale	(10,218)	(4,598)	-	-	-	(14,816)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	1,586,199	433,496	-	50,772	-	2,070,467
Net revaluation increments/(decrements) recognised in operating result	-	45,941	-	-	-	45,941
Depreciation	-	(138,310)	(3,993)	(38,162)	-	(180,465)
Carrying amount at 30 June 2023	13,376,328	6,352,515	9,780	-	141,027	19,879,650

3.1 Property, plant and equipment (continued)

(a) Acquisitions

Cost is used for the initial recording of all property, plant and equipment asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the asset ready for use.

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

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

Buildings	\$10,000
Heritage and cultural	\$5,000
Plant and equipment	\$5,000
Land	\$1

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

Subsequent expenditure that increases the originally assessed service potential or useful life of an asset is capitalised to the value of that asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear) is expensed.

Land improvements undertaken by the department are included with buildings.

(b) Measurement

Land, buildings and heritage and cultural assets are measured at fair value. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation. All of these assets are valued at highest and best use unless otherwise stated.

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

Plant and equipment is measured at cost. The carrying amounts are not materially different from their fair value.

Capital works in progress are measured at their acquisition cost or construction cost.

(c) Revaluation of property

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

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. All assets are valued at highest and best use, which is generally consistent with current use.

All assets measured at fair value are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

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

3.1 Property, plant and equipment (continued)

(c) Revaluation of property (continued)

For assets revalued using a cost valuation method (e.g. current replacement cost), accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount. This is generally referred to as the 'gross method'.

For assets revalued using a market or income-based valuation approach, accumulated depreciation is eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

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

When an asset is derecognised, any revaluation surplus included in equity in respect of that asset is not transferred to accumulated surplus, except where machinery-of-government changes (refer to Note 1.5) result in the transfer out of an entire asset class.

(i) Social housing – land and buildings

Fair value is primarily determined by establishing current market value from the sale prices of comparable properties as there are usually active and liquid residential property markets which provide sufficient applicable sales evidence. The revaluation framework for social housing assets has been developed in recognition of the large number, homogenous nature, location and density of the property portfolio.

As at 30 June 2023, the department revalued its social housing properties by dividing the state into geographical regions and homogenous groups within each region according to certain criteria (including number of bedrooms, condition, previous value, age of property, building type). Properties were sampled for specific appraisal from groups where the department owns its highest proportion of properties and where there is adequate market depth to determine fair value. In 2022-23 32% (2021-22 39%) of properties were specifically appraised. A sample of valuations that resulted in significant movements (+ or - 20% or greater than \$1 million) was reviewed by the department for reasonableness against external market information.

Following the specific appraisals of the representative sample of properties, separate indices were calculated for assets within each region using the mean of the ratios of the previous year's values to the current year's values. To ensure the integrity of the valuation results used to derive the indices, the department used two independent valuers to provide specific appraisals for different properties within the sample for that region. Properties with similar characteristics were given to each valuer. The mean of the test valuations provided by the second valuation firm must be within one standard deviation (+ or -) of the mean of the valuations provided by the primary valuation firm, and the relative standard error rate $\leq 4\%$, before the indices are accepted.

The indices were subsequently applied to properties across each region not specifically appraised, in order to derive current market values. An analysis performed by the department has indicated that on average, the variance between an indexed asset value and the valuation by an independent valuer when performed on a rotational basis is not significant, and the department's indices are sound.

Every five years, the sample is increased to further test the robustness of the index calculation process, and to provide greater coverage of the property portfolio by specific appraisal. The increased sample size was last applied to the valuations for 2021-22.

Specific appraisals of land are undertaken at the same time as the related building revaluations are performed.

3.1 Property, plant and equipment (continued)

(c) Revaluation of property (continued)

(i) Social housing – land and buildings (continued)

The most significant inputs into the valuations were location, bedroom count, price per square metre (units generally), land size (detached houses generally), condition and a discount factor applied to accommodation in recognition of the cost of obtaining strata title to sell. Under the fair value hierarchy there are two inputs categorised as unobservable – condition of the property and the discount applied to some multi-unit properties without strata title on individual units.

The condition rating of the properties is supplied to the valuers as part of the valuation kit. The condition rating of the properties does not result in a significant adjustment to the valuations as the department's renewal policy requires properties to be maintained to a satisfactory standard, with property condition assessed at least once every three years by internal inspection.

The discounts applied to some multi-unit residential properties where there is no strata title for individual units results in adjustments to the level two inputs that are significant to the fair value measurement, and those buildings become subject to level three hierarchy disclosures. Where single title (i.e. not strata title) exists over multi-unit properties, an adjustment is made to reflect the required costs for strata title.

Key assumptions: The following assumptions were made in relation to the valuation of social housing properties:

- All assets were valued at highest and best use. There were no assets valued where it was assumed that the highest and best use was other than its current use.
- Valuers have made the assumption that the data provided by the department is current and a true reflection of the characteristics of each property, e.g. number of bedrooms and property size.
- Valuers have assumed that all properties are in sound condition with no essential repairs required, or have assumed that the condition of the interior is consistent with the exterior of the building.
- Where recent sales for comparable properties were limited, valuers have assessed market value with reference to older sales in the area, sales in comparable areas or have applied an income approach.

There has been no evidence of a material increase or decrease in the market values of properties from the date of valuation to 30 June 2023.

(ii) Arts Queensland assets

Effective from 1 June 2023, Arts Queensland assets were transferred to the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts as a result of the machinery-of-government changes outlined in Note 1.5.

Land and buildings

Arts Queensland land parcels are situated at:

- Queensland Cultural Centre at South Brisbane
- Fortitude Valley.

Arts Queensland also owns non-heritage buildings including:

- Gallery of Modern Art
- State Library of Queensland
- Judith Wright Centre
- Festival House.

All land and buildings were specifically appraised every five years and indexed in between where relevant. A specific appraisal was performed in 2021-22. Land was valued at market value and buildings were valued at current replacement cost.

Heritage and cultural assets

Arts Queensland owns the following heritage and cultural assets:

- Queensland Performing Arts Centre
- Queensland Museum
- Queensland Art Gallery.

All heritage and cultural assets were specifically appraised every five years and indexed in between where relevant. A specific appraisal was performed in 2021-22. These assets were valued at current replacement cost.

3.1 Property, plant and equipment (continued)

(d) Asset revaluation surplus by class

	Land \$'000	Buildings \$'000	Heritage and cultural assets \$'000	Total \$'000
Balance as at 1 July 2021	2,867,497	-	28,651	2,896,148
Net revaluation increments/(decrements)	2,088,387	-	221,026	2,309,413
Balance at 30 June 2022	4,955,884	-	249,677	5,205,561
Balance as at 1 July 2022	4,955,884	-	249,677	5,205,561
Net revaluation increments/(decrements)	1,586,199	433,496	50,772	2,070,467
Transfer to accumulated surplus/(deficit) for asset class disposed	-	-	(300,449)	(300,449)
Balance at 30 June 2023	6,542,083	433,496	-	6,975,579

(e) Fair value measurement

Categorisation of fair values recognised as at 30 June 2023

	Level 2 \$'000		Level 3 \$'000		Total \$'000	
	2023	2022	2023	2022	2023	2022
Land						
- social housing	13,376,328	11,760,534	-	-	13,376,328	11,760,534
- Arts Queensland	-	250,425	-	-	-	250,425
- Community Services	-	35,173	-	170	-	35,343
Total land	13,376,328	12,046,132	-	170	13,376,328	12,046,302
Buildings						
- social housing	2,933,178	2,722,858	3,419,337	3,120,580	6,352,515	5,843,438
- Arts Queensland	-	-	-	243,883	-	243,883
- Community Services	-	1,381	-	104,598	-	105,979
Total buildings	2,933,178	2,724,239	3,419,337	3,469,061	6,352,515	6,193,300
Heritage and cultural assets	-	-	-	442,304	-	442,304
Total	16,309,506	14,770,371	3,419,337	3,911,535	19,728,843	18,681,906

Level 3 significant valuation inputs

Asset class	Type of significant unobservable inputs
Buildings	Discounts for non-strata title units. This represents the cost of obtaining strata title to sell. Cost estimates for differences in functionality, physical condition and level of customisation.
Heritage and cultural assets	Building replacement/reproduction cost rates. Remaining useful lives.

3.1 Property, plant and equipment (continued)

(f) Impairment

Property, plant and equipment 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.

(g) Depreciation

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

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

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

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

Key estimate: For each class of asset the following depreciation rates were used:

Buildings	1%	to	33%
Plant and equipment	3%	to	52%
Heritage and cultural assets	1%	to	33%

Remaining useful lives are reviewed annually. Where remaining useful lives require modification, the depreciation expense changes from the date of assessment until the end of the useful life (for both current and future years). The estimation of useful lives requires management judgement in assessing the condition of the asset. Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Key judgement: A key strategic asset management principle of the department is the efficient and effective maintenance and upgrade of social housing properties to optimise the useful lives of assets. The property condition is required to be assessed at least once every three years by internal inspection. This results in a condition rating being assigned, and informs future maintenance and upgrade activities. A property that is ready for demolition has a condition rating of one and a property that is like new has a condition rating of ten. Management has assessed that where at least 95% of social housing buildings have a condition rating greater than eight, this supports the annual revision of the remaining useful life for social housing buildings to 50 years. Once every five years the department engages independent experts to provide an opinion on the continued appropriateness of this remaining useful life methodology. During 2020-21 this review was undertaken and the results confirmed the appropriateness of the methodology.

(h) Long-term Community Housing Program

The department's Long-term Community Housing Program aims to deliver long-term rental housing that is secure, appropriate and affordable, for persons whose needs are not adequately met by other housing options. Under this program the department may provide grants of property or monetary assistance to community housing providers. Grant funding is provided for the construction, purchase or upgrade of dwellings and community housing providers may also contribute land and funding for the dwellings. The terms and conditions of the grant funding are contained in agreements entered into between the State and the provider. Legal title to dwellings funded under this program may be held by the provider or the department. As at 30 June 2023, the department had provided funding in relation to 3,089 (2022 2,888) properties under this program where title is held by the provider. Due to the fact that the department does not have sole control of these assets, and they are not material, these assets are not disclosed as department assets.

(i) Property leasing

The department's property assets are predominately held for rental to or occupancy by others by way of operating lease, rather than for use by the department.

3.2 Leases as lessee

(a) Right-of-use assets

	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Opening balance at 1 July 2021	838,502	107,685	946,187
Additions	24,660	14,680	39,340
Depreciation charge	(32,657)	(21,538)	(54,195)
Disposals/derecognition	(51)	-	(51)
Closing balance at 30 June 2022	<u>830,454</u>	<u>100,827</u>	<u>931,281</u>
Opening balance at 1 July 2022	830,454	100,827	931,281
Additions	33,660	13,440	47,100
Depreciation charge	(32,790)	(18,310)	(51,100)
Disposals/derecognition	(447)	-	(447)
Transfers out due to machinery-of-government changes (Note 1.5)	(4,713)	(95,957)	(100,670)
Other adjustments	(1,531)	-	(1,531)
Closing balance at 30 June 2023	<u>824,633</u>	<u>-</u>	<u>824,633</u>

Right-of-use assets are recognised at cost, consisting of the initial amount of the associated lease liability plus any capital works completed on the underlying asset.

The carrying amount of right-of-use assets are adjusted for any remeasurement of lease liability in the financial year, e.g. following changes in variable lease payments that depend on an index or rate.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

The department has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets (less than \$10,000) and short-term leases (lease term 12 months or less). Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

(b) Lease liabilities	2023 \$'000	2022 \$'000
Current	5,652	29,197
Non-current	152,938	247,507

Lease liabilities are initially recognised at the present value of lease payments over the lease term.

Lease payments are discounted using Queensland Treasury Corporation's Fixed Rate Loan borrowing rate that best corresponds with the lease commencement month and term.

Rental payments are apportioned between the finance charge and a reduction in the recognised lease liability.

Lease liabilities are remeasured in certain situations such as a change in variable lease payments that depend on an index or rate.

A maturity analysis for lease liabilities is included in Note 3.11.

(c) Lease interest	2023 \$'000	2022 \$'000
Interest expense on lease liabilities	9,864	8,805

(d) Amounts recognised in Statement of Cash Flows

Total cash outflow for leases	51,235	48,783
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3.2 Leases as lessee (continued)

(e) The department's leasing activities

Buildings on Deed of Grant in Trust land

The department has concessionary leases consisting of buildings on Deed of Grant in Trust land. These buildings are leased from a number of Aboriginal and Torres Strait Islander councils. The leases facilitate the construction and/or refurbishment of properties on communal land in accordance with the National Partnership on Remote Housing, entered into between the Australian Government and the Queensland Government.

The leases have below-market rental terms, with lease payments indexed annually by the Consumer Price Index (CPI). Lease payments for the 2022-23 financial year consisted of rent of \$1,045.26 per property and a rates equivalent component (where applicable) of \$2,613.14 per property. Prior to 2022-23 lease payments varied depending on the age of the lease. The department is responsible for construction, upgrades, maintenance and insurance of the properties and the use of the properties is restricted to social housing purposes. Lease terms are 40 years with renewal options of an additional 40 years. The department may terminate the leases with 3 months' notice. No leases have been terminated by the department or have reached the end of the lease term.

Plant and equipment - Government Wireless Network

The Government Wireless Network was a digital radio network provisioned, operated and maintained by a telecommunication service provider under a service agreement dated September 2013. The lease was a means of funding the acquisition and replacement of information and communication equipment. On 1 June 2023 the Government Wireless Network was transferred to the Department of Transport and Main Roads as part of the machinery-of-government changes outlined in Note 1.5.

3.3 Loans and receivables

	2023	2022
	\$'000	\$'000
Current		
<i>Contracts with customers</i>		
Trade debtors	10,396	67,683
Social housing debtors - maintenance	32,006	30,928
Less: loss allowance	(21,697)	(22,995)
	<u>10,309</u>	<u>7,933</u>
<i>Total contracts with customers</i>	<u>20,705</u>	<u>75,616</u>
Rental bond loans	34,064	30,199
Less: loss allowance	(18,577)	(16,589)
	<u>15,487</u>	<u>13,610</u>
Social housing debtors - rent	14,277	12,564
Less: loss allowance	(6,533)	(6,772)
	<u>7,744</u>	<u>5,792</u>
GST input tax credits receivable	-	24,906
GST payable	-	(24,720)
Net GST receivable	<u>-</u>	<u>186</u>
Annual leave reimbursements*	3,130	7,246
Long service leave reimbursements*	858	1,762
Housing loans	3,928	4,974
Equity adjustment receivable	21,910	-
Total	<u><u>73,762</u></u>	<u><u>109,186</u></u>

* Refer to Note 2.6 for further information.

3.3 Loans and receivables (continued)

Non-current

Rental bond loans	8,516	7,433
Less: loss allowance	(4,644)	(4,147)
	<u>3,872</u>	<u>3,286</u>
Housing loans	24,565	26,539
Total	<u><u>28,437</u></u>	<u><u>29,825</u></u>

Loans and receivables are measured at amortised cost which approximates their fair value at reporting date. Loans and receivables are recognised at the amount due at the time of sale or service delivery with the exception of housing loans, which reflect the monies lent, plus interest and other costs, less repayments from borrowers. Settlement of trade debtors is generally required within 30 days from invoice date. Bond loan terms range from 18 to 30 months. Original housing loan terms range from 10 to 30 years on average.

Movements in loss allowance

	Current			Total	Non-current Rental bond loans
	Rental bond loans	Social housing debtors - Rent	Social housing debtors - Maintenance		
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	15,181	6,478	22,755	44,414	3,795
Increase in allowance recognised in operating result	1,987	1,103	1,438	4,528	352
Amounts written-off during the year	(579)	(809)	(1,198)	(2,586)	-
Balance at 30 June 2022	16,589	6,772	22,995	46,356	4,147
Balance at 1 July 2022	16,589	6,772	22,995	46,356	4,147
Increase in allowance recognised in operating result	3,165	(93)	(1,127)	1,945	497
Amounts written-off during the year	(1,177)	(146)	(171)	(1,494)	-
Balance at 30 June 2023	18,577	6,533	21,697	46,807	4,644

The department's impairment accounting policies for loans and receivables are outlined in Note 3.4.

3.4 Credit risk

The department is exposed to credit risk on its loans and receivables. The maximum exposure to credit risk at balance date is the gross carrying amount of these assets without taking into account collateral. The department manages credit risk by monitoring all funds owed on a timely basis.

Rental bond loans and social housing debtors

Risk management

Rental bond loans and social housing debtors are the main sources of credit risk for the department. To manage credit risk, the department's preferred payment method is Easypay, which consists of three types of electronic deductions, the Rent Deduction Scheme (through Services Australia - Centrelink), the Direct Deduction Facility through the Commonwealth Department of Veteran Affairs and a bank direct debit through financial institutions. The department actively pursues outstanding debts. Where a customer has a previous debt with the department and is applying for further housing assistance, the department requests that the customer repays the debt or enters into an agreeable arrangement for the debt to be paid through a Deed of Repayment arrangement.

3.4 Credit risk (continued)

Rental bond loans and social housing debtors (continued)

Loss allowance

To measure the loss allowance under AASB 9 *Financial Instruments*, the department has used the following approach.

For social housing debtors the department has applied the simplified approach in AASB 9 and has calculated the lifetime expected credit loss on a collective basis.

For rental bond loans the department has applied, on a collective basis, the general approach for measuring the loss allowance. This involves the recognition of a lifetime expected credit loss for loans that have a significant increase in credit risk. A 12-month expected credit loss is recognised for those loans that do not have a significant increase in credit risk. Loans are considered to have a significant increase in credit risk where they have repayments that are past due.

To calculate the lifetime expected credit losses for both rental bond loans and social housing debtors, the department uses a provision matrix that is based on the department's historical credit loss experience for various groups of debtors with shared credit risk characteristics, adjusted for current circumstances and forward-looking factors where relevant. Loss histories associated with the various debtor groups are reviewed to determine percentage rates to be applied to calculate the expected credit loss. Social housing debts are grouped based on days past due, the nature of the debt (rent or maintenance) and the type of property (remote Indigenous housing or public housing). Bond loan debts are grouped based on days past due and current vs terminated tenancy.

Write-offs

Debts are written off against the relevant allowance for impairment when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include:

- bankruptcy conditions apply
- customers are deceased
- the tenancy is terminated and the debt is low value
- for all other amounts - the tenancy is terminated (and for bond loan customers the bond is disbursed) and multiple attempts to contact the customer (through various channels) and recover the debt have been unsuccessful.

The write-off of a debt does not release the customer from the debt and future action may be taken to recover the debt if further housing assistance is sought. A debt may only be waived in exceptional circumstances after a full review of the debt has been undertaken.

All known bad debts were written-off as at 30 June.

Housing loans

Housing loans have low credit risk and accordingly no impairment allowance is recognised for these debts. Most loans in the department's housing lending portfolio are secured by a registered first mortgage over the property concerned. Loans under the Rental Purchase Plan scheme are secured through title to the property remaining with the department until the purchase is fully completed under the contract. For loans under the Pathways Shared Equity Program, title to the property is held jointly by the department and the borrower until the purchase is fully completed under the contract. Housing loans generally have a low level of arrears and defaults, and a lot of the loans were provided many years ago based on much lower residential property values. The level of write-offs has been immaterial.

Other receivables

Trade debtors have low credit risk as they are predominately with other state government agencies. The level of write-offs has been immaterial and therefore no impairment allowance is recognised for these receivables.

3.5 Other financial assets

Current

Financial assets at fair value through profit or loss 7,000 7,000

Non-current

Financial assets at fair value through profit or loss 230,411 200,179

The department has two housing products which are classified as financial assets at fair value through profit or loss, being Rental Purchase Plan and Pathways Shared Equity.

Under a Rental Purchase Plan agreement, clients obtain a loan from the department for the purchase of a part share in a home and pay monthly instalments which include both a loan repayment (including interest) and a rent component. Under the Pathways Shared Equity Program, clients obtain a loan from the department for the purchase of a share in a property they are currently renting from the department. Clients pay monthly loan repayments to the department.

The department does not have effective control of properties subject to these agreements and its interest in the properties meets the definition of a financial instrument. Fair value is based on the net market value of the department's proportion of the underlying properties. Each year a sample of shared equity properties are specifically appraised, with the remaining properties subject to a desktop valuation. These assets are a level 2 in the fair value hierarchy.

Loans provided under the loan agreements for these products are disclosed as housing loans receivable.

The department is exposed to market risk through its interest in Rental Purchase Plan and Pathways Shared Equity properties as the value of the department's interest in the properties is directly related to movements in the residential property market in the respective areas where they are located. Historically between 80% to 92% of the value of the department's interest in these properties is concentrated in the south-east corner of Queensland.

3.6 Non-current assets classified as held for sale	2023 \$'000	2022 \$'000
Land	710	1,587
Buildings	505	1,202
Total	1,215	2,789

Non-current assets held for sale consist of those assets that management has determined are available for sale in their present condition, for which their sale is highly probable within the next twelve months. Historically these assets largely consist of social housing to be sold in line with relevant portfolio management strategies to ensure the alignment of cost-effective and suitable properties with client needs in specific locations.

In March 2022 the department paused the divestment program for social housing in South East Queensland. This was in direct response to 2022 flooding events and increased demand for social housing. Post June 2022 the decision to pause the divestment program was extended statewide, therefore properties that had previously been listed as assets held for sale, and not already under contract, were removed from the market. The amounts included in the above note reflect sales with existing tenants.

The assets are measured at the lower of their carrying amount and their fair value less costs to sell. Any write-down to fair value less costs to sell is a non-recurring valuation. The write-down is recognised as an impairment loss expense. These assets are no longer depreciated upon being classified as held for sale.

The method to determine fair value less costs to sell for land and buildings is consistent with the method used for the valuation of the department's social housing (i.e. market and income approaches). The valuation represents a level two measurement. Refer to Note 3.1 for further details about the valuation of land and buildings.

3.7 Borrowings

Current

Australian Government borrowings 16,193 16,119

Non-current

Australian Government borrowings 199,241 215,434

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, and then subsequently held at amortised cost using the effective interest method. Borrowing costs are recognised as an expense.

The fair value of Australian Government borrowings is notified by the Queensland Treasury Corporation and is calculated using discounted cash flow analysis. It is classified as a level three fair value in the fair value hierarchy. The carrying amount and fair value is disclosed below:

	2023		2022	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Australian Government borrowings	215,434	287,986	231,553	314,121

3.8 Payables

Current

	2023 \$'000	2022 \$'000
Trade creditors	106,196	113,033
Grants and subsidies payable	35,039	40,284
Deferred appropriation payable to Consolidated Fund	54,613	116,819
Equity adjustment payable	-	959

GST payable	24,528	-
GST input tax credits receivable	(23,530)	-
Net GST payable	998	-

Total	196,846	271,095
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3.9 Unearned revenue

Current

Rent	29,786	29,248
Total	29,786	29,248

3.10 Other liabilities

Current

Contract liabilities	-	2,233
Provisions	251	-
Other	-	577
Total	251	2,810

Non-current

Provisions	-	1,214
Contract liabilities	-	203
Deferred tax liability	-	5
Total	-	1,422

3.11 Liquidity risk

The department is exposed to liquidity risk in respect of its payables, Australian Government borrowings and lease liabilities. The department reduces the exposure to liquidity risk by ensuring it has sufficient funds available to meet these obligations as they fall due.

As at 30 June 2022 the department had undrawn overdraft facilities of \$16.950 million with the Commonwealth Bank and undrawn working capital facilities of \$5 million with Queensland Treasury Corporation. Effective from 1 June 2023, these facilities were transferred to other departments under the machinery-of-government changes outlined in Note 1.5.

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows will differ from the amortised cost (carrying amount) where this is based on principal loan amount outstanding or discounted cash flows.

2023	Amortised Cost \$'000	Undiscounted cash flows			Total \$'000
		Contractual maturity payable in			
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
Financial liabilities					
Lease liabilities	158,590	12,413	38,073	230,682	281,168
Australian Government borrowings	215,434	25,762	100,159	162,918	288,839
Payables	196,846	196,846	-	-	196,846
Total	570,870	235,021	138,232	393,600	766,853

2022	Amortised Cost \$'000	Undiscounted cash flows			Total \$'000
		Contractual maturity payable in			
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
Financial liabilities					
Lease liabilities	276,704	37,375	111,048	230,384	378,807
Australian Government borrowings	231,553	26,408	101,378	187,461	315,247
Payables	271,095	271,095	-	-	271,095
Total	779,352	334,878	212,426	417,845	965,149

3.12 Contributed equity

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 during the reporting and comparative years and are disclosed in the Statement of Changes in Equity:

- appropriations for equity adjustments (refer to Note 3.13)
- non-appropriated equity adjustments
- non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities e.g. as a result of machinery-of-government changes (refer to Note 1.5).

3.13 Appropriations recognised in equity

	2023 \$'000	2022 \$'000
Reconciliation of payments from consolidated fund to equity adjustment		
Original budgeted equity adjustment appropriation	279,044	246,731
Supplementary amounts		
Transfers from/to other headings	71,882	-
Lapsed equity adjustment	-	(123,341)
Equity adjustment receipts (payments)	350,926	123,390
Less: Opening balance of equity adjustment receivable	-	(629)
Plus: Opening balance of equity adjustment payable	959	-
Less: Transfer of equity adjustment payable to other Queensland Government entities	(289)	-
Plus: Closing balance of equity adjustment receivable	21,910	-
Less: Closing balance of equity adjustment payable	-	(959)
Equity adjustment recognised in contributed equity	373,506	121,802
Variance between original budgeted and actual equity adjustment appropriation	94,462	(124,929)

4 BUDGET TO ACTUAL COMPARISON

This section details the major variances between the department's actual 2022-23 financial results and the original budget presented to Parliament.

	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
STATEMENT OF COMPREHENSIVE INCOME			
Income			
User charges and fees	759,245	728,849	(30,396)
Appropriation revenue	1,276,978	1,252,495	(24,483)
Grants and other contributions	500	12,001	11,501
Other revenue	23,984	31,421	7,437
Total revenue	2,060,707	2,024,766	(35,941)
Gains on disposal/remeasurement of assets	-	82,760	82,760
Total income	2,060,707	2,107,526	46,819
Expenses			
Supplies and services	1,210,109	1,216,911	6,802
Depreciation and amortisation	236,004	235,589	(415)
Employee expenses	1 432,578	389,482	(43,096)
Grants and subsidies	2 283,748	315,195	31,447
Finance/borrowing costs	18,487	20,154	1,667
Impairment losses on loans and receivables	4,450	2,803	(1,647)
Other expenses	24,728	27,100	2,372
Total expenses	2,210,104	2,207,234	(2,870)
Operating result before income tax	(149,397)	(99,708)	49,689
Income tax benefit/(expense)	-	-	-
Operating result after income tax	(149,397)	(99,708)	49,689
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	-	2,070,467	2,070,467
Total other comprehensive income	-	2,070,467	2,070,467
Total comprehensive income	(149,397)	1,970,759	2,120,156

4 BUDGET TO ACTUAL COMPARISON (CONTINUED)

BALANCE SHEET	Variance notes	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Current assets				
Cash and cash equivalents	3	166,120	185,059	18,939
Loans and receivables	4	98,774	73,762	(25,012)
Prepayments		9,440	11,503	2,063
Other financial assets		6,000	7,000	1,000
		<u>280,334</u>	<u>277,324</u>	<u>(3,010)</u>
Non-current assets classified as held for sale		23,974	1,215	(22,759)
Total current assets		<u>304,308</u>	<u>278,539</u>	<u>(25,769)</u>
Non-current assets				
Property, plant and equipment	5	16,444,955	19,879,650	3,434,695
Right-of-use assets		871,756	824,633	(47,123)
Other financial assets	6	204,800	230,411	25,611
Loans and receivables	7	41,689	28,437	(13,252)
Intangible assets		18,932	9,695	(9,237)
Prepayments		1,586	-	(1,586)
Total non-current assets		<u>17,583,718</u>	<u>20,972,826</u>	<u>3,389,108</u>
TOTAL ASSETS		<u>17,888,026</u>	<u>21,251,365</u>	<u>3,363,339</u>
Current liabilities				
Lease liabilities	8	28,189	5,652	(22,537)
Payables	9	131,910	196,846	64,936
Unearned revenue		29,128	29,786	658
Accrued employee benefits		11,061	5,122	(5,939)
Borrowings		16,193	16,193	-
Other current liabilities		9,537	251	(9,286)
Total current liabilities		<u>226,018</u>	<u>253,850</u>	<u>27,832</u>
Non-current liabilities				
Lease liabilities	8	227,095	152,938	(74,157)
Borrowings		199,241	199,241	-
Other non-current liabilities		558	-	(558)
Total non-current liabilities		<u>426,894</u>	<u>352,179</u>	<u>(74,715)</u>
Total liabilities		<u>652,912</u>	<u>606,029</u>	<u>(46,883)</u>
NET ASSETS / TOTAL EQUITY		<u>17,235,114</u>	<u>20,645,336</u>	<u>3,410,222</u>

4 BUDGET TO ACTUAL COMPARISON (CONTINUED)

STATEMENT OF CASH FLOWS	Variance notes	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Inflows:</i>				
User charges and fees		741,337	721,677	(19,660)
Appropriation receipts		1,283,257	1,194,177	(89,080)
GST input tax credits received from Australian Taxation Office	10	167,415	231,003	63,588
GST collected from customers		50,841	28,212	(22,629)
Grants and other contributions		500	12,729	12,229
Other		15,644	31,677	16,033
<i>Outflows:</i>				
Supplies and services		(1,208,711)	(1,199,018)	9,693
Employee expenses		(431,672)	(389,394)	42,278
Grants and subsidies	11	(283,748)	(312,410)	(28,662)
GST remitted to Australian Taxation Office		(109,460)	(171,965)	(62,505)
GST paid to suppliers		(83,595)	(87,889)	(4,294)
Finance/borrowing costs		(18,487)	(20,136)	(1,649)
Other		(23,900)	(25,900)	(2,000)
Net cash provided by (used in) operating activities		99,421	12,763	(86,658)
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Inflows:</i>				
Sales of property, plant and equipment	12	115,200	17,624	(97,576)
Loans and advances redeemed		26,082	21,965	(4,117)
Redemption of other financial assets		5,000	2,843	(2,157)
<i>Outflows:</i>				
Payments for property, plant and equipment	13	(435,495)	(387,956)	47,539
Loans and advances made	14	(38,965)	(25,030)	13,935
Payments for intangible assets		(900)	(2,626)	(1,726)
Net cash provided by (used in) investing activities		(329,078)	(373,180)	(44,102)
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Inflows:</i>				
Equity injections	13	344,715	428,248	83,533
Transfers from other government entities		-	6,000	6,000
<i>Outflows:</i>				
Payment of lease liabilities		(31,479)	(29,397)	2,082
Equity withdrawals	15	(63,556)	(76,862)	(13,306)
Borrowing redemptions		(16,119)	(16,119)	-
Net cash provided by (used in) financing activities		233,561	311,870	78,309
Net increase (decrease) in cash and cash equivalents		3,904	(48,547)	(52,451)
Increase (decrease) in cash and cash equivalents from machinery-of-government changes (Note 1.5)		-	(124,300)	(124,300)
Cash and cash equivalents – opening balance		162,216	357,906	195,690
Cash and cash equivalents – closing balance		166,120	185,059	18,939

4 BUDGET TO ACTUAL COMPARISON (CONTINUED)

Explanations of major variances

Major variances have been assessed as meeting both of the following criteria:

- The line item within the Statement of Comprehensive Income or the Balance Sheet is material (greater than 10%) compared to total income, total expenses, total assets (less property, plant and equipment) or total liabilities, as applicable. The line item within the Statement of Cash Flows is material (greater than 10%) compared to total inflows or total outflows (as applicable) for the relevant cash flow category (i.e. operating/investing/financing).
- The variance between the actual amount and the budget is greater than 10% except for payments for property, plant and equipment (Statement of Cash Flows) and employee expenses and supplies and services (Statement of Comprehensive Income) where 5% is used.

The department may include as major variances, line items not meeting the above criteria, but which are considered material due to their nature.

Statement of Comprehensive Income

1 *Employee expenses*

Employee expenses are \$43.096 million less than budget mainly due to the machinery-of-government changes with functions outgoing to Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts and Department of Transport and Main Roads effective from 1 June 2023, funding realigned between financial years for the Digital Economy Strategy and other Digital initiatives and higher than expected vacancies reflecting labour market conditions.

2 *Grants and subsidies*

The increase of \$31.447 million is mainly due to delivery of additional social housing grant projects funded through the Quickstarts program and the Housing Investment Fund. This is offset by changes in the timing of delivery of grant programs as a result of challenging construction market conditions and the transfer of programs to the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts as a result of machinery-of-government changes as at 1 June 2023.

Balance Sheet

3 *Cash and cash equivalents*

The increased cash balance of \$18.939 million is mainly due to the timing differences across capital works, grants, and supplies and services, additional government funding to offset the pause in social housing sales program, lower than anticipated bond loans due to reduced demand and tenant turnover and offset by lower user fees and charges mainly due to the timing of the rent confirmation process with Social Housing tenants. The transfer of cash balances as a result of the machinery-of-government changes effective from 1 June 2023 has also offset the increase.

4 *Current loans and receivables*

The decrease of \$25.012 million in current loans and receivables is mainly due to the transfer of loans and receivables balances with outgoing functions to the Department of Transport and Main Roads and Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts as a result of the machinery-of-government change effective from 1 June 2023 and lower than anticipated bond loans due to reduced demand.

5 *Property, plant and equipment*

The department does not budget for movements in the fair value of property as this is reflective of market movements which cannot be reliably estimated in advance, particularly given the size and diversity of the department's property portfolio.

The increase of \$3,435 million is mainly due to the increases in the value of the property portfolio for social housing reflecting increases in valuations across the Queensland property market. This is offset by property, plant and equipment asset transfers related to the machinery-of-government change to Department of Transport and Main Roads and Department of Treaty, Aboriginal Torres Strait Island Partnerships, Communities and the Arts.

4 BUDGET TO ACTUAL COMPARISON (CONTINUED)

Explanations of major variances (continued)

6 *Non-current other financial assets*

The department does not budget for movements in the fair value of property as this is reflective of market movements which cannot be reliably estimated in advance, particularly given the size and diversity of the department's property portfolio.

The increase of \$25.611 million is mainly due to the revaluation of Rental Purchase Plan and Pathways Shared Equity Loan properties reflecting increases in valuations across the Queensland property market.

7 *Non-current loans and receivables*

The decrease of \$13.252 million in non-current loans and receivables is mainly due to lower than anticipated housing loans due to reduced demand.

8 *Lease liabilities*

The decrease of lease liabilities of \$96.694 million is due to the machinery-of-government transfers of lease liability balances to Department of Transport and Main Roads and Department of Treaty, Aboriginal Torres Strait Island Partnerships, Communities and the Arts.

9 *Payables*

The increase of \$64.936 million is mainly due to capital projects, grants and maintenance activities committed but not finalised, and the impacts of the machinery-of-government change with recognition of appropriation payables for transferred functions.

Statement of Cash Flows

10 *GST input tax credits received from Australian Taxation Office*

The increase of \$63.588 million mainly relates to the taxation grouping arrangements with other government departments.

11 *Grants and subsidies*

The variance of \$28.662 million is mainly due to additional expenditure for food and emergency relief through the Housing Summit, the purchase of additional social housing grant projects funded through the Quickstarts program and the Housing Investment Fund. This is offset by changes in the timing of delivery of grant programs, mainly due to challenging construction market conditions and the transfer of programs to Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts as a result of machinery-of-government changes effective from 1 June 2023.

12 *Sales of property, plant and equipment*

The decrease of \$97.576 million is due to the pause of the social housing sales program.

13 *Payments for property, plant and equipment and Equity injections*

The decrease of \$47.539 million in payments for property, plant and equipment and the increase of \$83.533 million in equity injections is mainly due to machinery-of-government transfers, capital works funding realigned between financial years for social housing programs and the New Performing Arts venue and other capital projects for Arts Queensland due to challenging construction market conditions. This is offset by additional expenditure for the purchase of existing properties for use as social housing and upgrades to existing social housing dwellings.

14 *Loans and advances made*

The decrease of \$13.935 million is mainly due to the lower than anticipated bond loans due to reduced demand.

15 *Equity withdrawals*

The increase of \$13.306 million mainly relates to the equity withdrawal for the funding of depreciation expense due to asset revaluation impacts for Arts Queensland.

5 OTHER INFORMATION

5.1 Key management personnel disclosures

(a) Details of key management personnel (KMP)

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Minister for Housing.

The following details for non-ministerial KMP reflect those positions that had authority and responsibility for planning, directing and controlling the activities of the department during the year. Further information about these positions can be found in the body of the Annual Report under the section relating to the Executive Leadership Team. Refer to Note 5.3 for material related party transactions with KMP during 2022-23.

Position	Position responsibility
Director-General	Responsible for executive leadership, overall strategic direction and the administration of the department.
Associate Director-General, Housing and Homelessness Services	Responsible for providing strategic leadership to design and deliver housing and homelessness services in Queensland through remote Aboriginal and Torres Strait Islander housing, social and private housing assistance, homelessness support services and regulatory services which regulate residential services, residential parks and retirement villages industries in Queensland.
Deputy Director-General, Strategy and Corporate Services	Responsible for providing strategic leadership to deliver strategic policy and legislation development and the departments corporate support services.
Chief Finance Officer	Responsible for direction of the efficient, effective and economic financial administration of the department.

*Functions transferred from department**

Position	Position responsibility
Chief Customer and Digital Officer	Responsible for driving Queensland's Digital Economy, delivering better citizen-centric services and optimising Queensland Government's investment and use of technology.
Deputy Director-General, Transformation and Enabling Technologies	Responsible for providing strategic leadership to the Transformation and Enabling Technologies stream to deliver the services, solutions and technologies that empower Queensland Government agencies to provide high-quality services to Queenslanders. The stream has a heavy focus on partnering with Queensland Government agencies and industry to provide innovative, responsive and integrated services.
Deputy Director-General, Services Delivery and Operations	Responsible for providing strategic leadership for digitally-enabled whole-of-government services to the Queensland public and modern and trusted corporate services and advice to Queensland Government departments and statutory authorities.
Deputy Director-General, First Nations Strategy	Responsible for delivering an integrated response for First Nations people including reframing the department's relationships with Aboriginal and Torres Strait Islander stakeholders, enabling and supporting community-led and place-based solutions, and enabling the delivery of enhanced Aboriginal and Torres Strait Islander client and community outcomes
Deputy Director-General, Arts Queensland	Provides strategic leadership and direction on the efficient, effective and economic administration of Arts Queensland.
Deputy Director-General, Communities	Responsible for providing strategic and operational leadership in managing the delivery of and investment in programs and initiatives that support Queensland communities.

*Refer to Note 1.5.

5.1 Key management personnel disclosures (continued)

(b) 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 being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all ministers are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of the Queensland Treasury's Report on the State Finances.

Remuneration policy for the department's other KMP is set by the Queensland Public Sector Commission as provided for under the *Public Sector Act 2022*. Individual remuneration and other terms of employment (including motor vehicle entitlements) are specified in employment contracts.

Remuneration expenses for those KMP comprise the following components:

Short-term employee expenses include:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee was a KMP
- non-monetary benefits - consisting of provision of vehicle and car parking, together with fringe benefits tax applicable to the benefit.

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

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

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

No remuneration packages for key management personnel provide for any performance or bonus payments.

5.1 Key management personnel disclosures (continued)

(c) Remuneration expenses

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

1 July 2022 – 30 June 2023

Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Termination benefits	Total
	Monetary expenses	Non-monetary benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General (from 18/05/2023)	58	1	1	6	-	66
Director-General (to 18/05/2023)	363	10	10	46	-	429
Associate Director-General, Housing and Homelessness Services (to 09/06/2023)	321	10	8	40	-	379
Deputy Director-General, Strategy and Corporate Services	243	12	6	27	-	288
Chief Finance Officer	232	12	6	29	-	279
Chief Customer and Digital Officer (to 31/05/2023) ¹	297	11	7	33	-	348
Deputy Director-General, Transformation and Enabling Technologies (to 31/05/2023) ¹	238	10	6	26	-	280
Deputy Director-General, Services Delivery and Operations (to 31/05/2023) ¹	251	10	6	28	-	295
Deputy Director-General, First Nations Strategy (from 05/09/2022 to 31/05/2023) ²	210	9	5	21	-	245
Deputy Director-General, Arts Queensland (to 31/05/2023) ²	258	12	7	29	-	306
Deputy Director-General, Communities (from 01/08/2022 to 31/05/2023) ²	230	10	6	24	-	270

1. These positions transferred to the Department of Transport and Main Roads from 1 June 2023.

2. These positions transferred to the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts from 1 June 2023.

5.1 Key management personnel disclosures (continued)

(c) Remuneration expenses (continued)

1 July 2021 – 30 June 2022

Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Termination benefits	Total
	Monetary expenses	Non-monetary benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General	457	9	10	50	-	526
Chief Customer and Digital Officer (from 04/04/2022)	81	2	2	9	-	94
Chief Customer and Digital Officer (acting from 17/08/2021 to 03/04/2022)	181	3	4	18	-	206
Chief Customer and Digital Officer (to 16/08/2021)	68	1	2	9	-	80
Deputy Director-General, Transformation and Enabling Technologies ¹	253	5	6	27	-	291
Deputy Director-General, Services Delivery and Operations	93	2	2	12	-	109
Deputy Director-General, Services Delivery and Operations (acting from 17/08/2021 to 14/04/2022)	176	3	4	16	-	199
Associate Director-General, Housing and Homelessness Services (from 20/01/2022) ²	139	4	4	19	-	166
Deputy Director-General, Housing and Homelessness Services (acting from 01/11/2021 to 31/12/2021)	49	1	1	4	-	55
Deputy Director-General, Housing and Homelessness Services (to 29/10/2021)	86	3	2	10	-	101
Deputy Director-General, Arts Queensland	251	8	6	28	-	293
Deputy Director-General, Communities (acting from 30/04/2022 to 30/06/2022) ³	55	1	1	5	-	62
Deputy Director-General, Communities (to 30/04/2022) ³	200	7	5	23	-	235
Deputy Director-General, Strategy and Corporate Services ⁴	233	8	6	24	-	271
Chief Finance Officer (from 10/12/2021)	129	5	3	14	-	151

1. This position was renamed from Assistant Director-General, Transformation and Enabling Technologies on 19 October 2021.

2. This position was renamed from Deputy Director-General, Housing and Homelessness Services on 20 January 2022.

3. This position was renamed from Assistant Director-General, Community Services on 19 October 2021.

4. This position was renamed from Assistant Director-General, Corporate Services on 19 October 2021.

5.2 Controlled and associated entities

Arts Queensland controls or is associated with the entities below. The entities have not been consolidated or recognised under equity accounting as they would not materially affect the reported financial position and revenue and expenses of the department. Each controlled and associated entity is a reporting entity in its own right and the audited financial statements are included in their respective annual reports. The entities are audited by the Auditor-General of Queensland.

Effective from 1 June 2023, Arts Queensland transferred to the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts as a result of the machinery-of-government changes outlined in Note 1.5. Accordingly, responsibilities relating to these controlled and associated entities also transferred to that department.

Controlled entities

The Aboriginal Centre for the Performing Arts Pty Ltd (ACPA) is a registered training company that delivers accredited training to indigenous and non-indigenous persons in various performing arts courses. The share capital of ACPA consisted of two ordinary shares of \$1 each, fully paid, previously held by the department on behalf of the State of Queensland.

Queensland Music Festival Pty Ltd (QMF) was established as a not-for-profit company to produce and promote a biennial Queensland festival of music which achieved both international excellence and accessibility for Queenslanders from all walks of life. The share capital of QMF consisted of two ordinary shares of \$1 each, fully paid, previously held by the department on behalf of the State of Queensland.

Associated entities

Major Brisbane Festivals Pty Ltd (MBF) incorporating Brisbane Festival was jointly owned by the State of Queensland and Brisbane City Council and aimed to position Brisbane as a key festival destination. The department on behalf of the State of Queensland, and the Brisbane City Council each held 50% of the shares of the MBF (the share capital of MBF consisted of two ordinary shares of \$1 each, fully paid). It was determined that the department did not have control over the financial or operating policies through voting rights or board membership of the entity. However, due to funding arrangements for the entity, the department had significant influence.

5.3 Related party transactions

(a) Transactions with people/entities related to KMP

In March 2022, the department entered into a service agreement with a non-government organisation. The following financial year the department employed a KMP member that was a close family member to a senior executive within that organisation. The original contract amount is \$5,026,973 (excluding GST) plus indexation, with the first payment paid in April 2022 and the final payment is due in January 2025. During 2022-23 a total of \$1,489,846.37 (excluding GST) was paid. The terms and conditions of the contract were negotiated prior to the engagement of KMP and relevant controls were implemented to ensure the KMP member was not involved in any dealings relating to this engagement.

(b) Transactions with other Queensland Government controlled entities

The Department of Housing is controlled by the State of Queensland which is the ultimate parent and therefore a related party. Other Queensland public sector entities, over which the State has control, joint control or significant influence are also related parties of the Department of Housing. Transactions/balances with related party entities that are individually or collectively significant are reported below.

Prior to 1 June 2023 the department's principal activities described in Note 1.4 included major activities involving other Queensland Government entities such as digital and information technology and government corporate services. The line item Revenue from contracts with customers (refer to Note 2.1) is predominately comprised of related party transactions associated with these activities.

5.3 Related party transactions (continued)

(b) Transactions with other Queensland Government controlled entities (continued)

Other significant related party transactions/balances are identified below:

- Grants and other contributions revenue (refer to the Statement of Comprehensive Income and Note 5.7)
- Assets and liabilities transferred due to machinery-of-government changes (refer to Note 1.5)
- Appropriation and equity funding from government (refer to Notes 2.2, 3.8, 3.13 and 5.7)
- Insurance premiums (Queensland Government Insurance Fund) and insurance compensation from loss of property (refer to Notes 2.3 and 2.8)
- Property repairs and maintenance costs (and associated payables) and property rental (refer to Notes 2.5 and 3.8)
- Information, communication and technology support charges (refer to Note 2.5)
- Annual and long service leave related transactions (refer to Notes 2.6 and 3.3)
- Sale of land and buildings (refer to Note 3.1)
- Capital works on buildings and right-of-use assets and associated payables (refer to Notes 3.1, 3.2 and 3.8)
- Administered grants and subsidies (refer to Note 5.7(d))

5.4 Commitments for expenditure

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

	Not later than one year \$'000	Later than one year and not later than five years \$'000	Total \$'000
2023			
Property, plant and equipment	203,610	58,825	262,435
2022			
Property, plant and equipment	221,797	79,770	301,567

5.5 Contingencies

The department has a contingent asset in relation to unfair property wear and tear costs to be on-charged to social housing clients. As at 30 June 2023 assessments are yet to be completed and it is not possible to make a reliable estimate of the amount receivable.

5.6 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 and Goods and Services Tax (GST). Agreements have been reached with Queensland Treasury for the commercialised business units of the department to pay an income tax equivalent, in accordance with the requirements of the National Tax Equivalent Regime.

The department has in place grouping arrangements with QBuild (Department of Energy and Public Works), meaning transactions between the GST group members are out of scope for GST. Under GST grouping arrangements the ATO recognises the department's GST entity, Housing, as the nominated representative of the combined GST group, to be responsible for remitting GST collected and for claiming input tax credits for GST on behalf of members of the group. The net amount of GST recoverable or payable by QBuild to the ATO is included in GST receivable or payable. In turn, the department recognises a receivable from QBuild for any GST payable that is attributable to QBuild. Further, the department recognises a payable to QBuild to the extent that a GST receivable is attributable to QBuild.

	Variance notes	Original Budget 2023 \$'000	Actual 2023 \$'000	Budget Variance 2023 \$'000	Actual 2022 \$'000
5.7 Administered activities					
Administered revenues					
Appropriation revenue		200,889	193,798	(7,091)	176,165
Grants and other contributions	1	148,803	49,684	(99,119)	31,870
User charges and fees		70	61	(9)	93
Other revenue		-	2,378	2,378	1,297
Total administered revenues		349,762	245,921	(103,841)	209,425
Administered expenses					
Supplies and services	2	10,919	33,747	22,828	26,411
Grants and subsidies	3	338,773	198,696	(140,077)	199,900
Employee expenses		-	-	-	1
Transfer of administered revenue to government		70	61	(9)	93
Total administered expenses		349,762	232,504	(117,258)	226,405
Operating result		-	13,417	13,417	(16,980)
Administered current assets					
Cash and cash equivalents		-	5,170	5,170	-
Receivables		43	13	(30)	-
Total administered current assets		43	5,183	5,140	-
Administered current liabilities					
Payables	4	19,508	7,979	(11,529)	33,554
Accrued employee benefits		-	1	1	-
Total administered current liabilities		19,508	7,980	(11,528)	33,554
Net administered assets		(19,465)	(2,797)	16,668	(33,554)

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

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

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as administered appropriation revenue or equity injections.

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items.

(a) Budget to actual comparison - explanations of major variances

1 *Grants and other contributions*

The department provides financial, human and social recovery support to individuals and communities impacted by disaster events. Disaster recovery support provided to Queensland communities is recoverable in arrears from the Queensland Reconstruction Authority through joint Commonwealth/State disaster recovery funding arrangements.

The decrease of \$99.119 million is due to timing of lodgement of Disaster Relief Funding Arrangement claims and subsequent assessment and reimbursement of claims by the Queensland Reconstruction Authority.

2 *Supplies and services*

The increase of \$22.828 million is due to expenditure relating to disaster activation events budgeted as grants and subsidies. Expenditure related to disaster activation events is initially budgeted as grants and subsidies due to the unknown nature of the costs that will be incurred during the activation.

5.7 Administered activities (continued)

(a) Budget to actual comparison - explanations of major variances (continued)

3 Grants and subsidies

The decrease in grants and subsidies of \$140.077 million is mainly due to lower than anticipated expenditure relating to the South East Queensland flooding event in 2022 and the timing of expenditure relating to disaster activation events as well as the classification of actual costs as supplies and services that were originally budgeted as grants and subsidies.

4 Payables

The decrease in payables of \$11.529 million is due to the machinery-of-government transfers of bank overdraft balance and payables to Department of Treaty, Aboriginal Torres Strait Island Partnerships, Communities and the Arts.

(b) Reconciliation of payments from consolidated fund to administered income	2023 \$'000	2022 \$'000
Budgeted appropriation revenue	200,889	172,499
Transfers from/(to) other headings	(2,516)	-
Lapsed appropriation revenue	-	(1,511)
Total administered appropriation revenue receipts (cash)	198,373	170,988
Plus: Opening balance of deferred administered appropriation payable to Consolidated Fund	595	5,772
Less: Closing balance of deferred administered appropriation payable to Consolidated Fund	(5,170)	(595)
Administered appropriation revenue	193,798	176,165

(c) Administered equity payments from consolidated fund

Transfers from/(to) other headings	19,714	-
Unforeseen expenditure	35,475	-
Administered equity adjustment recognised in contributed equity	55,189	-

(d) Grants and subsidies

Arts Queensland grants		
State Library of Queensland	70,283	68,620
Queensland Art Gallery	34,092	34,107
Queensland Museum	35,983	35,796
Queensland Performing Arts Trust	10,967	10,647
Queensland Theatre Company	2,600	2,600
Community services grants		
Disaster recovery*	7,709	31,217
Housing and homelessness services grants		
Residential Tenancies Authority	36,112	16,913
Disaster recovery	950	-
	198,696	199,900

* The 2022 comparatives include the following amounts in respect of payments to Queenslanders impacted by declared disaster events:

- ex-gratia payments totalling \$0.120 million
- losses totalling \$0.084 million in respect of grants subsequently identified as suspected fraudulent claims.

(e) Undrawn facilities

At 30 June 2022 the department had overdraft facilities totalling \$135 million with the Commonwealth Bank in relation to its Administered accounts. The amount undrawn was \$116.917 million. Effective from 1 June 2023, these facilities were transferred to other departments under the machinery-of-government changes outlined in Note 1.5. During 2022-23 a new overdraft facility for the Housing administered account was installed for \$75 million. The amount undrawn as at 30 June 2023 is \$73.083 million.

5.8 Agency transactions and balances

As the department performs only a custodial role in respect of agency transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for the information of users.

(a) Smart Service Queensland

Smart Service Queensland acts as an agent for collection and payment processing services, and undertakes certain transactions on behalf of Queensland Government agencies and its clients. Effective from 1 June 2023, Smart Service Queensland was transferred to the Department of Transport and Main Roads as part of the machinery-of-government changes outlined in Note 1.5.

	2023 \$'000	2022 \$'000
<i>Agency cash assets</i>		
Balance at 1 July	2,407	1,701
Collections during the period	388,904	353,122
Distributions according to clients' instructions during the period	(389,176)	(352,416)
Transfers to other Queensland Government entities	(2,135)	-
Balance at 30 June	<u>-</u>	<u>2,407</u>

Fees received for the provision of these services are included in user charges.

(b) Agency transactions - machinery-of-government

The department acts as an agent, processing transactions on behalf of the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts and the Department of Transport and Main Roads, following machinery-of-government changes outlined in Note 1.5.

	Revenues \$'000	Expenses \$'000	Assets \$'000	Liabilities \$'000
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts	9,501	9,501	202,032	16,103
Department of Transport and Main Roads	15,016	15,016	117,776	124,461
Total	<u>24,517</u>	<u>24,517</u>	<u>319,808</u>	<u>140,564</u>

5.9 Climate risk disclosure

Whole-of-government climate-related reporting

The State of Queensland, as the ultimate parent of the department, has published a wide range of information and resources on climate change risks, strategies and actions:

<https://www.qld.gov.au/environment/climate/climate-change>

This includes the following key whole-of-government publications:

- Climate Action Plan 2020-30 (<https://www.des.qld.gov.au/climateaction>)
- Queensland Energy and Jobs Plan (<https://www.epw.qld.gov.au/energyandjobsplan>)
- Climate Adaptation Strategy (<https://www.des.qld.gov.au/climateaction/theplan/climate-adaptation>)
- Queensland Sustainability Report (<https://www.treasury.qld.gov.au/programs-and-policies/esg/>)

Departmental accounting estimates and adjustments – climate-related risks

The department considers specific financial impacts of climate related risks by identifying and monitoring material accounting judgements and estimates used in preparing the financial report. This includes the potential for changes in asset useful lives, changes in the fair value of assets, impairment of assets, the recognition of provisions or the possibility of contingent liabilities.

No adjustments to the carrying value of assets were recognised during the financial year. No other transactions have been recognised during the financial year specifically due to climate-related risks impacting the department. The department continues to monitor the emergence of material climate-related risks that may impact the financial statements of the department, including those arising under the Queensland Government Climate Action Plan 2030 and other government publications or directives.

5.10 Events occurring after the reporting date

No events have occurred after the reporting date that require additional disclosures or adjustments to these financial statements.

Department of Housing

Management Certificate of the Department of Housing

These general purpose financial statements have been prepared pursuant to section 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 section 62(1)(b) of the Act, we certify that in our opinion:

- (i) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (ii) 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 Housing for the financial year ended 30 June 2023, 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 section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



C. Scott
BBus(Accy), CPA
Chief Finance Officer
Department of Housing



M. Cridland
Director-General
Department of Housing

30 August 2023

30 August 2023

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Housing

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Department of Housing.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental service, commercialised business units and shared service providers as at 30 June 2023, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services, commercialised business units and shared service providers for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

Basis for opinion

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

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

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

Key audit matters

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

Valuation of social housing land (\$13.4 billion) and buildings (\$6.4 billion)

Refer to Note 3.1 in the financial report

Key audit matter	How my audit addressed this key audit matter
<p>The department engaged independent valuers to perform specific appraisal valuations representing 32% of social housing properties in the current year using significant inputs such as location, bedroom count, price per square metre, land size, condition and a discount factor applied to accommodation in recognition of the cost of obtaining strata title to sell.</p> <p>Specific judgement was required in relation to:</p> <ul style="list-style-type: none"> the condition of the property. The condition rating of the properties was supplied to the valuer by management based on property condition assessments performed at least once every 3 years by internal inspection. Management assessed the overall condition of properties by using a rating scale of 1 (property ready for demolition) to 10 (property is as new), and assessed that at least 95% of properties had a condition rating of greater than 8 at balance date. Judgement is required for interpreting and applying this condition rating scale. Once every 5 years the department engages independent experts to provide an opinion on the continued appropriateness of this methodology with this review last undertaken in 2020–21 the discount applied to some multi-unit properties without strata title on individual units. Where there is no comparable sales data available, strata comparison is applied with discount to non-strata units determined by the independent valuer. The department updated the fair values of the remaining properties using indices it derived from the results of the specific appraisal valuations. The development of these indices required significant judgement for determining the criteria for classifying properties into homogenous groups with materially similar characteristics. 	<p>My procedures included, but were not limited to: Verifying the adequacy of management’s review of the valuation process by inspecting final valuation approvals and evidence of oversight by management.</p> <p>For specific appraisal valuations in the current year:</p> <ul style="list-style-type: none"> reviewing evidence to confirm the competence, capability and objectivity of the independent valuers obtaining an understanding of the appraiser’s methodology (including by reviewing the terms of engagement and valuers’ methodology statements) and comparing for appropriateness to common industry practice for a sample of valuations, evaluating the relevance, completeness and accuracy of market evidence (comparable sales for similar properties) provided to support the fair value, including by benchmarking against other published market data comparing the reasonableness of discount rates applied to properties without strata title to industry benchmarks. <p>For indexations in the current year:</p> <ul style="list-style-type: none"> evaluating the methodology for appropriateness relative to common industry practice verifying the appropriateness of the criteria for classifying properties by considering the common characteristics of each homogenous group, and investigating whether homogenous groups required further disaggregation where they experienced a broad range of fair value movements for specific appraisal valuations in the current year re-performing the calculation of a sample of valuation indices applied by management for properties with common characteristics in a sample of regions comparing the indices applied to similar properties in similar locations that were comprehensively revalued. <p>[continued over page]</p>

Key audit matter	How my audit addressed this key audit matter
	<p>Auditing the condition rating system for reasonableness and appropriate application. This included:</p> <ul style="list-style-type: none"> • obtaining an understanding of the quality assurance process on condition assessments to assess the occurrence and accuracy of the recorded condition ratings • observing the property condition assessment being performed by management for a sample of social housing properties and vouching the accuracy of management's recorded condition ratings • for a sample of social housing buildings, re-performing the calculation of the overall property condition rating determined by management, including verification of benchmark data (inputs such as size and bedroom count) and locality indices applied by management to supporting documentation • inspecting maintenance/upgrade costs incurred during the year and assessing management's total asset management plans to support management's judgement that properties rated greater than eight are in sound condition • assessing the likelihood that properties that have not been subject to a condition assessment in the last 3 years will have experienced a decline in their condition rating to less than 8 • confirming that at least 95% of the social housing properties have a condition rating of eight and above.

Responsibilities of the department for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

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

Prescribed requirements scope

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



31 August 2023

Michael Claydon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

ANNUAL REPORT 2022–23

Department of Housing

www.housing.qld.gov.au