

Department of Aboriginal and Torres Strait Islander Partnerships

Financial Statements

for the period ended 12 November 2020

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Statement of Comprehensive Income

for the period ended 12 November 2020

	NOTES	2021 \$'000	BUDGET * \$'000	BUDGET VARIANCE * \$'000	2020 \$'000
INCOME FROM CONTINUING OPERATIONS					
Appropriation revenue	2	20,530	20,426	104	61,221
Grants and other contributions	3	670	460	210	1,280
Other revenue	4	410	459	(49)	1,103
Total Income from Continuing Operations		21,610	21,345	265	63,604
EXPENSES FROM CONTINUING OPERATIONS					
Employee expenses	5	13,675	13,605	(70)	37,804
Supplies and services	7	4,288	4,518	230	17,129
Grants	8	2,504	2,316	(188)	7,407
Depreciation and amortisation		410	410	–	1,159
Other expenses	9	316	240	(76)	668
Total Expenses from Continuing Operations		21,193	21,089	(104)	64,167
Operating Result from Continuing Operations		417	256	161	(563)
Operating Result for the Year		417	256	161	(563)
OTHER COMPREHENSIVE INCOME					
<i>Items that will not be reclassified to operating result:</i>					
Increase (decrease) in asset revaluation surplus		(102)	–	(102)	285
Total Other Comprehensive Income		(102)	–	(102)	285
Total Comprehensive Income		315	256	59	(278)

* An explanation of major variances is included in Note 21. The budget is per the 2020–21 Service Delivery Statement for the ceasing department as published on 1 December 2020. In keeping with the State Budget Papers for departments, individual agencies' budgeted statement of financial position and cash flow were not published as part of the 2020–21 Service Delivery Statement.

The accompanying Notes form part of these statements.

Statement of Financial Position

as at 12 November 2020

	NOTES	2021 \$'000	2020 \$'000
CURRENT ASSETS			
Cash and cash equivalents		27,437	22,270
Receivables	10	1,293	1,203
Other current assets		705	393
Total Current Assets		29,435	23,866
NON-CURRENT ASSETS			
Property, plant and equipment	11	16,217	16,893
Intangible assets		139	164
Total Non-Current Assets		16,356	17,057
Total Assets		45,791	40,923
CURRENT LIABILITIES			
Payables	12	20,468	15,833
Accrued employee benefits	13	1,025	1,040
Other current liabilities		79	52
Total Current Liabilities		21,572	16,925
Net Assets		24,219	23,998
EQUITY			
Contributed equity		29,744	29,838
Asset revaluation surplus	14	4,756	4,932
Accumulated surplus (deficit)		(10,281)	(10,772)
Total Equity		24,219	23,998

In keeping with the 2020–21 State Budget Papers for departments, individual agencies' budgeted Statements of Financial Position were not published in the 2020–21 Service Delivery Statements.

The accompanying Notes form part of these statements.

Statement of Changes in Equity

for the period ended 12 November 2020

	CONTRIBUTED EQUITY \$'000	ASSET REVALUATION SURPLUS \$'000	ACCUMULATED SURPLUS \$'000	TOTAL \$'000
BALANCE AS AT 1 JULY 2019	35,838	4,647	(10,209)	30,276
Operating result from continuing operations	–	–	(563)	(563)
OTHER COMPREHENSIVE INCOME				
Increase in asset revaluation surplus	–	286	–	286
Post Machinery of Government adjustment	–	–	–	–
Total Comprehensive Income for the Year	–	286	(563)	(277)
TRANSACTIONS WITH OWNERS AS OWNERS				
Appropriated equity injections	–	–	–	–
Net transfer out – Queensland Government entities	(6,000)	–	–	(6,000)
Net transfer out to Administered	–	–	–	–
Net Transactions with Owners as Owners	(6,000)	–	–	(6,000)
Balance for the year ended 30 June 2020	29,838	4,933	(10,772)	23,999
Operating result from continuing operations	–	–	417	417
OTHER COMPREHENSIVE INCOME				
Decrease in asset revaluation surplus	–	(176)	74	(102)
Post Machinery of Government adjustment	–	–	–	–
Total Comprehensive Income for the Year	–	(176)	491	315
TRANSACTIONS WITH OWNERS AS OWNERS				
Appropriated equity injections	100	–	–	100
Net transfer out to Administered*	(194)	–	–	(194)
Net Transactions with Owners as Owners	(94)	–	–	(94)
Balance for the year ended 12 November 2020	29,744	4,757	(10,282)	24,219

* On 7 July 2020, the Minister approved the transfer of land (\$1 net book value) and house (\$0.194 million net book value) to the Woorabinda Shire Council for nil consideration under DATSIP's asset divestment program. The land title transferred on 6 August 2020. The transaction has been recognised as a reduction in the controlled equity and the recognition of the asset transfer as an Administered Grant permitted under the Financial Reporting Requirements 4F5. Refer to notes 11 and 19.

Statement of Cash Flows

for the period ended 12 November 2020

	2021 \$'000	2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Inflows:</i>		
Service appropriation receipts	24,260	69,680
Grants and other contributions	265	1,201
GST input tax credits from ATO	562	2,223
GST collected from customers	10	43
Other	691	766
<i>Outflows:</i>		
Employee expenses	(13,389)	(37,952)
Supplies and services	(4,470)	(18,288)
Grants	(2,010)	(7,838)
GST paid to suppliers	(469)	(2,169)
GST remitted to ATO	(8)	(43)
Other	(370)	(584)
Net cash provided by (used in) operating activities	5,073	7,039
CASH FLOW FROM INVESTING ACTIVITIES		
<i>Inflows:</i>		
Sales of property, plant and equipment	–	–
<i>Outflows:</i>		
Payments for property, plant and equipment	0	155
Payments for intangibles	(6)	(89)
Net cash used in investing activities	(6)	66
CASH FLOW FROM FINANCING ACTIVITIES		
<i>Inflows:</i>		
Equity injection	100	–
<i>Outflows:</i>		
Changes in accounting policy	–	–
Payment to other QLD Govt Entities	–	(6,000)
Net cash provided by (used in) financing activities	100	(6,000)
Cash and cash equivalents – opening balance	22,270	21,165
Net increase (decrease) in cash and cash equivalents	5,167	1,105
Cash and cash equivalents – closing balance	27,437	22,270

In keeping with the 2020–21 State Budget Papers for departments, individual agencies' budgeted Statements of Cash Flows were not published in the 2020–21 Service Delivery Statements.

Statement of Cash Flows (continued)

	2021 \$'000	2020 \$'000
RECONCILIATION OF OPERATING RESULT TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating surplus/(deficit)	417	(563)
<i>Non-Cash items included in operating result:</i>		
Depreciation and amortisation expense	410	1,159
Loss on disposal of non-current assets	-	3
<i>Change in assets and liabilities:</i>		
Increase/(decrease) in unearned revenue	27	(12)
(Increase)/decrease in GST input tax credits receivable	93	53
(Increase)/decrease in receivables	(183)	177
(Increase)/decrease in other assets	(311)	(293)
Increase/(decrease) in appropriation payable	3,730	8,459
Increase/(decrease) in accounts payable	903	(1,364)
Increase/(decrease) in GST payable	2	-
Increase/(decrease) in accrued employee benefits	(15)	(580)
Net Cash Provided by (used in) operating activities	5,073	7,039

The accompanying Notes form part of these statements.

Statement of Comprehensive Income by Major Departmental Services

for the period ended 12 November 2020

	ECONOMIC PARTICIPATION SERVICES 2021 \$'000	COMMUNITY PARTICIPATION SERVICES 2021 \$'000	TOTAL 2021 \$'000	ECONOMIC PARTICIPATION SERVICES 2020 \$'000	COMMUNITY PARTICIPATION SERVICES 2020 \$'000	TOTAL 2020 \$'000
INCOME FROM CONTINUING OPERATIONS						
Appropriation revenue	10,050	10,480	20,530	29,998	31,223	61,221
Grants and other contributions	159	511	670	461	818	1,280
Other revenue	30	380	410	113	990	1,103
Total Income from Continuing Operations	10,239	11,371	21,610	30,573	33,031	63,604
EXPENSES FROM CONTINUING OPERATIONS*						
Employee expenses	6,669	7,006	13,675	17,939	19,865	37,804
Supplies and services	2,140	2,148	4,288	8,767	8,362	17,129
Grants	1,195	1,309	2,504	3,872	3,535	7,407
Depreciation and amortisation	31	379	410	128	1,031	1,159
Other expenses	137	179	316	324	344	668
Total Expenses from Continuing Operations	10,172	11,021	21,193	31,030	33,137	64,168
Operating Result for the Year	67	350	417	(457)	(106)	(563)
OTHER COMPREHENSIVE INCOME						
<i>Items that will not be reclassified to Operating Result:</i>						
Increase/(decrease) in asset revaluation surplus	(9)	(92)	(102)	8	277	285
Total Comprehensive Income	58	258	315	(449)	171	(278)
* Allocation of expenses from corporate services	963	1,098	2,060	2,447	2,759	5,206

Statement of Assets and Liabilities by Major Departmental Services

as at 12 November 2020

	ECONOMIC PARTICIPATION SERVICES	COMMUNITY PARTICIPATION SERVICES	TOTAL	ECONOMIC PARTICIPATION SERVICES	COMMUNITY PARTICIPATION SERVICES	TOTAL
	2021	2021	2021	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS						
Cash and cash equivalents	10,750	16,687	27,437	8,190	14,080	22,270
Receivables	403	890	1,293	728	475	1,203
Other current assets	322	383	705	193	200	393
Total Current Assets	11,475	17,960	29,435	9,111	14,755	23,866
NON CURRENT ASSETS						
Property, plant and equipment	734	15,483	16,217	765	16,128	16,893
Intangible assets	–	139	139	–	164	164
Total Non-Current Assets	734	15,622	16,356	765	16,292	17,057
Total Assets	12,209	33,582	45,791	9,876	31,047	40,923
CURRENT LIABILITIES						
Payables	8,854	11,614	20,468	6,564	9,269	15,833
Accrued employee benefits	450	575	1,025	508	532	1,040
Other current liabilities	14	65	79	24	28	52
Total Current Liabilities	9,318	12,254	21,572	7,096	9,829	16,925
Net Assets	2,891	21,328	24,219	2,780	21,218	23,998

1. BASIS OF FINANCIAL STATEMENT PREPARATION

Final financial statements of the department as a result of Machinery of Government changes

The department was abolished as a result of the *Public Service Departmental Arrangements Notice (No. 4) 2020*. Under this notice, ongoing responsibility for functions of the department were transferred to the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships. The effect of this transfer was from 13 November 2020.

As a result of the Machinery of Government changes the department is no longer considered a going concern. While it is not a going concern, these final financial statements have been prepared consistent with the going concern basis, as the transferred functions and services are expected to continue to operate as normal into the foreseeable future within the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships. The values of assets and liabilities reported in these financial statements represent their carrying amounts immediately prior to the Machinery of Government change taking effect. These represent the values of the assets and liabilities transferred to, and recognised by, the recipient department. Further details of these transfers are included in Note 1 (i).

Objectives and principle activities of the department

The Department of Aboriginal and Torres Strait Islander Partnerships is a Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland, which is the ultimate parent.

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

Level 9, 1 William Street
Brisbane QLD 4000

The objectives and principle activities of the Department of Aboriginal and Torres Strait Islander Partnerships are detailed in the body of the Annual Report and in the Appendix headed Our Legislation.

The department is funded principally by parliamentary appropriations. It also receives grant revenue from other Queensland Government entities as contribution towards departmental initiatives.

The Department of Aboriginal and Torres Strait Islander Partnerships' services include:

- Economic Participation services which aims to increase the economic participation of Aboriginal peoples and Torres Strait Islander peoples in the Queensland economy by delivering policies, programs and services that result in Aboriginal peoples and Torres Strait Islander peoples entering and actively participating in the workforce, and having more opportunities to secure businesses, to own land and to own their homes. This includes brokering employment opportunities in various industry sectors, assisting aspiring Aboriginal and Torres Strait Islander home owners to move towards home ownership, and improving business opportunities for Aboriginal and Torres Strait Islander businesses.
- Community Participation services which aims to improve the community participation and wellbeing of Aboriginal peoples and Torres Strait Islander peoples by delivering and influencing policies and programs that result in greater social cohesion, connected communities, and communities that protect and value Aboriginal and Torres Strait Islander cultures and heritage. This includes supporting key reforms related to child protection, domestic and family violence and justice; and leading whole-of-government efforts to reframe the relationship between the Queensland Government and Aboriginal and Torres Strait Islander Queenslanders and improve the life outcomes of Aboriginal and Torres Strait Islander Queenslanders.

Summary of significant accounting policies**a) Compliance with prescribed requirements**

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

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

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

b) Authorisation of Financial Statements for issue

The financial statements are authorised for issue by the former Director-General and the former Chief Finance Officer of the former Department of Aboriginal and Torres Strait Islander Partnerships at the date of signing the Management Certificate.

1. BASIS OF FINANCIAL STATEMENT PREPARATION (CONTINUED)**c) The reporting entity**

The financial statements include the value of all assets, liabilities, equity, revenues and expenses of the Department of Aboriginal and Torres Strait Islander Partnerships.

d) Climate Risk Disclosure

The department addresses the financial impacts of climate related risks by identifying and monitoring the accounting judgements and estimates that will potentially be affected, including asset useful lives, fair value of assets, provisions or contingent liabilities and changes to future expenses and revenue.

The department has not identified any material climate related risks relevant to the financial report at the reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy. No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the financial year.

e) Taxation

The department is a State body as defined under the Income *Tax Assessment Act 1936*, and is exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). GST credits receivable from, and GST payable to the Australian Taxation Office (ATO), along with FBT, are recognised.

f) Other presentation matters**Currency and rounding**

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

Comparatives

Comparative information reflects the audited 2019–20 financial statements, which was for the full financial year. The 2020–21 financial information reports on the period 1 July 2020 to 12 November 2020, a period of 4 months and 12 days.

Current/non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

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

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

g) First year application of new accounting standards or change in accounting policy**Application of New Accounting Standard – AASB 1059 Service Concession Arrangements: Grantors**

AASB 1059 Service Concession Arrangements: Grantors became applicable in 2020–21.

The department has identified no material impact resulting from adopting the new standard:

- The standard addresses accounting by public sector grantors in Service Concession Arrangements which are also known as public-private partnerships (PPPs).
- The department has performed a review and determined that none of its grant funding arrangements would meet the definition of a service concession arrangement. Accordingly the impact of adopting AASB 1059 in the reporting year is immaterial. As these are the final financial statements for the department the standard is not applicable to future reporting years.

Accounting standards early adoption

No accounting standards have been early adopted in 2020–21.

h) Future impact of accounting standards not yet effective

At the date of authorisation of the final financial statements there were a number of new or amended Australian Accounting Standards with future commencement dates. As these are the final financial statements for the department these standards are not applicable.

1. BASIS OF FINANCIAL STATEMENT PREPARATION (CONTINUED)

i) Machinery of Government (MoG) Changes

As a result of the abolition of the Department of Aboriginal and Torres Strait Islander Partnerships pursuant to *Public Service Departmental Arrangements Notice (No. 4) 2020*, its assets and liabilities were transferred to the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships. The effective date of the transfer was the 13 November 2020.

The assets and liabilities transferred as a result of this change were as follows:

Transferred to Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships:**CONTROLLED**

	\$'000
ASSETS	
Current assets	
Cash and cash equivalents	27,437
Receivables	1,293
Other current assets	705
Total current assets	29,435
Non-current assets	
Property, plant and equipment	16,217
Intangibles	139
Total non-current assets	16,356
Total assets	45,791
LIABILITIES	
Current liabilities	
Payables	20,468
Accrued employee benefits	1,025
Other current liabilities	79
Total current liabilities	21,572
Net assets transferred	24,219

1. BASIS OF FINANCIAL STATEMENT PREPARATION (CONTINUED)

i) Machinery of Government (MoG) Changes (continued)

ADMINISTERED

	\$'000
ASSETS	
Current assets	
Cash and cash equivalents	154
Appropriation revenue receivable	143
Total current assets	297
LIABILITIES	
Appropriation Payable equity withdrawal	194
Total liabilities	194
Net administered assets/(liabilities)	103

	2021 \$'000	2020 \$'000
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2. APPROPRIATION REVENUE

Reconciliation of payments from Consolidated Fund to appropriated revenue

Original budgeted appropriation	24,260	81,114
Transfer from/(to) other departments (refer to Note 1 (i))	–	(3,093)
Transfer to administered revenue, refer to Note 19	–	–
Lapsed appropriation revenue	–	(8,341)
Transfers to other departments – Machinery of Government	–	–
Total appropriation receipts (cash)	24,260	69,680
Less: Opening balance of appropriation revenue receivable	–	–
Plus: Closing balance of appropriation revenue receivable	–	–
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	14,813	6,354
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(18,543)	(14,813)
Net appropriation revenue	20,530	61,221
Plus: Deferred appropriation payable to Consolidated Fund (expense)	–	–
Appropriation revenue recognised in statement of comprehensive income	20,530	61,221

Appropriations provided under the *Appropriation Act (No.1) 2020* are recognised as revenue when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity.

	2021 \$'000	2020 \$'000
3. GRANTS AND OTHER CONTRIBUTIONS		
Grants	555	968
Services received below fair value	115	312
Total	670	1,280

Grants, contributions and donations are generally non-reciprocal in nature and are recognised as revenue in the year in which the department obtains control over them which is generally obtained at the time of receipt. Where grants are received that are reciprocal in nature, revenue is progressively recognised as it is earned, according to the terms of the funding arrangements.

Grants include contributions from the Queensland Mental Health Commission for the design and delivery of mental health programs in the community (2020–21 \$0.520m; 2019–20 nil) and contributions from other State Government entities for advancement of departmental services (2020–21 \$0.150m; 2019–20 \$0.540m).

Services received below fair value represent services for archiving services which would have been purchased had they not been donated by Queensland State Archives. An equal amount is recognised as revenue and an expense for the fair value of the services received.

4. OTHER REVENUE		
General Recoveries	15	85
Other Revenue*	394	1,017
Total	410	1,103

* Other revenue includes reimbursement from Community Enterprise Queensland for depreciation of the Retail Stores (2020–21 \$0.314m; 2019–20 \$0.781m) and revenue from property rental income (2020–21 \$0.072m; 2019–20 \$0.178m).

5. EMPLOYEE BENEFITS		
Employee benefits		
Wages and salaries	9,796	27,076
Employer superannuation contributions	1,421	3,815
Annual leave levy/expense	1,339	3,538
Sick leave expense	602	1,931
Long service leave levy/expense	252	679
Other employee benefits	161	443
	13,571	37,482
Employee related expenses		
Other employee related expenses	49	183
Workers' compensation premium	55	139
	104	322
Total	13,675	37,804

EMPLOYEE BENEFITS

Wages, salaries

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

Sick Leave

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

Annual leave and long service leave

The department is a member of the Queensland Government's Annual Leave and Long Service Leave Schemes. Under these schemes, a levy is paid to cover the cost of employees' annual leave (including leave loading and on costs) and long service leave.

These levies are expensed in the period in which they are payable. Amounts paid to employees for leave taken are claimed from the scheme quarterly in arrears. No provision for annual leave is recognised in the department's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

5. EMPLOYEE BENEFITS (CONTINUED)

Superannuation

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

Defined Contribution Plans – Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant 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 by the Treasurer 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.

Workers compensation premiums

The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

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

Key management personnel and remuneration disclosures are detailed in Note 6.

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

	2021	2020
Number of full-time equivalent employees	275	293

6. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES AND RELATED PARTY TRANSACTIONS

DETAILS OF KEY MANAGEMENT PERSONNEL

The department's responsible Minister is the Honourable Craig Crawford, Minister for Fire and Emergency Services and Minister for Aboriginal and Torres Strait Islander Partnerships, from 1 July 2020 to 12 November 2020. The responsible Minister is identified as part of the department's key management personnel (KMP), consistent with AASB 124 *Related Party Disclosures*.

The following details for non-ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department for the period 1 July 2020 to 12 November 2020 and for the 2019–20 financial year. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

KMP for the department has been assessed as the department's Board which comprised the following positions at 12 November 2020:

POSITION	POSITION RESPONSIBILITY
Director-General	The efficient, effective and economic administration of the department.
Deputy Director-General Culture and Economic Participation	Developing, leading and driving the development and implementation of culture and economic policy, strategic initiatives and programs.
Deputy Director-General Policy and Corporate Services	Developing, leading and driving the development and implementation of social and economic policy, strategic initiatives, programs and corporate services.
Chief Finance Officer	The efficient and effective financial administration of the department.

KMP REMUNERATION POLICIES

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The department does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet.

As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and whole-of-government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

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

6. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES AND RELATED PARTY TRANSACTIONS (CONTINUED)

Remuneration expenses for those KMP comprise the following components:

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

The following disclosures focus on the expenses incurred by the department attributable to non-ministerial KMP during the period 1 July 2020 to 12 November 2020 and for the 2019–20 financial year, where those positions are common across the financial years.

2020–21

POSITION	SHORT-TERM EMPLOYEE EXPENSES		LONG-TERM EMPLOYEE EXPENSES	POST EMPLOYMENT EXPENSES	TERMINATION BENEFITS	TOTAL EXPENSES
	MONETARY EXPENSES	NON-MONETARY BENEFITS				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General	162	1	3	20	–	186
Deputy Director-General Culture and Economic Participation	89	1	2	10	–	102
Deputy Director-General Policy and Corporate Services	89	1	2	10	–	102
Chief Finance Officer	58	1	1	7	–	67

The remuneration expenses disclosed include the substantive KMP's remuneration expenses as well as remuneration earned while he/she acted in another KMP position throughout the financial year on a short term basis.

Some backfilling arrangements of KMPs by non-KMP officers have been excluded on the basis of being immaterial in relation to the time spent in the KMP role.

2019–20

POSITION	SHORT-TERM EMPLOYEE EXPENSES		LONG-TERM EMPLOYEE EXPENSES	POST EMPLOYMENT EXPENSES	TERMINATION BENEFITS	TOTAL EXPENSES
	MONETARY EXPENSES	NON-MONETARY BENEFITS				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General	442	2	10	53	–	507
Deputy Director-General Culture and Economic Participation	261	2	6	27	–	296
Deputy Director-General Policy and Corporate Services	237	2	6	26	–	271

Some backfilling arrangements have been excluded on the basis of being immaterial in relation to the time spent in the role.

6. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES AND RELATED PARTY TRANSACTIONS (CONTINUED)

PERFORMANCE PAYMENTS

No Key Management personnel remuneration packages provide for performance or bonus payments.

RELATED PARTY DISCLOSURES

There have been no transactions with people or entities related to Key Management personnel of the department for the period 1 July 2020 to 12 November 2020.

TRANSACTIONS WITH OTHER QUEENSLAND GOVERNMENT–CONTROLLED ENTITIES

Note 1 (i) outlines the transfer of assets and liabilities from the department to other Queensland Government departments arising from the Machinery of Government changes pursuant to the Public Service Departmental Arrangements Notice (No. 4) 2020–21.

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

The department received grants revenue of \$0.520 million from the Queensland Mental Health Commission for the design and delivery of mental health programs during the period 1 July to 12 November 2020.

During the period 1 July to 12 November 2020, the department paid the former Department of Housing and Public Works \$1.790 million for the accommodation usage and property operating costs, \$0.124 million for property repairs and maintenance, and \$0.066 million for vehicle usage costs.

During the period 1 July to 12 November 2020, the department paid the former Department of Child Safety, Youth and Women \$0.414 million for ICT, legal, and reporting system corporate support costs under MOU arrangements.

During the period 1 July to 12 November 2020, the department paid the former Department of Communities, Disability Services and Seniors \$0.139 million for Internal Audit, Ethical Standards and procurement support services under MOU arrangements.

During the period 1 July to 12 November 2020, the department paid the former Department of Housing and Public Works (Queensland Shared Services) \$0.275 million for human resources and financial services transactional and system services under MOU arrangements.

During the period 1 July to 12 November 2020, the department paid the Public Trustee of Queensland \$1.4 million for Queensland Aboriginal and Torres Strait Islander Foundation Scholarships education scholarships.

During the period 1 July to 12 November 2020, the department paid the Queensland Government Statisticians and Treasury Office \$0.110 million for the provision of statistical data and reporting services and insurance services.

During the period 1 July to 12 November 2020, the department paid Crown Law Office \$0.101 million for the provision of legal services.

	2021 \$'000	2020 \$'000
7. SUPPLIES AND SERVICES		
Service procurement	218	1,422
Professional and technical fees	536	4,522
Office accommodation and motor vehicles*	1,294	3,398
Outsourced corporate and professional services	940	2,478
Property operational costs	447	1,299
Travel	131	1,182
Administration costs	84	506
Repairs and maintenance	135	644
Consultancies	108	611
Telecommunications	176	435
Computer operating costs	106	188
Minor plant and equipment	39	98
Other	74	346
Total	4,288	17,129

* Includes payments for the use of office accommodation, employee residential accommodation and motor vehicles to the former Department of Housing and Public Works, who hold substantive substitution rights over the assets used.

	2021 \$'000	2020 \$'000
8. GRANTS		
Grants – capital	49	2,791
Grants – operating	2,455	4,571
Sponsorships	–	45
Total	2,504	7,407

9. OTHER EXPENSES		
External audit fees *	167	130
Insurance premiums	34	97
Loss on disposal of non-current assets	–	3
Special payments - out-of-court-settlement	–	65
Services received below fair value**	115	312
Other expenses	–	61
Total	316	668

* The Auditor-General of Queensland is the department's external auditor. The external audit fees for the current year covering the period 1 July to 12 November 2020 includes \$0.082 million (GST exclusive) relating to the finalisation of the 2019–20 audit and an accrued estimate to 12 November 2020 of \$0.085 million (GST exclusive) relating to the audit of the final 2020–21 statements for the department. The 2019–20 Audit Fee of \$0.130 million represents costs incurred to 30 June 2020 for audit work performed to conclude the 2018–19 statements and commence the audit of the 2019–20 statements.

** Services received below fair value reflects State Archive services received free of charge.

10. RECEIVABLES		
Trade and other debtors	761	603
Less: allowance for impairment loss	(39)	(39)
	722	564
GST input tax credits receivable	150	243
GST payable	–	–
	150	243
Annual leave reimbursements	366	338
Long service leave reimbursements	55	58
Total	1,293	1,203

Trade debtors are recognised at the amounts due at the time of service delivery. Settlement of these amounts is required within 30 days from invoice date.

	2021 \$'000	2020 \$'000
11. PROPERTY, PLANT AND EQUIPMENT		
LAND: AT FAIR VALUE		
Gross	1,410	1,410
BUILDINGS: AT FAIR VALUE		
Gross	29,158	29,729
Less: Accumulated depreciation	(14,842)	(14,779)
	14,316	14,950
PLANT AND EQUIPMENT: AT COST		
Gross	1,627	1,633
Less: Accumulated depreciation	(1,136)	(1,100)
	491	533
Total	16,217	16,893

PROPERTY, PLANT AND EQUIPMENT RECONCILIATION

	LAND \$'000	BUILDINGS \$'000	PLANT AND EQUIPMENT \$'000	TOTAL \$'000
Carrying amount at 1 July 2020	1,411	14,950	533	16,894
Acquisitions	–	–	–	–
Disposals	–	–	–	–
Retirement	–	–	–	–
Transfers between assets classes	(1)	6	(6)	(1)
Transfer of assets to other entities*	–	(194)	–	(194)
Revaluation increments / (decrements)	–	(102)	–	(102)
Depreciation	–	(344)	(36)	(381)
Carrying amount at 12 November 2020	1,410	14,316	491	16,217

* The department transferred land (net book value \$1) and buildings (net book value \$0.194 million) to Woorabinda Aboriginal Shire Council. This transfer has been disclosed as a grant in the administered accounts with the value of the grant assessed at the fair value of the assets (\$0.194 million). Refer to the Statement of Changes in Equity and Note 19 for further information.

Carrying amount at 1 July 2019	1,530	15,645	712	17,887
Acquisitions	–	–	6	6
Disposals	–	–	(3)	(3)
Transfer in from other Queensland Government entities	–	–	–	–
Transfers between assets classes	–	–	–	–
Transfer of assets to other entities	(164)	–	–	(164)
Revaluation increments / (decrements)	45	240	–	285
Depreciation	–	(935)	(182)	(1,117)
Carrying amount at 30 June 2020	1,411	14,950	533	16,894

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECOGNITION AND ACQUISITION**Property, plant and equipment thresholds**

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

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

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

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

Accounting policy – Cost of Acquisition

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

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

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

Revaluations of property, plant and equipment

Plant and equipment are measured at cost in accordance with Queensland Treasury's Non-Current Asset Policies.

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

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

Revaluations by an independent professional valuer are generally undertaken at least once every five years. In interim years, land and buildings may be revalued by use of appropriate and relevant indices.

Materiality concepts under FRR 2B Materiality, are considered in determining whether the difference between the carrying amount and the fair value of an asset is material. The department has the option of choosing only to account for the impact of indexation if the cumulative change in the index results in a five per cent or greater (either positive or negative) change in the reported asset balances.

In 2016–17, the department transferred the former Retail Stores plant, equipment and working capital assets to Community Enterprise Queensland (CEQ), and retained control of the buildings. The buildings are exclusively held on Deed of Grant in Trust (DOGIT) land.

A Memorandum of Understanding was implemented on 1 May 2017 and renewed in December 2018, under which CEQ reimburses the department's depreciation expenses.

i. Land and buildings not on Deed of Grant in Trust (DOGIT) land

In 2020–21, the department revalued land and buildings by use of appropriate indexes. The department engaged State Valuation Service (SVS) to supply these indices.

SVS advised that land values remain unchanged as at 12 November 2020 compared to 30 June 2020 values. This resulted in a nil movement in the Revaluation Reserve for land assets.

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

Management assesses and confirms the relevance and suitability of these indices.

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ii. Land and buildings on Deed of Grant in Trust (DOGIT) land

Land is valued at a nominal value of \$1 per parcel as land is held in trust for the local community.

As there is no active market for departmentally-owned buildings on DOGIT land, the current replacement cost approach is used.

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

Management assesses and confirms the relevance and suitability of these indices.

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

FAIR VALUE

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

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

Overall buildings were revalued in 2020–21 based on an indexation of 0.99% decrease as advised by State Valuation Services, applicable to all departmentally controlled buildings and respective sub-components. Employee houses and respective sub-components were revalued in 2020–21 based on an indexation of a 1% increase, and a devaluation of 1% was applied against Retail Stores and all other buildings (including respective sub-components). Overall this resulted in a decrease to the Revaluation Reserve of \$0.102 million.

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

None of the department's valuations of assets are eligible for categorisation into level 1 of the fair value hierarchy.

Buildings on DOGIT land comprise the majority of the department's non-current assets and are valued using the Current Replacement Cost method. As such these are considered to be specialised buildings and categorised into level 3 of the fair value hierarchy. None of the department's valuations are eligible for categorisation into level 1 of the fair value hierarchy. There were no asset transfers between fair value hierarchy levels during 2019–20 and these are outlined in the table below:

	LEVEL 2		LEVEL 3		TOTAL	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Buildings	2,234	2,277	12,082	12,673	14,316	14,950
Land	1,410	1,410	–	–	1,410	1,410

LEVEL 3 FAIR VALUE MEASUREMENT – RECONCILIATION

	BUILDINGS		LAND	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Carrying Amount at 1 July	12,673	13,342	–	–
Transfers in from other entities	–	–	–	–
Acquisitions	7	–	–	–
Transfers out to other classes	–	–	–	–
Assets reclassified as held for sale	–	–	–	–
Transfers from Level 2 class	–	–	–	–
Transfers of assets to other entities	(194)	–	–	–
Net revaluation increments/(decrements) in operating surplus	–	–	–	–
Net revaluation increments/(decrements) in other comprehensive income	(87)	203	–	–
Depreciation	(316)	(873)	–	–
Carrying amount at 12 November	12,083	12,672		

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is depreciated on a straight-line basis to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life to the department. Land is not depreciated as it has an unlimited useful life.

The remaining useful lives of buildings, plant and equipment are reviewed annually.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity.

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

For each class of depreciable asset, the following depreciation useful lives are used.

ASSET	RANGE OF USEFUL LIFE	AVERAGE USEFUL LIFE
Buildings	15 – 97 years	37.90 years
Plant and equipment	4 – 14 years	7.75 years

RETAIL STORES AND COMMUNITY FACILITIES DIVESTMENT PROGRAM

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

These assets include:

- Olandi Hall, Thursday Island (land held in trust and buildings) – value \$1.628 million.
- Mona Mona (land held in trust and a meeting shed) – value \$0.851 million.
- Residential dwellings and land held in trust, Irvinebank – value \$0.215 million.
- A number of reserves in remote locations in the Torres Strait and on the mainland – the majority of these reserves are valued at \$1 in accordance with The *Land Act 1994* which enables unallocated state land held in trust for the local community to be valued at a nominal amount.

The department transferred land (net book value \$1) and buildings (net book value \$0.194 million) to Woorabinda Aboriginal Shire Council. This transfer has been disclosed as a grant in the administered accounts with the value of the grant assessed at the fair value of the assets (\$0.194 million). Refer to Note 19 for further information.

The department currently controls a number of Retail Stores and associated housing assets in remote communities. These assets are valued at \$9.504 million. Community Enterprise Queensland (CEQ) currently operates the Retail Stores on behalf of the department under MOU arrangements whereby CEQ reimburses the department's depreciation expenses. The department also controls the Lockhart River Multi-Tenant Service Centre (\$2.057 million).

	2021 \$'000	2020 \$'000
12. PAYABLES		
Deferred appropriation payable to Consolidated Fund	18,543	14,813
Trade creditors	1,213	801
Grants payable	700	206
Other	12	13
Total	20,468	15,833

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase price. Amounts owing are unsecured and are settled according to individual vendor's terms which are generally 7, 15 or 30 days.

In response to the COVID-19 Pandemic, the Queensland Government announced a payment policy to assist vendors, with payments made to suppliers as soon as service or goods have been provided to the terms of the agreement and invoice received. There is no cash risk to the department. The department continues to monitor the on-going operations of its major non-government vendors for services procured and their potential as a going concern. There are no material prepayments for the supply of goods and services.

13. ACCRUED EMPLOYEE BENEFITS		
Annual leave levy payable	511	859
Wages and salaries payable	428	–
Long service leave levy payable	86	181
Total	1,025	1,040

	LAND \$'000	BUILDINGS \$'000	TOTAL \$'000
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14. ASSET REVALUATION SURPLUS BY CLASS			
Carrying amount at 1 July 2019	936	3,711	4,647
Net revaluation increments / (decrements)	45	240	285
Carrying amount at 30 June 2020	981	3,951	4,932
Carrying amount at 1 July 2020	981	3,951	4,932
Net revaluation increments / (decrements)	15	(191)	(176)
Carrying amount at 12 November 2020	996	3,760	4,756

15. COMMITMENTS FOR EXPENDITURE

Capital expenditure commitments

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

	2021 \$'000	2020 \$'000
Buildings		
No later than one year	126	126
Later than one year and no later than five years	–	–
Later than five years	–	–
Total	126	126

16. CONTINGENCIES

LITIGATION IN PROGRESS

The department is party to a range of litigation matters covered under the department's Queensland Government Insurance Policy (QGIF) and the cost for each case is limited to a \$10,000 excess payment.

17. EVENTS AFTER THE BALANCE DATE

The department was abolished as a result of the Public Service Departmental Arrangements Notice (No. 4) 2020. Under this notice, ongoing responsibility for functions of the department were transferred to the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships. The effect of this transfer was from 13 November 2020.

There are no further post balance date matters with respect to the ceasing department.

18. FINANCIAL RISK DISCLOSURE

FINANCIAL INSTRUMENT CATEGORIES

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

	NOTES	2021 \$'000	2020 \$'000
FINANCIAL ASSETS			
Cash and cash equivalents		27,437	22,270
Financial assets at amortised cost: Receivables	10	1,293	1,203
Total financial assets		28,730	23,473
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost: Payables	12	20,468	15,833
Total financial liabilities at amortised cost		20,468	15,833

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

RISKS ARISING FROM FINANCIAL INSTRUMENTS

(a) Risk exposure

Financial risk management is implemented pursuant to Queensland Government and departmental policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department. All financial risk is managed by the accounting and reporting division under policies approved by the department. The department provides written principles for overall risk management, as well as policies covering specific areas.

In response to the COVID-19 Pandemic, the Queensland Government announced a payment policy to assist vendors, with payments made to suppliers as soon as service or goods have been provided to the terms of the agreement and invoice received. There is no cash risk to the department.

The department continues to monitor the on-going operations of its major non-government vendors for services procured and their potential as a going concern. There are no material prepayments for the supply of goods and services.

The department's activities expose it to credit and liquidity financial risks as set out in the following table:

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

18. FINANCIAL RISK DISCLOSURE (CONTINUED)

(b) Risk measurement and management strategies

RISK EXPOSURE	MEASUREMENT METHOD	RISK MANAGEMENT STRATEGIES
Credit risk	Ageing analysis	The department manages credit risk through the use of a credit management strategy. Exposure to credit risk is monitored on a timely basis.
Liquidity risk	Sensitivity analysis	The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due.

CREDIT RISK DISCLOSURES**Credit risk management practices**

The maximum exposure to credit risk at balance date is the gross carrying amount of these assets inclusive of any allowances for impairment.

FINANCIAL ASSETS PAST DUE BUT NOT IMPAIRED	OVERDUE				TOTAL \$'000
	1 – 30 DAYS \$'000	31 – 60 DAYS \$'000	61 – 90 DAYS \$'000	GREATER THAN 90 DAYS \$'000	
Receivables 2020–21	1,260	(2)	2	33	1,293
Receivables 2019–20	823	341	–	39	1,203

	2021 \$'000	2020 \$'000
MOVEMENT IN LOSS ALLOWANCE FOR TRADE AND OTHER DEBTORS		
Loss allowance as at 1 July	39	46
Increase/decrease in allowance recognised in operating result	–	39
Amounts written-off during the year	–	(46)
Loss allowance as at 12 November 2020	39	39

LIQUIDITY RISK

The following table sets out the liquidity risk of financial liabilities held by the department. They represent the contractual maturity of financial liabilities, calculated based on discounted cash flows relating to the liabilities at reporting date.

FINANCIAL LIABILITIES	PAYABLE			TOTAL \$'000
	< 1 YEAR \$'000	1 – 5 YEARS \$'000	> 5 YEARS \$'000	
Payables 2020–21	20,468	–	–	20,468
Payables 2019–20	15,833	–	–	15,833

19. SCHEDULE OF ADMINISTERED ITEMS

The department administers, but does not control, certain resources on behalf of the Queensland Government. It has responsibility for administering those activities and related transactions and balances efficiently and effectively.

	2021 \$'000	BUDGET* \$'000	BUDGETED VARIANCE* \$'000	2020 \$'000
ADMINISTERED INCOME				
Appropriation revenue	1,374	1,374	–	7,641
Grants and other contributions	900	900	–	2,700
Total Administered Income	2,274	2,274	–	10,341
ADMINISTERED EXPENSES				
Grants**	2,274	2,274	–	10,341
Total Administered Expenses	2,274	2,274	–	10,341
Operating surplus/(deficit)				
ADMINISTERED ASSETS*				
Cash	154	–	–	154
Appropriation revenue receivable	143	–	–	–
Total assets	297	–	–	154
ADMINISTERED LIABILITIES*				
Deferred appropriation payable to consolidated fund	–	–	–	51
Appropriation Payable equity withdrawal	194	–	–	–
Total liabilities	194	–	–	51
Net administered assets/(liabilities)	103			103
ADMINISTERED EQUITY				
Contributed equity	68	–	–	68
Accumulated surplus	36	–	–	35
Total administered equity	103			103

* In keeping with the 2020–21 State Budget Paper's for departments, individual agencies budgeted. Statements of Financial Position were not published as part of the 2020–21 Service Delivery Statements.

**GRANTS

Western Cape Communities Co-Existence Agreement

The funding for the royalty payments is to meet the annual payment the Queensland Government pays to the trustee of the Western Cape Community Trust under the Western Cape Co-Existence Agreement.

The objective of the Trust is to promote and benefit the general welfare of the communities described in the Western Cape Co-Existence Agreement, including the Aboriginal communities and Traditional Owners of Western Cape York Peninsula.

Family Responsibilities Commission

The Family Responsibility Commission (FRC) is jointly funded by the Queensland and Commonwealth governments. Payments to the FRC are for operating costs for the Commission to support welfare reform and responsible standards of behaviour, local authority and wellbeing.

Woorabinda Aboriginal Shire Council

Transfer of Land and Manager Residence at 32 Munns Drive Woorabinda (Refer to the Statement of Changes in Equity and Note 11).

Total Administered Expenses

	–			5,379
	2,080			4,962
	194			–
Total Administered Expenses	2,274	2,274		10,341

20. RECONCILIATION OF PAYMENTS FROM CONSOLIDATED FUND TO ADMINISTERED INCOME

	2021 \$'000	BUDGET* \$'000	BUDGETED VARIANCE* \$'000	2020 \$'000
Original budgeted appropriation revenue	1,180	–	–	10,105
Lapsed Appropriation	–	–	–	(2,413)
Total administered receipts (Cash)	1,180	–	–	7,692
Less: Opening balance of appropriation revenue receivable	–	–	–	–
Plus: Closing balance of appropriation revenue receivable	143	–	–	–
Plus: Opening balance of deferred appropriation payable to consolidated fund	51	–	–	–
Less: Closing balance of deferred appropriation payable to consolidated fund	–	–	–	(51)
Administered income recognised in Note 19	1,374			7,641

21. EXPLANATIONS OF MAJOR VARIANCES BUDGET VS ACTUAL COMPARISON

CONTROLLED ITEMS	
Budget	In keeping with the 2020–21 State Budget Papers for departments, individual agencies budgeted Statements of Financial Position and Statements of Cash Flows were not published as part of the 2020–21 Service Delivery Statements.
Grants and other contributions	The increase in grants and other contributions revenue of \$0.200 million primarily reflects increased revenue above budget received from the Queensland Mental Health Commission for the design and delivery of mental health programs.
Supplies and Services	Supplies and services are lower than forecast reflecting a range of operational expenses that were incurred in November 2020 but were ultimately recognised as prepayments as at the date of abolishment of 12 November 2020.
Grants	Grant expenses are higher than forecast reflecting a range of grant expenses recorded in November 2020 and were ultimately recognised as expensed as at the date of abolishment of 12 November 2020.
Other Expenses	Other expenses are higher than budget (\$0.076 million) reflecting the expected Queensland Audit Office fees recognised to conclude the audit of the department's final statements.
Operating Surplus	The Operating Result is higher than budget reflecting the increase in grants and other contributions revenue above budget received from the Queensland Mental Health Commission for the design and delivery of mental health programs.

Department of Aboriginal and Torres Strait Islander Partnerships Management Certificate

for the period ended 12 November 2020

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 s.62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Aboriginal and Torres Strait Islander Partnerships for the period ended 12 November 2020 and of the financial position of the department at the end of that period.

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



Timothy Hodda, FCPA
Chief Finance Officer

25 February 2021



Dr Chris Sarra, PhD
Director-General

25 February 2021

INDEPENDENT AUDITOR'S REPORT

To the former Accountable Officer of the former Department of Aboriginal and Torres Strait Islander Partnerships

Report on the audit of the final financial report

Opinion

I have audited the accompanying final financial report of the former Department of Aboriginal and Torres Strait Islander Partnerships.

In my opinion, the final financial report:

- a) gives a true and fair view of the former department's financial position as at 12 November 2020, and its financial performance and cash flows for the final period 1 July 2020 to 12 November 2020
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The final financial report comprises the statement of financial position as at 12 November 2020, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the period 1 July 2020 to 12 November 2020, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

I am independent of the former 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.

Emphasis of Matter—Abolition of the Department of Aboriginal and Torres Strait Islander Partnerships

I draw attention to Note 1 of the financial report, which discloses that the department was abolished on 12 November 2020 under the Public Service Departmental Arrangements Notice (No 4) 2020.

Ongoing responsibility for functions of the department, and its assets and liabilities, was transferred to the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships. The transfer of assets and liabilities occurred at the values stated in this report on abolition, reflecting an orderly realisation of net assets. Because of this, the financial report is prepared on a basis that is consistent with a going concern basis.

My opinion is not modified in respect of this matter.

Responsibilities of the department for the final financial report

The former Accountable Officer is responsible for the preparation of the final 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 former 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 former Accountable Officer is also responsible for assessing the former 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.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the final 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 final 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 former 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 former department.

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

I communicate with the former 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.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the period 1 July 2020 to 12 November 2020:

- 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.



John Welsh
as delegate of the Auditor-General

26 February 2021

Queensland Audit Office
Brisbane