

FINAL REPORT

1 July 2020 – 2 June 2021



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Translating and interpreting assistance

The Queensland Government is committed to providing accessible services to Queenslanders from culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on 07 3238 4811 between 9 am and 5 pm Monday to Friday (except for public holidays) and we will arrange for an interpreter to effectively communicate the report to you.

This Final Report provides information about Building Queensland's financial and non-financial performance for 2020–21. It has been prepared in accordance with the *Financial Accountability Act 2009*, the *Building Queensland Act 2015* and the Financial and Performance Management Standard 2019.

This report has been prepared for the Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning to submit to Parliament. It has also been prepared to meet the needs of stakeholders, including the Commonwealth and local governments, industry and business associations, community groups and the public.

Copies of this report are available on our website at www.statedevelopment.qld.gov.au. Additional information is available online and on the Queensland Government open data website www.qld.gov.au/data.

Disclaimer

While every care has been taken in preparing this publication, the State of Queensland accepts no responsibility for decisions or actions taken as a result of any data, information, statement or advice, expressed or implied, contained within. To the best of our knowledge, the content was correct at the time of publishing.

Any references to legislation are not an interpretation of the law. They are to be used as a guide only. The information in this publication is general and does not take into account individual circumstances or situations. Where appropriate, independent legal advice should be sought.

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28 September 2021

The Honourable Steven Miles MP
Deputy Premier, Minister for State Development,
Infrastructure, Local Government and Planning
PO Box 15009
CITY EAST QLD 4002

Dear Deputy Premier,

RE: BUILDING QUEENSLAND FINAL REPORT: LETTER OF COMPLIANCE

I am pleased to present the Final Report of the former Building Queensland for the period 1 July 2020 to 2 June 2021 incorporating financial statements for the period 1 July 2020 to 2 June 2021.

I certify that this final report complies with:

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

Yours sincerely,

A handwritten signature in black ink, appearing to be 'DW' with a large loop and a diagonal stroke.

Damien Walker
Director-General
Department of State Development, Infrastructure, Local Government and Planning

About this report

This is the Final Report of Building Queensland. As part of machinery-of-government changes implemented on 12 November 2020, Building Queensland staff and functions were transitioned into the Department of State Development, Infrastructure, Local Government and Planning.

This report refers to the activities and performance of Building Queensland for the period from 1 July 2020 to 2 June 2021 when the provisions in the Debt Reduction and Savings Bill 2021 relating to the abolition of Building Queensland received assent.

This Final Report incorporates the audited final financial statements of Building Queensland for the period 1 July 2020 to 2 June 2021.

The Building Queensland Final Report has been developed for the Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning, the Honourable Steven Miles MP and Building Queensland stakeholders from government, industry and the community.

This report contains final financial statements and a summary of Building Queensland's non-financial performance for the reporting period 1 July 2020 – 2 June 2021, in line with the targets and objectives outlined in the Financial and Performance Management Standard 2019.

It also complies with Building Queensland's legislative reporting requirements under the *Financial Accountability Act 2009*, the *Building Queensland Act 2015* and the Queensland Government's Annual Report requirements for Queensland Government agencies.

MESSAGE FROM THE FORMER CHIEF EXECUTIVE OFFICER

This is the Final Report of Building Queensland, encompassing operations for the last 11 months as a statutory body.

During this period an unprecedented challenge in the shape of the COVID-19 pandemic emerged. This global health crisis sharpened the focus on infrastructure and, as the Queensland Government responded to the pandemic, Building Queensland's dedicated team ensured the advice supporting the government's decisions continued to be based on robust analysis. This advice helped ensure the government made informed infrastructure investment decisions supported by business cases developed by Building Queensland.

Maintaining a focus on significant investments that required business cases for the longer-term, over the period, Building Queensland completed three detailed business cases and progressed a further six from the health, water and transport sectors. In performing this business case development function, Building Queensland continued to provide assurance to government that infrastructure investment decisions were supported by consistent and robust analysis.

Building Queensland's many achievements were underpinned by a collaborative approach that fostered strong, trusting partnerships with agencies and industry stakeholders.

In leading the development of 30 of the state's detailed business cases since establishment, Building Queensland continued to develop and share knowledge across the sector while applying learnings to the development of the state's infrastructure proposals. In the five years since establishment, Building Queensland made a noticeable improvement to the quality of the investment proposals presented to government for consideration as evidenced by the government's funding commitments and confirmation of national priority project status for eight detailed business cases positively assessed by Infrastructure Australia.

To conclude, I would like to thank all involved with Building Queensland. I would like to acknowledge the valuable support of the Board and the unwavering dedication of Building Queensland employees in setting the state up for future success. The transfer of Building Queensland's functions to the Department of State Development, Infrastructure, Local Government and Planning demonstrates the positive impact of the organisation's stewardship of government infrastructure proposals, including building capability across government and embedding best practice in proposal development.

Damian Gould

Former Chief Executive Officer

ABOUT BUILDING QUEENSLAND

Building Queensland was established under the *Building Queensland Act 2015* as a statutory body to provide independent expert advice and transparent analysis of the state's infrastructure priorities. A key focus was driving the development of consistent and rigorous business cases for the state's major infrastructure projects.

Working closely with Queensland Government agencies, including departments, government-owned corporations and nominated statutory authorities, Building Queensland led the development of detailed business cases for projects with an estimated capital cost of \$100 million or more. Consistent with amendments to the *Building Queensland Act 2015*, in April 2019, this threshold was increased for road transport projects, other than a toll road project, with Building Queensland leading detailed business cases for projects with an estimated capital cost over \$500 million.

Building Queensland also assisted in the preparation of detailed business cases for projects with an estimated capital cost of more than \$50 million and assisted in the early stage preparation of infrastructure proposals.

During the five years since establishment, Building Queensland has led the development of 30 detailed business cases for major infrastructure projects. Building Queensland provided assurance to the Queensland Government that business cases had been developed to a high standard using a consistent approach aligned with best practice. This was achieved by partnering with the relevant project owner and leading the business case analysis in accordance with Building Queensland's Business Case Development Framework and the Queensland Government's Project Assessment Framework.

In delivering advice to the Queensland Government, Building Queensland also provided industry and the community with confidence that the government's infrastructure decisions were supported by strong evidence and robust analysis.

By developing robust business cases in a consistent manner with the project owner, Building Queensland supported government to prioritise projects, including informing the process for identifying and endorsing projects considered nationally significant in Infrastructure Australia's Infrastructure Priority List. These decisions enhanced the productive capacity of the Queensland and national economy and achieved sustainable social and environmental outcomes.

The Infrastructure Pipeline Report demonstrated Building Queensland's role in developing robust business cases to inform government decision making and provided transparency of key government proposals under development. Through the publication of seven editions of the Infrastructure Pipeline Report, 27 unfunded infrastructure priorities received funding across all levels of government and progressed to various stages of procurement and delivery. To further enhance transparency of analysis and advice, business case/cost benefit analysis summaries were published for the business cases led by Building Queensland, and full business cases were released where appropriate.

VISION	PURPOSE	VALUES
To enhance infrastructure outcomes for Queensland.	To provide independent expert advice on and transparent analysis of the state's infrastructure priorities.	People Partnership Quality Independence

Machinery-of-government changes

On 7 September 2020, the Queensland Government announced plans to transfer the functions and staff of Building Queensland to Queensland Treasury. This announcement was supported by a Ministerial direction under the *Building Queensland Act 2015* to immediately prepare for the transition.

Following the Queensland State General election held on 31 October 2020, the Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning was appointed as the Minister responsible for the *Building Queensland Act 2015*. On 26 November 2020, the Deputy Premier issued a Ministerial direction requesting Building Queensland work with the Department of State Development, Infrastructure, Local Government and Planning to transition Building Queensland functions and staff to the department.

The structural reform within the Department of State Development, Infrastructure, Local Government and Planning meant a change in functional focus from leading the preparation of business cases on behalf of government agencies and identifying infrastructure priorities to assisting agencies to progress infrastructure proposals, including providing an assurance role for government. The integration of Building Queensland into the department will provide an opportunity for the government to take a more strategic and coordinated approach to the capital program with an overlay of whole-of-government priorities while continuing to support the development of robust, high quality infrastructure proposals.

Operating environment

The COVID-19 pandemic presented the infrastructure sector with unprecedented challenges. While these challenges continued to evolve, infrastructure performed a key role in supporting the state's economic recovery. The Queensland Government's Economic Recovery Strategy—Unite and Recover for Queensland Jobs—outlined the guiding principles for how the state would get Queenslanders back to work.

Building Queensland supported Queensland Government priorities and contributed to the Government's objectives for the community by prioritising and accelerating vital infrastructure delivery that encouraged sustained growth, created employment opportunities and strengthened Queensland industries.

PERFORMANCE

High-performing workforce

The collective effort of the Building Queensland team in collaborating and partnering across government and industry ensured Building Queensland's purpose of providing independent expert advice on and transparent analysis of the state's infrastructure priorities was met.

To ensure strong capability and expertise within Building Queensland, staff participated in training and development opportunities to build accredited skills and expertise and maintain best practice. Key areas of focus included investment logic mapping, risk management, sustainability and project management. Building Queensland staff also leveraged expertise from across the sector in undertaking business case development activities and captured these learnings to further develop the capability and knowledge across the team and stakeholders.

At the same time, Building Queensland maintained a focus on enhancing business processes and systems to support organisational efficiency. To steer important initiatives beyond business-as-usual activities, in late 2019 the Business Continuous Improvement Program was established. Through this program Building Queensland gained greater capacity to manage the various business improvement initiatives undertaken across the organisation, including the prioritisation and resourcing of these initiatives relative to Building Queensland's work program. Some of the initiatives completed as part of the Business Continuous Improvement Program included the Contract Management Framework and bespoke procurement planning supporting business case development. Changes to assurance and peer review processes were implemented resulting in more robust analysis underpinning business case processes.

Further, in the face of the COVID-19 pandemic, Building Queensland pursued opportunities to redefine the business-as-usual environment and leveraged available technology systems and applications that supported connectivity between team members and stakeholders, while monitoring the impact on the infrastructure sector.

The decision to transition Building Queensland staff to the Department of State Development, Infrastructure, Local Government and Planning recognised the high level of skills, experience, expertise and professionalism within Building Queensland. It also recognised Building Queensland's contribution to building capability across government and industry in developing and assessing the state's infrastructure priorities.

Trusted and respected advice

Building Queensland's Business Case Development Framework has guided the development of the state's infrastructure proposals since 2016. The framework helped bring about a consistent and rigorous approach to proposal development — enabling decision-makers to compare investment opportunities.

Primarily developed for state infrastructure projects, other levels of government and the private sector recognised its many benefits and also applied the framework.

A new Stakeholder Engagement Guide was introduced in Release 3 to assist practitioners in developing and implementing communication and stakeholder engagement activities during proposal development. Other enhancements included updates to sustainability sections ensuring alignment with contemporary technical guidance from the Infrastructure Sustainability Council of Australia and Green Building Council of Australia.

Industry stakeholders have recognised the updated Social Impact Evaluation guidance material in Release 3 as an example of leading industry practice, including Consult Australia in their December 2020 Report: 'Considering Social Impacts in Infrastructure Business Cases'.

Further, the latest developments in building information modelling and detailed guidance on delivery model assessments were also incorporated to ensure robust consideration of the most effective approach to delivery of infrastructure projects.

Through the development and ongoing updates to the Business Case Development Framework, Building Queensland drew on knowledge and experience from across the sector through stakeholder workshops and written feedback on documentation. This input was in addition to the learnings acquired from developing 30 of the state's detailed business cases. This collaboration provided great opportunities for knowledge sharing which Building Queensland sought to facilitate through a knowledge sharing program with government and industry. Further, collaboration with peer infrastructure bodies focused on unlocking infrastructure challenges and creating greater national consistency.

Robust business case development

During this final reporting period, Building Queensland was leading the development of detailed business cases for seven of the state's major infrastructure projects:

- Toowoomba Hospital Redevelopment—*completed*
- Bundaberg Hospital Redevelopment
- Burdekin Falls Dam Improvement and Raising Projects
- Paradise Dam Improvement Project
- Somerset Dam Improvement Project
- Coomera Connector Stage 1
- Gold Coast Rail Line Capacity Improvement: Kuraby to Beenleigh.

In October 2020, following Queensland Treasury's advice and in accordance with the Ministerial direction from the then Treasurer and Minister for Infrastructure and Planning dated 7 September 2020, Building Queensland transitioned its role in leading the preparation of two transport infrastructure proposals to the Department of Transport and Main Roads.

All other detailed business cases were transitioned back to the responsible agencies in the period up to April 2021 at relevant milestones. These included:

- Bundaberg Hospital Redevelopment to Wide Bay Hospital and Health Service
- Burdekin Falls Dam Improvement and Raising to Sunwater
- Paradise Dam Improvement to Department of Regional Development, Manufacturing and Water
- Somerset Dam Improvement to Seqwater.

In performing the business case development role, Building Queensland improved the robustness of investment proposals presented to government for consideration. This is evidenced by the government's funding commitments and confirmation of national priority project status for numerous detailed business cases positively assessed by Infrastructure Australia.

Table 1 Status of detailed business cases led by Building Queensland

DETAILED BUSINESS CASE	FUNDED
2020	
Toowoomba Hospital Redevelopment	Business case with government for consideration
Rockhampton Ring Road	✓
2019	
New Youth Detention Centre	✓
Centenary Bridge Upgrade	✓
Cairns Convention Centre	✓
Ipswich Hospital Redevelopment Stage 1A	✓
Nullinga Dam and Mareeba Dimbulah Water Supply Scheme Improvements Project (Nullinga Dam and Other Options Preliminary Business Case completed in 2017)	Government accepted Building Queensland's recommendation not to proceed
Ebenezer Regional Industrial Area (Willowbank Stage 1)	Business case with government for consideration
Inner City South State Secondary College	✓
Logan Hospital Expansion	✓

DETAILED BUSINESS CASE	FUNDED
2018	
Gold Coast Light Rail Stage 3A*	✓ - positive assessment through Infrastructure Australia
M1 Pacific Motorway — Varsity Lakes to Tugun*	✓ - positive assessment through Infrastructure Australia
M1 Pacific Motorway — Eight Mile Plains to Daisy Hill*	✓ - positive assessment through Infrastructure Australia
Brisbane Live Entertainment Arena	Business case with government for consideration
Bruce Highway — Deception Bay Road Interchange Stage 1 (Package 3)*	✓ - positive assessment through Infrastructure Australia
Cairns Shipping Development	✓
Caboolture Hospital Expansion Stage 1	✓
Five Schools Project	✓
Bruce Highway — Maroochydore Road Interchange Upgrade*	✓
Bruce Highway — Caboolture/Bribie Island Road to Steve Irwin Way Interchange Upgrade*	✓ - positive assessment through Infrastructure Australia
2017	
Arthur Gorrie Correctional Centre	✓
Lower Fitzroy River Infrastructure Project	✓
Bruce Highway — Cairns Southern Access Corridor Stage 3 (Edmonton to Gordonvale)*	✓ - positive assessment through Infrastructure Australia
Bruce Highway — Cairns Southern Access Corridor Stage 4 (Kate Street to Aumuller Street)	✓
Townsville Eastern Access Rail Corridor	Government accepted Building Queensland's recommendation not to proceed
Public Safety Regional Radio Communications Project	✓
Smithfield Transport Corridor	✓
2016	
Beerburrum to Nambour Rail Upgrade*	✓ - positive assessment through Infrastructure Australia
European Train Control System (ETCS) — Inner City	✓
Cross River Rail	✓

*Included in Infrastructure Australia's Infrastructure Priority List.

Building Queensland's success was not measured by the number of business cases developed but rather the role performed in setting government up for the successful delivery of the right projects. Importantly, where analysis indicated a project was not viable — such as the Townsville Eastern Access Rail Corridor and Nullinga Dam, Building Queensland demonstrated independence in providing advice to government. This independent advice ensured funding was directed to projects that enhanced the productive capacity of the Queensland economy and achieved sustainable social and environmental outcomes.

Building Queensland also assisted in the early stages of infrastructure assessment for more than 50 proposals. During the final reporting period, Building Queensland assisted government with proposals from the health; water and utilities; and arts, culture and recreation sectors as outlined below:

- First Nations Cultural Centre
- Ipswich Hospital Expansion Stage 2
- Redcliffe Hospital Redevelopment
- Redland Campus Redevelopment
- Gladstone to Fitzroy Pipeline Options Assessment
- East Bank Flood Resilience Program
- Coomera Health Precinct.

Building Queensland's assistance helped ensure a high standard of analysis and provided learnings from other business cases to the agencies. In providing this early stage support, Building Queensland helped set up detailed business cases for success and subsequent project delivery.

Building Queensland's model of partnering with agencies and experts from the private sector in developing the state's infrastructure proposals successfully improved infrastructure assessment capability across government and industry. This positive collaboration will have a lasting impact with government better positioned, through robust business case development, to invest in sustainable infrastructure solutions.

Transparent analysis and advice

Building Queensland contributed to greater transparency providing visibility of the major infrastructure proposals under development by the state. Consistent with the requirements of the *Building Queensland Act 2015*, business case summaries, including cost benefit analysis, were released on Building Queensland's website after government consideration of the business case. These summaries provided an overview of the project and outlined the economic analysis undertaken as part of proposal development.

Public versions of business cases and other significant reviews such as options assessments were not required under Building Queensland's governing legislation. However, Building Queensland published business cases where government determined that further information would facilitate stakeholder and community awareness of business case outcomes. To that end, since 2015 Building Queensland published business case analysis for:

- Cross River Rail
- Townsville Eastern Access Rail Corridor Detailed Business Case

- Lower Fitzroy River Infrastructure Project
- Nullinga Dam and Other Options Preliminary Business Case
- Paradise Dam Options Assessment.

Building Queensland's Infrastructure Pipeline Report provided transparency of key government proposals under development. This transparency helped industry stay informed about likely future project commitments as well as provided accountability for the government's investment decisions. Through the publication of seven editions of the Infrastructure Pipeline Reports, 27 unfunded infrastructure priorities received funding across all levels of government and progressed to various stages of procurement and delivery.

BUILDING QUEENSLAND BOARD

The Building Queensland Board set the objectives, strategies and policies to be followed by Building Queensland and ensured the proper, efficient and effective performance of Building Queensland's functions.

The composition of the Board was specified in Division 2 Section 25 of the *Building Queensland Act 2015*. The Board comprised eight members including:

- the chairperson
- four part-time private sector members
- chief executives or delegates of the departments in which the *Auditor-General Act 2009*, *Financial Accountability Act 2009* and *Building Queensland Act 2015* are administered.

Table 2 features Building Queensland Board members and meetings during the reporting period.

Table 2 Board members and meetings during reporting period

BOARD MEMBER	TERM	MEETINGS ATTENDED/ELIGIBLE	APPROVED ANNUAL FEE	APPROVED ANNUAL SUB-COMMITTEE FEE (RISK AND AUDIT COMMITTEE)
Alan Millhouse (Chair)	December 2015 – 2 June 2021	6/6	\$48,000	0
Dr Catherin Bull AM #	December 2015 – 2 June 2021	6/6	\$26,000	\$2,000
Kevin Hegarty OAM #	July 2018 – 2 June 2021	6/6	\$26,000	\$2,500
Lesley Morris	December 2018 – 2 June 2021	6/6	\$26,000	0
Fiona Murdoch	December 2018 – 2 June 2021	6/6	\$26,000	\$2,000
Rachel Hunter >>	April 2018 – 2 June 2021	6/6*	n/a	n/a
Dave Stewart >>	December 2015 – May 2021	5/5*	n/a	n/a
Sarah Amos >>	July 2020 – November 2020	3/3	n/a	n/a
Damien Walker >>	November 2020 – 2 June 2021	3/3*	n/a	n/a
Leon Allen	May 2021 – 2 June 2021	1/1*	n/a	n/a

>> No fees paid to Queensland Government representatives.

*Meeting was attended by Board member or proxy

Risk and Audit Committee

The Risk and Audit Committee provided independent assurance and advice to the Board on risk, control and compliance frameworks, and Building Queensland's external accountability responsibilities as prescribed in the *Financial Accountability Act 2009* and Accounting Policy Standards.

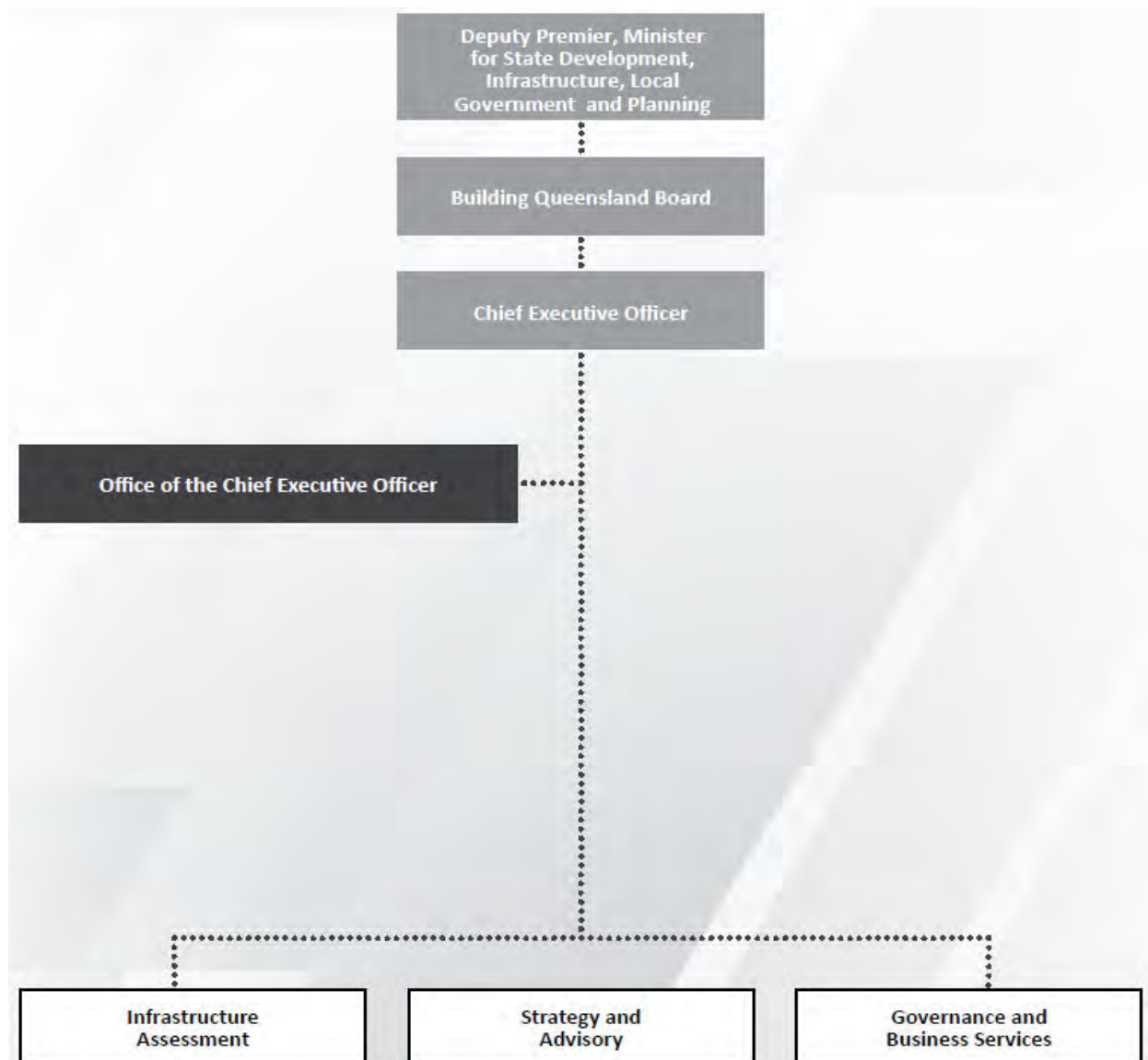
The committee met on three occasions during the reporting period, providing advice and support to the CEO and the Building Queensland Board in the discharge of its responsibilities, in particular, advising on the financial and governance matters of Building Queensland. The committee observed the terms of its charter with due regard to the Audit Committee Guidelines.

The Risk and Audit Committee comprised five Board members — two of whom were government representatives.

RISK AND AUDIT COMMITTEE MEMBER	TERM
Kevin Hegarty OAM	August 2018 – 2 June 2021
Dr Catherin Bull OAM	May 2018 – 2 June 2021
Fiona Murdoch	June 2019 – 2 June 2021
Rachel Hunter >>	April 2018 – August 2020
Maree Parker >>	August 2020 – 2 June 2021

MANAGEMENT AND STRUCTURE

Building Queensland was managed within three groups: Infrastructure Assessment, Strategy and Advisory and Governance and Business Services.



Executive Leadership Team

Building Queensland's Executive Leadership Team consisted of the Chief Executive Officer, Executive Directors of Infrastructure Assessment and Strategy and Advisory, and Group Director of Governance and Business Services. The Executive Leadership Team met regularly to review operations and performance of key strategies. Members also attended Board meetings.

Damian Gould, Chief Executive Officer

Damian was Chief Executive Officer of Building Queensland. Since his appointment in February 2017, Damian was responsible for driving the development of the state's major infrastructure business cases and advising the Queensland Government on emerging infrastructure priorities. Under Damian's leadership Building Queensland engaged extensively across Queensland Government agencies and a broad range of industry stakeholders to drive a rigorous and consistent approach to infrastructure assessment and business case development enhancing processes and capability. Through leading the preparation of more than 30 business cases for the State's key infrastructure projects, a large number of which were funded across all levels of government and are proceeding through procurement and delivery stages, Building Queensland under Damian's leadership contributed to a sustainable pipeline of infrastructure projects for industry enhancing economic, social and environmental outcomes.

Damian brought to the Chief Executive role more than 20 years' experience across the government and infrastructure sectors and a strong track record in the successful planning and delivery of infrastructure projects and programs across all sectors. In his previous positions with the Queensland Government, Damian played a key role in the planning and delivery of the South East Queensland Water Grid. Damian led the Queensland Government procurement process for the Toowoomba Second Range Crossing Project. Damian's other achievements include lead roles in the establishment of flood recovery programs for the Queensland Reconstruction Authority and Toowoomba Regional Council, and leading the procurement of a digitally enabled radio communications network for public safety agencies through the Queensland Government Wireless Network project.

Damian holds Bachelor Degrees in Economics and Law, and has previously been a director of the Infrastructure Association of Queensland.

Liam Gordon, Executive Director, Strategy and Advisory

Liam has more than 20 years' experience in the Queensland Government and infrastructure sectors and has held senior leadership positions focused on infrastructure and major commercial transactions. Recent roles include Executive General Manager, Projects at Queensland Rail, and Deputy Under Treasurer, Economics Group at Queensland Treasury. In other senior roles, Liam has provided leadership and strategic direction across major projects and commercial transactions.

Graeme Garrett, A/Executive Director, Infrastructure Assessment

Graeme has more than 25 years' experience in complex and dynamic project management and executive leadership roles with Queensland Treasury Corporation and Queensland Treasury. With more than 15 years' executive management experience, Graeme has recently performed the roles of Deputy Under Treasurer, Commercial and Project Director for Projects Queensland. As a senior executive with Queensland Treasury,

Graeme was responsible for governance oversight and strategic direction of investment evaluation and procurement of major infrastructure and services.

Ciaran Lowndes, A/Group Director, Governance and Business Services

Ciaran has extensive public sector experience, primarily in finance operating in the UK, New Zealand and Australia. His portfolio of work encompasses leading the development and delivery of financial and governance systems, and financial and other performance reporting across Building Queensland to meet regulatory and legislative requirements.

Workforce

For the period from 1 July 2020 to 2 June 2021 Building Queensland employed 28 people with a permanent staff retention rate of more than 80 per cent.

The repeal of the *Building Queensland Act 2015* on 2 June 2021 resulted in the termination of the Chief Executive Officer's contract of employment. There were no other redundancies relating to the abolishment of Building Queensland or early retirement or retrenchment packages paid during the period.

Specialist contractors and advisors, as well as secondments and interchange agreements from other government departments were utilised for the development of business cases. This model enabled Building Queensland to scale up and down with the volume of infrastructure proposals while obtaining the specialist skills required for different asset classes.

On 6 April 2021, relevant Building Queensland staff commenced undertaking duties under the direction of the department in accordance with an Interchange Agreement. This was in line with the Ministerial direction from the Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning, which directed Building Queensland to work collaboratively with the Department of State Development, Infrastructure, Local Government and Planning in relation to the transition of Building Queensland functions and staff.

Corporate governance

Building Queensland's Corporate Governance Framework ensured the organisation and people were managed in an effective and efficient manner. Building Queensland continued to meet legislative obligations and objectives, whilst individuals adhered to strict professional and ethical standards. The governance framework was underpinned by the Building Queensland Register of Compliance Activities, Enterprise Risk Register, Corporate Policy Register and Register of Audit Findings and Recommendations.

Ethics

Building Queensland's values: people, partnership, quality and independence, underpinned the organisation's activities and complemented the Queensland public service values of: customers first, ideas into action, unleash potential, be courageous and empower people.

Building Queensland employees, contractors and advisors, and anyone engaged in any other capacity for Building Queensland were trained in and adhered to the organisations Code of Conduct and the *Public Sector Ethics Act 1994*, as well as ethics and accountability in conducting procurement activities.

Human rights

Building Queensland reviewed its policies and procedures to ensure alignment with contemporary public sector and community expectations, and to acknowledge the *Human Rights Act 2019*. All Building Queensland employees have attended information sessions on acknowledging human rights in decision-making.

Building Queensland did not receive any complaints under the *Human Rights Act 2019*.

Risk management

Building Queensland maintained an Enterprise Risk Management Framework comprising Risk Appetite Statement, Risk Management Policy, Enterprise Risk Register and Business Continuity Plan. The framework helped to ensure the organisation achieved its strategic objectives and fulfilled its legislative mandate within the *Building Queensland Act 2015*.

Areas of strategic risk management focused on:

- demonstrating expertise and maintaining an objective view to enhance confidence in the government's infrastructure decisions
- efficiently undertaking functions while prioritising resources to maximise value for government and stakeholders
- keeping pace with trends that were influencing the infrastructure sector and incorporating these trends and influences into the organisations expert advice and analysis.

Internal audit

In accordance with section 31 of the *Performance Management Standard 2019*, Building Queensland's Three-year Strategic Internal Audit and Assurance Plan 2019–22 provided the overall strategy for internal audit function, and an audit plan for each year within the plan.

From the Three-year Strategic Internal Audit Plan 2019–22, a detailed annual program was developed and successfully implemented in 2020. The program included reviews of:

- corporate governance of the Board
- Infrastructure Pipeline Report
- Compliance management system
- Assurance Framework

All audit report findings confirmed Building Queensland had strong internal controls and compliance, with no significant omissions or non-compliance identified.

Building Queensland's internal audit function has had due regard to the Audit Committee Guidelines.

External scrutiny

During the reporting period Building Queensland continued to implement the recommendations agreed by Building Queensland from the performance review 'Evaluating Major Infrastructure Projects' 2019–20 released by the Auditor-General on 5 May 2020. The status and progress of implementation for agreed recommendations was reported to the Risk and Audit Committee.

In addition, the Auditor-General conducted its annual audit of Building Queensland's financial statements and control environment.

Information systems and recordkeeping

Building Queensland's information security management system complied with the Queensland Government Enterprise Architecture and Records Governance Policy. Information systems and recordkeeping were managed in accordance with the *Public Records Act 2002* (Qld) and other key information standards and guidelines that formed the Building Queensland Recordkeeping Policy.

Ministerial directions

Under section 19 of the *Building Queensland Act 2015*, the responsible Minister was able to give Building Queensland a written direction about the performance of its functions (a Ministerial direction). On 7 September 2020 Building Queensland received a Ministerial direction from the Treasurer. Under the direction, Building Queensland was to plan for the transition of activities undertaken by Building Queensland. This was Building Queensland's second Ministerial Direction — the first was in June 2017 for Building Queensland to publish the Cross River Rail public report.

Following 31 October 2020 State General Election, Building Queensland received a third Ministerial direction reflecting the latest administrative orders with the staff and functions of Building Queensland to transfer to the Department of State Development, Infrastructure, Local Government and Planning — not Queensland Treasury.

On 6 January 2021, in acknowledgement of the previous Ministerial directions, a further Ministerial direction was received requesting that Building Queensland does not exercise specific functions under the *Building Queensland Act 2015*.

Open data

No Building Queensland staff travelled overseas on official duties during the reporting period. Information regarding Building Queensland's engagement of consultancies is available on the Queensland Government open data website www.data.qld.gov.au.

FINANCIAL PERFORMANCE

Following the Queensland Treasurer's announcement in September 2020 regarding Building Queensland's transition to Queensland Treasury, the November 2020 machinery-of-government changes associated with the Administrative Order (No. 2) 2020 saw ministerial responsibility for Building Queensland allocated to the Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning.

On 27 May 2021 the *Building Queensland Act 2015* was repealed and Building Queensland was abolished effective 2 June 2021.

As a consequence of these changes, the services, assets and liabilities of Building Queensland were transferred to the Department of State Development, Infrastructure, Local Government and Planning on 3 June 2021.

This is, therefore, the final financial report of Building Queensland.

The summary of the financial performance of Building Queensland for the period 1 July 2020 to 2 June 2021 highlights the key financial results together with associated commentary. Tables and graphs have been used to illustrate comparisons between financial years.

Financial summary

The final financial statements included in this Annual Report provide specific information about Building Queensland's activities for the period 1 July 2020 to 2 June 2021 and Building Queensland's final financial position at the end of that period.

The 2020–21 final financial statements were prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* and section 45 of the Financial and Performance Management Standard 2019.

Operating result

Building Queensland's operating result for the reporting period was a surplus of \$2.9 million compared to a budgeted surplus of \$0.7 million. The abolishment of Building Queensland on 2 June 2021 led to a surplus position over an 11-month period relative to the full-year budget.

Total operating expenses were \$12.2 million compared to total revenue of \$15 million, reflecting cost containment as business cases were transitioned from Building Queensland to the responsible government agency.

Summary of operating result

CATEGORY	ACTUAL 2020–21 \$'000	BUDGET 2020–21 \$'000	ACTUAL 2019–20 \$'000
Total income	15,035	17,972	14,397
Total expenditure	12,160	17,258	14,907
Operating result for year	2,875	714	(510)

Income

The main revenue categories are sale of services and grant funding.

SALE OF SERVICES

Building Queensland provides business case development services to Queensland Government agencies. Sale of services represents the value of business case development costs that have been recovered from business case owner agencies. Revenue generated of \$7.3 million (2019–20: \$6.5 million) was lower than the budget of \$10.2 million as a result of the novation of contracts to the owner government agencies.

GRANT FUNDING

Allocated grant funding is provided by the Department of State Development, Infrastructure, Local Government and Planning for the purpose of funding the base corporate operations and strategic objectives of Building Queensland.

Operational grant revenue of \$6.1 million was utilised to support business objectives and strategic outcomes, which was lower than the initial budget of \$7.9 million due to a decrease in expenditure levels arising from the curtailment of activities pending the repeal of the *Building Queensland Act 2015*.

Expenses

CATEGORY	ACTUAL 2020–21 \$'000	BUDGET 2020–21 \$'000	ACTUAL 2019–20 \$'000
Employee expenses	4,420	5,216	4,739
Non-labour	7,737	12,037	10,163
Depreciation	3	5	5
Total expenses	12,160	17,258	14,907

Summary of main expenditure categories:

- Employee expenses were lower than budgeted by \$0.8 million, reflecting 11 months actual expenditure together with savings arising from vacancies.
- Other operating expenses consisting of contractor expenses associated with the development of business cases, were lower than budgeted by \$5.3 million, primarily due to the novation of projects to other government agencies resulting in a decrease in the number of completed business cases.
- Depreciation expenses were lower than the previous year, reflecting the lower asset base.

Summary of financial position

CATEGORY	ACTUAL 2020–21 \$'000	ACTUAL 2019–20 \$'000
Total assets	6,858	5,654
Total liabilities	116	1,787
Total equity	6,742	3,867
Cash	6,440	4,766

Current assets were \$6.9 million compared to current liabilities of \$0.1 million. Current liabilities were negligible due to the novation of all business cases to owner agencies prior to balance date. The cash balance as at 30 June 2021 was \$6.4 million (2020: \$4.8 million) arising from prudent working capital management and proactive payment of invoices prior to balance date.

COMPLIANCE CHECKLIST

SUMMARY OF REQUIREMENT	BASIS FOR REQUIREMENT	BASIS FOR REQUIREMENT	ANNUAL REPORT REFERENCE
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister	ARRs—section 7	p. 3
	Table of contents	ARRS—section 9.1	p. 2
	Public availability	ARRs—section 9.2	Inside front cover
	Interpreter service statement	Queensland Government Language Services Policy ARRs—section 9.4	Inside front cover
	Copyright notice	Copyright Act 1968 ARRs—section 9.4	Inside front cover
	Information licensing	QGEA—Information Licensing ARRs—section 9.5	Inside front cover
General information	Introductory information	ARRs—section 10.1	p. 5
	Machinery-of-government changes	ARRs—section 10.2, 31 and 32	p. 7
	Agency role and main functions	ARRs—section 10.2	p. 6
	Operating environment	ARRs—section 10.3	p. 7
Non-financial	Government's objectives for the community	ARRs—section 11.1	p. 7
	Other whole-of-government plans/specific initiatives	ARRs—section 11.2	p. 6
	Agency objectives and performance indicators	ARRs—section 11.3	p. 8
	Agency service areas and service standards	ARRs—section 11.4	n/a
Financial performance	Summary financial performance	ARRs—section 12.1	p. 21

SUMMARY OF REQUIREMENT	BASIS FOR REQUIREMENT	BASIS FOR REQUIREMENT	ANNUAL REPORT REFERENCE
Governance — management and structure	Organisational structure	ARRs—section 13.1	p. 16
	Executive management	ARRs—section 13.2	p. 17
	Government bodies (statutory bodies and other entities)	ARRs—section 13.3	p. 14
	Public sector ethics	Public Sector Ethics Act 1994 ARRs—section 13.4	p. 18
	Queensland public service values	ARRs—section 13.5	p. 18
Governance — risk management and accountability	Risk management	ARRs—section 14.1	p. 19
	Audit committee	ARRs—section 14.2	p. 15
	Internal audit	ARRs—section 14.3	p. 19
	External scrutiny	ARRs—section 14.4	p. 20
	Information systems and recordkeeping	ARRs—section 14.5	p. 20
Governance — human resources	Strategic workforce planning and performance	ARRs—section 15.1	p. 18
	Early retirement, redundancy and retrenchment	Directive No.04/18 Early Retirement, Redundancy and Retrenchment ARRs—section 15.2	p. 18
Open data	Statement advising publication of information	ARRs—section 16	p. 20
	Consultancies	ARRs—section 33.1	p. 20
	Overseas travel	ARRs—section 33.2	p. 20
	Queensland Language Services Policy	ARRs—section 33.3	n/a
Financial statements	Certification of financial statements	FAA—section 62 FPMS—sections 42, 43 and 50 ARRs—section 17.1	Part B
	Independent Auditor's Report	FAA—section 62 FPMS—section 50 ARRs—section 17.2	Part B: p. 26

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



Building Queensland Final Financial Statements

for the period ended 2 June 2021

Building Queensland Final Financial Statements for the period ended 2 June 2021

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Building Queensland

Final Statement of Comprehensive Income for the period ended 2 June 2021

		2021	2020
	Notes	\$'000	\$'000
Income from Operations			
Revenue from contracts with customers	2	7,270	6,510
Grants and contributions	3	7,705	7,785
Interest income		59	100
Other income		1	2
		<hr/>	<hr/>
Total Revenue		15,035	14,397
		<hr/>	<hr/>
Total Income from Operations		15,035	14,397
		<hr/>	<hr/>
Expenses from Operations			
Supplies and services	5	7,574	10,046
Employee expenses	4	4,420	4,739
Other expenses	6	163	117
Depreciation		3	5
		<hr/>	<hr/>
Total Expenses from Operations		12,160	14,907
		<hr/>	<hr/>
Operating Result from Operations		2,875	(510)
		<hr/>	<hr/>
Other Comprehensive Income		-	-
		<hr/>	<hr/>
Total Comprehensive Income		2,875	(510)
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

Building Queensland

Final Statement of Financial Position as at 2 June 2021

		2021	2020
	Notes	\$'000	\$'000
Current Assets			
Cash and cash equivalents	7	6,440	4,766
Receivables	8	368	795
Other current assets		50	90
Total Current Assets		6,858	5,651
Non-Current Assets			
Plant and equipment		-	3
Total Non-Current Assets		-	3
Total Assets		6,858	5,654
Current Liabilities			
Payables	9	87	1,565
Accrued employee benefits	10	29	222
Total Current Liabilities		116	1,787
Total Liabilities		116	1,787
Net Assets		6,742	3,867
Equity			
Accumulated surplus		6,742	3,867
Total Equity		6,742	3,867

The accompanying notes form part of these financial statements.

Building Queensland
Final Statement of Changes in Equity
for the period ended 2 June 2021

	Accumulated Surplus \$'000
Balance as at 1 July 2019	4,377
Operating result from operations	(510)
	<hr/>
Balance as at 30 June 2020	3,867
	<hr/>
Balance as at 1 July 2020	3,867
Operating result from operations	2,875
	<hr/>
Balance as at 2 June 2021	6,742
	<hr/>

The accompanying notes form part of these financial statements.

Building Queensland

Final Statement of Cash Flows for the period ended 2 June 2021

	2021	2020
	\$'000	\$'000
Cash flows from operating activities		
<i>Inflows:</i>		
Grants and other contributions	7,705	7,785
Revenue from contracts with customers	7,703	8,882
Funds received - National Water Infrastructure Development Fund	-	3,500
GST collected from customers	693	980
GST input tax credits from ATO	946	1,435
Interest receipts	59	100
Other	1	2
<i>Outflows:</i>		
Employee expenses	(4,639)	(4,622)
Supplies and services	(9,012)	(10,245)
Payment for National Water Infrastructure Development Fund	-	(3,500)
GST paid to suppliers	(892)	(1,337)
GST remitted to ATO	(727)	(1,088)
Other	(163)	(117)
Net cash used in operating activities	1,674	1,775
Net increase in cash and cash equivalents held	1,674	1,775
Cash and cash equivalents at beginning of financial year	4,766	2,991
Cash and cash equivalents at end of financial year	6,440	4,766
Reconciliation of Operating Result to Net Cash from Operating Activities		
Operating surplus/(deficit)	2,875	(510)
Depreciation expense	3	5
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	427	2,428
(Increase)/decrease in other current assets	40	(56)
Increase/(decrease) accounts payable	(1,478)	(79)
Increase/(decrease) in accrued employee benefits	(193)	51
Increase/(decrease) in lease liabilities	-	(64)
Net cash provided by Operating Activities	1,674	1,775

The accompanying notes form part of these financial statements.

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

	Basis of Financial Statement Preparation
Note 1:	Objectives and principal activities of Building Queensland
Note 2:	Revenue from contracts with customers
Note 3:	Grants and contributions
Note 4:	Employee expenses
Note 5:	Supplies and services
Note 6:	Other expenses
Note 7:	Cash and cash equivalents
Note 8:	Receivables
Note 9:	Payables
Note 10:	Accrued employee benefits
Note 11:	Financial risk disclosures
Note 12:	Contingencies
Note 13:	Key management personnel (KMP) disclosures
Note 14:	Related party transactions
Note 15:	First year application of new accounting standards or change in accounting policy
Note 16:	Taxation
Note 17:	Accounting estimates and judgements
Note 18:	Events after the balance date
Note 19:	Climate risk disclosure
Note 20:	Transfer of net assets to Department of State Development, Infrastructure, Local Government and Planning on 3 June 2021

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

Basis of Financial Statement Preparation

Abolishment of Building Queensland

Building Queensland was a statutory body established on 3 December 2015 under the *Building Queensland Act 2015* to provide the Queensland Government with independent, expert advice on major infrastructure. Building Queensland worked with all departments, government owned corporations and statutory authorities to guide better infrastructure decision making.

On 7 September 2020, the Queensland Government announced plans to transfer the functions and staff of Building Queensland to Queensland Treasury. This announcement was supported by a Ministerial direction under the *Building Queensland Act 2015* to immediately prepare for the transition.

Following the Queensland election held on 31 October 2020, the Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning was appointed as the Minister responsible for the *Building Queensland Act 2015*. On 26 November 2020 the Deputy Premier issued a Ministerial direction requesting Building Queensland work with the Department of State Development, Infrastructure, Local Government and Planning to transition Building Queensland functions and staff to the department.

The *Building Queensland Act 2015* was repealed and Building Queensland was abolished effective 2 June 2021. As a consequence of these changes the services, assets and liabilities of Building Queensland were transferred to the Department of State Development, Infrastructure, Local Government and Planning on 3 June 2021.

As a result of the dissolution of Building Queensland, it is no longer a going concern. While it is not a going concern, these final financial statements have been prepared consistent with the going concern basis reflecting that the assets and liabilities are to be returned to the State and held by the Department of State Development, Infrastructure, Local Government and Planning, at the values recorded in the books of Building Queensland immediately before transfer.

General Information

This is the final financial report of Building Queensland incorporating the final financial statements and covers the operations until their cessation on 2 June 2021. Building Queensland had no controlled entities at the time of its abolishment.

Principal Place of Business

The head office and principal place of business of Building Queensland is Level 30, 12 Creek Street, Brisbane QLD 4000. A description of the nature of Building Queensland's operations and its principal activities is included in the Notes to and forming part of the final financial statements.

Compliance with Prescribed Requirements

Building Queensland has prepared these final financial statements in compliance with section 45 of the *Financial and Performance Management Standard 2019*. The final financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting period beginning on or after 1 July 2020.

Building Queensland was a not-for-profit entity and these general purpose final 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 have been applied in these financial statements, refer to Note 15 for further detail.

Presentation

Currency and Rounding

Amounts included in the final 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.

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Final Statement of Financial Position and associated notes. This is consistent with the adoption of the going concern basis given the assets and liabilities are being transferred to the Department of State Development, Infrastructure, Local Government and Planning.

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 Building Queensland 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.

Budgetary Reporting

Building Queensland is not required to publish budgetary reporting disclosures under AASB 1055 *Budgetary Reporting* and the Queensland Treasury Financial Reporting Requirements.

Building Queensland's annual budget was not published within the state's service delivery statements and the balances reported therein do not constitute a set of budgeted statements.

Corporate Administration Agency

The Corporate Administration Agency (CAA) provided Building Queensland with corporate services under the 'Shared Services Provider' model. The fees and terms of the services are agreed through a Service Level Agreement, negotiated triennially and include:

- Financial services
- Human resources, recruitment, administration and payroll
- Information systems and support

Authorisation of financial statements for issue

The final financial statements are authorised for issue by the Director-General and Chief Financial Officer of the Department of State Development, Infrastructure, Local Government and Planning at the date of signing the Management Certificate.

Basis of Measurement

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

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

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

1. Objectives and principal activities of Building Queensland

During the reporting period Building Queensland was a statutory body providing independent, expert advice on major infrastructure. Established under the *Building Queensland Act 2015*, Building Queensland's vision was to enhance infrastructure outcomes for Queensland through robust advice and industry leading

As part of the Machinery of Government changes effective 12 November 2020, Building Queensland transitioned the functions and staff of Building Queensland to the Department of State Development, Infrastructure, Local Government and Planning. The transfer further streamlines investment assessment and assurance functions and enhances capability to plan and deliver the government's infrastructure program.

Working closely with Queensland Government agencies, including departments, government-owned corporations, and nominated statutory authorities, Building Queensland led the development of detailed business cases for projects with an estimated capital cost of delivery of \$100 million or more and assisted with those between \$50 and \$100 million. This threshold was higher for road transport projects with Building Queensland leading detailed business cases for projects over \$500 million that are not toll roads. Working across all asset classes, Building Queensland also provided advice in the early stages of proposal development.

The structural reform within the Department of State Development, Infrastructure, Local Government and Planning meant a change in functional focus from leading the preparation of business cases on behalf of government agencies and identifying infrastructure priorities to assisting agencies to progress infrastructure proposals, including providing an assurance role for government. The integration of Building Queensland into the department will provide an opportunity for the government to take a more strategic and coordinated approach to the capital program with an overlay of whole-of-government priorities while continuing to support the development of robust, high quality infrastructure proposals.

All infrastructure proposals led by Building Queensland were developed under the organisation's Business Case Development Framework. The framework ensured a consistent and rigorous approach to proposed development. Working collaboratively with agencies, Building Queensland committed to enhancing expertise across government in the development of rigorous business cases and raising awareness of issues relevant to the infrastructure sector.

Building Queensland contributed to the implementation of Queensland's Economic Recovery Plan and worked to protect Queenslanders and save lives, to Unite & Recover for Queensland jobs.

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

	2021 \$'000	2020 \$'000
2. Revenue from contracts with customers		
Sale of services	7,270	6,510
Total	7,270	6,510

Accounting Policy - Sale of services

Building Queensland provided business case development services to Queensland Government agencies. Agencies receive and consume benefits over the service delivery period. Building Queensland did not recognise any Contract Assets, it recognised revenue progressively as the services were provided each month which represents Building Queensland's right to consideration for services rendered.

	2021 \$'000	2020 \$'000
3. Grants and contributions		
Grants	7,705	7,785
Total	7,705	7,785

Accounting Policy - Grants and contributions

Building Queensland received \$7.705 million in 2020-21 from the Department of Tourism, Innovation and Sport (formerly the Department of State Development, Tourism and Innovation). The funding has been recognised as revenue on receipt as Building Queensland's obligations are not enforceable and sufficiently specific. The terms of the funding are that it must be used to fund the operations and strategic objectives of Building Queensland. Building Queensland has discretion as to the nature, quantity and timing of operational and strategic activities.

4. Employee expenses

	2021 \$'000	2020 \$'000
Employee benefits		
Wages and salaries	3,406	3,600
Employer superannuation contributions	427	450
Annual leave levy	275	358
Long service leave levy	82	87
Other employee benefits	9	16
Employee related expenses		
Workers' compensation premium	8	11
Payroll tax expense	172	169
Other employee related expenses	41	48
Total	4,420	4,739

	2021 No.	2020 No.
Full-time equivalent employees	28	29

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

4. Employee expenses (cont'd)

Accounting Policy - Wages and Salaries

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

Accounting Policy - Sick Leave

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. Accordingly, no liability for unused sick leave entitlements was recognised. As sick leave is non-vesting, an expense was recognised for this leave as it was taken.

Accounting Policy - Annual Leave

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

Accounting Policy - Long Service Leave

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

Accounting Policy - 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 Building Queensland at the specified rate following completion of the employee's service each pay period. Building Queensland's obligations are limited to those contributions paid.

Accounting Policy - Workers' Compensation Premiums

Building Queensland 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 13.

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

	2021	2020
	\$'000	\$'000
5. Supplies and services		
Consultants and contractors	6,294	8,443
Office accommodation	680	691
Corporate service charges	356	476
Other	244	436
Total	7,574	10,046

Disclosure - Office accommodation

The Department of Energy and Public Works (DEPW) provides Building Queensland with access to office accommodation under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because DEPW has substantive substitution rights over the asset.

6. Other expenses		
Queensland Audit Office - external audit fees for the audit of financial statements	61	32
Insurance (excluding QGIF)	99	73
Insurance Premiums - QGIF	3	4
Sponsorships	-	8
Total	163	117

Total audit fees quoted by the Queensland Audit Office relating to the 2020-21 final financial statements is \$41,000 (2020: \$41,000). There are no non-audit services included in this amount.

7. Cash and cash equivalents		
Cash at bank	6,440	4,766
Total	6,440	4,766

Accounting Policy

For the purposes of the Final Statement of Financial Position and the Final Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 2 June 2021.

Disclosure - Bank Overdraft Facility

In 2019, Building Queensland obtained approval from the Under Treasurer to operate a \$3 million Queensland Treasury Corporation (QTC) Working Capital Facility under section 12 of the *Statutory Bodies Financial Arrangements Act 1982 (SBFA Act)*. The overdraft provided Building Queensland with the flexibility to mitigate short-term cash flow issues generated by the requirement to fund business case development costs prior to recovery of relevant costs from government agencies. Building Queensland did not utilise the facility, which was subsequently closed on 22 April 2021.

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

	2021 \$'000	2020 \$'000
8. Receivables		
Accrued revenue	-	165
Trade debtors	302	570
	<hr/>	<hr/>
	302	735
GST receivable	(29)	25
GST payable	50	16
	<hr/>	<hr/>
	21	41
Annual leave reimbursements	45	19
	<hr/>	<hr/>
	45	19
	<hr/>	<hr/>
Total	368	795

Accounting policy - Receivables

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

Accruals are recognised once the outcome of a transaction involving the rendering of services can be measured reliably. This occurs once a service has been rendered by the external vendors but not invoiced yet. The outcome of a transaction can be estimated reliably when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to Building Queensland.

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 14 days from invoice date as standard payment terms. 30 day settlement terms are offered to a limited number of agencies. The extended payment terms are offered at management discretion.

Disclosure - Receivables

The closing balance of receivables arising from contracts with customers at 2 June 2021 is \$302,000 (1 July 2020: \$735,000).

Accounting policy - Impairment of receivables

The loss allowance for trade and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting Building Queensland's debtors, and relevant industry data form part of Building Queensland's impairment assessment.

Building Queensland's trade debtors are from Queensland Government agencies or Australian Government agencies. No loss allowance is recorded for these receivables on the basis of materiality. In the context of the COVID-19 pandemic, Building Queensland was not impacted by events arising during these unprecedented times. Refer to Note 11 for Building Queensland's credit risk management policies.

Where Building Queensland has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when the debt is over 90 days past due and Building Queensland has ceased enforcement activity. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Building Queensland did not incur any impairment loss for receivables as at 2 June 2021 (2020: Nil).

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

8. Receivables (cont'd)

Disclosure - Credit Risk Exposure of Receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to Building Queensland's receivables.

Set out below is the credit risk exposure on Building Queensland's trade debtors broken down by aging band.

Impairment Group - Receivables from Sale of Services

Ageing	Gross receivables \$'000	2021	Expected credit losses \$'000	Gross receivables \$'000	2020	Carrying amount \$'000
		Loss rate %			Impairment allowance \$'000	
Current	70	-	-	428	-	-
1 to 30 days overdue	232	-	-	142	-	-
31 to 60 days overdue	-	-	-	-	-	-
61 to 90 days overdue	-	-	-	-	-	-
> 90 days overdue	-	-	-	-	-	-
Total	302	-	-	570	-	-

Disclosure - Movement in loss allowance for trade and other debtors

Nil loss allowance has been recognised as at 2 June 2021 (2020: Nil)

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

	2021	2020
	\$'000	\$'000
9. Payables		
Accrued expenses	61	1,398
Trade creditors	5	146
Payroll tax	21	21
Total	87	1,565

Accounting Policy - Accrued expenses

Accrued expenses are recognised upon receipt of goods or services and is measured at the nominal amount, i.e., value of the invoice received or the consultant's unbilled work-in-progress at the end of the reporting period. This is gross of applicable trade and other discounts.

Accounting Policy - Trade creditors

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

	2021	2020
	\$'000	\$'000
10. Accrued employee benefits		
<i>Current</i>		
Wages outstanding	-	97
Annual leave levy payable	15	90
Long service leave levy payable	14	23
Superannuation	-	12
Total	29	222

Accounting policy - Accrued employee benefits

No provision for annual leave or long service leave is recognised in Building Queensland'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*.

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

11. Financial risk disclosures

Financial instrument categories

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

Category	Note	2021 \$'000	2020 \$'000
Financial assets			
Cash and cash equivalents	7	6,440	4,766
Receivables	8	368	795
Total Financial assets		6,808	5,561
Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	9	87	1,565
Total Financial liabilities at amortised cost		87	1,565

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

Financial risk management

(a) Risk exposure

Financial risk management is implemented pursuant to Government and Building Queensland policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of Building Queensland. All financial risks were managed by the Governance and Business Services Group under policies approved by Building Queensland. Building Queensland had a comprehensive corporate risk register and appropriate risk treatments, as well as policies covering specific areas.

Building Queensland's activities exposed it to a variety of financial risks as set out in the following table:

Risk Exposure	Definition	Exposure
Credit Risk	The risk that Building Queensland may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	Building Queensland was exposed to credit risk in respect of its receivables (Note 8).
Liquidity Risk	The risk that Building Queensland may encounter difficulty in meeting its financial obligations that are settled by delivering cash or another financial asset.	Building Queensland was exposed to liquidity risk in respect of its payables (Note 9).
Market Risk	The risk that the fair value of 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. <i>Interest rate risk</i> is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.	Building Queensland did not trade in foreign currency and was not exposed to commodity price changes or other market changes. Building Queensland was not materially exposed to interest rate risk through its cash deposited in interest bearing accounts.

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

11. Financial risk disclosures (cont'd)

(b) Risk Measurement and Management Strategies

Building Queensland measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement method	Risk Management Strategy
Credit Risk	Ageing analysis	Building Queensland managed credit risk through monitoring the collectability of receivables and took action on ageing receivables. Exposure to credit risk was monitored on an ongoing basis.
Liquidity Risk	Sensitivity analysis	Building Queensland managed liquidity risk through the monitoring of payables. This strategy aimed to reduce the exposure to liquidity risk by ensuring there were sufficient funds available to meet employee and supplier obligations as they fell due. The majority of liabilities are current with payment terms no greater than 30 days.
Market Risk	Interest rate sensitivity analysis	Building Queensland was not sensitive to interest rate risk.

(c) Credit Risk Disclosures

Credit risk management practices

Building Queensland considers financial assets that are over 30 days past due to have significantly increased in credit risk, and measures the loss allowance of such assets at lifetime expected credit losses instead of 12-month expected credit losses. The exception is trade receivables (Note 8), for which the loss allowance is always measured at lifetime expected credit losses.

All financial assets with counterparties that have a credit rating of at least AA by Standard and Poor's (S&P) are considered to have low credit risk. This includes receivables from other Queensland Government agencies and Australian Government agencies. Building Queensland assumes that credit risk has not increased significantly for these low credit risk assets and has not materially changed due to COVID-19.

Building Queensland typically considers a financial asset to be in default when it becomes 90 days past due. However, a financial asset can be in default before that point if information indicates that Building Queensland is unlikely to receive the outstanding amounts in full. Building Queensland's assessment of default does not take into account any collateral or other credit enhancements.

12. Contingencies

As at 2 June 2021, there are no material contingencies that are known to Building Queensland.

13. Key management personnel (KMP) disclosures

Details of key management personnel

The Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning became Building Queensland's responsible Minister on 12 November 2020, as a result of Machinery of Government (MOG) changes. The responsible Minister before this date, was the Treasurer, Minister for Infrastructure and Planning.

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

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

The following details for non-ministerial key management personnel reflect those positions that had authority and responsibility for planning, directing and controlling the activities of Building Queensland during 2020-21.

Position	Position Responsibility
Chief Executive Officer (CEO)	Responsible for the day-to-day administration of Building Queensland and is accountable to the Board.
Executive Director - Infrastructure Assessment	Responsible for leading the activities of the Infrastructure Assessment team including the development of business cases and assisting agencies with options assessment for major infrastructure proposals. The Executive Director also provides strategic direction in leading key deliverables for Building Queensland.
Executive Director - Strategy and Advisory	Responsible for leading the activities of the Strategy and Advisory team including technical advice to support the development of business cases and maintenance of the Business Case Development Framework. The Executive Director also provides strategic direction in leading key deliverables for Building Queensland.
Group Director, Governance and Business Services	Responsible for the management of corporate services (including finance, HR, procurement, IT, contracts) and is accountable to the CEO.
Chair	Leading and directing the activities of the Board to ensure the Board performs its functions appropriately.
Board members	Responsible for the governance and strategic direction of Building Queensland while ensuring it is responsive to stakeholder priorities.

KMP Remuneration Policies

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

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

Remuneration expenses for those KMP comprise the following components:

Short term employee expenses, including:

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

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

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

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

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

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

Remuneration expenses

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

2020-21

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer ¹ (ceased on 2 June 2021)	325	4	41	23	159	552
Executive Director, Infrastructure Assessment (ceased on 2 June 2021)	200	4	5	21	-	230
Executive Director, Strategy and Advisory ² (ceased on 23 April 2021)	157	4	4	18	-	183
Group Director, Governance & Business Services (ceased on 2 June 2021)	147	-	3	17	-	167
Chair ³ (ceased on 2 June 2021)	48	4	-	4	-	56
Director ³ (ceased on 2 June 2021)	28	-	-	3	-	31
Director ³ (ceased on 2 June 2021)	28	-	-	3	-	31
Director ³ (ceased on 2 June 2021)	28	-	-	2	-	30
Director ³ (ceased on 2 June 2021)	26	-	-	2	-	28
Total Remuneration	987	16	53	93	159	1,308

¹ Contract of employment terminated on abolishment of Building Queensland. A separation payment was payable in accordance with CEO contract of employment.

² Incumbent resigned from Building Queensland on 23 April 2021 and transferred to Queensland Treasury.

³ The terms of appointment of the non-permanent (non-government) board members were terminated on abolishment.

The composition of the Board comprised eight members consisting of five external members (noted in the Table above) and three internal delegates representing other government departments. The government representatives were Rachel Hunter – Queensland Treasury (July 2020 - June 2021), Dave Stewart – Department of Premier and Cabinet (July 2020 – May 2021), Damien Walker – Department of State Development, Infrastructure, Local Government and Planning (November 2020 – June 2021), who replaced Sarah Amos – Queensland Treasury (July 2020 – November 2020). The aforementioned Board members were not remunerated for their Board roles by Building Queensland but were instead remunerated in their substantive roles by the relevant government

Performance Payments

No KMP remunerate packages provided for performance or bonus payments.

Building Queensland

Notes to and forming part of the final financial statements
for the period ended 2 June 2021

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

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
Chief Executive Officer	358	4	8	26	-	396
Chief Executive Officer (Relieving) (from 2/1/20 to 31/1/20) ¹	26	-	1	2	-	29
Executive Director, Infrastructure Assessment (from 1/7/19 to 6/9/19) ²	35	2	1	5	-	43
Executive Director, Infrastructure Assessment (from 9/9/19 to 30/6/20) ²	152	2	4	16	-	174
Executive Director, Strategy and Advisory ³	204	2	5	21	-	232
Group Director, Governance & Business Services (from 1/7/19 to 13/9/19) ⁴	30	2	1	4	-	37
Group Director, Governance & Business Services (from 16/9/19 to 30/6/20) ⁴	122	-	3	13	-	138
Chair	50	4	-	5	-	59
Director	29	-	-	3	-	32
Director	30	-	-	3	-	33
Director	29	-	-	3	-	32
Director	27	-	-	3	-	30
Total Remuneration	1,092	16	23	104	-	1,235

¹ Temporary relieving period while the incumbent was on annual leave.

² Incumbent on secondment post 6/9/2019. Acting Executive Director, Infrastructure Assessment commenced in a relieving capacity on 9/9/2019.

³ Incumbent appointed on 17/6/2019 in a newly created position on a 5-year contract.

⁴ Incumbent on secondment post 13/9/2019. Acting Group Director, Governance and Business Services commenced in a relieving capacity on 16/9/2019.

The composition of the Board comprised eight members consisting of five external members (noted in the Table above) and three internal delegates representing other government departments. The government representatives were Rachel Hunter – State Development, Manufacturing, Infrastructure and Planning, Dave Stewart – Department of Premier and Cabinet, and Frankie Carroll – Queensland Treasury. The aforementioned Board members were not remunerated for their Board roles by Building Queensland but were instead remunerated in their substantive roles by the relevant government departments.

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

14. Related party transactions

Transactions with people/entities related to KMP

There have been no transactions with related parties to disclose for 2020-21, that affected the operational result and/or financial position.

Transactions with other Queensland Government-controlled entities

Building Queensland transacted with other Queensland Government-controlled entities in the conduct of its day-to-day business operations under normal terms and conditions, including the payment of workers compensation and insurance premiums. Building Queensland received its grant revenue from the Department of State Development, Infrastructure, Local Government and Planning and corporate service support relating to Ethics and Integrity, and Geographic Information Systems services.

The Corporate Administration Agency provided Building Queensland with corporate business services and technology solutions to support finance and human resources transactions.

Building Queensland derived revenue from the provision of business case advice and preparation services, charged on a cost recovery basis.

Where transactions with other Queensland Government controlled entities were considered individually significant or material, they have been identified below.

Revenue			
Agency	Nature	2021 \$'000	2020 \$'000
Department of Transport & Main Roads	Cost recovery for Business Case development	545	1,138
Sunwater Ltd	Cost recovery for Business Case development	2,125	964
Metro South Hospital & Health Service	Cost recovery for Business Case development	-	171
Department of Housing, Communities and Digital Economy	Cost recovery for Business Case development	-	478
Darling Downs Hospital & Health Service	Cost recovery for Business Case development	1,073	2,036
Department of Resources	Cost recovery for Business Case development	-	27
West Moreton Health	Cost recovery for Business Case development	-	66
Wide Bay Hospital & Health Service	Cost recovery for Business Case development	1,376	466
Queensland Electricity Transmission Corporation Limited	Cost recovery for Business Case development	-	13
SEQWater	Cost recovery for Business Case development	1,189	553
Department of Children, Youth Justice, and Multicultural Affairs	Cost recovery for Business Case development	-	1,446
Department of Premier & Cabinet	Cost recovery for Business Case development	-	206
Gladstone Area Water Board	Cost recovery for Business Case development	1,098	-
Metro North Hospital & Health Service	Cost recovery for Business Case development	29	-

Expenses			
Department of Energy and Public	Office Accommodation	687	761
Corporate Administration Agency	Corporate services provider and technology solutions	394	537
Department of Tourism, Innovation and Sports	Ethics and integrity services, Geographic Information Systems, Right to Information and Information Privacy	1	7
Department of Environment and Science	Peer Review Services	10	-
Department of Health	Peer Review Services	26	-

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

The table below records 2019-20 National Water Infrastructure Development Fund cashflows (incl GST) for the Nullinga Dam Mareeba Water Supply Scheme Detailed Business Case. There were no cashflows to disclose in 2020-21.

NWIDF Funds Received		
Agency	2021 \$'000	2020 \$'000
Department of Resources	-	3,850
NWIDF Funds Disbursed		
Agency	2021 \$'000	2020 \$'000
Sunwater Ltd	-	3,850

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

15. First year application of new accounting standards or change in accounting policy

Accounting standards applied for the first time

The new accounting standard AASB 1059 Service Concession Arrangements has not impacted on Building Queensland during the reporting period. Building Queensland is not party to any service concession arrangements.

AASB 1059 defines service concession arrangements and uses a control approach to assess which arrangements are within scope. For an arrangement to be a service concession arrangement under AASB 1059, the operator must be providing public services on behalf of the grantor and be managing at least some of those public services under its own discretion rather than at the direction of the grantor.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2020-21.

16. Taxation

Building Queensland was a State body as defined under the *Income Tax Assessment Act 1936* and was exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by Building Queensland. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note 8).

17. Accounting estimates and judgements

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

18. Events after the balance date

The *Building Queensland Act 2015* was repealed as a result of the *Debt Reduction and Savings Act 2021*, which came into effect on 2 June 2021. This gave effect to the government's decision to abolish Building Queensland and the Building Queensland Board and to integrate Building Queensland's functions, staff, assets and resources into the Department of State Development, Infrastructure, Local Government and Planning. Post 2 June 2021, the assets and liabilities of Building Queensland became assets and liabilities of the State held by Department of State Development, Infrastructure, Local Government and Planning. These are the final financial statements of Building Queensland. There were no other significant events occurring after balance date.

19. Climate risk disclosure

Current Risk Assessment

Building Queensland constantly monitors the emergence of climate risk under the Queensland Government's Climate Transition Strategy. Building Queensland has not identified any material climate related risks relevant to the financial report at the reporting date.

Current Year Impacts

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

Building Queensland

Notes to and forming part of the final financial statements for the period ended 2 June 2021

20. Transfer of net assets to Department of State Development, Infrastructure, Local Government and Planning on 3 June 2021

As a result of the Debt Reduction and Savings Bill 2021 passed on 2 June 2021, the *Building Queensland Act 2015* was repealed as at that date. Building Queensland was abolished effective 2 June 2021 and the following amounts were transferred for nil consideration to the Department of State Development, Infrastructure, Local Government and Planning on 3 June 2021. The book values of the net assets recorded in Building Queensland were recognised as revenue in the Department of State Development, Infrastructure, Local Government and Planning as per accounting requirements.

	\$'000
Current Assets	
Cash and cash equivalents	6,440
Receivables	368
Other current assets	50
	<hr/>
Total Current Assets	6,858
	<hr/>
Total Assets	6,858
	<hr/>
Current Liabilities	
Payables	87
Accrued employee benefits	29
	<hr/>
Total Current Liabilities	116
	<hr/>
Total Liabilities	116
	<hr/>
Net Assets	6,742
	<hr/>
Equity	
Accumulated surplus	6,742
	<hr/>
Total Equity	6,742
	<hr/>

**Management Certificate
of Building Queensland
for the period ended 2 June 2021**

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 45 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:

- (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 Building Queensland for the financial period ended 2 June 2021 and of the financial position of the entity at the end of that period.

We acknowledge 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 financial year.



Damien Walker
Director-General
Department of State Development,
Infrastructure, Local Government and Planning

Date: 30/8/2021



Chris Breitzkreuz, FCPA
Executive Director and CFO
Department of State Development,
Infrastructure, Local Government and Planning

Date: 30/8/21

INDEPENDENT AUDITOR'S REPORT

To the former Minister of Building Queensland

Report on the audit of the final financial report

Opinion

I have audited the accompanying financial report of Building Queensland.

In my opinion, the final financial report:

- a) gives a true and fair view of the entity's financial position as at 2 June 2021, and its financial performance and cash flows for the final period 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 final statement of financial position as at 2 June 2021, the final statement of comprehensive income, final statement of changes in equity and final statement of cash flows for the period then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

I am independent of the entity 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 – Dissolution of Building Queensland

I draw attention to the basis of financial statement preparation note to the financial report, which discloses that Building Queensland was dissolved on 2 June 2021 and all assets and liabilities of the statutory body as at the date of dissolution were transferred to the Department of State Development, Infrastructure, Local Government and Planning. Accordingly, this final financial report has been prepared on a basis consistent with the going concern basis. My opinion is not modified in respect of this matter.

Responsibilities of the entity for the final financial report

The former Board 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 former Board 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 Board is also responsible for assessing the entity'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 entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the final 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 entity'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 entity.
- Conclude on the appropriateness of the entity'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 entity'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 entity 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 former Board 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.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the period ended 2 June 2021:

- 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 entity's transactions and account balances to enable the preparation of a true and fair financial report.



Bhavik Deoji
as delegate of the Auditor-General

31 August 2021

Queensland Audit Office
Brisbane