

A large, light gray, stylized letter 'Q' that serves as a background graphic for the cover. It is centered and occupies most of the page.

2019–2020 ANNUAL REPORT



Department of Education

Annual Report 2019–20

Acknowledgement of Country

The Department of Education acknowledges the First Nations Australians of all the countries we work upon in Queensland. We value the unique contributions of Aboriginal people and of Torres Strait Islander people, acknowledge their ongoing connection to lands, skies, seas and waterways across the state and thank them for their continuing custodianship.

A better understanding and respect for Aboriginal and Torres Strait Islander cultures develops an enriched appreciation of Australia's cultural heritage and can lead to reconciliation. This is essential to the maturity of Australia as a nation and fundamental to the development of an Australian identity.

We are committed to delivering aspirational, educational, economic and social outcomes for Aboriginal and Torres Strait Islander peoples. We all have a role in creating workplaces, schools and communities that value, support and uphold the rights and aspirations of Aboriginal and Torres Strait Islander peoples.

About the annual report

This annual report provides information about the Department of Education's financial and corporate performance for 2019–20. The annual report plays an important role in fulfilling the department's commitment to accountability and transparency.

The annual report refers to the department's *Strategic Plan 2019–2023* which communicates the important role our employees and partners play in preparing Queenslanders with the knowledge, skills and confidence to participate successfully in the community and the economy.

Interpreter services

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



Providing feedback

We continually strive to meet best practice reporting standards and value the views of our readers. We invite you to provide feedback on this report by completing a survey on the Get Involved website www.qld.gov.au/annualreportfeedback

Copies of this publication and open data reports can be obtained at www.qed.qld.gov.au/publications/reports/annual-report and www.data.qld.gov.au, by phoning 13 74 68, emailing Annual.Report@qed.qld.gov.au or by contacting Governance, Strategy and Planning, PO Box 15033, City East QLD 4002.

ISSN 2200-9051

© The State of Queensland (Department of Education) 2020. Published by the Department of Education, September 2020, 30 Mary Street, Brisbane QLD 4000.

Licence

This annual report is licensed by the State of Queensland (Department of Education) under a Creative Commons Attribution (CC BY) 4.0 Australia licence.



CC BY Licence Summary Statement

In essence, you are free to copy, communicate and adapt this annual report as long as you attribute the work to the State of Queensland (Department of Education). To view a copy of this licence, visit <https://creativecommons.org/licenses/by/4.0/>

Attribution

Content from this annual report should be attributed as:

The State of Queensland (Department of Education) Annual Report 2019–20.

Table of Contents

From the Director-General.....	2
Our department	4
Our organisation	7
Our divisions	8
Our governance.....	10
Chief Finance Officer’s report.....	13
Our service performance.....	18
<i>A great start for all children.....</i>	<i>18</i>
<i>Every student succeeding</i>	<i>22</i>
<i>Safe and fair workplaces and communities</i>	<i>29</i>
<i>Capable and confident people delivering responsive services</i>	<i>34</i>
Appendix A	45
<i>Early childhood education and care performance</i>	<i>45</i>
Appendix B	47
<i>School education performance</i>	<i>47</i>
Appendix C	62
<i>Supporting services performance</i>	<i>62</i>
Appendix D	63
<i>Our legislation.....</i>	<i>63</i>
Appendix E	64
<i>External scrutiny</i>	<i>64</i>
Appendix F.....	65
<i>Governance committees.....</i>	<i>65</i>
Acronyms.....	80
Glossary.....	82
Our financial statements	85

Letter of Compliance

10 September 2020

The Honourable Grace Grace MP
Minister for Education and Minister for Industrial Relations
PO Box 15033
CITY EAST QLD 4002

Dear Minister

I am pleased to submit for presentation to the Parliament, the Annual Report 2019–20 and financial statements for the Department of Education.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be accessed at www.qed.qld.gov.au/publications/reports/annual-report.

Yours sincerely



TONY COOK
Director-General

From the Director-General

Tony Cook

The Department of Education is committed to ensuring Queensland remains a great place to learn, work and live, now and in the future, by providing access to quality early childhood education and care, high performing state and non-state schools, and safe and fair workplaces and communities. During this past year Queenslanders have faced many challenges and the services provided by the department have been at the forefront of supporting communities across the state during disaster events and the disruption of the COVID-19 pandemic.

In 2019, we saw the last cohort of Year 12 Queensland students receive an Overall Position tertiary entrance rank before the introduction of the Australian Tertiary Admission Rank. Significant work has occurred to support students and teachers through the implementation of the new senior assessment system, ensuring a smooth transition. The start of the 2020 school year saw the largest number of students attending schools in Queensland.

The health and wellbeing of our workforce has remained at the forefront of our priorities, particularly during the pandemic. This year we launched the *Pause* program—providing wellbeing support for teachers across our state, a new Teachers' Certified Agreement formally addressing teacher workload, and additional programs through the department's *We All Belong* workforce diversity and inclusion framework.

We have continued to design and deliver learning environments for our future state, opening a record number of eight new schools in 2020. This included the first school in over 50 years for inner-city Brisbane, Fortitude Valley State Secondary College.

We continued upgrade works at 26 schools through the \$235 million *Renewing Our Schools* (RoS) program, and installed solar systems and energy efficiency measures at more than 290 Queensland schools through the \$97 million *Advancing Clean Energy Schools* program. This has been the most significant infrastructure investment in decades, enhancing school infrastructure, establishing long-term master plans to support state schools and supporting over 240 new jobs in local communities through the RoS program.

In response to recommendations of the Best Practice Review of Workplace Health and Safety Queensland, we developed the new *Five year strategic plan for work, health and safety in Queensland 2019–23*. The plan outlines our priority areas to foster a culture of

health and safety and guarantee Queensland leads the way in designing healthy and safe work practices that embrace innovation and technology.

What we could not have predicted was the challenging and difficult start to 2020. Like all Queenslanders, we stood together to respond and recover from the outbreak of the COVID-19 pandemic. Throughout the year I have been inspired by the resilience and leadership demonstrated by staff across our schools and centres and the department, and the commitment of parents and families as they supported their children and young people through this challenging time. Through partnerships with Channels 7, 9 and 10 and in association with teaching and learning specialists we delivered Reading@HomeTV, Coding@HomeTV and Learning@HomeTV and curriculum-based content for Kindergarten to Year 12 to support home-based learning for students right across Queensland.

While the way we live, learn and work might be different, what remains stronger than ever is the dedication of our people to supporting the education and care of young Queenslanders, and the health and wellbeing of our people. This would not be possible without the hard work and enthusiasm of our staff.

I look forward to the year ahead, and leveraging these new ways of working and learning together to support Queenslanders to succeed in our ever-changing world.

Our department

About the department

The Department of Education is committed to ensuring all Queenslanders have access to the quality learning and education experiences they need for success in our changing world. We are delivering world-class education and care services for Queenslanders at every stage of their development—from the early years through to their transition into the workforce or further education.

The Office of Industrial Relations is providing contemporary regulation, advice and information to business, industry and employers. The Office sets the standards for workplaces and communities to keep Queenslanders safe at work, strategies for electrical safety at work and at home, workers' compensation regulation and policy, industrial relations frameworks, and public sector bargaining.

Our values

Our aim is to be a high-performing, productive workforce that puts the people of Queensland first. Our values, which guide the way we do business, are the Queensland Public Service values of:

- Customers first
- Ideas into action
- Unleash potential
- Be courageous
- Empower people
- Work safe, learn safe, be safe.

Our strategic direction

We are Advancing Queensland's Priorities by giving all children a great start, engaging young people in learning, and creating safe and inclusive workplaces and communities. We want:

- A great start for all children
- Every student succeeding

- Safe and fair workplaces and communities
- Capable and confident people delivering responsive services.

Our performance towards meeting our strategic objectives and outcomes for the 2019–20 financial year is detailed at the end of each chapter through our key performance indicators.

Our services

The Department of Education works across Queensland to improve educational outcomes and workplace and community safety.

In 2019–20, the department supported over one million students and children across government and non-government sectors, 1249 state schools and our regional offices and provided funding and regulatory support to 3139 early years service providers.

The department's central offices are located at Education House, 30 Mary Street, 1 William Street, and 60 Albert Street, Brisbane QLD 4000. Our regional offices are found in each of our seven regions.

The Office of Industrial Relations central office is located at 1 William Street, Brisbane QLD 4000. Our Industrial Relations staff work across the regions, with offices in Brisbane, Sunshine Coast, Wide Bay, South East Queensland, South West Queensland, and Central and North Queensland.

Our contribution to government objectives

Our service delivery areas include:

- Early Childhood Education and Care
- School Education
- Industrial Relations.

We are focused on building Queensland's future by giving all children a great start, engaging young people in learning, and creating safe and fair workplaces and communities.

Looking forward 2020–2024

In July 2020, the department announced its strategic direction for the next four years, continuing our commitment to giving all children a great start, engaging young people in learning, creating safe and inclusive workplaces, and building Queensland's communities by

investing in contemporary technologies and infrastructure. Across our diverse organisation, each person plays a vital role in achieving these outcomes for Queensland.

We also made a commitment to creating a stronger, fairer Queensland by respecting, protecting and promoting human rights in everything we do.

The Queensland Government's objectives for the community are set out in Our Future State: Advancing Queensland's Priorities at <https://www.ourfuture.qld.gov.au/>.

We contribute to all the objectives:

- *give all our children a great start*—by improving wellbeing prior to school and empowering families to nurture their child's wellbeing from before birth and through the early years
- *create jobs in a strong economy*—by empowering Queenslanders to confidently transition from school to work or further education and training, and promoting the fair pay and safe working conditions that provide stability and confidence for a strong economy
- *keep Queenslanders healthy*—by supporting the wellbeing and safety of all Queenslanders by building resilience for mental health and educating the community about workplace health and safety
- *keep communities safe*—by strengthening engagement of young people in education helping to reduce rates of youth offending and re-offending
- *be a responsive government*—by embracing technology and innovation, and building a capable workforce to deliver responsive services
- *protect the Great Barrier Reef*—by reducing carbon emissions through energy-efficient and cleaner, greener technologies in schools.

Our operating environment

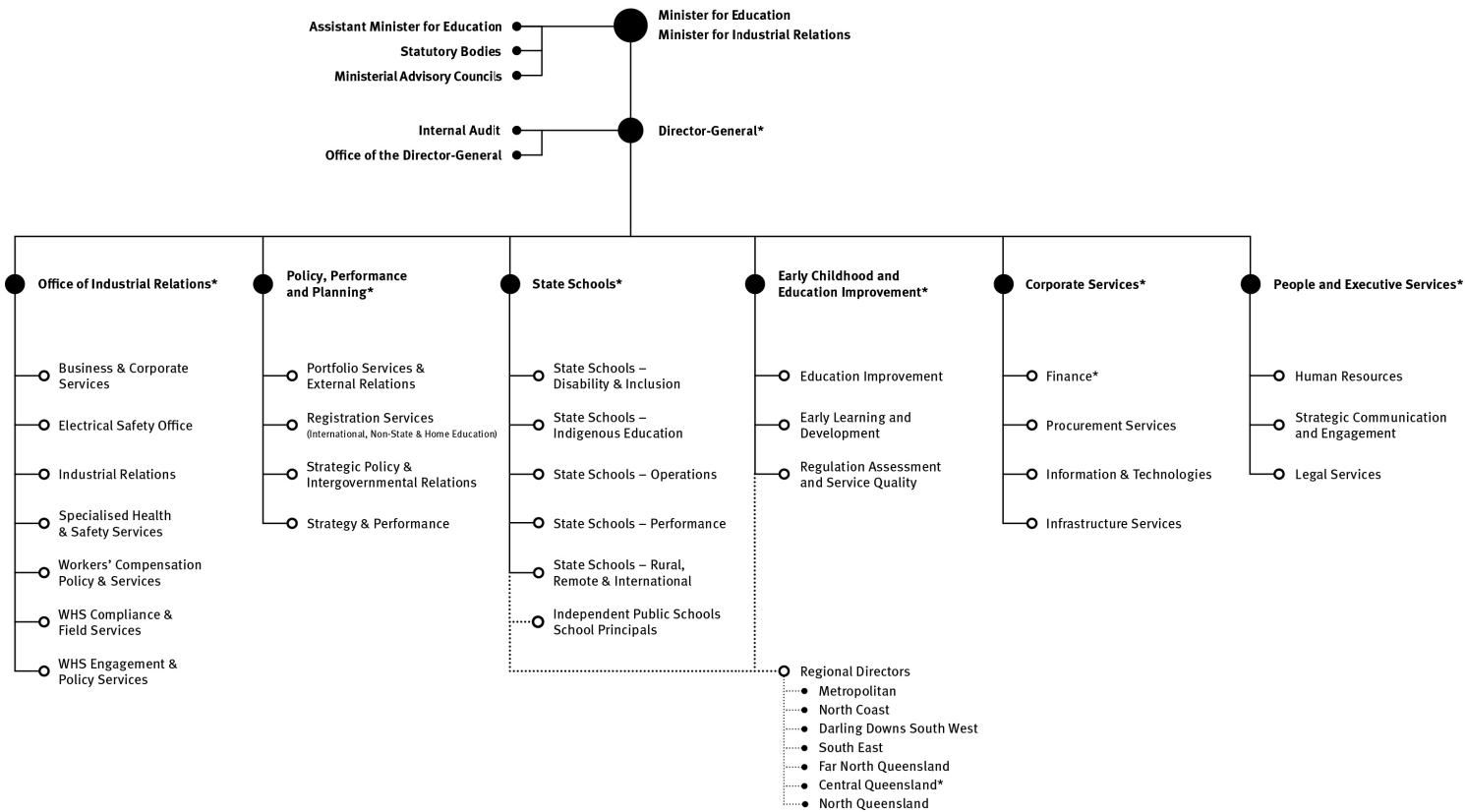
The department has statutory obligations it is required to comply with, detailed in the various Acts of Parliament (**Appendix D**).

The department has a particular focus on building young people's confidence and resilience to prepare them for the future, creating a diverse and inclusive workforce, and upholding the rights of Queenslanders to safe and fair workplaces and communities.

The department's operations also include a range of significant initiatives to deliver the Queensland Government's election commitments.

Our organisation

As at June 2020



* Indicates Executive Management Board (EMB) Member

Our divisions

Office of Industrial Relations

The Office of Industrial Relations is responsible for regulatory frameworks, policy advice and compliance activities for workplace safety, electrical safety, industrial relations and workers' compensation—to make Queensland work and workplaces safer, fairer and more productive.

Policy, Performance and Planning

Policy, Performance and Planning drives strategic direction across the department, from early childhood to Aboriginal and Torres Strait Islander education. The division has oversight of grants, supports statutory bodies, delivers education-related strategic policy and intergovernmental relations functions, coordinates major internal and external research and reviews, and leads the development of the portfolio's legislative instruments, performance monitoring and reporting functions, governance, risk and planning.

State Schools

The division of State Schools supports the work of 1249 Queensland state schools, preparing young Queenslanders with the knowledge, understanding, skills and values to live fulfilling, productive and responsible lives. State Schools supports regional and school planning, improvement and operations to ensure that every student has access to quality learning opportunities and engages purposefully in their learning.

Early Childhood and Education Improvement

Early Childhood and Education Improvement (ECEI) is focused on every child making a confident and positive start. ECEI supports the delivery of early childhood education and care services, education improvement and provides strategic leadership in the development and implementation of policy, funding and regulatory frameworks that shape the early childhood education and care sector in Queensland.

People and Executive Services

People and Executive Services (PES) was established in March 2020, providing leadership and oversight across the department's human resources, strategic communications and engagement, and legal services areas. PES is focused on supporting a diverse, capable and

confident workforce that designs and delivers responsive services as our Queensland population grows and technology changes how we learn, work and live.

Corporate Services

Corporate Services supports the work of business units and schools by delivering high-quality services across corporate procurement, finance, information technologies and infrastructure services functions.

Note: Early Childhood and Education Improvement Division – formerly Early Childhood and Community Engagement Division

Our governance

Our Executive Management Board

The Executive Management Board consists of the Director-General, Deputy Directors-General of each division, a Regional Director and the Chief Finance Officer. As at 30 June 2020, the following senior executives were in these roles:

Tony Cook PSM—Director-General

Tony began his career in Queensland and is a registered primary school teacher with a focus on early childhood education. Prior to joining the department in April 2018, Tony was the Associate Secretary for Schools and Youth with the Australian Government's Department of Education and Training.

In October 2013, Tony was made an Honorary Fellow of the Australian Council for Educational Leaders and in January 2014 he was awarded a Public Service Medal (PSM) for driving school policy and funding reform in Australia.

Craig Allen—Deputy Director-General, Office of Industrial Relations and A/Deputy Director-General, People and Executive Services

Craig has held senior management positions for more than 23 years, with a government career spanning more than 40 years. Craig has a strong commitment to leading strategy that improves employee engagement, organisational performance and service delivery. Craig is strongly committed to implementing the Best Practice Review recommendations and delivering on the Office of Industrial Relations' vision for healthy, safe and productive working lives and communities for people in Queensland.

Craig has tertiary qualifications—with a Bachelor of Education from the Tasmanian College of Advanced Education and postgraduate qualifications in public administration from Flinders University.

Annette Whitehead—Deputy Director-General, Policy, Performance and Planning

As Deputy Director-General, Policy, Performance and Planning, Annette is responsible for driving a strategic approach to policy development across early childhood, schooling and Aboriginal and Torres Strait Islander education, at a state and national level. Annette has extensive experience in developing and driving social policy initiatives, planning, program

development and legislative reform in the public sector, non-government and private sectors, including in ageing, disability, child care and the Department of the Premier and Cabinet.

Peter Kelly PSM—Deputy Director-General, State Schools

As Deputy Director-General of State Schools, Peter is responsible for providing strategic leadership to Queensland state schools. Peter is committed to helping every child succeed in a safe, supportive environment and brings a thorough knowledge of the day-to-day operations of Queensland state schools based on over 30 years of education experience.

Peter has held a multitude of positions within the department including classroom teacher, Head of Department, Deputy Principal, Principal and Executive Principal; as well as Regional Director North Queensland where he worked with 110 schools and over 250 early childhood education and care services across the region.

Sharon Schimming—Deputy Director-General, Early Childhood and Education Improvement

With over 30 years experience in education, Sharon provides strategic leadership in the development and implementation of the policy, program, funding and regulatory frameworks that shape the early childhood education and care sector in Queensland. Sharon works in partnership with a wide range of stakeholders to ensure children have access to safe, inclusive and nurturing early learning environments regardless of their location or life circumstance. Sharon is also responsible for the department's Education Improvement Branch (EIB). EIB supports continuous improvement, accountability and system-wide collaboration across Queensland's early learning settings, state schools and education centres.

Duncan Anson—A/Deputy Director-General, Corporate Services

In this role Duncan oversees the delivery of infrastructure, information technology, finance and procurement services. Duncan was appointed as the Department's Chief Finance Officer in 2018. Prior to joining the Department of Education Duncan served as the Chief Finance Officer in two other Queensland government departments. Duncan is a Fellow of CPA Australia, a graduate of the Australian Institute of Company Directors, holds a Bachelor of Business and is Chair of the Queensland Public Sector CPA Committee.

Kim Fredericks—Regional Director

Kim is currently the Regional Director of the Central Queensland Region. With a career spanning over 37 years, Kim is a former secondary school teacher, school leader and Assistant Regional Director.

Kim has worked in a number of regions across the state and passionately believes it is a privilege to work in the state education system.

Alison Mohr—A/Assistant Director-General, Finance and Chief Finance Officer

Alison provides strategic financial advice to the department's chief executive, and has overall leadership of the department's finance strategy, functions and systems through her delegated responsibilities under section 77 of the *Financial Accountability Act 2009 (Qld)*.

Alison has over 15 years experience in the Queensland public sector and commenced with the Department of Education in December 2018. Prior to this, Alison served as the Chief Finance Officer in one other Queensland government department. Alison is a member of CPA Australia. She also holds a Bachelor of Electronic Commerce (Accounting) from the Queensland University of Technology.

A list of our governance committees can be found at **Appendix F**.

Chief Finance Officer's report

The department is building Queensland's future by giving all children a great start, engaging young people in learning, and creating safe, fair and productive workplaces and communities.

In 2019–20, the department achieved an operating surplus of \$1.314 million against a total departmental controlled budget of \$9.954 billion. Key investments included the continued implementation of the new senior assessment and tertiary entrance systems for students entering Year 11 from 2019, delivering on the *Cooler Cleaner Schools Program* to address the energy needs of the expanded fleet of air conditioners in state schools; as well as investments under the *Building Future Schools Fund* to address enrolment growth pressures in state schools and the need for additional state schools across Queensland.

The department's material financial statement balances reflect our large school land and buildings portfolio across 1249 schools, and the salaries of over 70,000 school, regional and central office staff. Supplies and services are dominated by curriculum resources, school utility costs, and the maintenance and upkeep of our large asset base, including operational contract costs.

The COVID–19 pandemic has not materially impacted the department's financial results. However, the department has experienced limited reduction in revenues relating to Education International and local school activities such as excursions and rent waivers. There have also been limited reductions in costs in certain areas such as travel, although these cost reductions were offset by additional costs in areas such as extra cleaning and information communication technology.

In accordance with the requirements of section 77(2)(b) of the *Financial Accountability Act 2009*, I have provided the Director-General with a statement that the financial internal controls of the department are operating efficiently, effectively and economically in conformance with section 54 of the *Financial and Performance Management Standard 2019*. As Chief Finance Officer, I have therefore fulfilled the minimum responsibilities as required by section 77(1) (b) of the *Financial Accountability Act 2009*.

Alison Mohr

A/Assistant Director-General, Finance

Chief Finance Officer

Table 1: Financial snapshot

Financial snapshot	2015–16 \$(000)	2016–17 \$(000)	2017–18* \$(000)	2018–19 \$(000)	2019–20 \$(000)
Controlled revenue					
Departmental services revenue	8 350 390	8 780 098	8 788 389	8 743 277	9 416 379
Other revenues	559 808	575 439	623 685	693 918	642 091
Controlled expenses	8 873 657	9 326 720	9 355 315	9 390 372	10 057 156
Operating surplus	36 541	28 817	56 759	46 823	1 314
Administered grants (state)	851 555	848 821	875 602	878 917	917 746
Capital outlays	420 454	582 017	609 490	932 954	1 158 950
Total assets	19 217 752	20 338 601	19 600 361	21 141 882	22 496 467
Total liabilities	1 041 797	1 206 409	901 837	1 059 762	998 135
Net assets/liabilities	18 175 955	19 132 192	18 698 524	20 082 120	21 498 332
	2015–16	2016–17	2017–18	2018–19	2019–20
Employee expenses (\$000)	5 931 087	6 248 689	6 600 850	7 031 481	7 603 666
Number of employees at 30 June (FTE)	68 103	69 356	72 341	73 741	73 971

*Note: Due to machinery-of-government changes, Training and Skills functions transferred to the Department of Employment, Small Business and Training effective 1 January 2018, and Industrial Relations was transferred in to the department from Queensland Treasury.

Source: Department of Education

For a comprehensive set of financial statements covering all aspects of the department's activities, see the **financial statements** section of this annual report. No totals have been adjusted for commercial-in-confidence requirements.

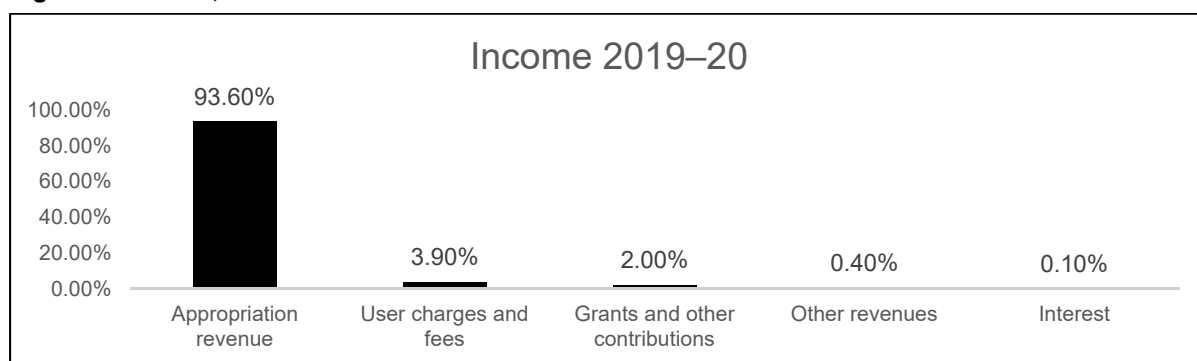
Our income—where the funds come from

We received \$10.058 billion for our operations, an increase of \$621 million from last year.

Departmental services revenue increased by \$673 million. This was largely due to additional funding for state school enrolment growth, enterprise bargaining and increased Australian Government funding under the National Education Reforms—Students First program and associated Bilateral Agreement.

The department also received \$4.069 billion in administered funding, an increase of \$425 million from 2018–19. Administered funding includes Commonwealth funding transfers to non-government schools, as well as State grants to statutory authorities, peak bodies for non-state schools, and other entities, enabling them to deliver agreed services to Queenslanders.

Figure 1: Income, 2019–20



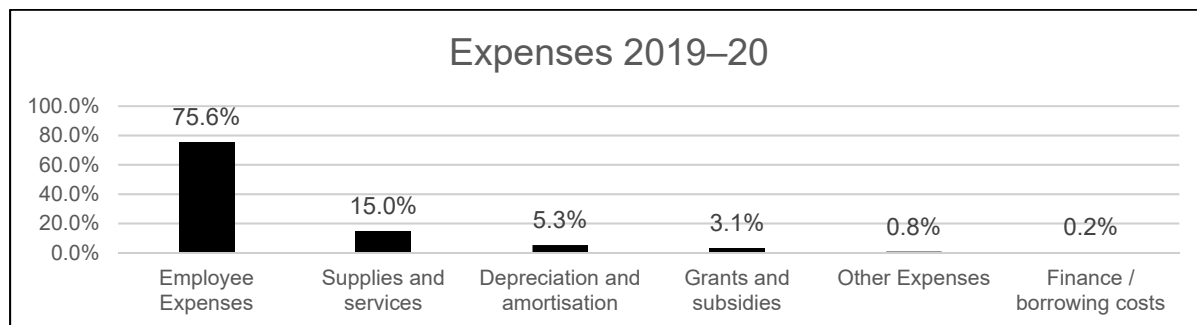
Note: Income, 2019–20 is subject to rounding

Source: Department of Education

Our expenses—how the funds are spent

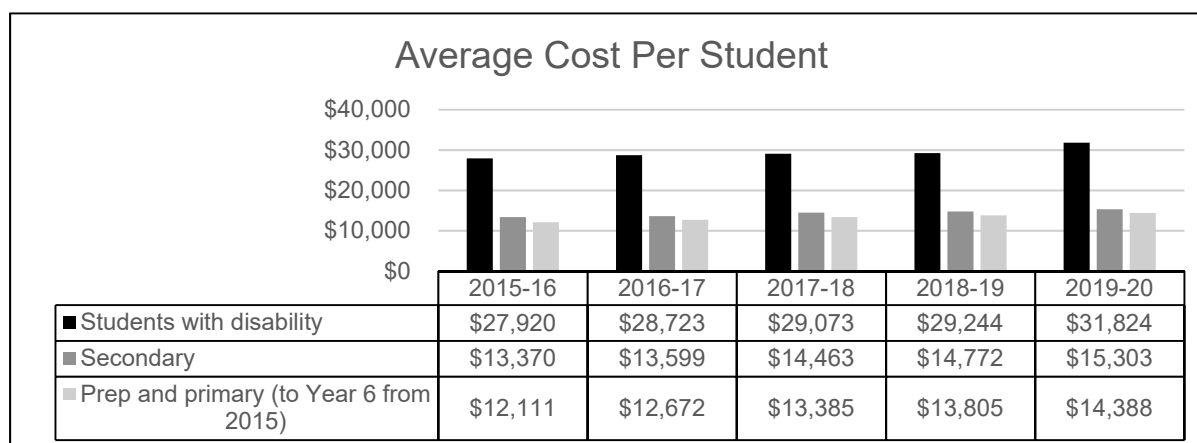
The department's total controlled expenses for 2019–20 were \$10.057 billion, an increase of \$667 million from last year. Salaries and wages remain the agency's major expense component at 76 per cent of total expenses. This is in line with the agency's commitment to improve student outcomes by supporting teachers to focus on student needs through providing more teachers in schools.

Figure 2: Expenses, 2019–20



Source: Department of Education

Figure 3: Average cost per student in state schools, 2019–20



Source: Department of Education

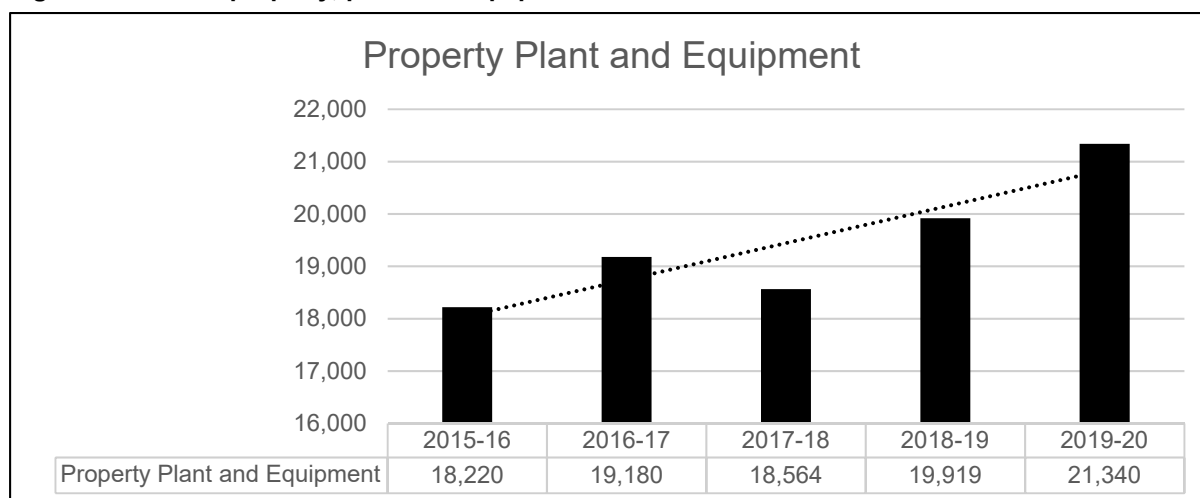
Our assets—what we own

The department held assets totalling \$22.496 billion at 30 June 2020, an increase of \$1.355 billion from 2018–19.

The majority of our assets are in land and buildings. Property, plant and equipment increased by \$1.421 billion, mainly due to capital works including for the Building Future Schools program, and asset revaluations.

There was a decrease in the department's cash position mainly due to timing of payments for capital works and payroll, and decreases in school bank accounts.

Figure 4: Value of property, plant and equipment



Source: Department of Education

Our liabilities—what we owe

The department held liabilities totalling \$0.998 billion at 30 June 2020, a decrease of \$62 million from 2018–19. This decrease is mainly due to timing of payroll outgoings.

Leased assets and corresponding finance lease liabilities for the Aspire South East Queensland Schools, and the Queensland Schools–Plenary programs are held by the department and form the majority of our financial liabilities.

Our service performance

A great start for all children

We understand healthy, confident and resilient Queensland children who can successfully navigate a complex world are key to our future.

By providing opportunities for every child to engage in quality early learning experiences, the department is laying the foundations for every child to achieve better learning, health, social and employment outcomes throughout their entire lives.

In 2019–20, we continued to focus on our strong partnerships with families, communities and the early childhood sector to give all our children a great start in life.

Early Years Places

We know that a child's early learning and development experiences are important for successful transitions from home to early childhood services, and on to school. That is why the department has continued to invest in Early Years Places in more than 50 locations across Queensland.

Early Years Places provide a mix of programs including playgroup, early childhood education and care, health services, and family and parent support, making it easy for families to access a range of early childhood activities and support from the one welcoming location.

Families grow and learn together

In 2020, the department launched the \$2.2 million KindyLinQ pilot program in 25 schools in priority locations.

The free, 12-month, play-based program provides a safe, welcoming space for parents/carers and their children to participate in fun early learning experiences in the year before kindergarten. KindyLinQ is led by a qualified teacher and early years support coordinator, with the program also offering guidance to families about how to continue their child's learning and development at home and build confidence to support their transition to kindy and then into Prep.

Effective regulation

As the regulator of early childhood education and care services in Queensland, the department plays a vital role in making sure children are safe and receive high-quality education and care.

By investing an additional \$26.5 million over two years from 2019–20 for the regulation of the early childhood education and care sector, the department has continued to support the delivery of compliant, high-quality early childhood education and care services that continually improve. This ensures that children can experience quality education and care in environments that safeguard and promote their health, safety and wellbeing.

Kindergarten for remote Queensland communities

Children in selected remote communities can attend a kindergarten program at their local state school provided by the Department of Education. In 2019, 100 kindergarten programs were approved to be provided by the department in selected remote or discrete Aboriginal and Torres Strait Islander community state schools which delivered kindergarten to support approximately 620 children.

The department also provides access to a range of kindergarten programs including eKindy and eKindy pod programs and hospital kindy delivered through distance education. In 2020, we continued to fund the Royal Queensland Bush Children's Health Scheme (Bushkids) to facilitate groups of eKindy children with online support from eKindy teachers at the Brisbane School of Distance Education. These initiatives are supporting rural and remote families and children with a range of options to have a great start to their education, regardless of where they live.

Table 2: Early Childhood Education and Care performance measures

Early Childhood Education and Care	Target/Est	Actual
Service standards	95%	96.5%
<i>Effectiveness measure</i>		
Proportion of Queensland children enrolled in an early childhood education program ^{1,2,3,4}		
Proportion of enrolments in an early childhood education program: ^{1,2,3,4}		
Aboriginal and Torres Strait Islander children ^{5, 6}	95%	102.3%
Children who reside in disadvantaged areas ⁷	95%	83.2%
Proportion of children developmentally on track on four or more (of five) Australian Early Development Census (AEDC) domains ^{8,9}	N/A	65.5%
<i>Efficiency measure</i>		
Government expenditure per child—kindergarten ^{10,11}	\$2,700	\$2,938

Notes:

1. The National Early Childhood Education and Care Census is conducted in the first week of August each year. Data is published by the Australian Bureau of Statistics (ABS) in the *Preschool Education, Australia* publication catalogue 4240.0.
2. The nationally agreed benchmark established under the National Partnership Agreement (NPA) on Universal Access to Early Childhood Education is 95 per cent. Under the NPA for Universal Access to Early Childhood Education, Queensland is committed to achieving and maintaining access to an early childhood education program for all children in the year before full-time school.
3. Early childhood education program: a quality play-based program in accordance with the Early Years Learning Framework and the National Quality Standard delivered by a degree-qualified early childhood teacher.
4. This service standard represents the proportion of children enrolled from each cohort group as a proportion of the estimated total population for that cohort group in Queensland.
5. Results over 100 per cent are possible as the nationally agreed measure is the number of children enrolled (aged four or five) divided by the estimated resident population of four year olds.
6. Indigenous: a person who identifies at enrolment to be of Aboriginal and/or Torres Strait Islander origin.
7. Disadvantaged: a person who resides in statistical areas classified by the ABS in the bottom quintile using the Index of Relative Socio-Economic Disadvantage.
8. The AEDC is a population measure of how children have developed by the time they start school. Data is captured on five domains of early childhood development: physical health and wellbeing, social competence, emotional maturity, language and cognitive skills, and communication skills and general knowledge. It is a national census based on a large population, which tends to change incrementally. There is no Target/Estimate as the census is conducted every three years with the next census to be conducted in 2021. The 2019–20 Estimated Actual is based on the 2018 census results.
9. Our Future State: Advancing Queensland's Priorities includes a priority target to reduce the percentage of Queensland children developmentally vulnerable in one or more AEDC domains to 22 per cent by 2025 (which is a complementary target, being the reverse to increasing the proportion of children developmentally on track).
10. This service standard was previously worded Average cost of service per child—kindergarten in the 2018–19 Service Delivery Statement. This has been updated for clarity of wording. No change has been made to the calculation methodology.
11. This service standard is calculated by dividing Government real recurrent expenditure on kindergarten (preschool) services by the number of four and five year old children enrolled in kindergarten in Queensland. The cost per service does not include fees paid by parents and carers. Funding is provided by both the Queensland Government and the Australian Government. The actual figure is based on the most recent data published in the 2020 Report on Government Services. The higher than expected government expenditure per child can be attributed to changes in ABS counting rules which resulted in fewer children reported as enrolled in a kindergarten program in 2019 (revised down from an original count of 66,276 to 62,712 children). On a cost per child basis, this reduction of approximately 3500 children increased

reported government expenditure per child from \$2780 (which was within range of target) to \$2938 per child. The original target of \$2700 has not been updated to reflect ABS's revised counting rules.

Further performance information is available at <https://s3.treasury.qld.gov.au/files/2019-20-DoE-SDS.pdf>

Every student succeeding

We acknowledge that our students live in an increasingly complex world that presents both opportunities and challenges. Young people need the confidence, skills, resilience and self-belief to positively respond to the challenges and opportunities ahead.

We value the diverse identities, beliefs, cultures, languages and abilities of every student, and embrace and support their unique talents and needs. By being inclusive of all people across the school community we create inclusive and respectful environments centred on student learning and wellbeing. Every day, in every state school, teachers and school leaders are empowering students to be in control of their learning journey and outcomes.

In 2019–20, we engaged and supported our students, staff and school communities to continue their success.

Standing out from the crowd to end bullying and cyberbullying

We want every student to feel safe, supported and included when they go to school, and recognise the behaviours of young people and adults in our schools are influenced by many factors, some of which originate outside the school.

That is why in 2019, we launched the *Stand out from the crowd* action plan, calling for all Queenslanders to take action to prevent and address bullying and cyberbullying.

The plan and its supporting resources were developed in response to recommendations from the Queensland Anti-Cyberbullying Taskforce and outlines how we must Act, Collaborate and Educate to end bullying and cyberbullying.

Collaborating to stay connected

Living and working in Australia's most decentralised state, we understand the importance of technology to keep our teachers connected. The department has improved internet connectivity at 457 employee housing locations in rural and remote Queensland.

The internet upgrades, delivered as part of our Housing Improvement Project, mean staff in a wide range of locations can access the facilities required to provide support to students outside of the classroom and meet the demands of our changing world.

The internet infrastructure delivered prior to the COVID-19 pandemic provided benefits for teachers and their students during the disruption. This infrastructure ensured teachers could access a range of collaborative platforms to support learning from home during Term 2, 2020.

Every Aboriginal and Torres Strait Islander student succeeding

In December 2019, we built upon our commitment to supporting our Aboriginal and Torres Strait Islander children and young people with the release of the *Every Aboriginal and Torres Strait Islander student succeeding* strategy. The strategy identifies priorities to improve outcomes for Aboriginal and Torres Strait Islander state school students by connecting to community and culture, lifting expectations of curriculum delivery and student achievement, and providing meaningful education pathways and learning opportunities aligned to their aspirations. Supporting this, is a suite of evidence-based professional development to ensure all teachers can develop confidence in embedding cultural perspectives in learning.

To respond to the needs of Aboriginal and Torres Strait Islander students during COVID-19, over 800 state and non-state boarding students were supported to safely return to their homes in remote and discrete communities, and continue learning remotely. Aboriginal and Torres Strait Islander faces, voices and perspectives were included in the Education TV component during the learning from home period in Term 2, 2020.

Every student with disability succeeding

In February 2020, our work to ensure that every student can access and fully participate in learning reached the world stage. The department's Inclusive Education policy received international recognition for its human rights approach, winning the Zero Project Innovative Policy Award at the United Nations.

Our inclusive education journey continued during the COVID-19 disruptions with a focus on parent engagement and support for students with disability. The department partnered with the Community Resource Unit and Queensland Advocacy Incorporated to engage and link parents with a range of school supports across Queensland including workshops and professional advocacy.

Supporting students with severe and complex mental health conditions

We are committed to ensuring students with severe and complex mental health conditions have statewide access to specialised and appropriate educational support at all stages of their illness.

To achieve this in 2019–20, we implemented the statewide hospital education model commencing in January 2020. The Jacaranda Place (statewide adolescent mental health facility) education program opened in Term 2, 2020 and regional Guidance Officer – Mental Health positions were created and appointed.

Centres for Learning and Wellbeing

In 2019, our *Centres for Learning and Wellbeing* and satellite centres became fully operational, supporting the professional learning and capability development of rural and remote teachers and school leaders, and facilitating valuable inter-agency wellbeing support for staff, students and their families.

Centres are located in Mount Isa, Roma, Atherton and Emerald with satellite services in Kingaroy, Normanton, Longreach, and across Cape York and the Torres Strait.

In Semester 1, 2020 the centres delivered 17,164 hours of professional learning to 4525 teachers and school leaders. This included mentoring beginning teachers, experienced teachers, developing leadership capability and building the resilience of staff new to remote communities.

Addressing youth disengagement

A priority for the department is to ensure all children and young people remain engaged in education and make a strong transition to further study or work. We promote this through the Youth Engagement Project, which in 2019–20:

- supported over 4500 school-aged disengaged young people through the Regional Youth Engagement Hubs in the 2019 school year, with 2700 of these young people being reconnected with education, training and employment
- delivered eight Link and Launch sites, that have already supported 321 Year 12 completers who were not in employment, education or training
- established FlexiSpaces in seven schools, with a further 10 schools selected for delivery from Semester 2, 2020
- commenced collaborations with Queensland Catholic Education Commission and Independent Schools Queensland to commit to high-quality alternative settings to deliver equitable outcomes for their students
- launched research-based websites (We the Differents and Spark their Future) targeted to disengaged young people and their parents, with over 4600 new users in the first two months of operation.

Continuing to support Advancing Science, Technology, Engineering and Mathematics in our state primary schools

We know students need a strong foundation in science, technology, engineering and mathematics (STEM) to take on the challenges of a globalised world.

State primary schools will receive over \$81 million over four years (2018–2019 to 2021–2022) to develop teacher expertise and implement high impact strategies to improve student learning outcomes in STEM through the continuation of the Advancing STEM initiative. This program together with *Schools of the future STEM strategy* initiatives strengthens inquiry and innovation in the classroom, supports schools to build partnerships with industry and the community, and provides a range of programs, grants and initiatives such as *#qldtechschools*, to support the implementation of the Australian Curriculum: Digital Technologies.

The *#qldtechschools* was available to all state schools, with more than 600 schools enrolled and over 900 Tech Ambassadors participating at the end of 2019.

Table 3: School performance measures

School Education	Target/Est	Actual
Service standards ¹		
<i>Effectiveness measures</i>		
Year 3 Test—Proportion of students at or above the National Minimum Standard ^{2,3}		
All students:		
Reading	95%	94.9%
Writing	96%	95.3%
Numeracy	96%	93.9%
Aboriginal and Torres Strait Islander students ⁴		
Reading	87%	88.2%
Writing	90%	88.0%
Numeracy	88%	82.6%
Year 5 Test—Proportion of students at or above the National Minimum Standard ^{2,3}		
All students:		
Reading	95%	92.9%
Writing	90%	88.4%
Numeracy	95%	94.2%
Aboriginal and Torres Strait Islander students ⁴		
Reading	88%	79.6%
Writing	77%	71.6%
Numeracy	86%	81.7%
Year 7 Test—Proportion of students at or above the National Minimum Standard ^{2,3}		
All students:		

School Education	Target/Est	Actual
Reading	95%	92.9%
Writing	92%	84.5%
Numeracy	96%	93.0%
Aboriginal and Torres Strait Islander students ⁴		
Reading	88%	83.6%
Writing	78%	67.9%
Numeracy	91%	81.9%
Year 9 Test—Proportion of students at or above the National Minimum Standard ^{2,3} All students:		
Reading	90%	87.4%
Writing	86%	73.2%
Numeracy	96%	95.0%
Aboriginal and Torres Strait Islander students ⁴		
Reading	78%	73.4%
Writing	69%	51.9%
Numeracy	91%	88.9%
Proportion of Year 12 students awarded Certification i.e. Queensland Certificate of Education (QCE) or Queensland Certificate of Individual Achievement ⁵	98%	98.3%
Proportion of Year 12 students who are completing or have completed a school- based apprenticeship or traineeship or were awarded one or more of: QCE, International Baccalaureate Diploma (IBD), or Vocational Education and Training qualification ⁵	98%	97.7%
Proportion of Overall Position (OP)/IBD students who received an OP 1—5 and an IBD ⁶	78%	79.5%

School Education	Target/Est	Actual
Proportion of students who, six months after completing Year 12, are participating in education, training or employment ^{7,8,9}	88%	82.2%
Proportion of parents satisfied with their child's school ¹⁰	94%	93.3%
<i>Efficiency measures</i>		
Average cost of service per student:		
Primary (Prep—Year 6)	\$14,190	\$14,388
Secondary (Year 7—Year 12)	\$14,967	\$15,303
Students with disability	\$29,354	\$31,824

Notes:

1. These service standards relate to the state schooling sector only.
2. The National Assessment Program—Literacy and Numeracy (NAPLAN) tests are conducted in May each year. The 2019–20 Actual reflects the 2019 NAPLAN outcomes.
3. NAPLAN National Minimum Standard targets represent the aspirational goals for achievement against these measures and should be read in conjunction with other NAPLAN data, which show a broad and sustained improvement trajectory since testing commenced.
4. Indigenous: a person who identifies at enrolment to be of Aboriginal and/or Torres Strait Islander origin.
5. The 2019–20 Actual reflects data for 2019 graduates provided by the Queensland Curriculum and Assessment Authority as at February 2020.
6. This measure is to be discontinued in the 2020–2021 financial year following the introduction of the Australian Tertiary Admission Rank in 2020.
7. 'Students' refers to Year 12 completers. Data is sourced from the Next Step Survey conducted by the department each year. The 2019–20 Actual reflects the 2019 Next Step Survey data of 2018 Year 12 completers.
8. Economic and employment conditions which prevail when students leave school have a significant impact on this measure.
9. This is a whole-of-government measure that is influenced by a range of policy, program and service delivery initiatives administered at local, state and national levels. Other stakeholders directly contributing to this outcome include the Queensland Department of Employment, Small Business and Training, Queensland Treasury, the Australian Government Department of Education Skills and Employment, as well as the non-government sector.
10. Parents and caregivers each year are asked to respond about their level of satisfaction over the school year through the School Opinion Survey. The 2019–20 Actual reflects the results from the 2019 survey

Further performance information is available at <https://s3.treasury.qld.gov.au/files/2019-20-DoE-SDS.pdf>

Safe and fair workplaces and communities

We are focused on improving community wellbeing by ensuring Queensland workplaces and homes are safe, fair and productive.

Advances in technology and innovation are changing the way we live and work. We assist businesses, workers and the community to participate in fair and productive industrial relations; to identify and respond to health and safety risks; to be electrically safe; and to raise industry and workforce competencies and skills aligned to economic and social change. By securing compliance with regulatory requirements and investigating potential breaches of legislation, we provide clear deterrence to non-compliant behaviour while protecting those most at risk.

Through continued partnerships with the community, industry and worker representatives, and fair and balanced industrial relations and workers' compensation frameworks, we promote a culture of health and safety, productive and inclusive workplaces, economic prosperity and fairness in Queensland.

In 2019–20, we focused on making Queensland the best place to live, work and be active.

Best practice review of Workplace Health and Safety Queensland

We have invested \$8 million across four years to implement initiatives responding to the 58 recommendations from the Best Practice Review of Workplace Health and Safety Queensland Final Report 2017.

The development of a *Five Year Strategic Plan for work health and safety in Queensland 2019–2023* focused on four priority areas identified in the review:

- embracing innovation and technology
- designing healthy and safe work
- fostering a culture of health and safety
- regulating effectively.

With a commitment to helping small businesses, engaging industry and a workforce of technical health and safety specialists, we continue to create a safety culture in Queensland workplaces to reduce work related fatalities, injuries and illnesses.

In June 2020 the Queensland Government passed the *Community Services Industry (Portable Long Service Leave) Act 2019* to establish a new portable long service leave scheme for community services workers to commence on 1 January 2021. The scheme will

allow community services workers to accumulate long service leave by recognising their service with multiple employers within their industry.

Managing risk

We are committed to keeping our industries, homes and communities safe from the risk of serious injury, illness and electrical harm through compliance, enforcement, and advisory and support services.

During the COVID-19 pandemic we supported business and industry to manage risk and stay healthy and safe by developing a Risk Management Protocol for site visits and inspections. This included controls to reduce the risk as much as possible by minimising face-to-face interaction.

Our COVID-19 triaging matrix was used by the Electrical Safety Office and Work Health and Safety inspectorates and advisors prior to conducting any operational activities which involved attendance in the field. During such an uncertain period, the protocol and matrix ensured these officers could continue to undertake this important work with confidence.

Workers' compensation legislation

Amendments to workers' compensation legislation primarily focused on improving rehabilitation and return to work outcomes, the claims experience and outcomes for injured workers with psychological injuries. The amendments:

- provide early intervention treatment for psychological injuries up until a decision is made on a claim
- align the work-related test for psychological or psychiatric injuries with physical injuries so that employment need only be a significant contributing factor
- require insurers to provide ongoing rehabilitation and return to work assistance at the end of a claim where required
- exempt expressions of regret and apologies by employers to injured workers from being considered in assessing liability as part of a damages claim
- give insurers discretion to accept claims submitted more than six months after an injury is diagnosed where a worker has attempted to self-manage their injury
- extend workers' compensation coverage to unpaid interns
- change notification requirements for employers about rehabilitation and return to work coordinators and self-insurers about reporting compensable injuries.

Table 4: Industrial relations service delivery measures

Industrial Relations	Target/Est	Actual
Service: Industrial Relations		
Service standards <i>Effectiveness measure</i> Overall client satisfaction with inspectorate's effectiveness and professionalism ¹	90%	95%
Overall client satisfaction with the services and advice provided on public sector industrial relations ²	90%	100%
<i>Efficiency measure</i> Cost of Industrial Relations services per Queensland worker ³	\$3.14	\$3.18
Cost of public sector industrial and employee relations per Queensland public sector worker ⁴	\$6.71	\$6.72
Service: Administration of the Industrial Court and Commission system		
Service standards <i>Effectiveness measure</i> Percentage of matters resolved at conference ⁵	65%	47%
<i>Efficiency measure</i> Percentage of matters filed with the Industrial Registry and processed within 24 hours ⁶	95%	95%
Service: Work health and safety services		
Service standards <i>Effectiveness measure</i> Overall client satisfaction with inspectorate's effectiveness and professionalism ⁷	90%	93%
<i>Efficiency measure</i> Cost of WHSQ services per worker covered by the workers' compensation scheme ⁸	\$33.11	\$33.58
Service: Electrical safety services		
Service standards <i>Effectiveness measures</i>		

Industrial Relations	Target/Est	Actual
Reduction in the number of reported serious electrical incidents over the year on a five year rolling average ⁹	10%	-2.4%
Overall client satisfaction with inspectorate's effectiveness and professionalism ⁷	90%	89%
<i>Efficiency measure</i> Cost of electrical safety services per person in Queensland ¹⁰	\$4.26	\$4.30
Service: Workers compensation services		
Service standards <i>Efficiency measure</i> Cost of Workers' Compensation Regulator service per worker covered by the workers' compensation scheme ¹¹	\$9.80	\$9.13
<i>Effectiveness measure</i> Cost per Workers' Compensation disputation ¹²	\$3,100	\$3,301

Notes:

1. The survey measures overall satisfaction of employers and employees who had interactions with an industrial relations inspector. The industrial inspectorate provides compliance and information services on Queensland's industrial relations laws for state and local government, long service leave, child employment, trading hours, labour hire and holidays. The survey is done biennially.
2. The survey measures overall client satisfaction with the effectiveness and professionalism of the public sector industrial relations team. The team leads and advises on public sector enterprise bargaining and other industrial relations matters on behalf of the Queensland Government. The survey is done biennially.
3. The cost is calculated by dividing the total cost of service by the Queensland labour force. (ABS Cat 6202.0 *Labour Force, Australia*). The increase in the 2019–20 Target Estimate and 2019–20 Actual is due to slower than originally estimated labour force growth over 2019–20.
4. The cost is calculated by dividing the total cost of service by the Qld State Public Sector Employees series 6248.2 *Employment and Earning: Public Sector, Australia*. The increase in the 2019–20 Target/Estimate is a consequence of additional resources used to support preparation for sector wide bargaining in 2019–20.
5. This measures the Industrial Court and Queensland Industrial Relations Commission's effectiveness in resolving matters lodged in Queensland's industrial relations jurisdiction. The variance between the 2019–20 Target/Estimate and 2019–20 Actual is due to a reduction in the number of matters successfully resolved through conciliation conferences. This measure is to be discontinued in the 2020–21 financial year and replaced with a new measure 'Clearance rate of pending case loads'.
6. The percentage of matters filed with the Industrial Registry and processed within 24 hours is determined by the time the matter is filed via email, post or over the counter to the time that the matter is entered into the Case Management System. This measure is to be discontinued in the 2020–21 financial year and replaced with a new measure 'Cost of finalisation'.
7. The primary objective of the Workplace Health and Safety Queensland (WHSQ) survey is to assess the satisfaction of persons who had a visit from a Work Health and Safety or Electrical Safety inspector in the previous 12 months. WHSQ Inspectors enforce work health and safety laws, investigate workplace fatalities, serious injuries, prosecute breaches of legislation and educate employees and employers on their legal obligations. Electrical Safety Inspectors provide advisory and enforcement activities, promote compliance with electrical safety laws and standards, information, education and training activities to help reduce the risk of death or injury from electrocution, fire and explosion and improve electrical safety.
8. The cost is calculated by dividing the total cost of service by the Queensland labour force. (ABS Cat 6202.0 *Labour Force, Australia*). The increase in the 2019–20 Estimated Actual is due to new funding arrangements based on the Best Practice Review recommendations. Work health and safety annual funding is based on the previous year's growth in Queensland's economic activity. As economic activity grew faster than the Queensland labour force in 2019–20, the 2019–20 Actual came in higher.

9. This service standard is based on a change in the average number of serious electrical incidents (SEIs) reported. Despite the use of averages, the volatility of small numbers of SEIs has contributed to a marginal increase in the 2019–20 Estimated Actual. This means average SEIs have increased. The Electrical Safety Office continues to educate and enforce compliance of electrical safety within industry and community with a long-term objective to reduce serious electrical incidents rates within Queensland. This measure will be modified in the 2020–21 financial year and replaced with a calculation based on an annual instead of biennial change in averages.
10. The 2019–20 Target/Estimate has been amended to reflect any potential future spikes in SEIs reported. The cost is calculated by dividing the total cost of service by the population of Queensland (ABS 3101.0 - Australian Demographic Statistics). The increase to the 2019–20 Target/Estimate reflects an expected increase in the reporting of serious electrical incidents within industry following an increase in awareness and the ability to report within industry and communities, together with improved processes to capture this data. The Actual for 2019–20 exceeded the 2019–20 Target/Estimate as Queensland's population growth was slower than projected.
11. The variance between the 2019–20 Target/Estimate and the 2019–20 Actual is due to a decrease in overall funding of WCR in 2019–20. The cost is calculated by dividing the total cost of running the Review and Appeals units by the total number of review applications and appeals served.
12. The variance between the 2019–20 Target/Estimate and the 2019–20 Actual is due to a decrease in matters going before the Review and Appeals Unit in 2019–20. This measure is to be discontinued in the 2020–21 financial year and replaced with a new measure 'Workers' compensation disputation rate'.

Further performance information is available at <https://s3.treasury.qld.gov.au/files/2019-20-DoE-SDS.pdf>

Capable and confident people delivering responsive services

With over 92,000 employees (the equivalent of almost 74,000 full-time employees) across the state, our department continues to build a capable and confident workforce by attracting and supporting people from all backgrounds, cultures and identities. We have employed quality teachers to meet the demand of our growing child and student population.

We are investing in new infrastructure, including the building of new schools and the renewal of existing ones, to meet contemporary learning needs. We continue to invest in innovative technologies to keep pace with the rapid advances in technology, to ensure our students and staff, schools, workplaces and communities are globally connected.

We supported our people in 2019–20 to make a difference everyday.

Employing more teachers

We are committed to ensuring we meet the growing demand for quality teachers across Queensland, allocating an additional 1133 teacher positions to schools this year. This is part of the Queensland Government's four-year commitment to employ an extra 3700 teachers between 2017 and 2021 on the basis of population growth.

Relaunching Teach Queensland

The *Teach Queensland* website was relaunched with a range of new resources on the benefits of teaching as a career, how to become a teacher and pathways to teaching for school-based support staff. The website continues to be fundamental in promoting teaching as a profession, helping people start their teaching careers, providing information and links to grants and scholarships, and attracting teachers to state schools across Queensland, particularly for rural, remote and regional communities.

Teaching Learning Centres

Our *Teaching Learning Centres* are ensuring high-calibre pre-service teachers are classroom, school and community ready to start their careers where the need is greatest. Centres are now operational in each of the department's seven regions, providing statewide support and quality teacher professional learning experiences including professional development, release time, mentoring and coaching, networking and holistic induction resources.

Future teachers program

The pilot *Future Teachers* program was successfully completed in December 2019, with 15 schools and four higher education institutions establishing partnerships as part of the pilot to encourage students to choose teaching as their career. The program is now available to all interested state schools, with approximately 30 schools offering the program from Term 1, 2020.

Building schools for the future

We ensured schools were ready to accommodate the additional 17,000 students who entered high school in 2020, delivering new infrastructure to 61 state schools across Queensland and supporting more than 700 Queensland jobs.

The *Renewing Our Schools* program is delivering a broad range of infrastructure in state schools, including multipurpose sports centres, performing arts centres, additional learning spaces, science laboratories, information technology (IT) hubs and communication upgrades and refurbishment of existing facilities—all informed by local school priorities.

A record eight new schools were opened in 2020:

- Calliope State High School
- Fortitude Valley State Secondary College
- Foxwell State Secondary College
- Lee Street State Special School
- Mango Hill State Secondary College
- Ripley Valley State School
- Ripley Valley State Secondary College
- Yarrabilba State Secondary College.

Cleaner greener schools

The *Cooler Cleaner Schools Program* (CCSP) is air-conditioning over 10,000 classrooms, libraries and staff rooms in over 650 state schools by the end of June 2022.

To assist in offsetting the energy needs of these air conditioning units, the CCSP will also expand the Advancing Clean Energy Schools Program delivering solar and energy efficiency measures across more than 800 state schools. As at 30 June 2020, 290 schools had received solar and/or energy efficiency measures as part of the program's achievements.

Advancing Aboriginal and Torres Strait Islander Education: An action plan for Queensland

In October 2019, we launched *Advancing Aboriginal and Torres Strait Islander education: An action plan for Queensland*. Through the 83 actions identified in the action plan, we will:

- further improve kindergarten participation
- lift school education outcomes
- develop culturally appropriate teaching and learning resources
- provide professional development opportunities for staff.

The action plan aims to empower Aboriginal and Torres Strait Islander children and students to develop the knowledge, skills and qualities they need to be ready for the jobs of tomorrow and shape their own futures.

Embracing new technology

During the COVID-19 pandemic much of our workforce trialled remote-working arrangements for the very first time, with Microsoft OneNote® proving a valuable software application to help us stay connected.

So much so, our department became the biggest user of the application worldwide with teachers quick to adapt and embrace the new technology to deliver critical work, record meeting minutes, organise lesson plans and create shareable content libraries.

Human Rights Act 2019

Following the introduction of the *Human Rights Act 2019* (the Act) on 1 January 2020, the department:

- partnered with the Queensland Human Rights Commission to conduct staff training and education about the Act
- reviewed over 120 policies and procedures for compatibility with the Act
- provided resources and information to staff and the general public about the department's approach to managing human rights complaints
- assessed 10 human rights complaints as upheld/substantiated (either in full, or in part) and an action or decision found to be incompatible with human rights. These complaints were managed in accordance with the department's [customer complaint management framework](#). Action taken for substantiated complaints may include

overturning a decision, giving an apology, changing a practice or process, providing a service not previously provided or addressing or referring the issue for system improvement.

Risk management

The Australian/New Zealand and International Standard for Risk Management (AS/NZS ISO 31000:2018) underpins the department's risk management framework and processes, which involve understanding the impact of uncertainty on the achievement of the department's objectives. The department's Enterprise Risk Management Framework is available at <http://qed.qld.gov.au/publications/management-and-frameworks/enterprise-risk-management-framework>.

Audit and Risk Management Committee

Section 30 of the *Financial and Performance Management Standard 2019* requires the department to establish an Audit and Risk Management Committee (ARMC).

The ARMC provides independent advice to the Director-General to help fulfil his responsibilities, under the *Financial Accountability Act 2009*.

The ARMC meets on a quarterly basis and has observed the terms of its charter, and has had due regard to the Audit Committee Guidelines. In addition, the ARMC monitors the implementation progress of agreed actions against all Queensland Audit Office (QAO) audit recommendations.

Details about the ARMC, including membership and a description of the committee's role, functions, remuneration, responsibilities and achievements for 2019–20, are available in

Appendix F.

Customer complaints management

The Customer Complaints Management System is an enterprise solution for customer complaints management and complies with the department's framework, policy and procedure—consistent with section 219A of the *Public Service Act 2008*.

The department's customer complaints data is available at <https://qed.qld.gov.au/publications/reports/annual-report#/annual-report>

Internal Audit

Internal Audit provides risk-based audit and advisory services across the department, including centralised and regional functions, information systems, frontline service delivery areas, as well as providing advice on departmental programs and projects.

The Head of Internal Audit reports administratively to the Director-General and operationally to the ARMC in accordance with Queensland Treasury's Audit Committee Guidelines. The Head of Internal Audit is suitably qualified as a Professional Member of the Institute of Internal Auditors Australia.

Internal Audit complies with its charter developed in accordance with the International Standards for the Professional Practice of Internal Auditing and the *Financial Accountability Act 2009* to ensure the effective, efficient and economical operation of the branch.

Internal Audit continues to remain agile in its service delivery, and develops a 6+6 Month Audit Plan using various inputs including departmental priorities, strategic and operational risks and stakeholder consultation. The plan is endorsed by the ARMC and approved by the Director-General.

During 2019–20, Internal Audit undertook:

- 261 school audits including full scope and follow-up audits
- 352 school health checks
- 14 general and operational audits
- five information systems audits
- five operational audits for the Office of Industrial Relations
- provided assurance services to a number of departmental ICT-enabled projects
- provided advice to key governance, working group and steering committees
- conducted targeted auditing
- performed independent payroll verification checks on seven payroll rate changes
- validated actions taken by management to address internal audit and QAO findings.

Internal Audit implemented the school health check process, a review of the school audit program in response to the COVID-19 disruption and development of the school audit questionnaire. Enhancements were made to reporting tools for use by departmental governance committees, along with the development of relevant data analytics to improve targeted testing in school audits. The impact of the COVID-19 pandemic on Internal Audit has affected the completion of the 6+6 Month Audit Plan with some reviews being deferred until the following year. In addition, on-site school audits were suspended for approximately three months for the period 24 March 2020 until the end of Term 2, 2020.

External scrutiny

The department is subject to a number of external reviewers, including the Queensland Auditor-General, the Office of the Information Commissioner (Queensland), the Crime and Corruption Commission (Queensland), and the Queensland Ombudsman.

Information about significant external audits and reviews of the department during the 2019–20 financial year is available in Appendix E.

Information security

The department applies a risk-based approach to information security and data protection to ensure that the students, staff and the department are appropriately protected. This is an ongoing process as the threats the department faces continually evolve.

In 2019–20, we:

- undertook multiple security awareness campaigns, which included technical assessments and in-person awareness sessions with technical school staff. We also updated the Bee iSecure campaign (<http://isecurity.eq.edu.au>)
- participated in simulations run by the Queensland Government Chief Information Office to prepare for security incidents
- implemented new services to protect our email environment and end-user devices from malicious activity
- revamped our security testing and risk assessment practices to evaluate more applications. Information Security Policy, Management System and Governance Committee is embedding our approach to identifying and managing risks to information, applications and technologies consistent with the Queensland Government's information security policy (IS18:2018).

Information systems and recordkeeping

Pursuant to the *Public Records Act 2002*, the department is required to make and keep public records, and only dispose of public records with the appropriate authorisation. The department is also required under the *Public Records Act 2002* and *Financial and Performance Management Standard 2019*, sections 7, 22 and 23, to have regard to the Queensland Government Enterprise Architecture and Records governance policy. The department continues to review and improve its record-keeping practices to ensure public sector accountability and transparency.

In 2019–20, we:

- automated processes to assist in the management of claims through the National Redress Scheme and Right to Information requests
- reviewed and updated record-keeping policies, procedures and guidance materials to assist staff in fulfilling their duties in managing public sector records
- reviewed and updated the Education and Training Sector Retention and Disposal schedule to remove items subject to a disposal freeze in line with the direction of Queensland State Archives.

Statutory bodies and portfolio entities

The department supports the statutory bodies and entities identified in the Department of the Premier and Cabinet's register. Statutory bodies, including universities and grammar schools, prepare their own reports. Information about these bodies and entities can be found at <https://qed.qld.gov.au/publications/reports/annual-report> and <https://governmentbodies.premiers.qld.gov.au>.

Consultancies, language services and overseas travel

Reports on expenditure on consultancies, language services and overseas travel are published on the Open Data website at <http://data.qld.gov.au>.

Workforce profile

As at 30 June 2020:

- 92,644 employees, made up of 73,970.78 full-time equivalent (FTE)
- approximately 94 per cent of workforce based in a school
- 2106.69 FTEs (2.8 per cent of the total workforce) providing corporate services to the department
- senior officers, senior executive service officers, miscellaneous workers and trainees account for less than 0.5 per cent of total FTE staff
- permanent staff retention rate of 95.3 percent
- annual permanent separation rate of 4.7 per cent.

During the 2019–20 financial year, four employees received a redundancy package at a cost of \$533,772.40. No retrenchment or early retirement packages were paid during the period.

Table 5: Workforce by type of employment

Employment category	% of Workforce
Permanent employees	80.8%
Temporary employees	15.9%
Casual or contract employees	3.3%
Grand total	100%

The department's staff numbers are based on Quarter 2, 2020 Minimum Obligatory Human Resource Information point-in-time data.

Table 6: Main occupational groups

Occupational group	% of Workforce
Teachers	63.5%
Teacher aides	14.5%
Public servants	13.3%
Cleaners	6.4%
Schools officers	1.8%
Other	0.5%
Grand total	100%

In 2019–20, we supported our staff to make a difference through the following initiatives:

- *We All Belong inclusion and diversity framework* - outlines the department's approach to inclusion and diversity—to grow together as an organisation, valuing and embracing the different skills, knowledge and experiences each of our staff brings to work
- *Proud at Work* - The department aims to provide workplaces where all employees feel safe, valued and supported to bring their whole selves to work
- *Able. Valuing talent in all abilities* - The department has a vision to ensure people of all abilities can participate fully in all aspects and pathways of employment
- *Aboriginal and Torres Strait Islander workforce strategy* - In Reconciliation Week 2020, the Director-General launched the *Aboriginal and Torres Strait Islander workforce strategy*
- *Pathways to Parity workforce strategy* – Aims to provide workplaces where women and men—all employees—have the same rights, access and opportunities to employment and career pathways. The strategy was launched by the Director-General in March 2020
- *Flexible by design* - In 2019–20, a range of new tools were developed including the online flexible arrangements form, *Flexible by Design* toolkit, supporting capability videos, conversation guides, webinars and an online community for managers
- *Capability development* - In 2019–20, this has been demonstrated through growing registrations in new programs:
 - 896 registrations in the Highly Accomplished Teacher / Lead Teacher Certification Process for Applicants which is mandatory for teachers seeking to submit an application
 - 937 registrations in the new *Senior Subject Professional Development* program
 - 430 registrations in the *Teaching Junior Secondary* program
 - 129 registrations in the *Restart Teaching* program
 - 81 registrations in the *Languages Upskilling* program
 - 238 registrations in the *Mentoring* program
 - 1320 School Cleaners expressed interest in the Certificate III in Cleaning Operations

- 117 Teacher Aides commenced the Certificate III in Education Support – Recognition of Prior Learning (RPL)
- preparatory work was undertaken to support diploma qualifications for science operations officers and an RPL process for community education counsellors.
- *New online resources* - A new online resource is helping to provide schools, regions and central office staff with up-to-date information about strategic workforce planning trends
- *Take the Lead program* - Up to 25 aspiring leaders complete each program through one of three strands depending on their current experience and future aspirations
- *Teaching Junior Secondary* - The final core content for the Teaching Junior Secondary program, which comprises six learning modules and six assessments was released in January 2020
- *Principal health and wellbeing strategy* - Launched as an integrated and system wide approach that addresses the unique and emerging challenges that principals face.

Domestic and family violence prevention

We continue to build on the work of embedding cultural change into understanding, recognition and support for employees affected by domestic and family violence. This is achieved through campaigns to raise awareness and the promotion of resources to support employees.

COVID-19 response

The department worked closely with Queensland Health in response to the COVID-19 pandemic, with risk mitigation measures undertaken by the department reflecting our focus on ensuring that student and staff safety is our first priority.

A comprehensive suite of online resources were developed to support the health and wellbeing of staff during COVID-19. The *Looking after yourself during COVID-19* series provided tips and strategies through online information, fact sheets, podcasts and webinars. Topics included self-care, staying connected, maintaining balance while working from home, managing relationships, and mental health and wellbeing. The *Looking after yourself series* supports the department's *Staff Wellbeing Framework*.

Health, Safety and Wellbeing Management System

The department's commitment to health, safety and wellbeing (HSW) and the continual improvement of HSW performance was supported through a review and redevelopment of our HSW Management System, concluded in June 2020.

Public Sector Ethics Act 1994

The department is committed to transparency and accountability, and all departmental employees are required to comply with the public sector ethics principles set out in the *Public Sector Ethics Act 1994*. This is achieved through department-wide implementation of the *Code of Conduct for the Queensland Public Service* and the department's *Standard of Practice*, which gives effect to the Code in the department's unique environment.

Employees undertake mandatory public sector ethics education and training upon commencement of their employment with the department, and at intervals of no more than 12 months thereafter. In 2019–2020, 80,229 staff (87.7 per cent) completed the Mandatory All Staff Training program (MAST) designed to improve the quality, consistency and effectiveness of compliance training for employees.

Key achievements in 2019–20 include:

- hosting the annual International Fraud Awareness Week forum in November 2019, and live streaming it statewide to enable maximum employee access
- commencing a full policy analysis and review of the department's suite of integrity-related policies, procedures and supporting documents, with a focus on conflict of interest, and preventing and reporting corruption and misconduct
- continuing to work with universities to deliver ethics training to pre-service teachers
- continuing to drive proactive fraud and corruption control measures through the department's Fraud and Corruption Control Committee.

Appendix A

Early childhood education and care performance

Participation

Proportion of children enrolled in an early childhood education program

Figure 5: All Queensland children

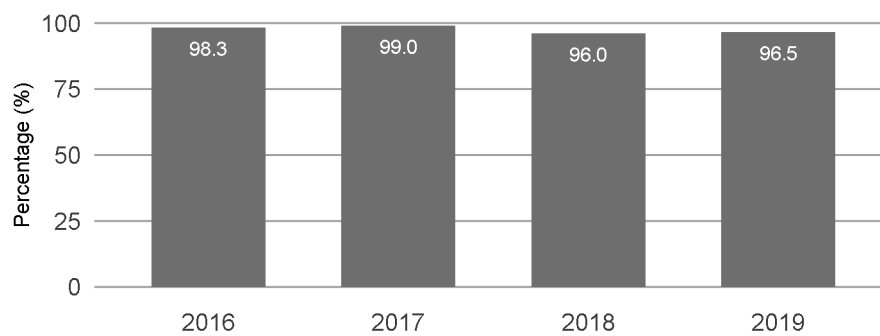


Figure 6: Aboriginal and Torres Strait Islander children

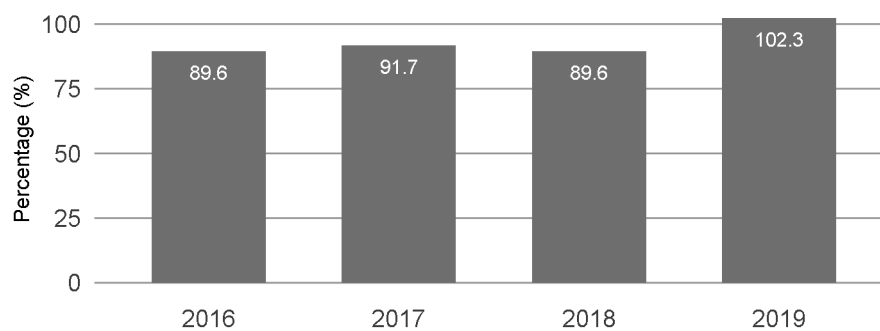
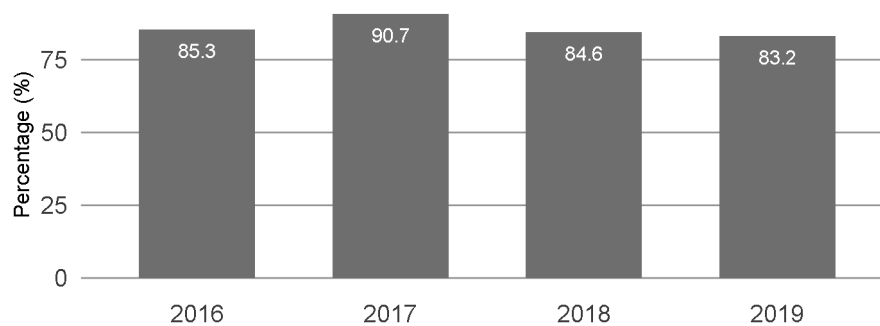


Figure 7: Children who reside in disadvantaged areas



Source: ABS *Preschool Education Australia* (Catalogue No. 4240.0).

Notes:

Early childhood education program: a quality play-based program in accordance with the Early Years Learning Framework and the National Quality Standard delivered by a degree-qualified early childhood teacher.

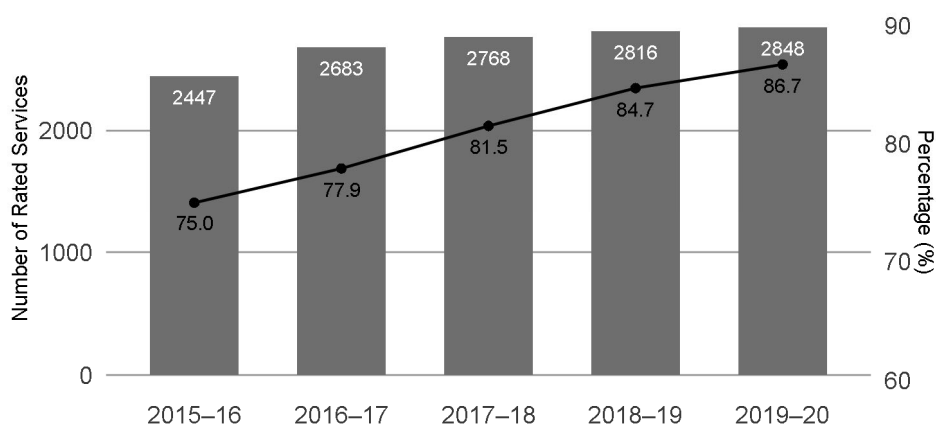
Results over 100 per cent are possible as the nationally agreed measure is the number of children enrolled (aged four or five) divided by the estimated resident population of four-year-olds.

The 2018 and 2019 Kindergarten participation data was re-released by the ABS to correct an error in the linkage process. No adjustments have been made to the 2016 and 2017 data. As such any comparisons of the 2018 and 2019 data with earlier data should be treated with caution.

Quality

Proportion of assessed and rated services meeting or above the National Quality Standard

Figure 8: Services



Source: Australian Children's Education and Care Quality Authority (ACECQA) National Quality Framework, as at 30 June each year.

Appendix B

School education performance

Proportion of students achieving at or above the National Minimum Standard

Year 3—All students

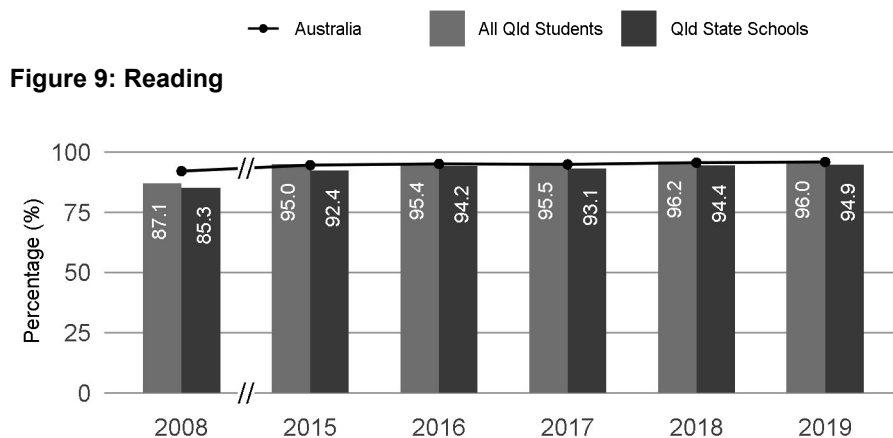


Figure 10: Writing

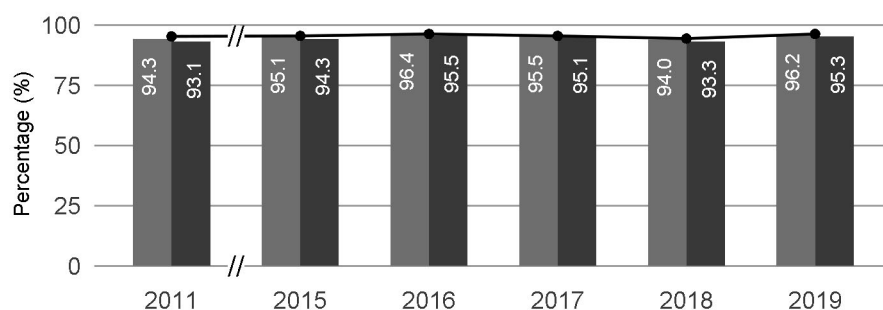
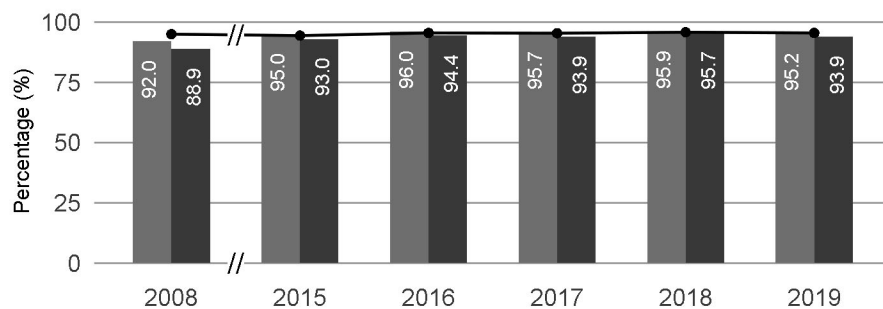


Figure 11: Numeracy



Year 3—Aboriginal and Torres Strait Islander students

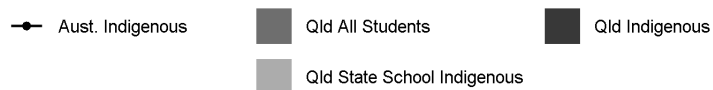


Figure 12: Reading

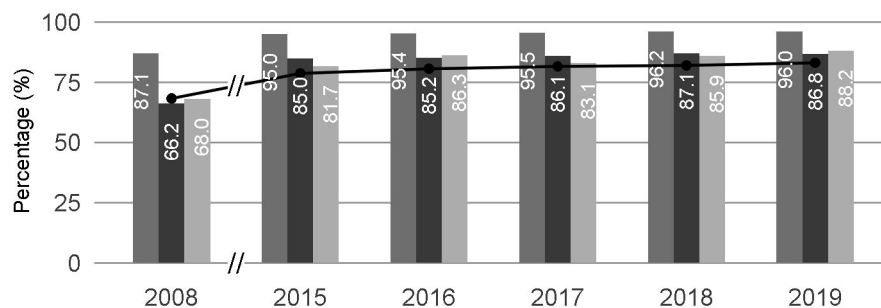


Figure 13: Writing

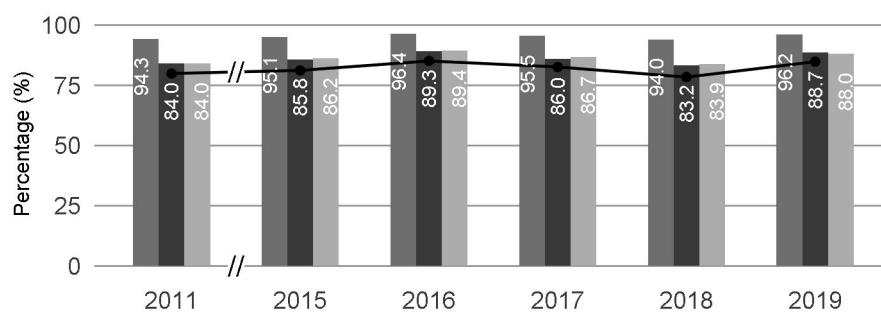
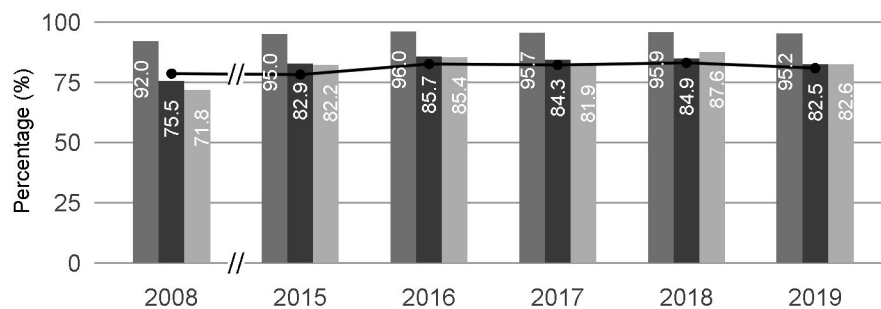


Figure 14: Numeracy



Year 5—All students

—●— Australia ■ All Qld Students ■ Qld State Schools

Figure 15: Reading

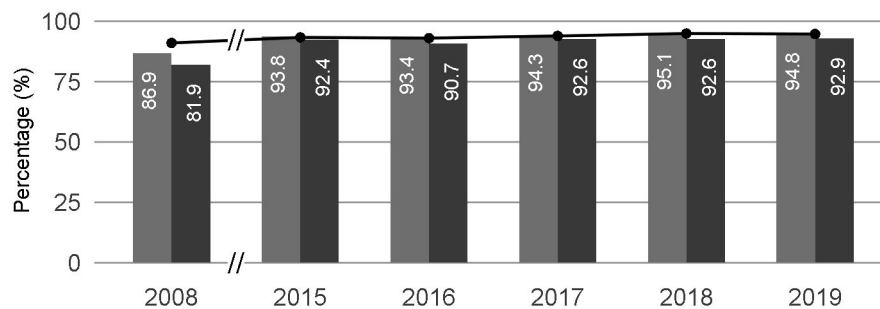


Figure 16: Writing

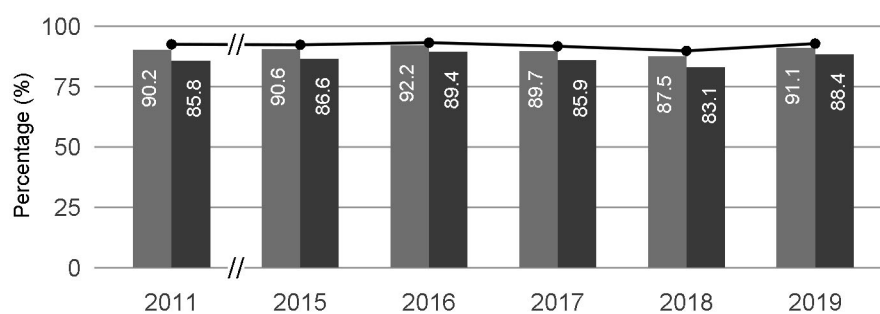
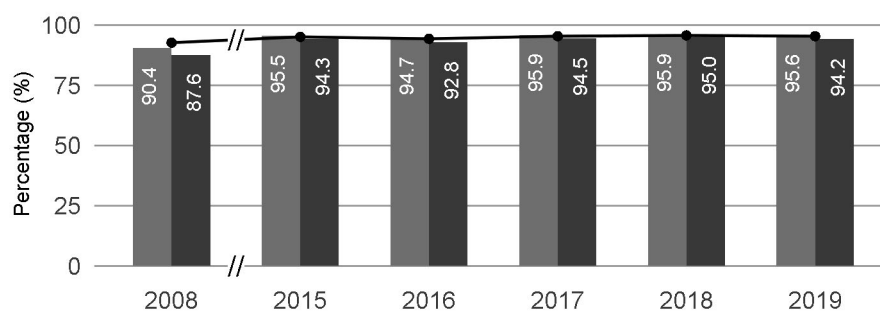


Figure 17: Numeracy



Year 5—Aboriginal and Torres Strait Islander students

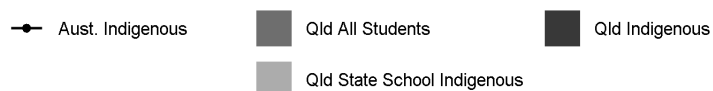


Figure 18: Reading

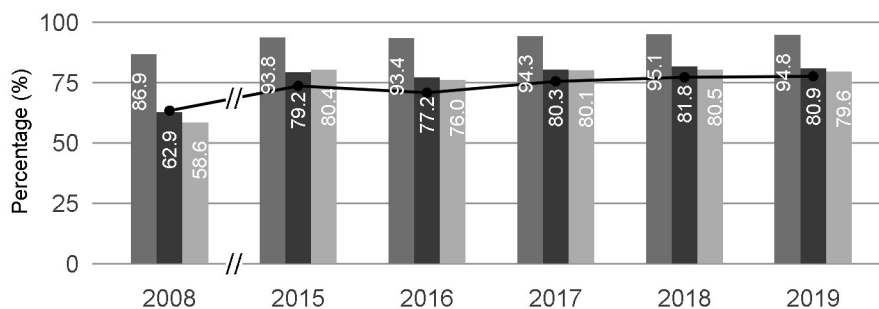


Figure 19: Writing

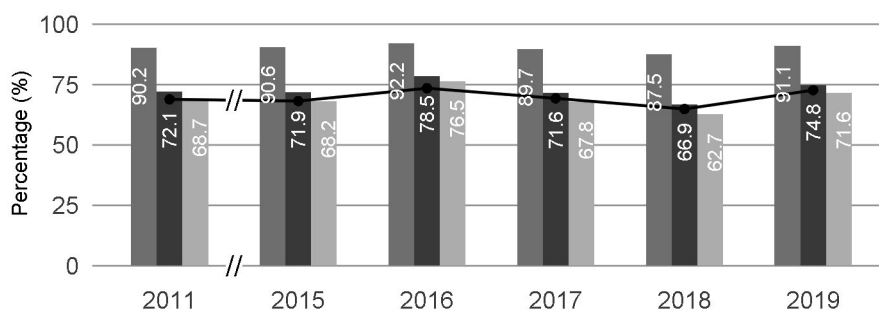
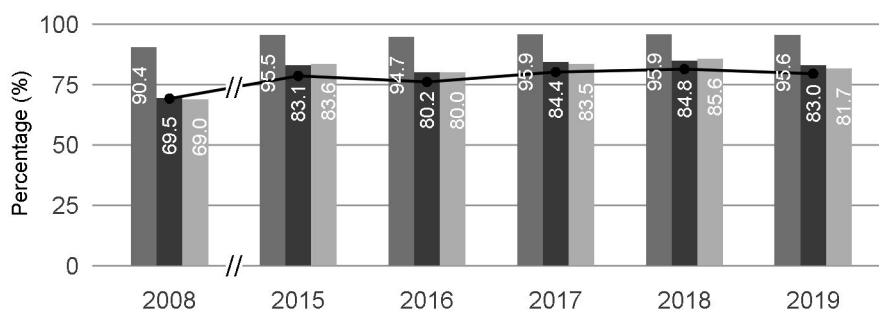


Figure 20: Numeracy



Year 7—All students

—●— Australia ■ All Qld Students ■ Qld State Schools

Figure 21: Reading

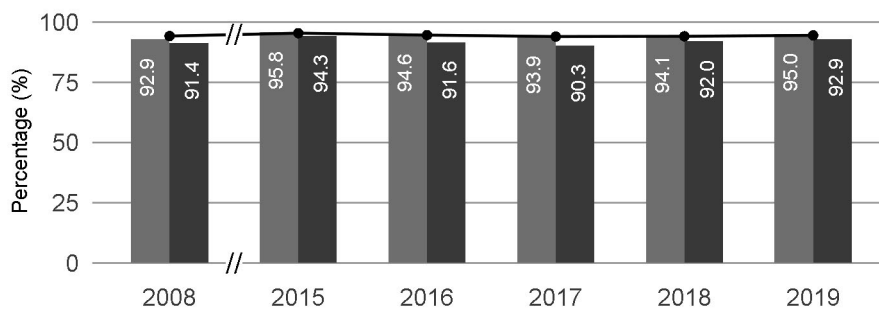


Figure 22: Writing

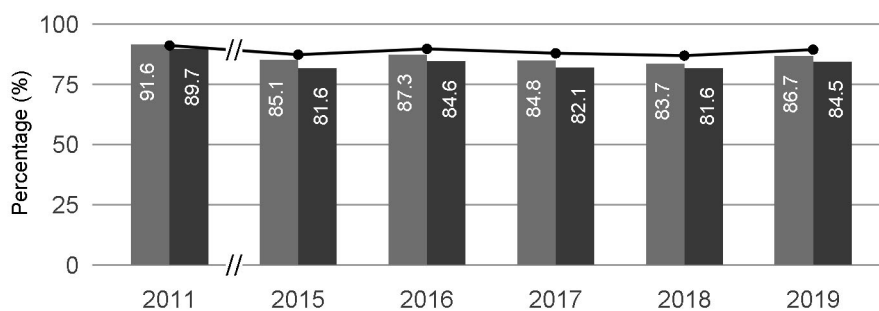
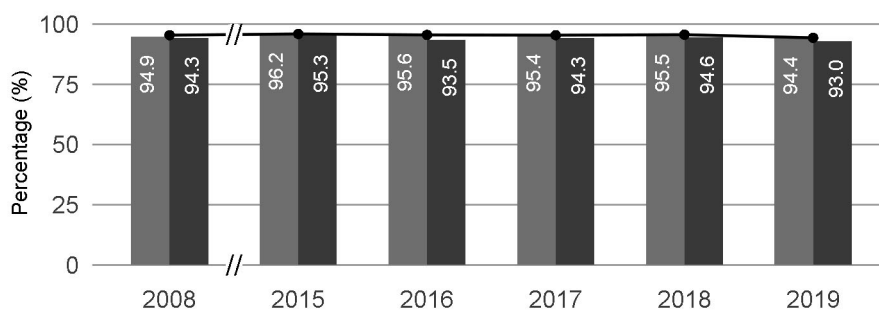


Figure 23: Numeracy



Year 7—Aboriginal and Torres Strait Islander students

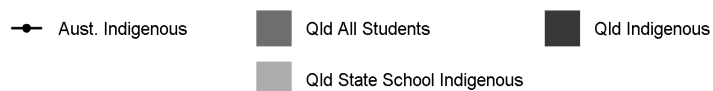


Figure 24: Reading

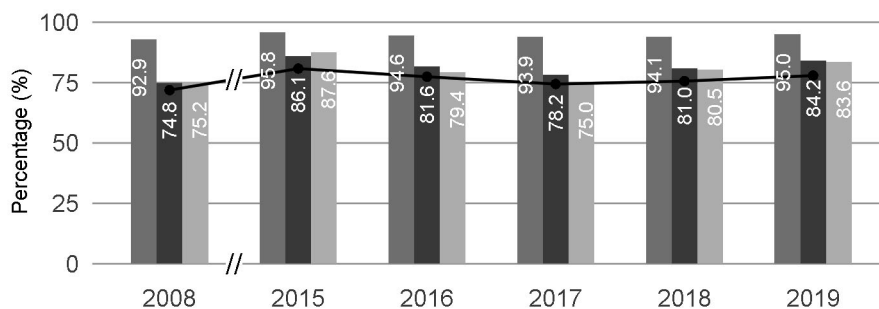


Figure 25: Writing

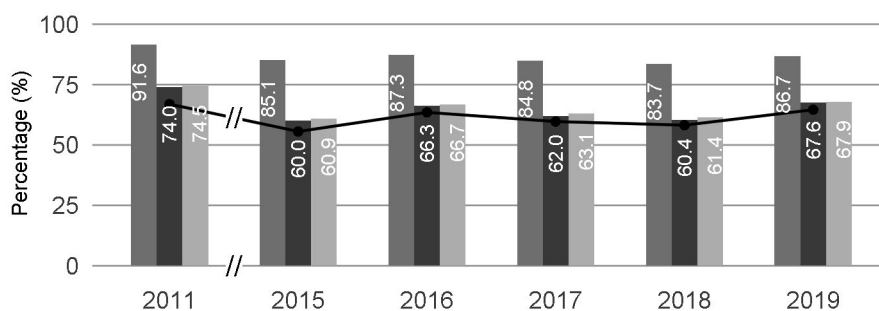
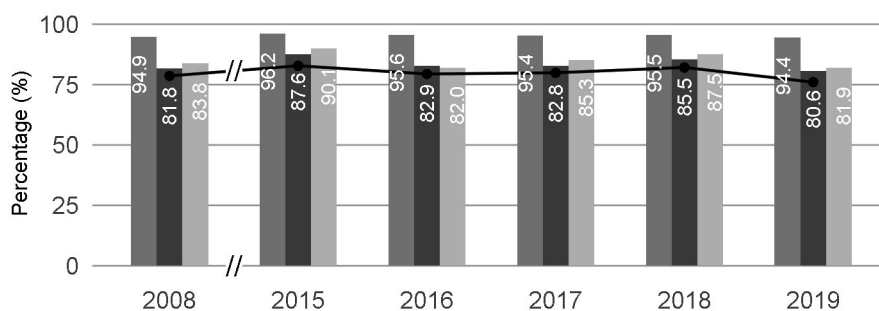


Figure 26: Numeracy



Year 9—All students

—●— Australia All Qld Students Qld State Schools

Figure 27: Reading

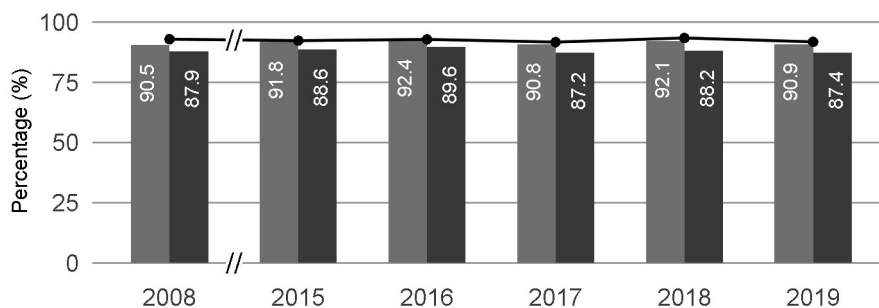


Figure 28: Writing

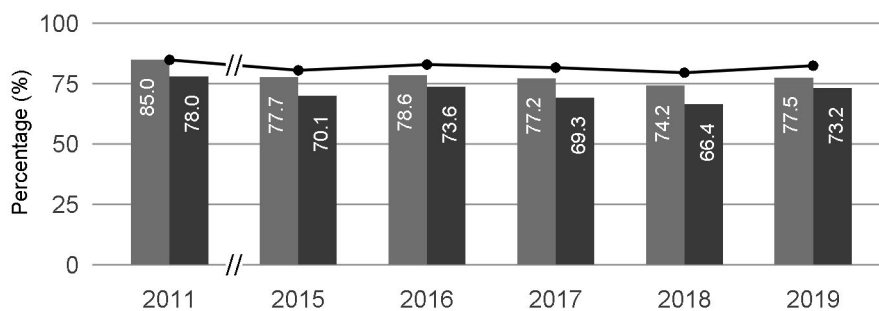
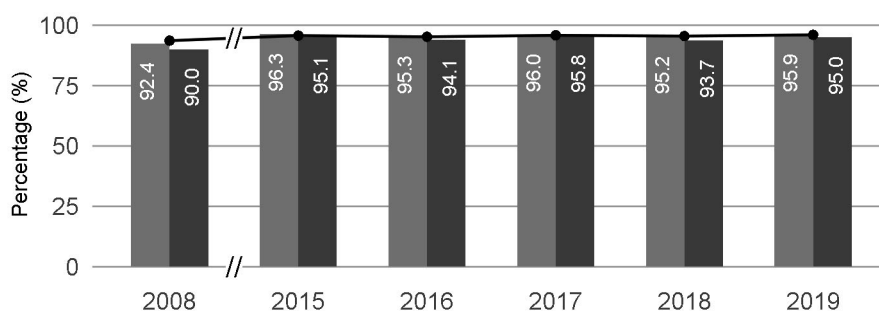


Figure 29: Numeracy



Year 9—Aboriginal and Torres Strait Islander students

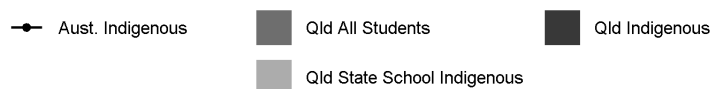


Figure 30: Reading

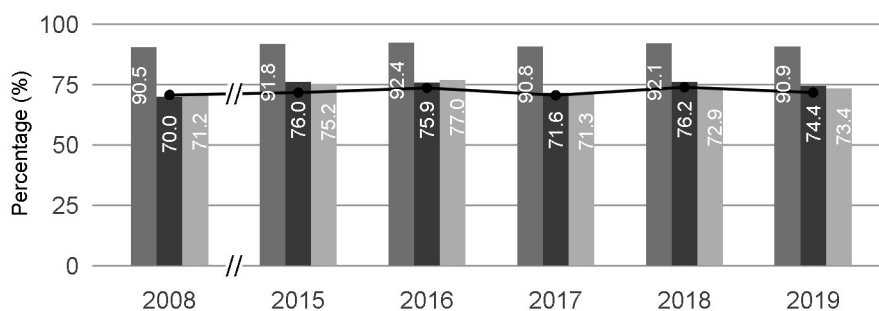


Figure 31: Writing

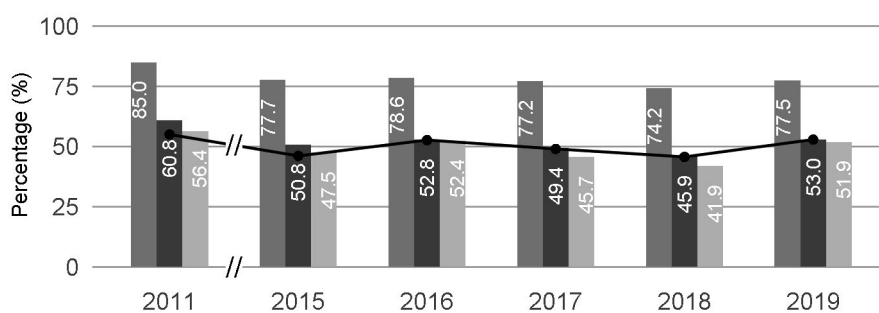
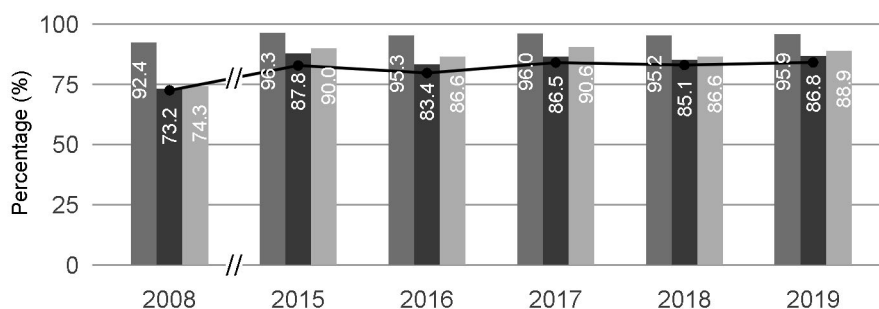


Figure 32: Numeracy



Source: Australian Curriculum, Assessment and Reporting Authority (ACARA) and Queensland Curriculum and Assessment Authority (QCAA). Baseline (2008 or 2011) figures are shown for comparison.

Year 12 outcomes

Table 7: Proportion of students awarded certification by the end of Year 12

Measure	2015	2016	2017	2018	2019
State school students awarded Certification by the end of Year 12	96.7%	97.8%	98.1%	98.4%	98.3%
All Queensland students awarded Certification by the end of Year 12	95.2%	96.1%	96.4%	96.9%	96.5%
Aboriginal and Torres Strait Islander state school students awarded Certification by the end of Year 12	95.0%	97.1%	97.2%	98.1%	98.1%

Source: QCAA (as at February 2020). Excludes visa students.

Figure 33: Proportion of Year 12 with a VET qualification

All students

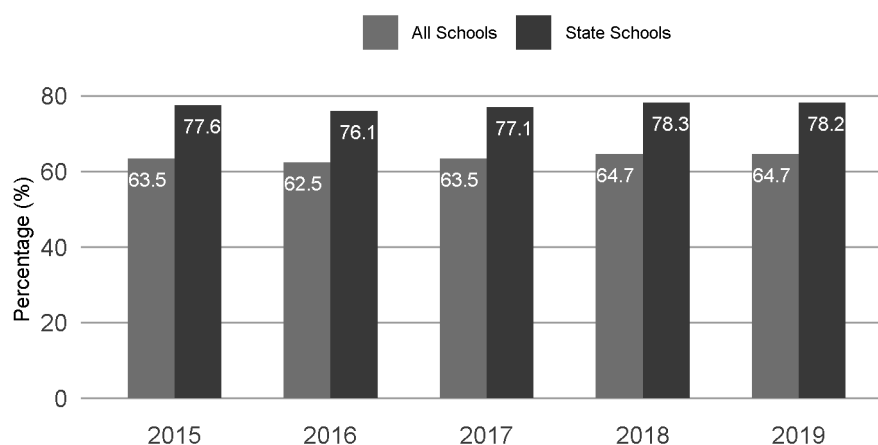
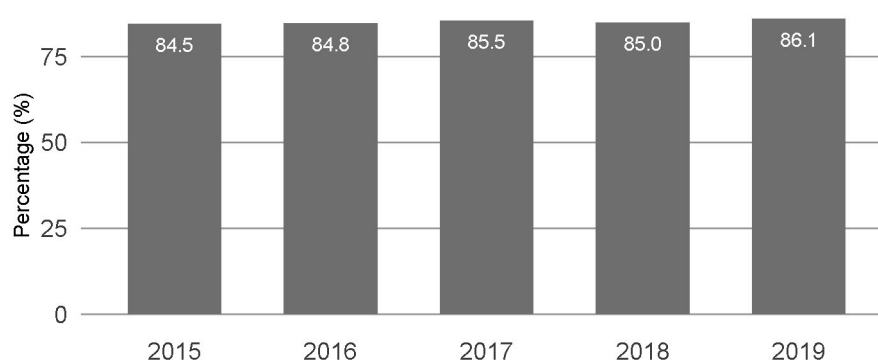


Figure 34: Aboriginal and Torres Strait Islander state school students



Source: QCAA (as at February 2020). Includes students who undertook a school-based apprenticeship and traineeship; excludes visa students.

Figure 35: Proportion of Year 12 OP-eligible or IBD-eligible students with an OP 1–15 or an IBD

All students

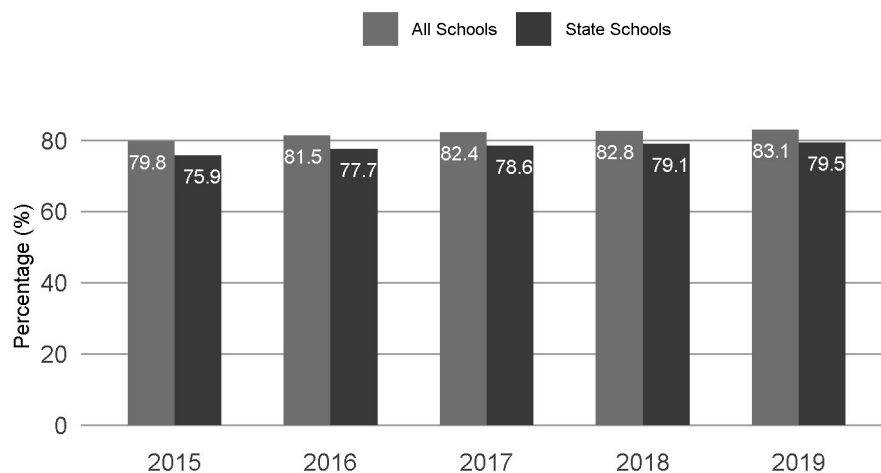
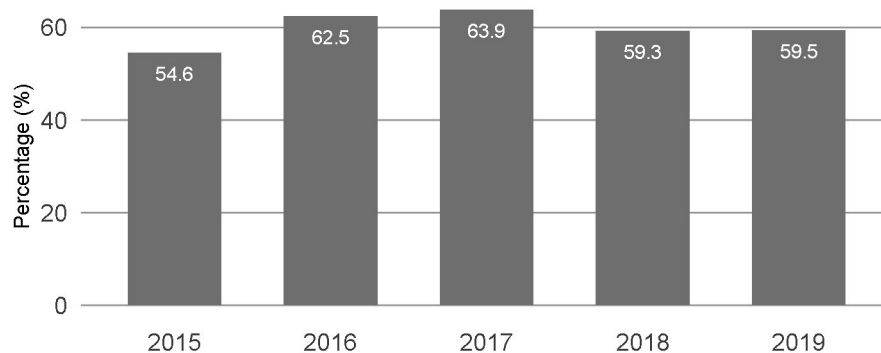
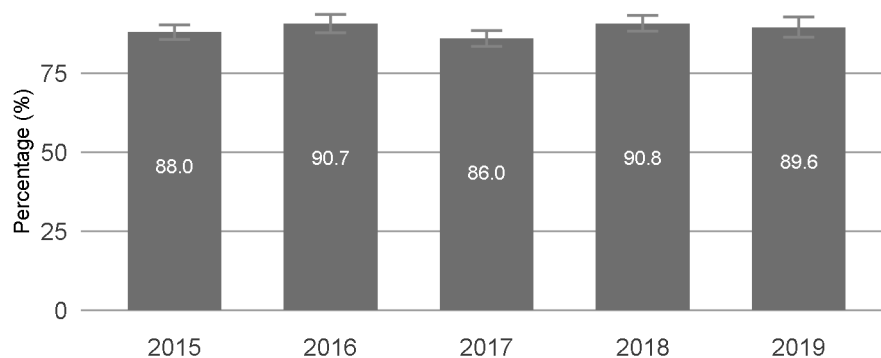


Figure 36: Aboriginal and Torres Strait Islander state school students



Source: QCAA (as at February 2020). Excludes visa students.

Figure 37: Proportion of 20- to 24-year-olds having attained Year 12 or equivalent, or Certificate II or above (state or non-state schools)



Source: ABS, *Education and Work, Australia* (Catalogue No. 6227.0).

Post schooling

Figure 38: Proportion of students who, six months after completing Year 12, are participating in education, training or employment (state schools)

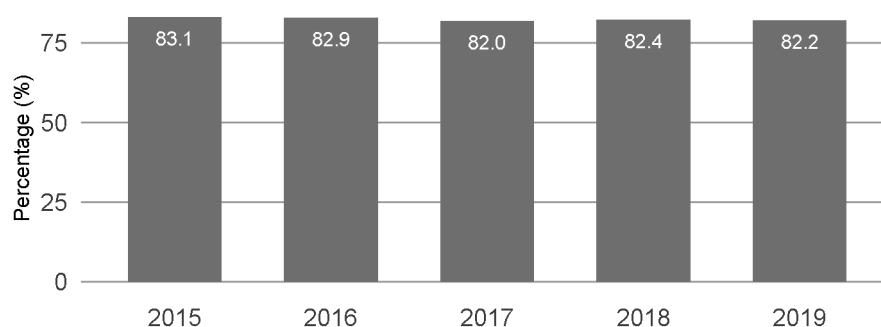


Table 8: Main destinations of Year 12 completers (state and non-state schools)

Main destinations of Year 12 completers	Aboriginal and Torres Strait Islander Year 12 Completers	Non-Indigenous Year 12 Completers	All Year 12 Completers
Bachelor Degree	16.0%	40.9%	39.7%
VET Certificate IV+	4.9%	5.3%	5.3%
VET Certificate III	5.4%	2.6%	2.8%
VET Certificate I–II/other	2.1%	2.1%	2.1%
Apprenticeship	6.0%	6.3%	6.3%
Traineeship	5.3%	2.3%	2.4%
Full-time employment	8.7%	8.2%	8.2%
Part-time employment	21.3%	19.4%	19.5%
Seeking work	24.6%	10.1%	10.8%
Not in the labour force, education or training	5.6%	2.8%	2.9%
	100.0%	100.0%	100.0%

Source: Next Step Surveys.

Attendance

Table 9: State school attendance rates by departmental region

Region	2015	2016	2017	2018	2019
Central Queensland	91.5%	91.5%	91.2%	90.9%	90.3%
Darling Downs South West	91.1%	91.2%	90.9%	90.5%	90.2%
Far North Queensland	88.9%	88.9%	88.6%	87.9%	87.2%
Metropolitan	92.8%	93.0%	93.0%	92.5%	92.0%
North Coast	91.0%	91.2%	91.3%	90.5%	90.1%
North Queensland	89.8%	89.4%	89.6%	88.6%	87.4%
South East	91.2%	91.6%	91.6%	91.0%	90.7%
Queensland	91.4%	91.5%	91.5%	90.9%	90.5%

Table 10: Proportion of state school students by attendance rate range

Year level category	Less Than 85%	85% to <90%	90% to <95%	95% to 100%
Primary (Prep–Year 6)	14.8%	12.4%	27.6%	45.2%
Secondary (Year7–Year 12)	24.9%	13.8%	25.6%	35.6%

Source: Department of Education (Semester 1, 2013–18). Full-time students only. The student attendance rate is based on Semester 1 each year and is generated by dividing the total of full days and part days that students attended, and comparing this to the total of all possible days for students to attend, expressed as a percentage.

Retention

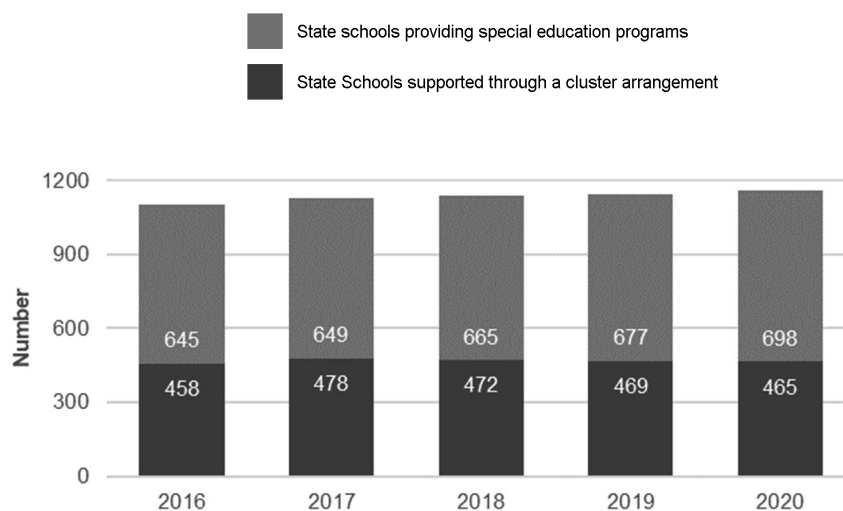
Table 11: Apparent retention rates (ARR) of Queensland and Australian students in Years 10–12

Year	State/Territory	Aboriginal and Torres Strait Islander Students	Non-Indigenous Students	All Students
2019	Queensland	72.9	89.3	88.1
	Australia	60.0	83.2	82.0
2018	Queensland	74.9	88.8	87.8
	Australia	62.6	83.9	82.8
2017	Queensland	73.1	88.9	87.8
	Australia	63.0	84.3	83.3
2016	Queensland	72.0	88.4	87.3
	Australia	60.9	84.0	82.9
2015	Queensland	72.4	87.7	86.7
	Australia	60.6	83.8	82.7

Source: ABS, Schools, Australia.

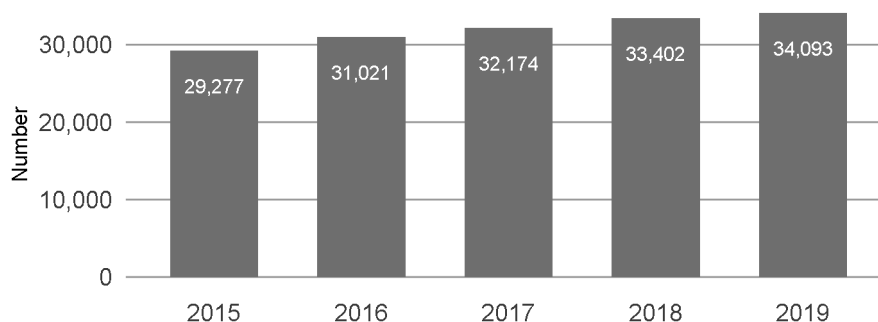
Students with disability

Figure 39: Number of state schools accessing special education programs



Source: Department of Education Queensland, Centre Information System (CIS).

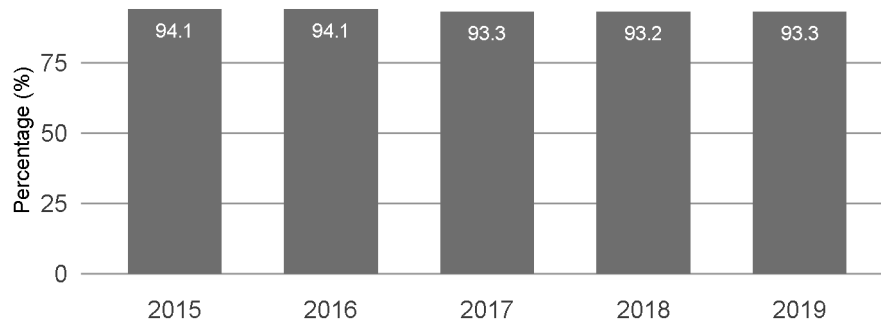
Figure 40: Number of students with disability identified through the Education Adjustment Program as requiring additional support enrolled in state schools



Source: Department of Education Queensland, AIMS cube (OneSchool) as at August each year. Totals include students enrolled in special schools and mainstream schools.

Parent satisfaction

Figure 41: Proportion of parents satisfied with their child's school



Source: 2019 Department of Education School Opinion Survey, parent/caregiver survey. The proportion presents the aggregation of positive responses (somewhat agree, agree and strongly agree) to the statement *this is a good school*.

Directions and orders

Table 12: Summary of directions and orders

Type of direction or order	Directions or orders given to persons other than children/young people	Directions or orders given to children/young people who are not students of the school
State and non-state schools		
Prohibition from entering premises of all state educational institutions and non-state schools for up to one year—section 352	0	0
State schools		
Direction about conduct or movement for up to 30 days— section 337	110	7
Direction to leave and not re-enter for 24 hours— section 339	32	11
Prohibition from entering premises for up to 60 days—section 340	31	1
Prohibition from entering premises for more than 60 days but not more than one year—section 341	1	0
Review of direction—section 338:		
• the number of review applications made	4	0
• the number of directions confirmed	4	0
• the number of directions cancelled	0	0
Prohibition from entering premises of all state education institutions for up to one year—section 353	0	0
Non-state schools		
Direction about conduct or movement—section 346	11	1
Direction to leave and not re-enter—section 348	7	4
Prohibition from entering premises for up to 60 days—section 349	5	7
Prohibition from entering premises for more than 60 days but not more than one year—section 350	4	2
Review of direction—section 347 or 349B:		
• the number of review applications made	5	0
• the number of directions confirmed	4	0
• the number of directions varied or cancelled	0	0

Source: Department of Education.

Note: Sections refer to the *Education (General Provisions) Act 2006*, Chapter 12, Parts 6-8.

Appendix C

Supporting services performance

Attendance rate for state school teachers

Table 13: Attendance rate (%) for state school teachers

Year	Age									
	20–24	25–29	30–34	35–39	40–44	45–49	50–54	55–59	60–64	65+
2019–20	97.6	96.8	96.2	95.9	95.8	95.8	95.3	93.9	92.3	92.0
2018–19	97.7	96.9	96.5	96.0	96.1	96.0	95.4	94.4	92.5	93.1
2017–18	97.9	97.1	96.4	96.0	96.0	96.0	95.6	94.3	92.9	93.0
2016–17	98.0	97.1	96.5	96.2	96.2	96.1	95.6	94.5	93.2	93.0
2015–16	98.1	97.2	96.6	96.3	96.3	96.2	95.8	94.6	93.7	93.4
2014–15	98.2	97.2	96.5	96.3	96.3	96.1	95.7	94.5	93.4	93.5
2013–14	98.1	97.2	96.4	96.3	96.2	96.2	95.7	94.5	94	93.4
2012–13	98	97	96.3	96.1	96.2	96.1	95.6	94.3	93.9	92.7

Source: Department of Education.

Table 14: Department of Education (DoE) permanent staff retention rate (%)

Year	DoE Retention Rate (%)
2015–16	94.9%
2016–17	95.0%
2017–18	95.1%
2018–19	95.2%
2019–20	95.3%

Source: Department of Education

Table 15: Proportion of school-based staff who agree that this is a good school

Year	Actual
2014	95.4
2015	95.0
2016	94.5
2017	93.1
2018	93.0
2019	92.0

Source: Department of Education

Appendix D

Our legislation

The Premier of Queensland has responsibility for determining ministerial portfolios.

The responsibilities of ministers and their portfolios are set out in Administrative Arrangements Orders. The Orders detail principal responsibilities, the Acts administered, and the departments, agencies and office holders responsible for them.

The Administrative Arrangements Order is published in the Queensland Government Gazette and online at <https://www.qld.gov.au/about/how-government-works/government-responsibilities>

Appendix E

External scrutiny

Queensland Audit Office

The Queensland Audit Office (QAO) reports listed below are applicable to the department. For a complete list of all tabled reports by QAO to the Queensland Parliament in the 2019–20 financial year, visit the QAO website at gao.qld.gov.au/reports-resources/parliament.

- Education: 2018–19 results of financial audits (Report 15: 2019–20)
- Evaluation major infrastructure projects (Report 14: 2019–20)
- Queensland state government finances: 2018–19 results of financial audits (Report 11: 2019–20)
- Queensland state government entities: 2018–19 results of financial audits (Report 8: 2019–20).

Office of the Information Commissioner

There were no reports applicable to the department tabled in the Queensland Parliament or published by Office of the Information Commissioner (OIC). For a complete list of all tabled reports by OIC to the Queensland Parliament in the 2019–2020 financial year, visit its website at www.oic.qld.gov.au/about/our-organisation/key-functions/compliance-and-audit-reports.

Crime and Corruption Commission

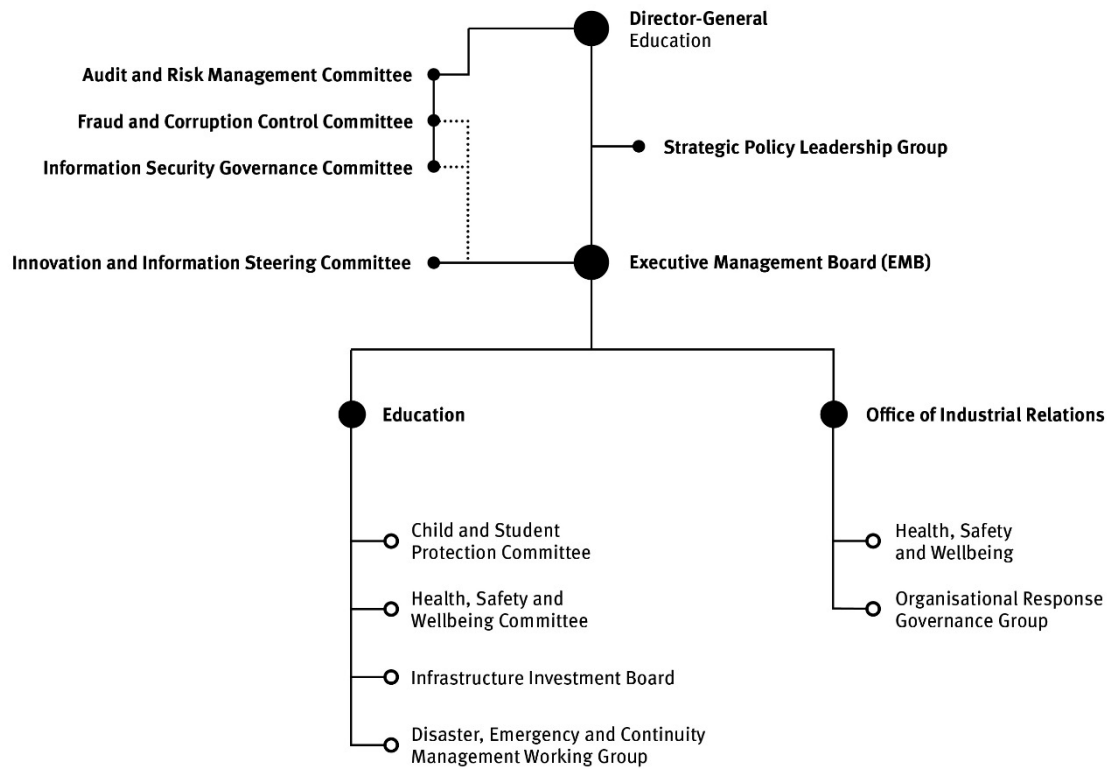
The Crime and Corruption Commission (CCC) investigates both crime and corruption, has oversight of both the police and the public sector, and protects witnesses.

The following report is applicable to the department. For a complete list of publications by CCC in the 2019–20 financial year, visit its website at www.ccc.qld.gov.au/research-and-publications.

- Operation Impala—A report on misuse of confidential information in the Queensland public sector.

Appendix F

Governance committees



Executive Management Board

(Also operates in its capacity as Budget Committee)

Functions

The Executive Management Board (EMB) functions are to set the strategic direction and priorities for the department, make strategic investment and budgetary decisions and monitor performance towards the achievement of outcomes for Queensland.

As the Budget Committee, EMB develops strategies to monitor financial performance against allocations ensuring the budget remains balanced, and supports the department's mid-year review response and budget submissions.

Achievements

Executive Management Board

- led the development and monitoring of the department's 2020–2024 Strategic Plan
- led the department's implementation of the Government's election commitments and engagement in Advancing Queensland Priorities
- provided sound financial management, including reprioritisation measures
- oversaw the development, review and approval of major strategic priorities
- led strategic change management and monitored the department's portfolio performance on a quarterly basis.
- led the Department's response to the COVID-19 pandemic.

Budget Committee

- provided key funding allocation decisions to support the department's strategic direction
- supported the Department of Education's contribution to the State Budget Papers
- continued to monitor the five-year operating budget plan to ensure the department is financially sustainable
- ensure a balanced 2019–20 internal budget
- supported the Department of Education's 2019–20 Mid-Year Review response and the 2020–21 budget submission
- monitored divisions' and regions' financial performance against budget allocations on a monthly basis

- conducted the Mid-Year Review to ensure emerging financial issues were appropriately addressed
- reviewed and approved changes to monitoring of the department back office FTEs.

Membership

Director-General

Deputy Director-General, Corporate Services

Deputy Director-General, Policy, Performance and Planning

Deputy Director-General, State Schools

Deputy Director-General, Early Childhood and Education Improvement

Assistant Director-General, Finance and Chief Finance Officer

Deputy Director-General, Office of Industrial Relations

Deputy Director-General, People and Executive Services

Regional Director—rotating representative

Executive Director, Office of the Director-General

Audit and Risk Management Committee

Functions

The Audit and Risk Management Committee (ARMC) provides independent audit and risk management advice to the Director-General, as a requirement under section 30 of the *Financial and Performance Management Standard 2019*. The Fraud and Corruption Control Committee reports through the ARMC as a sub-committee.

Achievements

- reviewed and endorsed the department's financial statements
- noted the Chief Finance Officer Statement of Assurance
- endorsed the 2019–20 6+6 Month Audit Plan and Mid-Year Review of the 6+6 Month Audit Plan in November 2019
- monitored Internal Audit's key performance indicators and measures
- commenced a deep dive into the departmental compliance framework

- a five yearly External Quality Assessment of the Internal Audit Branch was performed by the Institute of Internal Auditors Australia
- reviewed the membership of the ARMC and proposed changes to membership through inclusion of another external member with an ICT skill-set and the reduction of internal members (effective from January 2021).

Membership

Deputy Director-General, Corporate Services

Deputy Director-General, Early Childhood and Education Improvement

Deputy Director-General, State Schools

Deputy Director-General, Office of Industrial Relations

External Chair—Karen Prentis

External Member—Julie Cotter

Remuneration

Position in organisation	External members	Remuneration	% of scheduled meetings attended		Duration of membership
			Member	Proxy	
External Chair	Karen Prentis	\$12,000	100%	0%	Full year
External Member	Julie Cotter	\$8,000	80%	0%	Full year

Fraud and Corruption Control Committee

Functions

The Fraud and Corruption Control Committee provides advice to the ARMC regarding strategies to champion, oversee, monitor and coordinate the various fraud and corruption mitigation mechanisms in effect in the department.

Achievements

- a new data dashboard was developed to monitor the department's corrupt conduct issues, closure rates of investigations and other employment-related data.
- members considered the following reports throughout the year:
 - quarterly fraud and corruption risk assessments
 - internal audit reports
 - computer aided audit techniques updates
 - case status report updates (de-identified).
- reviewed, monitored the progress of and assessed the adequacy of the department's responses to a number of Crime and Corruption Commission joint investigations and public inquiries, including Operation Impala.
- contributed to and monitored the following awareness campaigns;
 - the *Contracting back campaign* was focused on increasing employee knowledge of and compliance with the provisions of s89 of the *Criminal Code Act 1899*, which makes unauthorised employee contracting back to the department a criminal offence; and
 - the *Fraud awareness campaign*, which consists of a forum and awareness campaign, run annually in November, in support of International Fraud Awareness Week 2019. Guest speakers at the 2019 forum included Dr Jacqueline Drew, School of Criminology, Griffith University and Ms Louise Rosemann, Principal Advisor Public Interest Disclosures, Queensland Ombudsman.
- 'Integrity' was incorporated into the department's *2020–24 Strategic Plan* as a new organisational Principle.
- a new succinct Fast Facts integrity advisory resource was distributed on a term basis to principals/Business Service Managers and corporate executives.

Membership

Deputy Director-General, People and Executive Services

Deputy Director-General, Corporate Services

Assistant Director-General, Finance and Chief Finance Officer

Assistant Director-General, Human Resources

Assistant Director-General, Strategy and Performance

Executive Director, Integrity and Employee Relations

Director, Integrity and Assessment and Integrity and Employee Relations

Head of Internal Audit (Observer).

Department of Education Health, Safety and Wellbeing Committee

Functions

The Health, Safety and Wellbeing Committee (HSWC) provides advice to EMB to fulfil its corporate governance responsibilities of oversight, direction and continuous improvement of health, safety and wellbeing outcomes for the department.

Achievements

- the committee reviewed the health, safety and wellbeing performance of the department through analysing the trends and data in the quarterly HSW scorecard
- the committee oversees approval and implementation of health, safety and wellbeing procedures
- endorsed development of communications to schools regarding lift registration, traffic congestion and post winch sign hazards
- endorsed development of a department health, safety and wellbeing risk register
- endorsed development of a new HSW key performance indicator for the department based on completion of the Annual Safety Assessment
- endorsed the proposed new structure of the Health, Safety and Wellbeing Management System to align with ISO 45001
- endorsed *Avoid the Fall* communication strategy to educate staff about avoiding slips, trips and falls in response to the department's injury/illness profile.

Membership

Assistant Director-General, Human Resources

Regional Director, Darling Downs–South West

Assistant Director General, State School–Operations

Assistant Director-General, Infrastructure Services

Executive Director, Business Partnering, Safety and Wellbeing

Director, Education Improvement

Director, Governance, Strategy and Planning

Director, Organisational Safety and Wellbeing

Director, Performance and Improvement.

Infrastructure Investment Board

Functions

The Infrastructure Investment Board is the governing body for ensuring that the Infrastructure Investment Program meets the department's strategic and operational requirements; and that good governance and due diligence is applied in the formulation of the Investment Program.

Achievements

- endorsement and oversight of Infrastructure Investment Portfolio (IIP) with 2019–20 budget of \$1.4 billion
- endorsement of project variations to the IIP
- endorsement of business cases/local area strategic analyses for new state schools for delivery in 2021 and beyond
- development of the Infrastructure Investment Board Charter as part of the governance framework
- opportunity for development of whole-of-government understanding of the department's infrastructure investments.

Membership

Deputy Director-General, Corporate Services

Assistant Director-General, Infrastructure Services

Assistant Director-General, State Schools – Rural, Remote and International

Assistant Director-General, Information and Technologies

Assistant Director-General, Finance and Chief Finance Officer

Assistant Director-General, Early Learning and Development, Early Childhood and Education Improvement

Executive Director, Programs and Services, Early Childhood and Community Engagement

Director, Performance and Delivery, Early Childhood and Community Engagement

Deputy Director-General, Building Policy and Asset Management,

Department of Housing and Public Works (External)

Director, Economic Policy, Department of the Premier and Cabinet (External)

Principal Treasury Analyst, Education and Technology, Queensland Treasury (External).

Innovation and Information Steering Committee

Functions

The Innovation and Information Steering Committee (IISC) oversees the strategic direction, and proactively manages the investments in innovation, information management, and information and communication technologies (ICT) within the department. The committee determines the strategic value of each change initiative and investment to support strategy implementation and service delivery.

Achievements

- noted and managed the ICT Portfolio Plan 2019–20
- managed and monitored the Business ICT Investment Fund (BIIF) budget of \$25.75M
- ensured ICT-enabled initiatives followed agreed investment criteria and the strategic value of each change initiative was categorised, prioritised and balanced
- improved the reporting of ICT Portfolio Risk, monitored initiatives with extreme or high risk levels, and undertook corrective actions

- improved financial management monitoring, reporting, re-investments and phase funding release of initiatives
- monitored initiatives reporting red or amber, and sought presentations from initiatives reporting red or amber for greater than three consecutive months
- undertook COVID-19 impact assessments on initiatives within the ICT Portfolio 2019–20
- published significant ICT initiatives on the Queensland Government Digital Projects Dashboard, and undertook a review of the publishing process.

Membership

Assistant Director-General, Information and Technologies

Assistant Director-General, Strategy and Performance

Assistant Director-General, Education Improvement

Assistant Director-General, Finance and Chief Finance Officer

Assistant Director-General, Human Resources

Assistant Director-General, Infrastructure Services

Assistant Director-General, State Schools - Operations

Executive Director, Business and Corporate Services,

Industrial Relations

Executive Director, Strategic Communication and Engagement

Executive Director, Department of Education International

Executive Director, Digital Transformation

Executive Director, Governance, Strategy and Planning

Executive Director, Legal and Administrative Law Branch

Chief Procurement Officer

Director, Portfolio and Architecture

Regional Director, North Queensland Region

Head of Internal Audit (Observer)

Executive Director, Digital Solutions (Observer)

Executive Director, Enterprise Technology Solutions (Observer)

External Member

Executive Director, Office of Assurance and Investment, Queensland Government Customer Digital Group

Child and Student Protection Committee**Functions**

The committee provides oversight, direction and continuous review and possible improvement of student protection activities across the department to ensure the health, safety and wellbeing of children in the state schooling system.

Achievements

- committee established, with terms of reference finalised and first meeting held on 13 November 2019
- members provided feedback on key documents related to implementation of *Royal Commission into Institutional Responses to Child Sexual Abuse* recommendations including department strategy: *Aware. Protected. Safe and National Principles for Child Safe Organisations* self-assessment tool
- committee reviewed student protection reporting data and referrals to regional taskforce – supporting at-risk students to ensure strong oversight and support for at-risk students continued during the period of time students were learning from home.

Membership

Assistant Director-General, State Schools–Operations

Executive Director, Student Protection and Wellbeing

Executive Director, Integrity and Employee Relations

Executive Director, State Schools Disability and Inclusion

Executive Director, Governance, Strategy and Planning

Executive Director, Portfolio Services and External Relations

Director, Governance and Corporate Support, Early Childhood and Education Improvement

Regional Director, Darling Downs South West (or delegate)

Principal, MacGregor State High School

Information Security Governance Committee

Functions

The function of the Information Security Governance Committee is to:

- provide management oversight of and direction for the department's Information Security Management System (ISMS) to ensure it achieves intended objectives
- endorse the information security governance policies and procedures for the department's business units and related entities
- make recommendations where relevant to the information custodian/ risk owner regarding risk levels, controls and actions for enterprise information security risks
- endorse information security assurance reports.

Achievements

In 2019–20, the committee supported DoE and OIR IS18 Annual Returns and the information security internal audit quarterly review report.

Membership

Deputy Director-General, Corporate Services

Executive Director, Office of the Director-General

Assistant Director-General, State Schools–Operations

Assistant Director-General, Strategy and Performance

Assistant Director-General, Finance and Chief Finance Officer

Assistant Director-General, Human Resources

Assistant Director-General, Information and Technologies

Assistant Director-General, Infrastructure Services

Executive Director, Business and Corporate Services–Office of Industrial Relations

Executive Director, Strategic Communication and Engagement

Director, Cabinet Legislation and Liaison Office.

Disaster, Emergency and Continuity Management Working Group

Functions

To oversee, monitor and improve the Department of Education's capability to plan, prepare, respond and recover from disasters and emergencies and ensure business continuity.

Achievements

Due to the department's extended responses to bushfires (September and November 2019), extreme weather and ongoing response to the COVID-19 pandemic since late January 2020, the working group has only met once (December 2019) during 2019–2020.

Below are the achievements for 2019–2020:

- review of recommendations from Tropical Cyclone Debbie and Tropical Cyclone Nora
- review of recommendations from bushfire and Townsville flood reviews
- management of Review Recommendation Matrix
- continuation of project development for the Lessons Management Program
- testing of School Closures System
- IISC endorsement of the School Closures System Upgrade
- further consolidation of Business Continuity alignment to Disaster and Emergency management practices.

Membership

Deputy Director-General, Corporate Services

Assistant Director-General, Infrastructure Services

Assistant Director-General, State School Operations

Assistant Director-General, Human Resources

Assistant Director-General, Information Technology

Regional Director, Central Queensland Region

Assistant Director-General, Strategy and Performance

Executive Director, Infrastructure Operations

Executive Director, Information Technology

Executive Director, Governance, Strategy and Planning

Director, Communications and Marketing

Director, Organisational Safety and Wellbeing

Director, Property, Emergency and School Security

Manager, Emergency and School Security

Office of Industrial Relations Health, Safety and Wellbeing Committee

Functions

The Health, Safety and Wellbeing (HSW) Committee provides advice on responsibilities of strategic oversight, direction and continuous improvement of health, safety and wellbeing outcomes for OIR.

Achievements

- following an audit of the OIR HSW system, the OIR HSW Committee underwent a review and restructure based on a recommendation made by the auditors. During the review period the HSW Committee Terms of Reference were also revised along with committee memberships. During this time the HSW Committee was given a governance function and integrated into the OIR governance framework
- recommenced meetings on a quarterly basis in March 2020
- since recommencement, the committee has reviewed and amended its terms of reference to better align with its governance function and the requirements of Workplace Health and Safety (WHS) legislation. A forward workplan has been developed to guide future work
- all committee members present at the June 2020 meeting participated in the first stage of the induction.

Membership

Executive Director, Business and Corporate Services

Executive Director, WHS Compliance Field Services

Executive Director, Electrical Safety Office

Director, Organisational Culture

Director, Finance Facilities and Procurement

Director, Licensing and Advisory Services

Regional Support Officer WHS CFS

Senior Inspector WHS CFS

Senior Inspector (x3)

Team Leader, WCPS

Principal Advisor, Specialised Health and Safety Services

Senior Advisor, SHSS

Principal Inspector, WHS CFS

Investigations Manager, WHS CFS

Senior Inspector, WHS CFS

Senior Advisor, WHS Engagement & Policy Services

Senior Inspector, WHS CFS

Team Leader, LAS

Principal Advisor, SHSS.

Office of Industrial Relations Organisational Response Governance Group

Functions

The group oversees OIR strategic responses to fatality notifications, and, in particular:

- determine whether coronial recommendations directed to OIR are accepted, not accepted or accepted in part
- consider relevant coronial findings and comment
- decide, and then monitor the implementation of, OIR responses to accepted coronial recommendations, findings or comment
- monitor all OIR decisions where the decision is to not comprehensively investigate a fatality notification
- monitor, coordinate relevant research where necessary and advise accordingly whether existing organisational strategies and responses are meeting OIR's charter in the context of fatality notifications, investigation outcomes and coronial input.

Achievements

- considered the inquest findings in two matters (Viner and Dreamworld: Araghi, Dorsett, Goodchild and Low) and the recommendations directed to the Office of Industrial Relations (OIR) in the Dreamworld inquest

- monitored the ongoing OIR response in six other matters in which coronial recommendations were carried over from 2018–19: Brown, Farrell, Ross, Kennedy, Thwaites and Leonardi
- reviewed and considered whether further organisational response was required in 80 finalised fatality investigations.

Membership

Executive Director, WHS Engagement and Policy Services

Executive Director, Specialised Health and Safety Services

Executive Director, Electrical Safety Office

Executive Director, WHS Compliance and Field Services

Director, Work and Electrical Safety Policy

Director, Coronial and Enforceable Undertakings

Director, Industry Engagement and Programs

Director, State Wide Investigations Services.

Past members

Senior Director, Office of WHS Prosecution Services.

Acronyms

A	ABS	Australian Bureau of Statistics
	ACARA	Australian Curriculum, Assessment and Reporting Authority
	ACECQA	Australian Children's Education and Care Quality Authority
	AEDC	Australian Early Development Census
	ARMC	Audit and Risk Management Committee
	ARR	Apparent Retention Rate
	ATAR	Australian Tertiary Admissions Rank
B	BOM	Board of Management
C	CCC	Crime and Corruption Commission
	CCMS	Customer Complaints Management System
	CCSP	Cleaner Cooler Schools Program
	CIS	Centre Information System
	CPA	Certified Practising Accountant
D	DFV	Domestic and Family Violence
E	ECEI	Early Childhood and Education Improvement
	EIB	Education Improvement Branch
	EYPs	Early Years Places
F	FCCC	Fraud and Corruption Control Committee
	FTE	Full-time equivalent
	HSW	Health Safety and Wellbeing
	HSWMS	HSW Management System
I	IBD	International Baccalaureate Diploma
	ICT	Information and Communication Technology

	IIP	Infrastructure Investment Portfolio
	IISC	Innovation and Information Steering Committee
	ISMS	Information Security Management System
	IT	Information Technology
L	LGBTIQ+	Lesbian Gay Bisexual Transgender Intersex Queer +
	LT	Lead Teacher
N	NAPLAN	National Assessment Program—Literacy and Numeracy
	NPA	National Partnership Agreement
O	OIR	Office of Industrial Relations
	OP	Overall Position
	ORGG	Organisational Response Governance Group
P	PSM	Public Service Medal
Q	QAO	Queensland Audit Office
	QCE	Queensland Certificate of Education
	QCIA	Queensland Certificate of Individual Achievement
	QCT	Queensland College of Teachers
	QKFS	Queensland Kindergarten Funding Scheme
S	SAE	Standard Australian English
	SAT	School-Based Apprenticeship or Traineeship
	SEI	Serious electrical incident
	STEM	Science, Technology, Engineering and Mathematics
V	VET	Vocational Education and Training
W	WHSQ	Workplace Health and Safety Queensland

Glossary

A	AS/NZS ISO 31000:2018	An international standard that provides principles and generic guidelines on risk management.
	Australian Curriculum	The national curriculum for students in K (Prep) to Year 12 covering subject areas outlined in the Melbourne Declaration (2008).
	Australian Early Development Census (AEDC)	A population measure of how children have developed by the time they start school. Data is captured on five domains of early childhood development: physical health and wellbeing, social competence, emotional maturity, language and cognitive skills, and communication skills and general knowledge. It is a national census conducted every three years with the last census conducted in 2015.
	Apparent Retention Rate	The apparent retention rate is an indicative measure of the number of full-time school students in a designated year level of schooling as a percentage of their respective cohort group in a base year.
	Australian Tertiary Admission Rank (ATAR)	The ATAR is the national standard for tertiary admissions and indicates individual position relative to other students. The ATAR provides a ranking mechanism for tertiary admissions (along with any applicable adjustments).
C	Certification	Either a Queensland Certificate of Education (QCE) or a Queensland Certificate of Individual Achievement (QCIA).
	Code of Practice	A set of rules that explain how people working in a particular profession should behave.
	Department of Education International	The Queensland Government's key coordination point for positioning Queensland's state school sector internationally and increasing its level of global engagement
F	Full-time equivalent (FTE)	A representative number that is calculated by assessing the hours worked over the financial year by all full-time and part-time employees, and converting this to a corresponding number of employees as if all staff were full-time.
I	Indigenous	A person who identifies at enrolment to be of Aboriginal and/or Torres Strait Islander origin.
	Injury Prevention and Management (IPaM) program	Injury Prevention and Management program is a project of the Office of Industrial Relations.
	International Baccalaureate Diploma (IBD)	An internationally recognised, two-year curriculum that prepares 16- to 19-year-old students for university. Students receive credit for subjects studied in the program at leading universities around the world, reducing the time required to complete a Bachelor degree.
K	Kindergarten program	An education program delivered to children in the year before full-time school by a qualified early childhood teacher for 600 hours a year. Government-approved kindergarten programs are available in a range of settings, including standalone kindergarten services, and kindergarten services operated by non-state schools, long day care services, and selected schools in some remote and discrete Indigenous communities.
N	National Assessment Program— Literacy and Numeracy	Annual tests conducted nationally in Years 3, 5, 7 and 9 covering reading, writing, spelling, grammar and punctuation, and numeracy. The results provide

	(NAPLAN)	information for teachers and schools on individual student performance on a national basis. This is used to identify areas of strength and where further assistance may be required. NAPLAN tests are part of a collaborative process between states and territories, the Australian Government and non-government school sectors.
	National Minimum Standard (NMS)	Nationally set standards against which the results of NAPLAN tests are compared. For each year level, a minimum standard is defined and located on the common underlying scale. Band 2 is the minimum standard for Year 3; Band 4 is the minimum standard for Year 5; Band 5 is the minimum standard for Year 7; and Band 6 is the minimum standard for Year 9.
	National Partnership Agreement	An agreement between the Commonwealth and the states and territories to facilitate coordination, monitoring and delivery of strategies to improve service delivery.
	National Quality Framework	The National Quality Framework provides for the regulation and quality assessment and rating of long day care, family day care, preschool/ kindergarten, and outside school hours care services across Australia. The framework includes the National Law and National Regulations, the National Quality Standard, an assessment and quality rating process and national learning frameworks.
	National Quality Standard	A key aspect of the National Quality Framework and sets a national benchmark for early childhood education and care services.
O	OneSchool	An automated system in all Queensland state schools which provides teachers, administrators and principals with secure, easy access to information about students, curriculum, assessment and progress reporting, school facilities and school finance.
	Operational Plan	Translates agency objectives into the services (outputs) that it will provide to its clients, and the standards for those services (performance measures).
	Overall Position	A state-wide rank order of students based on their achievement in Authority subjects. They show how well students performed in their senior studies, compared with the performance of all other students in the state.
P	Portfolio	The department or group of departments for which a minister is responsible.
	Prep	A full-time, compulsory program that replaced preschool. It runs five days a week and follows the established school times and routines. Taking a play- and inquiry-based approach to learning, Prep is offered at every Queensland state school and selected independent and Catholic schools.
Q	Queensland Curriculum and Assessment Authority (QCAA)	This statutory body is responsible for providing kindergarten to Year 12 syllabuses and guidelines, and assessment, testing, reporting, certification and tertiary entrance services to Queensland schools.
	Queensland Certificate of Education (QCE)	<p>The Queensland Certificate of Education (QCE) is Queensland's senior school qualification. It is awarded to eligible students (usually at the end of Year 12) by the Queensland Curriculum and Assessment Authority.</p> <p>The requirements for a QCE are different to those for tertiary entrance. A QCE does not give you an</p>

		Australian Tertiary Admission Rank (ATAR), a national rank that is used for tertiary entrance only.
R	Redundancy	The situation where a permanent position or function becomes redundant as a result of workplace change and this leads to a decision by the chief executive to terminate the employee's employment. The Annual Report includes severance and incentive elements of the payment only and excludes leave entitlements. It does not include payments made to temporary employees separating under directive 8/18, which may be recorded in the annual financial statements as a redundancy payment in 'Other employee benefits'.
S	Service Delivery Statement (SDS)	Budget papers prepared annually on a portfolio basis by agencies reporting to each minister and the Speaker. It provides budgeted financial and non-financial information for the budget year. The SDS sets out the priorities, plans and financial statements of agencies.
	Special Education Programs	A grouping of specialist teachers with experience and/or qualifications in dedicated areas of specialisation to support the education program for students with disability
	Strategic Plan	The document which provides the agency's purpose and direction. It outlines the department's overall objectives (including its contribution to whole-of-government objectives, ambitions and targets) and how it will know if it has achieved those agency objectives (performance indicators).
W	Work Health and Safety Queensland (WHSQ)	Work Health and Safety Queensland, a unit of the Office of Industrial Relations.

Department of Education Financial Statements for the year ended 30 June 2020

TABLE OF CONTENTS

Financial Statements	Statement of Comprehensive Income		Page 3
	Statement of Comprehensive Income by Major Departmental Service		Page 4
	Statement of Financial Position		Page 5
	Statement of Assets and Liabilities by Major Departmental Service		Page 6
	Statement of Changes in Equity		Page 7
	Statement of Cash Flows (including Notes to Statement of Cash Flows)		Page 8
Notes to the Financial Statements	Section 1	A1. Basis of Financial Statement Preparation	Page 10
	About the Department and this Financial Report	A1-1 General Information	Page 10
		A1-2 Compliance with Prescribed Requirements	Page 10
		A1-3 Presentation	Page 10
		A1-4 Authorisation of Financial Statements for Issue	Page 10
		A1-5 Basis of Measurement	Page 10
		A1-6 The Reporting Entity	Page 11
		A1-7 Financial Impacts from COVID-19 Pandemic	Page 11
		A2. Departmental Objectives	Page 11
		A3. Controlled Entities	Page 12
	Section 2	B1. Revenue	Page 13
	Notes about our Financial Performance	B1-1 Appropriation Revenue	Page 13
		B1-2 User Charges and Fees	Page 13
		B1-3 Grants and Contributions	Page 14
		B2. Expenses	Page 15
		B2-1 Employee Expenses	Page 15
		B2-2 Supplies and Services	Page 16
		B2-3 Grants and Subsidies	Page 17
		B2-4 Other Expenses	Page 17
	Section 3	C1. Cash and Cash Equivalents	Page 18
	Notes about our Financial Position	C2. Receivables	Page 18
		C3. Property, Plant, Equipment and Depreciation Expense	Page 20
		C3-1 Closing Balances and Reconciliation of Carrying Amount	Page 20
		C3-2 Recognition and Acquisition	Page 22
		C3-3 Measurement	Page 22
		C3-4 Depreciation Expense	Page 25
		C3-5 Impairment	Page 25
		C4. Payables	Page 26
		C5. Borrowings	Page 26
		C5-1 Finance Liability and Commitments	Page 26
		C5-2 Disclosures about Sensitivity to Interest Rate Movements	Page 27
		C5-3 Fair Value Disclosures for Financial Liabilities Measured at Amortised Cost	Page 27
		C6. Accrued Employee Benefits	Page 27
		C7. Equity	Page 27
		C7-1 Contributed Equity	Page 27
		C7-2 Appropriations Recognised in Equity	Page 28
		C7-3 Asset Revaluation Surplus by Asset Class	Page 28

Department of Education Financial Statements
for the year ended 30 June 2020

TABLE OF CONTENTS (continued)

Notes to the Financial Statements (Continued)	Section 4	D1.	Financial Risk Disclosures	Page 29
	Notes about Risks and	D1-1	Financial Instrument Categories	Page 29
	Other Accounting	D1-2	Financial Risk Management	Page 29
	Uncertainties	D1-3	Liquidity Risk - Contractual Maturity of Financial Liabilities	Page 30
		D2.	Contingencies	Page 30
		D3.	Commitments	Page 31
	Section 5	E1.	Budgetary Reporting Disclosures	Page 32
	Notes about our	E1-1	Explanation of Major Variances – Statement of	Page 32
	Performance compared		Comprehensive Income	
	to Budget	E1-2	Explanation of Major Variances – Statement of Financial	Page 32
			Position	
		E1-3	Explanation of Major Variances – Statement of Cash Flows	Page 32
	Section 6	F1.	Administered Activities	Page 33
	What we look after on	F1-1	Schedule of Administered Income and Expenditure	Page 33
	behalf of whole-of-	F1-2	Reconciliation of Payments from Consolidated Fund to	Page 34
	government and third		Administered Income	
	parties	F1-3	Schedule of Administered Assets and Liabilities	Page 34
		F1-4	Administered Activities – Budget to Actual Variance Analysis	Page 35
		F2.	Trust Transactions and Balances	Page 35
	Section 7	G1.	Key Management Personnel (KMP) Remuneration	Page 36
	Other Information	G2.	Related Party Transactions	Page 39
		G3.	Private Provision of Public Infrastructure Arrangements	Page 39
		G3-1	Private Provision of Public Infrastructure Agreements	Page 39
		G3-2	Private Provision of Public Infrastructure – Cash Flows	Page 40
		G4.	New and Revised Accounting Standards	Page 41
		G5.	Events Occurring after the Reporting Date	Page 43
		G6.	Taxation	Page 43
		G7.	Climate Risk Disclosure	Page 44
Certification			Management Certificate	Page 45

Department of Education
Statement of Comprehensive Income
for the year ended 30 June 2020

		2020	2020		2019
	Notes		Original budget	Budget variance*	
		\$'000	\$'000	\$'000	\$'000
OPERATING RESULT					
Income from continuing operations					
Appropriation revenue	B1-1	9 416 379	9 328 928	87 451	8 743 277
User charges and fees	B1-2	393 692	423 172	(29 480)	447 424
Grants and contributions	B1-3	198 496	171 643	26 853	176 318
Interest		9 188	13 627	(4 439)	14 107
Other revenue		40 715	16 778	23 937	56 069
Total Income from continuing operations		10 058 470	9 954 148	104 322	9 437 195
Expenses from continuing operations					
Employee expenses	B2-1	7 603 666	7 464 829	138 837	7 031 481
Supplies and services	B2-2	1 504 987	1 556 112	(51 125)	1 442 089
Grants and subsidies	B2-3	308 819	296 013	12 806	295 201
Depreciation and amortisation		534 704	524 767	9 937	493 758
Impairment losses		7 312	728	6 584	4 691
Finance/borrowing costs		22 008	32 090	(10 082)	27 635
Other expenses	B2-4	75 660	79 609	(3 949)	95 517
Total Expenses from continuing operations		10 057 156	9 954 148	103 008	9 390 372
Operating result for the year		1 314	-	1 314	46 823
OTHER COMPREHENSIVE INCOME					
<u>Items that will not be reclassified to operating result:</u>					
Increase/(decrease) in asset revaluation surplus	C7-3	789 077	564 940	224 137	916 510
Total items that will not be reclassified to operating result		789 077	564 940	224 137	916 510
TOTAL COMPREHENSIVE INCOME		790 391	564 940	225 451	963 333

*An explanation of major variances is included at Note E1.

The accompanying notes form part of these statements.

Department of Education – Statement of Comprehensive Income by Major Departmental Service
for the year ended 30 June 2020

	Early Childhood Education and Care		School Education		Industrial Relations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from continuing operations								
Appropriation revenue	283 111	265 093	9 100 700	8 445 505	32 568	32 679	9 416 379	8 743 277
User charges and fees	1 139	1 210	374 651	429 639	17 902	16 575	393 692	447 424
Grants and contributions	692	969	77 784	60 025	120 020	115 324	198 496	176 318
Interest	-	-	9 188	14 107	-	-	9 188	14 107
Other revenue	4 649	3 808	35 576	51 989	490	272	40 715	56 069
Total Income from continuing operations	289 591	271 080	9 597 899	9 001 265	170 980	164 850	10 058 470	9 437 195
Expenses from continuing operations								
Employee expenses	41 434	39 826	7 448 897	6 890 031	113 335	101 624	7 603 666	7 031 481
Supplies and services	25 944	23 536	1 437 895	1 372 468	41 148	46 085	1 504 987	1 442 089
Grants and subsidies	218 409	203 363	79 360	80 841	11 050	10 997	308 819	295 201
Depreciation and amortisation	2 538	2 268	530 392	489 779	1 774	1 711	534 704	493 758
Impairment losses	38	(37)	7 135	4 656	139	72	7 312	4 691
Finance/borrowing costs	4	-	22 004	27 635	-	-	22 008	27 635
Other expenses	1 261	797	73 415	93 568	984	1 152	75 660	95 517
Total Expenses from continuing operations	289 628	269 753	9 599 098	8 958 978	168 430	161 641	10 057 156	9 390 372
Operating result for the year	(37)	1 327	(1 199)	42 287	2 550	3 209	1 314	46 823
Other comprehensive income								
<u>Items that will not be reclassified to operating result:</u>								
Increase/(decrease) in asset revaluation surplus	(719)	11 993	789 796	904 517	-	-	789 077	916 510
Total other comprehensive income	(719)	11 993	789 796	904 517	-	-	789 077	916 510
Total comprehensive income	(756)	13 320	788 597	946 804	2 550	3 209	790 391	963 333

Department of Education
Statement of Financial Position
as at 30 June 2020

		2020	2020		2019
	Notes	Actual	Original budget	Budget variance*	Actual
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	C1	906 997	683 425	223 572	1 025 510
Receivables	C2	91 271	110 334	(19 063)	127 778
Inventories		2 783	2 586	197	2 513
Other current assets		117 316	96 615	20 701	32 426
Total current assets		1 118 367	892 960	225 407	1 188 227
Non-current assets					
Property, plant and equipment	C3-1	21 339 577	20 775 784	563 793	19 918 892
Right-of-use assets		6 568	-	6 568	-
Intangible assets		31 955	37 090	(5 135)	34 763
Total non-current assets		21 378 100	20 812 874	565 226	19 953 655
Total assets		22 496 467	21 705 834	790 633	21 141 882
Current liabilities					
Payables	C4	401 306	222 036	179 270	377 344
Borrow ings	C5	7 691	7 482	209	7 121
Lease liabilities		588	-	588	-
Accrued employee benefits	C6	118 655	108 629	10 026	244 460
Other current liabilities		81 703	83 817	(2 114)	39 581
Total current liabilities		609 943	421 964	187 979	668 506
Non-current liabilities					
Payables	C4	-	1 335	(1 335)	1 692
Borrow ings	C5	381 873	373 790	8 083	389 564
Lease liabilities		6 319	-	6 319	-
Other non-current liabilities		-	228	(228)	-
Total non-current liabilities		388 192	375 353	12 839	391 256
Total liabilities		998 135	797 317	200 818	1 059 762
Net assets		21 498 332	20 908 517	589 815	20 082 120
Equity					
Contributed equity		4 617 161			3 942 442
Accumulated surplus		243 174			290 758
Asset revaluation surplus	C7-3	16 637 997			15 848 920
Total equity		21 498 332	20 908 517	589 815	20 082 120

*An explanation of major variances is included at Note E1.

The accompanying notes form part of these statements.

Department of Education – Statement of Assets and Liabilities by Major Departmental Service
as at 30 June 2020

	Early Childhood Education and Care		School Education		Industrial Relations		General - not attributed		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets										
Cash and cash equivalents	-	-	619 428	665 869	16 710	13 162	270 859	346 479	906 997	1 025 510
Receivables	1 894	1 914	87 979	115 789	1 398	10 075	-	-	91 271	127 778
Inventories	-	-	2 783	2 513	-	-	-	-	2 783	2 513
Other current assets	505	-	114 757	31 808	2 054	618	-	-	117 316	32 426
Total current assets	2 399	1 914	824 947	815 979	20 162	23 855	270 859	346 479	1 118 367	1 188 227
Non-current assets										
Property, plant and equipment	106 578	103 224	21 229 798	19 811 845	3 201	3 823	-	-	21 339 577	19 918 892
Right-of-use assets	-	-	6 568	-	-	-	-	-	6 568	-
Intangible assets	-	-	29 942	32 284	2 013	2 479	-	-	31 955	34 763
Total non-current assets	106 578	103 224	21 266 308	19 844 129	5 214	6 302	-	-	21 378 100	19 953 655
Total assets	108 977	105 138	22 091 255	20 660 108	25 376	30 157	270 859	346 479	22 496 467	21 141 882
Current liabilities										
Payables	1 751	5 172	396 657	365 196	2 898	6 976	-	-	401 306	377 344
Borrowings	-	-	7 691	7 121	-	-	-	-	7 691	7 121
Lease liabilities	-	-	588	-	-	-	-	-	588	-
Accrued employee benefits	1 044	986	113 557	238 478	4 054	4 996	-	-	118 655	244 460
Other current liabilities	16	31	81 594	38 841	93	709	-	-	81 703	39 581
Total current liabilities	2 811	6 189	600 087	649 636	7 045	12 681	-	-	609 943	668 506
Non-current liabilities										
Payables	-	-	-	-	-	1 692	-	-	-	1 692
Borrowings	-	-	381 873	389 564	-	-	-	-	381 873	389 564
Lease liabilities	-	-	6 319	-	-	-	-	-	6 319	-
Total non-current liabilities	-	-	388 192	389 564	-	1 692	-	-	388 192	391 256
Total liabilities	2 811	6 189	988 279	1 039 200	7 045	14 373	-	-	998 135	1 059 762

Department of Education
Statement of Changes in Equity
for the year ended 30 June 2020

	Notes	Accumulated surplus	Asset revaluation surplus	Contributed equity	Total
		\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2018		243 935	14 932 410	3 522 179	18 698 524
Operating result					
Operating result from continuing operations		46 823	-	-	46 823
Other comprehensive income					
Increase/(decrease) in asset revaluation surplus		-	916 510	-	916 510
Total comprehensive income for the year		46 823	916 510	-	963 333
Transactions with owners as owners					
- Net transfers in/(out) from other Queensland Government entities		-	-	37 306	37 306
- Appropriated equity injections	C7-2	-	-	382 957	382 957
Net Transactions with owners as owners		-	-	420 263	420 263
Balance as at 30 June 2019		290 758	15 848 920	3 942 442	20 082 120
Balance as at 1 July 2019		290 758	15 848 920	3 942 442	20 082 120
Net effect of changes in accounting policies/prior year adjustments	G4	(48 898)	-	-	(48 898)
Balance as at 1 July 2019 - restated		241 860	15 848 920	3 942 442	20 033 222
Operating result					
Operating result from continuing operations		1 314	-	-	1 314
Other comprehensive income					
Increase/(decrease) in asset revaluation surplus		-	789 077	-	789 077
Total comprehensive income for the year		1 314	789 077	-	790 391
Transactions with owners as owners					
- Appropriated equity injections	C7-2	-	-	674 719	674 719
Net transactions with owners as owners		-	-	674 719	674 719
Balance as at 30 June 2020		243 174	16 637 997	4 617 161	21 498 332

The accompanying notes form part of these statements.

Department of Education
Statement of Cash Flows
for the year ended 30 June 2020

		2020	2020		2019
	Note		Original	Budget	
		\$'000	budget	variance*	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Inflows:</i>					
Service appropriation receipts		9 402 206	9 325 328	76 878	8 742 803
User charges and fees		423 055	434 806	(11 751)	432 642
Grants and contributions		180 938	167 643	13 295	170 296
Interest receipts		9 188	13 627	(4 439)	14 107
GST input tax credits from ATO		278 472		278 472	238 909
GST collected from customers		17 570		17 570	29 780
Other		40 086	23 580	16 506	56 456
<i>Outflows:</i>					
Employee expenses		(7 756 245)	(7 669 123)	(87 122)	(7 073 554)
Supplies and services		(1 516 505)	(1 560 111)	43 606	(1 231 872)
Grants and subsidies		(311 622)	(296 013)	(15 609)	(296 840)
Finance/borrowing costs		(22 008)	(32 090)	10 082	(27 634)
GST paid to suppliers		(278 601)		(278 601)	(240 486)
GST remitted to ATO		(18 008)		(18 008)	(29 816)
Other		(68 967)	(84 602)	15 635	(67 319)
Net cash provided by operating activities	CF-1	379 559	323 045	56 514	717 472
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Inflows:</i>					
Sales of property, plant and equipment		612	-	612	805
<i>Outflows:</i>					
Payments for property, plant and equipment		(1 165 631)	(1 223 848)	58 217	(937 389)
Net cash used in investing activities		(1 165 019)	(1 223 848)	58 829	(936 584)
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Inflows:</i>					
Proceeds from borrowings		-	-	-	38 409
Equity injections		674 719	724 061	(49 342)	382 957
<i>Outflows:</i>					
Repayments of borrowings		(7 121)	(7 472)	351	(7 145)
Lease payments		(651)	-	(651)	-
Net cash provided by financing activities		666 947	716 589	(49 642)	414 221
Net increase/(decrease) in cash and cash equivalents		(118 513)	(184 214)	65 701	195 109
Cash and cash equivalents - opening balance		1 025 510	867 639	157 871	830 401
Cash and cash equivalents - closing balance	C1	906 997	683 425	223 572	1 025 510

*An explanation of major variances is included at Note E1.

The accompanying notes form part of these statements.

Department of Education
Statement of Cash Flows
for the year ended 30 June 2020

NOTES TO THE STATEMENT OF CASH FLOWS

CF-1 Reconciliation of Operating Result to Net Cash Provided by Operating Activities

	2020 \$'000	2019 \$'000
Operating surplus/(deficit)	1 314	46 823
<i>Non-cash items included in operating result:</i>		
Depreciation and amortisation expense	534 704	493 758
Loss on disposal of property, plant and equipment	6 694	3 626
Donated assets received	(17 399)	(6 339)
Changes in accounting policies	(43 000)	-
Bad debts and impairment losses	7 312	4 691
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in GST input tax credits receivable	(567)	(1 289)
(Increase)/decrease in net operating receivables	37 073	(17 344)
(Increase)/decrease in inventories	(270)	(230)
(Increase)/decrease in other current assets	(84 890)	24 012
Increase/(decrease) in other current liabilities	42 122	2 734
Increase/(decrease) in GST payable	1	(1)
Increase/(decrease) in payables	22 270	129 230
Increase/(decrease) in accrued employee benefits	(125 805)	37 801
Net cash provided by operating activities	379 559	717 472

CF-2 Changes in Liabilities Arising from Financing Activities

	I ---- Non-cash changes ---- I			I ---- Cash Flows ---- I		
	Closing balance 2018 \$'000	Transfers (to)/from other Queensland Government Entities \$'000	New leases acquired \$'000	Cash received \$'000	Cash repayments \$'000	Closing balance 2019 \$'000
Leases	370 322	(5 540)	38 409	-	(6 506)	396 685
Borrowings	38 203	(37 564)	-	-	(639)	-
Total	408 525	(43 104)	38 409	-	(7 145)	396 685

	Closing balance 2019 \$'000	Changes in accounting policies / prior year adjustments \$'000	Other adjustments \$'000	Cash received \$'000	Cash repayments \$'000	Closing balance 2020 \$'000
Leases	396 685	(396 685)	-	-	-	-
Finance liability	-	396 685	-	-	(7 121)	389 564
Lease liabilities	-	7 086	472	-	(651)	6 907
Total	396 685	7 086	472	-	(7 772)	396 471

Further details are provided in Note C5.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

SECTION 1
ABOUT THE DEPARTMENT AND THIS FINANCIAL REPORT

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

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

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

Education House
30 Mary Street
Brisbane QLD 4000

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The department has prepared these general purpose financial statements:

- In compliance with section 38 of the *Financial and Performance Management Standard 2019*
- In compliance with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019
- In accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities
- On an accrual basis.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note G4.

A1-3 PRESENTATION

Currency and Rounding

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

Comparatives

Comparative information reflects the audited 2018-19 financial statements, except as follows.

Restatement of comparative numbers has occurred for the reclassification of deferred appropriation payable to the Queensland Treasury consolidated fund from other current liabilities to payables.

Current/Non-current classification

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

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date.

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

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

A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

A1-5 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for the following:

- Land, buildings, heritage and cultural assets which are measured at fair value; and
- Inventories which are measured at the lower of cost and net realisable value.

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-6 THE REPORTING ENTITY

These financial statements cover the Department of Education and include all income, expenses, assets, liabilities and equity of the department as an individual entity.

There have been no material changes in the reporting entity during 2019-20.

A1-7 FINANCIAL IMPACTS FROM COVID-19 PANDEMIC

There have been no material financial impacts arising from COVID-19 on the department's financial statements. However, there have been minor impacts in the following areas:

- Some reductions in revenues for full fee paying overseas students, cancellation of school activities such as excursions, and waivers of rent charged by schools to organisations such as outside school hour care providers
- There also have been reductions in travel costs which have been offset by additional costs in areas such as cleaning and information communication and technology costs
- Additional impairment of receivables owing from students and parents due to increase in unemployment rates being factored into expected credit losses
- Financial guarantees disclosed in note D2 Contingencies have been assessed and management does not expect that the guarantees will be called upon in the near future
- The department's land holdings are measured at fair value with reference to market prices. State Valuation Service have advised that the current market uncertainty means that the impact on sale prices and volumes will remain unknown until the market has stabilised however, based on currently available information, there is no material change observable in the land asset values provided.

A2 DEPARTMENTAL OBJECTIVES

The Department of Education is building Queensland's future by giving all children a great start, engaging young people in learning and creating safe, fair and productive workplaces and communities.

This contributes to the Queensland Government's objectives for the community *Our Future State: Advancing Queensland's Priorities* to:

- Create jobs in a strong economy - supporting young Queenslanders to engage in education, training or work
- Give all our children a great start - developing and implementing a whole-of-government Early Years Plan to support Queensland children's early learning and development
- Keep Queenslanders healthy - enhancing student wellbeing by promoting resilience and educating students about respectful relationships
- Keep communities safe - continuing to meet the diverse needs of Queensland workplaces and communities through legislative compliance, enforcement, education and engagement activities across the state.

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

The major services delivered by the department are as follows:

Early childhood education and care

Engaging children in quality early years programs that support learning and development and making successful transitions to school.

School education

Preparing Queensland students for their future in the knowledge-based economy and as valuable contributors to the global community.

Office of Industrial Relations

Responsibility for regulatory frameworks, policy advice and compliance activities for workplace safety, electrical safety, industrial relations and workers' compensation to make Queensland work and workplaces safer, fairer and more productive.

The department's material financial statement balances reflect our large school land and buildings portfolio across over 1,200 schools and the salaries of our school, regional and central office staff. Supplies and services are dominated by curriculum resources, school utilities costs, and the maintenance and upkeep of our large asset base, including operational contract costs.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

A3 CONTROLLED ENTITIES

The following entity is controlled by the department:

Name:	Queensland Education Leadership Institute (QELi)
Purpose:	QELi was established in June 2010 to provide a range of professional learning services to school leaders.
Structure and Control:	QELi is a not-for-profit public company, limited by guarantee, jointly owned by the Minister for Education and the Department of Education. 100% membership of the company's constitution is controlled by the Minister for Education and the Director-General, Education.
Operation and reporting:	Given the activities of the company, no dividends or other financial returns are received by the department. There are no significant restrictions on the department's ability to access the company's assets or settle its liabilities. The assets, liabilities, revenues and expenses of this entity have not been consolidated in these financial statements, as they would not materially affect the reported financial position and operating revenue and expenses. The company produces separate financial reports and is audited by Queensland Audit Office.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

SECTION 2
NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 APPROPRIATION REVENUE

Reconciliation of Payments from Consolidated Fund to Appropriated Revenue Recognised in Operating Result

	2020 \$'000	2019 \$'000
Budgeted appropriation revenue	9 325 328	8 803 118
Treasurer's Advance	2 000	-
Transfers from/to other headings (variation in headings)	49 342	(60 315)
Unforeseen expenditure	25 536	-
Total appropriation receipts (cash)	9 402 206	8 742 803
Less: Opening balance of appropriation revenue receivable	(1 811)	(1 337)
Plus: Closing balance of appropriation revenue receivable	-	1 811
Plus: Effect of adoption of new accounting standards	1 811	-
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	39 071	14 500
Less : Closing balance of deferred appropriation payable to Consolidated Fund	(24 898)	(39 071)
Net appropriation revenue	9 416 379	8 718 706
Plus: Deferred appropriation payable to Consolidated Fund (expense)	-	24 571
Appropriation revenue recognised in statement of comprehensive income	9 416 379	8 743 277

Accounting Policy – Appropriation Revenue

Appropriations provided under the *Appropriation Act 2019* and the *Appropriation (COVID-19) Act 2020* are recognised as revenue when received under AASB 1058 *Income of Not-for-Profit Entities*. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation payable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Prior to 1 July 2019, any liability at the end of the financial year for deferred appropriation payable was charged to expense under the requirements of the superseded AASB 1004 *Contributions* (refer Note B2-4). Capital appropriations are recognised as adjustments to equity, refer to Note C7-2.

B1-2 USER CHARGES AND FEES

	2020 \$'000	2019 \$'000
Student fees	73 529	75 837
General fees	82 394	93 411
Student Resource Scheme fees	91 823	87 714
Excursion fees	50 782	92 004
Other fees and commissions	573	85
Property income	26 289	27 221
Sales revenue	60 066	62 392
Service delivery	8 236	8 760
Total	393 692	447 424

Accounting Policy – User Charges and Fees

The department recognises user charges and fees when delivery of the goods or services in full or part has occurred, in accordance with AASB 15 *Revenue from Contracts with Customers*. User charges outside the scope of AASB 15 are recognised in accordance with the requirements of the applicable accounting standard.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

B1 REVENUE (continued)

B1-2 USER CHARGES AND FEES (continued)

Student fees include international student tuition fees, homestay fees and dependant program fees which come within the scope of AASB 15. A contractual liability is initially recognised upon receipt of funds with revenue being recognised over time as the performance obligations are met and students receive the services.

General fees includes the provision of a wide variety of goods and services including hire of facilities, the workers compensation self-insurer levy, school sports revenue, rural remote & international fees and other miscellaneous items. Most of this revenue comes within the scope of AASB 15 with the majority of revenue being recognised at the point in time the goods or services are delivered. The workers compensation self-insurer levy is prescribed under s81 of the *Workers' Compensation and Rehabilitation Act 2003* and is non-contractual income arising from a statutory requirement which is recognised as income upon receipt under AASB 1058.

Student Resource Scheme fees are invoiced to parents at the beginning of each school (calendar) year relating to bulk provisioning and/or hire of textbooks, resources, consumables and materials, which come within the scope of AASB 15. A contract liability is raised for the unearned portion of the income with revenue subsequently recognised over time as the performance obligations are met and the resources are provided to students.

Excursion fees relate to charges for excursions, field trips and camps, which come within the scope of AASB 15 and are recognised at the point in time the revenue is received which approximates the delivery of the services.

Sales revenue relates to revenue from tuck shops, uniform shops and other miscellaneous goods and services provided to students, which come within the scope of AASB 15 and are recognised at the point in time that the goods or services are provided.

B1-3 GRANTS AND CONTRIBUTIONS

	2020 \$'000	2019 \$'000
Contributions from WorkCover	102 927	98 485
Contributions from external parties	42 613	43 863
Grants from the Australian Government	11 068	10 039
Grants from other State Government departments	3 849	4 792
Special purpose capital grants	5 885	-
Goods and services received below fair value	1 803	1 936
Donations - cash	18 837	10 864
Donations - other assets ⁽¹⁾	11 514	6 339
Total	198 496	176 318

Note 1. Donated physical assets are recognised at their fair value.

Accounting Policy – Grants and Contributions

Grants, contributions and donations represent transactions where the consideration paid by the department to acquire an asset (including cash) is significantly less than the fair value of the asset, principally to enable the department to further its objectives. Generally these transactions are accounted for under AASB 1058 *Income for Not-for-Profit Entities* with revenue recognised upon receipt of the grant funding. The only exception is for special purpose capital grants received to construct non-financial assets, which are recognised as unearned revenue when received, and revenue is then progressively recognised as the department satisfies its obligations under the grant through the construction of the asset.

Contributions from WorkCover include the Workplace Health & Safety Grant and the Workers' Compensation Regulator Grant. These grants are enabled under s481A of the *Workers' Compensation and Rehabilitation Act 2003* at the direction of the Minister. They represent non-contractual income arising from a statutory requirement which is recognised as income upon receipt under AASB 1058.

Contributions from External Parties include Electrical Safety Contributions levied under s201 of the *Electrical Safety Act 2002*, which represents non-contractual income arising from a statutory requirement. The contributions are recognised as income upon receipt under AASB 1058. Also included are contributions from community organisations (such as Parents and Citizens' Associations). These contributions are voluntary and do not result in a material benefit or advantage to the contributor. They are therefore recognised as income upon receipt under AASB 1058 as the consideration received represents an asset provided to the department for significantly less than fair value to enable the department to further its objectives.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

B2 EXPENSES

B2-1 EMPLOYEE EXPENSES

	2020 \$'000	2019 \$'000
Employee Benefits		
Teachers' salaries and allowances	4 527 086	4 241 960
Public servants' and other salaries and allowances *	888 322	741 591
Teacher aides' salaries	566 761	532 831
Cleaners' salaries and allowances	219 723	205 566
Janitors'/groundstaff salaries and allowances	64 937	60 941
Employer superannuation contributions	796 563	736 510
Annual leave levy/expense	232 601	222 451
Long service leave levy/expense	150 259	125 811
Other employee benefits	878	1 834
Employee Related Expenses		
Fringe benefits tax	2 906	2 636
Workers' compensation premium	74 223	76 277
Staff transfer costs	14 784	16 317
Staff rental accommodation	31 999	28 826
Staff training	32 624	37 930
Total	7 603 666	7 031 481

* This category includes \$86.845 million for all employee groups (Teachers, Public Servants, Teacher aides, Cleaners and Janitors/groundstaff) that received the \$1,250 one-off, pro-rata payment for 69,476 full-time equivalent employees (announced in September 2019).

The number of employees as at 30 June, including both full-time employees and part-time employees measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is:

	2020 No.	2019 No.
Full-Time Equivalent Employees #	73 971	73 741

The Public Service Commission has prescribed a change to the MOHRI counting methodology from 1 July 2019. This has had the effect of producing a lower count mainly due to exclusion of staff on paid long service leave, and unpaid leave. If June 2020 figures were produced using the superseded MOHRI counting methodology the FTE count would have been 74,706.

Accounting Policy

Wages and Salaries

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

Sick leave

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

Annual leave and Long service leave

The entitlement for annual leave includes a component for accrued leave loading for teaching staff working at schools, but does not include recreation leave, which is not an entitlement under their award.

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

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

B2 EXPENSES (continued)

B2-1 EMPLOYEE EXPENSES (continued)

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plans 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 (EBA) or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

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

Workers' Compensation Premiums

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

Key management personnel and remuneration disclosures are detailed in Note G1.

B2-2 SUPPLIES AND SERVICES

	2020	2019
	\$'000	\$'000
Building maintenance	264 491	282 650
Utilities	209 008	213 562
Equipment and building refurbishment	376 505	306 974
Contractors and consultants	79 313	75 971
Contractors and consultants - in-school costs	62 404	56 105
Materials and running costs	186 073	161 992
Student course supplies and excursion admission costs	157 597	173 187
Payments to shared service provider/inter-agency services	2 140	2 104
Computer costs	87 786	85 813
Office accommodation	40 537	-
Travel	12 745	12 658
Travel - school and student	24 543	35 686
Lease expenses	1 845	35 387
Total	1 504 987	1 442 089

Accounting Policy – Distinction between Grants and Procurement

For a transaction to be classified as supplies and services, the value of goods and services received by the department must be of approximately equal value to the value of the consideration exchanged for those goods and services. Where this is not the substance of the arrangement, the transaction is classified as a grant in Note B2-3.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

B2 EXPENSES (continued)

B2-3 GRANTS AND SUBSIDIES

	2020	2019
	\$'000	\$'000
<i>Recurrent</i>		
Grants and allowances to external organisations*	308 819	295 201
Total	308 819	295 201

* Recurrent grants mainly relate to early childhood education and care subsidies paid to providers.

B2-4 OTHER EXPENSES

	2020	2019
	\$'000	\$'000
Insurance premiums - QGIF	25 585	25 229
External audit fees ⁽¹⁾	624	701
Loss on disposal of property, plant and equipment	6 694	3 626
Special payments: ⁽²⁾		
Ex-gratia payments - general	53	52
Court awarded damages	850	279
Penalty interest payment	1	1
Payments to other government departments ⁽³⁾	40 170	39 618
Deferred appropriation payable to Consolidated Fund	-	24 571
Other	1 683	1 440
Total	75 660	95 517

(1) Total external audit fees quoted by the Queensland Audit Office relating to the 2019-20 financial year are \$0.727 million (2018-19: \$0.725 million). There are no non-audit services included in this amount.

(2) Special payments represent ex gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. Special payments over \$5,000 made during 2019-20 include one financial support payment to a Parents and Citizens' Association.

(3) Payments to other government departments relate to School Transport arrangements with the Department of Transport and Main Roads.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

**SECTION 3
NOTES ABOUT OUR FINANCIAL POSITION**

C1 CASH AND CASH EQUIVALENTS

	2020 \$'000	2019 \$'000
Cash on hand	118	129
Cash at bank	906 879	1 025 381
Total	906 997	1 025 510

Accounting Policy – Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques receipted but not banked at 30 June and cash in school and central office bank accounts which are used in the day-to-day cash management of the department.

Departmental bank accounts (excluding school bank accounts) are grouped within the whole-of-government set-off arrangement with the Queensland Treasury Corporation and do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

C2 RECEIVABLES

	2020 \$'000	2019 \$'000
Current		
Trade receivables	68 077	80 749
Less: Allowance for impairment of trade receivables	(36 150)	(34 138)
	31 927	46 611
 GST receivable	 28 225	 27 658
GST payable	-	1
	28 225	27 659
 Employee leave reimbursements	 30 526	 50 777
Other	587	2 706
Loans and advances	6	25
Total	91 271	127 778

Disclosure – Movement in loss allowance for trade receivables

Balance at 1 July	34 138	32 264
Expected credit losses expense	7 291	4 691
Bad debts written-off *	(5 279)	(2 818)
Amounts recovered during the year	-	1
Balance at 30 June	36 150	34 138

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

C2 RECEIVABLES (continued)

Accounting Policy – Receivables

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

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

Employee leave reimbursements relate to the Queensland Government's Annual Leave and Long Service Leave Central Schemes which are administered by QSuper on behalf of the state. Refer to Note B2.1.

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of these assets inclusive of any allowance for impairment. No collateral is held as security and no credit enhancements related to receivables are held by the department.

The department uses a provision matrix to measure the expected credit losses on trade and other debtors. The department has determined that parents of students are the only material grouping for measuring expected credit losses.

The calculations reflect historical credit losses. The historical default rates are then adjusted by reasonable and forward-looking information on expected changes in macroeconomic indicators that affect the future recovery of those receivables. The department uses the change in the unemployment rate for Queensland as the most relevant forward-looking indicator for receivables.

Where the department has receivables from Queensland Government agencies or the Australian Government, no loss allowance is recorded for these receivables on the basis of materiality. Refer to Note D1-2 for the department's credit risk management policies.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE

C3-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	at Fair Value				at Cost		Total
	Land	Buildings	Heritage and cultural	Leased assets *	Plant and equipment	Work in progress	
Property, plant and equipment reconciliation 2020	2020	2020	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	5 779 527	22 990 268	65 475	-	658 856	633 994	30 128 120
Less: Accumulated depreciation	-	(8 305 710)	(42 804)	-	(440 029)	-	(8 788 543)
Carrying Amount at 30 June 2020	5 779 527	14 684 558	22 671	-	218 827	633 994	21 339 577
<i>Represented by movements in carrying amount:</i>							
Carrying amount at 1 July 2019	5 780 277	12 629 095	19 075	681 928	223 114	585 403	19 918 892
Acquisitions (including upgrades)	11 189	693 796	739	-	52 857	395 089	1 153 670
Donations received	-	10 699	-	-	491	-	11 190
Disposals	(1 892)	(3 177)	-	-	(2 234)	-	(7 303)
Donations made	-	-	-	-	(3)	-	(3)
Transfers between asset classes	13 787	1 012 538	-	(681 928)	2 101	(346 498)	-
Net revaluation increments/(decrements) in asset revaluation surplus	(23 834)	808 917	3 994	-	-	-	789 077
Depreciation	-	(467 310)	(1 137)	-	(57 499)	-	(525 946)
Carrying Amount at 30 June 2020	5 779 527	14 684 558	22 671	-	218 827	633 994	21 339 577

* Leased assets continue to be reported on a current replacement cost basis, and have been reclassified as buildings due to reassessment of the substance of the funding arrangements. Further information is outlined in Note G4.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C3-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT (continued)

	at Fair Value				at Cost		Total
	Land	Buildings	Heritage and cultural	Leased assets	Plant and equipment	Work in progress	
	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
Property, plant and equipment reconciliation 2019							
<i>Gross</i>	5 780 277	20 163 291	57 522	722 199	632 488	585 403	27 941 180
<i>Less: Accumulated depreciation</i>	-	(7 534 196)	(38 447)	(40 271)	(409 374)	-	(8 022 288)
Carrying Amount at 30 June 2019	5 780 277	12 629 095	19 075	681 928	223 114	585 403	19 918 892
<i>Represented by movements in carrying amount:</i>							
Carrying amount at 1 July 2018	5 300 283	12 044 661	21 121	587 517	205 833	404 821	18 564 236
Acquisitions (including upgrades)	83 085	198 811	546	81 292	60 050	504 842	928 626
Transfers in from other Queensland Government entities	-	3 044	-	-	-	-	3 044
Donations received	-	5 950	-	-	399	-	6 349
Disposals	(314)	(1 548)	-	-	(2 833)	-	(4 695)
Transfers out to other Queensland Government entities	(8 841)	-	-	-	-	-	(8 841)
Transfers between asset classes	60 597	258 096	7	(5 149)	10 709	(324 260)	-
Net revaluation increments/(decrements) in asset revaluation surplus	345 467	552 828	(1 385)	19 600	-	-	916 510
Depreciation	-	(432 747)	(1 214)	(1 332)	(51 044)	-	(486 337)
Carrying amount at 30 June 2019	5 780 277	12 629 095	19 075	681 928	223 114	585 403	19 918 892

C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C3-2 RECOGNITION AND ACQUISITION

Accounting Policy

Basics of capitalisation and recognition thresholds

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised as Property, Plant and Equipment in the following classes:

Buildings	\$10 000
Heritage and cultural (buildings)	\$10 000
Land	\$1
Other (including heritage and cultural assets other than buildings)	\$5 000
Plant and equipment	\$5 000

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

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the department.

Cost of acquisition

Property, plant and equipment are initially recorded at cost plus any other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees.

Assets received free of charge from another Queensland Government department (whether as a result of a machinery-of-government change or other involuntary transfer), are recognised at fair value, being the gross carrying amount in the books of the other entity immediately prior to the transfer together with any accumulated depreciation.

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

C3-3 MEASUREMENT

Accounting Policy

Fair Value Measurement

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

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

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

Valuation of property, plant and equipment

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

Land, buildings (including residential buildings and land improvements such as sports facilities), and heritage and cultural assets are measured at fair value, which are reviewed each year to ensure they are materially correct.

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

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C3-3 MEASUREMENT (continued)

Accounting Policy (continued)

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

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

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

Use of Specific Appraisals

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

For the purposes of revaluation, the department has divided the state into 25 districts and each year's selection is chosen to ensure that major urban, provincial and rural characteristics are included. Districts independently valued in each year are as follows:

Last valued in 2018-19 and next scheduled for 2022-23 Cairns Coastal Central West Toowoomba Brisbane Central and West Gold Coast Wide Bay West	2019-20 Torres Strait and Cape Roma Mackay-Whitsunday Moreton West South East Brisbane Sunshine Coast South Wide Bay South
2020-21 Tablelands-Johnstone Mount Isa The Downs Brisbane North Logan-Albert Beaudesert Central Queensland	2021-22 Townsville Warwick Moreton East Brisbane South Sunshine Coast North Wide Bay North

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

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The department ensures that the application of these indices results in a valid estimation of the asset's fair value at reporting date. Land price indices are derived from market information available to the State Valuation Service (SVS). Building price index is provided by SVS from Gray Robinson & Cottrell (GRC) Quantity Surveyors and is based on recent tenders for specialised buildings, and this is considered to be the most appropriate index for application to the relevant assets. The results of interim indexations are compared to the results of the independent revaluation performed in the year to ensure the results are reasonable. This annual process allows management to assess and confirm the relevance and suitability of indices provided by SVS based on the asset portfolio of the department.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C3-3 MEASUREMENT (continued)

Accounting Policy (continued)

Land valuations

<i>Effective Date of Last Specific Appraisal:</i>	30 June 2020 by State Valuation Service
<i>Valuation Approach:</i>	Market-based assessment. Fair Value Hierarchy Level 2.
<i>Inputs:</i>	The fair value of land involved physical inspection and reference to publicly available data on recent sales of similar land in nearby localities in accordance with industry standards.
<i>Current Year Valuation Activity:</i>	<p>Approximately one quarter of the department's land was independently valued. In determining the values, adjustments were made to the sales data to take into account the location of the department's land, its size, street/road frontage and access, and any significant restrictions. The extent of the adjustments made varies in significance for each parcel of land. Desktop valuations were also performed by State Valuation Service on 14 sites that have exhibited volatile price movements over the last three years.</p> <p>The remaining three quarters of the land assets have been indexed to ensure that values reflect fair value as at reporting date. This involved the selection of a sample of 174 properties from the 17 districts across the state that were not independently valued in 2019-20. State Valuation Service then provided indices for each of these sites based on recent market transactions for local land sales. The department then uses the sampled indices to create a weighted average for each district. These indices decreased the value of land in these districts by 0.01 percent and have been applied.</p>

Buildings valuations

<i>Effective Date of Last Specific Appraisal:</i>	30 June 2020 by State Valuation Service
<i>Valuation Approach:</i>	All purpose-built facilities are valued at current replacement cost, as there is no active market for these facilities. Fair Value Hierarchy Level 3.
<i>Inputs:</i>	State Valuation Service conduct physical inspections and apply construction rates from the State School Costing Manual provided by GRC Quantity Surveyors.
<i>Current Year Valuation Activity:</i>	<p>Approximately one quarter of the department's buildings were independently valued. The current replacement cost was based on standard school buildings and specialised fit-out constructed by the department, adjusted for more contemporary design/construction approaches. Significant judgement was also used to assess the remaining service potential of these facilities, including the current physical condition of the facility.</p> <p>The remaining three quarters were indexed using the Building Price Index provided by GRC Quantity Surveyors. The change in the Building Price Index (June 2019 to June 2020) was a 1.63 percent increase. Because of the department's continuing investment in general and specific priority maintenance, the condition of the assets is not expected to deteriorate significantly between comprehensive valuations.</p>

Heritage and Cultural Assets valuations

<i>Effective Date of Last Specific Appraisal:</i>	30 June 2020 by State Valuation Service
<i>Valuation Approach:</i>	As there is no active market for these assets, fair value was determined using a current replacement cost approach. Fair Value Hierarchy Level 3.
<i>Inputs:</i>	Estimating the cost to reproduce the items with features and materials of the original items, with substantial adjustments made to take into account the items heritage restrictions and characteristics.
<i>Current Year Valuation Activity:</i>	Approximately one quarter of the department's heritage and cultural assets were independently valued. The remaining three quarters were indexed using the Building Price Index provided by GRC Quantity Surveyors.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C3-4 DEPRECIATION EXPENSE

Accounting Policy

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

The residual (or scrap) value of depreciable assets is assumed to be nil.

Complex assets comprise separately identifiable components of significant value that require regular replacement during the life of the complex asset at different times to other components. The department's complex assets are special purpose school buildings. When the change in depreciation expense from separately identifying significant components is material to the class of assets to which the asset relates, the significant components are separately identified and depreciated. The three components of the department's complex buildings are: a) Fabric; b) Fit-out; and c) Plant. The useful lives for these assets are disclosed in the table below.

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

Useful lives for the assets included in the revaluation are amended progressively as the assets are inspected by the valuers.

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

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

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

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

Depreciation Rates

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

Class	Current useful life (years)
Buildings - Fabric	60 - 80
Buildings - Fit Out	25
Buildings - Plant	25
Buildings - Demountable buildings, sheds and covered areas	40
Buildings - Land improvements (including sporting facilities)	15 - 80
Heritage and Cultural Assets	80
Plant and equipment - Computer equipment	5
Plant and equipment - Office equipment	5 - 20
Plant and equipment - Artefacts and curios	50 - 100
Plant and equipment - Musical instruments and craft equipment	20
Plant and equipment - Plant and machinery	5 - 25
Plant and equipment - Sporting equipment	10

C3-5 IMPAIRMENT

Accounting Policy

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount (higher of the asset's fair value less costs to sell and current replacement cost).

An impairment loss is recognised immediately in the Statement of Comprehensive Income, except for land and buildings where any impairment loss would be offset against the asset revaluation reserve surplus of the relevant class.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

C4 PAYABLES

	2020 \$'000	2019 \$'000
Current		
Trade creditors	73 426	150 246
Capital creditors	243 018	182 251
FBT and other taxes	58 469	1 477
Grants and subsidies payable	1 267	4 071
Deferred appropriation payable to consolidated fund	24 898	39 071
Other	228	228
Total	401 306	377 344
Non-Current		
Trade Creditors - Non Current	-	1 692
Total	-	1 692

Accounting Policy

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. Capital creditors relates to capital works billed progressively based on the extent of work performed. Amounts owing are unsecured.

C5 BORROWINGS

	2020 \$'000	2019 \$'000
Current		
Finance liability - private provision of public infrastructure	7 691	-
Lease liability	-	7 121
Total	7 691	7 121
Non-Current		
Finance liability - private provision of public infrastructure	381 873	-
Lease liability	-	389 564
Total	381 873	389 564

Accounting Policy

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

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

C5-1 FINANCE LIABILITY AND COMMITMENTS

Finance liability terms and conditions

The finance liability relates to the private provision of public infrastructure (PPPI) agreement projects - South-East Queensland School – Aspire and Queensland Schools - Plenary. As part of the department's review of leasing arrangements under AASB 16 Leases it has been concluded that these arrangements are not leases, but more in the nature of financing to construct and maintain buildings. Refer to Note G3 for details.

Interest Rates

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

The implicit interest rate for the finance liabilities ranges from 2.87% to 15.99% (2018-19: 2.87% to 15.99%).

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

C5 BORROWINGS (continued)

C5-2 DISCLOSURE ABOUT SENSITIVITY TO INTEREST RATE MOVEMENTS

Interest rate sensitivity analysis evaluates the outcome on profit or loss if interest rates would change by +/- 0.25 percent from the year-end rates applicable to the department's financial assets and liabilities. With all other variables held constant, the department would have a surplus and equity increase/(decrease) of \$1.693 million (2018-19 \$1.981 million).

C5-3 FAIR VALUE DISCLOSURES FOR FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

	2020		2019	
	\$'000	\$'000	\$'000	\$'000
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial liability - PPPI	389 564	343 713	-	-
Lease liability	-	-	396 685	325 991
Total	389 564	343 713	396 685	325 991

The fair value of finance liabilities is calculated using discounted cash flow analysis and using the Reserve Bank Commonwealth Government 10 year bond rate.

C6 ACCRUED EMPLOYEE BENEFITS

	2020	2019
	\$'000	\$'000
Annual leave levy payable	60 552	57 412
Long service leave levy payable	37 638	31 698
Accrued salaries and wages	19 008	153 353
Paid parental leave	1 002	1 631
Other accrued employee benefits	455	366
Total	118 655	244 460

Accounting Policy

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

Refer to Note B2-1 for further information on leave levies and sick leave.

C7 EQUITY

C7-1 CONTRIBUTED EQUITY

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

- Appropriations for equity adjustments (refer Note C7-2); and
- Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-government changes.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

C7 EQUITY (continued)

C7-2 APPROPRIATIONS RECOGNISED IN EQUITY

Reconciliation of Payments from Consolidated Fund to Equity Adjustment

	2020 \$'000	2019 \$'000
Budgeted equity adjustment appropriation	724 061	138 400
Transfers from/(to) other headings - Variation in headings	(49 342)	60 315
Unforeseen expenditure	-	184 242
Equity adjustment recognised in Contributed Equity	674 719	382 957

C7-3 ASSET REVALUATION SURPLUS BY ASSET CLASS

Accounting Policy

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

	Land \$'000	Buildings \$'000	Heritage and Cultural \$'000	Leased Assets \$'000	Total \$'000
Balance at 1 July 2018	5 496 139	9 338 170	21 415	76 686	14 932 410
Revaluation increments/(decrements)	345 467	552 828	(1 385)	19 600	916 510
Balance at 30 June 2019	5 841 606	9 890 998	20 030	96 286	15 848 920

	Land \$'000	Buildings \$'000	Heritage and Cultural \$'000	Leased Assets \$'000	Total \$'000
Balance at 1 July 2019	5 841 606	9 890 998	20 030	96 286	15 848 920
Revaluation increments/(decrements)	(23 834)	808 917	3 994	-	789 077
Transfers between classes	-	96 286	-	(96 286)	-
Balance at 30 June 2020	5 817 772	10 796 201	24 024	-	16 637 997

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

SECTION 4
NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES

D1 FINANCIAL RISK DISCLOSURES

D1-1 FINANCIAL INSTRUMENT CATEGORIES

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

	Note	2020 \$'000	2019 \$'000
Financial Assets			
Cash and cash equivalents	C1	906 997	1 025 510
Receivables	C2	91 271	127 778
Total Financial Assets		998 268	1 153 288
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Payables	C4	401 306	379 036
Lease liabilities		6 907	-
Borrowings	C5	389 564	396 685
Total Financial Liabilities at amortised cost		797 777	775 721

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

D1-2 FINANCIAL RISK MANAGEMENT

Risk Exposure

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

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

Risk Exposure	Definition	Exposure and management
Credit Risk	The risk that the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The department is exposed to credit risk in respect of: <ul style="list-style-type: none"> Receivables (exposure disclosed at Note C2 and mainly relates to student and parent debt) which are managed by the use of a credit management strategy and regular monitoring of funds owed; and Financial guarantees provided to Parents and Citizens' Associations, Universities and Grammar Schools are managed on an ongoing basis (maximum exposure disclosed in Note D2).
Liquidity Risk	Liquidity risk refers to the department's ability to meet obligations when they fall due.	This risk is minimal, and is managed through a combination of regular fortnightly appropriation payments, and an approved overdraft facility of \$250.0 million under Government banking arrangements to manage any cash shortfalls.
Market Risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.	The department does not trade in foreign currency and is not materially exposed to commodity price changes. The department is exposed to interest rate risk through its finance liabilities (Note C5), and cash deposited in interest bearing accounts (Note C1).

All financial risk is managed by each division under policy approved by the Executive Management Board, and established and co-ordinated by Policy Performance and Planning Branch and Finance Branch.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

D1 FINANCIAL RISK DISCLOSURES (continued)

D1-3 LIQUIDITY RISK – CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

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

	2020 Payable in			Total
	<1 year	1 - 5 years	> 5 years	
	\$'000	\$'000	\$'000	\$'000
Financial Liabilities				
Payables	401 306	-	-	401 306
Lease liabilities	760	1 638	8 390	10 788
Finance liability PPPI	39 080	162 619	642 177	843 876
Total	441 146	164 257	650 567	1 255 970

	2019 Payable in			Total
	<1 year	1 - 5 years	> 5 years	
	\$'000	\$'000	\$'000	\$'000
Financial Liabilities				
Payables	377 344	1 692	-	379 036
Lease liabilities	-	-	-	-
Lease liabilities PPPI	39 210	156 732	685 286	881 228
Total	416 554	158 424	685 286	1 260 264

D2 CONTINGENCIES

Litigation in Progress

At 30 June 2020, the following cases were filed in courts and other tribunals naming the State of Queensland acting through the Department of Education as defendant:

Litigation and other claims in progress

	2020 No. of cases	2019 No. of cases
Supreme Court	5	4
District Court	12	6
Magistrates Court	-	1
Federal Court	3	1
Queensland Industrial Relations Commission	3	-
Queensland Civil and Administrative Tribunal	1	-
Total	24	12

The department's legal advisers and management believe that it is not possible to reliably determine the value of payouts in respect of this litigation which, in the majority of instances, represent insurable events in terms of the policy held with the Queensland Government Insurance Fund. The maximum exposure of the department under this policy is \$10 000 for each insurable event.

There are currently **145** (2018-19: 137) cases of general liability and **74** (2018-19: 49) WorkCover common law claims being managed by the department.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

D2 CONTINGENCIES (continued)

Financial Guarantees and Associated Credit Risks

The department has provided **22** (2018-19: 20) financial guarantees to Parents and Citizens' Associations (P&C), **6** (2018-19: 6) guarantees to Universities, and **7** (2018-19: 6) guarantees to grammar schools for a variety of loans. These guarantees have been provided over a period of time and have various maturity dates.

	2020 Remaining balance \$'000	2019 Remaining balance \$'000	Enabling legislation
Parents and Citizens' Associations	2 805	2 196	<i>Education (General Provisions) Act 2006 s.137</i>
Universities	505 479	492 824	<i>Australian National University Act 1991 s.44</i>
Grammar Schools	107 899	88 550	<i>Grammar Schools Act 2016 s.10</i>
	616 183	583 570	

Key Estimate and Judgement: The department assesses the fair value of financial guarantees annually as at 30 June. As at 30 June 2020 no University, grammar school or P&C had defaulted on an existing loan. One P&C loan was refinanced (market value of approximately \$210,000 at the date of refinancing) and as part of these arrangements the P&C will not make a loan repayment until early in the 2021 calendar year. The impact of COVID-19 on related statutory bodies remains uncertain. As at 30 June 2020 there was no known indications of loan default, but prolonged impacts could cause individual statutory bodies to realise operating deficits and deterioration in liquidity. As such, the fair value of the guarantees has not been recognised in the Statement of Financial Position.

Native Title Claims over Departmental Land

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

At reporting date it is not possible to make an estimate of any probable outcome of such claims, or any financial effect. It should be noted that native title would not arise as an issue until the property has been declared surplus and attempts are made for the property to be sold or transferred. Native title would need to be addressed as part of the disposal process. The department would necessarily recognise any cost implications arising from such claims at that time.

D3 COMMITMENTS

Capital expenditure commitments

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

	2020 \$'000	2019 \$'000
Buildings		
Not later than one year	510 919	517 891
Later than one and not later than five years	27 730	96 897
Later than five years	-	-
Total Capital expenditure commitments - Buildings	538 649	614 788

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

SECTION 5
NOTES ABOUT OUR PERFORMANCE COMPARED TO BUDGET

E1 BUDGETARY REPORTING DISCLOSURES

This section contains explanations of major variances between the department's actual 2019-20 financial results and the original budget presented to Parliament.

E1-1 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF COMPREHENSIVE INCOME

<i>User charges and fees:</i>	Variance of -\$29.480 million is mainly due to COVID-19 pandemic causing cancellation of activities including excursions and reducing fees and charges received from students and parents, and includes \$18.388 million in reduced international education program activity.
<i>Grants and contributions revenue</i>	Variance of +\$26.853 million is mainly due to higher capital contributions received by schools from donations, as well as \$5.400 million for the relocation of Ravenswood State School that was not budgeted.
<i>Increase in Asset revaluation surplus</i>	Increase mainly due to higher comprehensive revaluation outcomes for buildings of 5.8%, instead of the budgeted increase of 3.0%, which has been partially offset by minor reductions in land valuations.

E1-2 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF FINANCIAL POSITION

<i>Cash and cash equivalents:</i>	The variance of +\$223.572 million is mainly attributable to a higher than forecast cash opening balance \$157.871 million. The remainder of the variance is due to timing of outflows including for payments associated with re-phased capital works program particularly Building Future Schools program.
<i>Receivables</i>	Variance of -\$19.063 million is mainly attributable to lower claims for long service and annual leave reimbursements of approximately \$17.705M caused by less leave being taken by staff due to COVID-19 pandemic.
<i>Other current assets</i>	Variance of +\$20.701 million is mainly due to prepayments for software licenses, in particular the annual Microsoft licence fees \$15.0 million, which were not included in initial budget position forecast.
<i>Payables</i>	Variance of +\$179.270 million is mainly due to higher capital creditors \$60.767 million due to timing of payments associated with re-phased capital works program particularly Building Future Schools program, timing of 'pay as you go' taxation remittances for the final payroll of the year \$57.655 million, and unbudgeted deferred appropriation payable to Queensland Treasury \$23.620 million.

E1-3 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF CASH FLOWS

There were no material variances in the Statement of Cash Flows.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

SECTION 6
WHAT WE LOOK AFTER ON BEHALF OF WHOLE-OF-GOVERNMENT AND THIRD PARTIES

F1 ADMINISTERED ACTIVITIES

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

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless stated otherwise.

F1-1 SCHEDULE OF ADMINISTERED INCOME AND EXPENDITURE

	2020	2020		2019
		Original	Budget	
		Budget	Variance	
Notes	\$'000	\$'000	\$'000	\$'000
Administered Income				
<u>Fees and charges</u>				
Fees and charges	66 255	55 245	11 010	57 204
Other Revenue	-	285	(285)	16
<u>Grants and contributions</u>				
Recurrent				
Specific purpose - Commonwealth	3 151 549	2 889 245	262 304	2 765 388
Appropriation revenue *	4 069 295	3 807 436	261 859	3 644 305
Total Administered Income	7 287 099	6 752 211	534 888	6 466 913
Administered expenses				
<u>Grants and subsidies</u>				
Recurrent				
Commonwealth Government				
Non-state schools	3 151 549			2 765 388
State Government				
Non-state schools	716 936			687 032
Textbook and Resource allowance	66 149			59 538
Statutory bodies (curriculum)	34 756			34 057
Capital				
State Government				
Non-state and other external organisations	99 905			98 290
	4 069 295	3 807 433	261 862	3 644 305
Supplies and services	90	3	87	-
Losses on disposal/ remeasurement of assets	(142)	21	(163)	32
Transfers of Administered Income to Government **	3 217 856	2 944 754	273 102	2 822 576
Total Administered Expenses	7 287 099	6 752 211	534 888	6 466 913
Operating Surplus/(Deficit)	-	-	-	-

* This appropriation revenue is provided in cash via Queensland Treasury and funds activities/ expenses that the department administers on behalf of the Government.

** The department periodically transfers all cash collected for "Administered Income" (excluding appropriation revenue) to the Queensland Government.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

F1 ADMINISTERED ACTIVITIES (continued)

F1-2 RECONCILIATION OF PAYMENTS FROM CONSOLIDATED FUND TO ADMINISTERED INCOME

	2020 \$'000	2019 \$'000
Budgeted appropriation	3 807 436	3 550 824
Unforeseen expenditure	406 862	78 302
Total administered receipts	4 214 298	3 629 126
Less closing balance of administered unearned revenue	(119 347)	-
Less opening balance of administered revenue receivable	(25 656)	(10 477)
Plus closing balance of administered revenue receivable	-	25 656
Administered income recognised in Note F1-1	4 069 295	3 644 305

F1-3 SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	2020 Actual \$'000	2020 Original Budget \$'000	Budget Variance \$'000	2019 Actual \$'000
Notes				
Administered Current Assets				
Cash at bank	120 108	712	119 396	5 405
Appropriation receivable	-	-	-	25 656
Trade receivable	10 585	9 150	1 435	6 000
GST input tax credits receivable	-	-	-	11
Total Administered Current Assets	130 693	9 862	120 831	37 072
Administered Current Liabilities				
Overdraft facilities	-	-	-	25 475
Revenue payable to Government	11 131	9 650	1 481	11 385
Other payable	4	-	4	-
Unearned administered appropriation	119 347	-	119 347	-
Total Administered Current Liabilities	130 482	9 650	120 832	36 860
Net Administered Assets/ Liabilities	211	212	(1)	212

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

F1 ADMINISTERED ACTIVITIES (continued)

F1-4 ADMINISTERED ACTIVITIES – BUDGET TO ACTUAL VARIANCE ANALYSIS

This note contains an explanation of major variances between 2019-20 actual results and the original budget for the department's major classes of administered income, expenses, assets and liabilities.

Fees and charges

Variance of +\$11.010 million is due to higher Office of Industrial Relations collections including \$4.431 million for QLeave Portable Long Service Leave as a result of higher construction activity; and for occupational licencing \$2.784M mainly due to higher than expected labour hire licencing fees as a result of increased compliance activity.

Cash at bank and Unearned Administered appropriation

Variances of +\$119.4 million were due to the advance payments of 2020-21 Commonwealth assistance to non-state schools to support school re-openings following COVID-19 shut-downs being lower than forecast.

F2 TRUST TRANSACTIONS AND BALANCES

(a) Educational bequests

The department acts as trustee for and manages one trust established by benefactors to encourage Queensland students to learn Japanese as a second language and recognise their achievements in acquiring this valuable skill. The Trust receives revenue in the form of bank interest and makes disbursements for student bursaries to fund travel and tuition fees and support continuing study of the Japanese language.

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

No fees are received by the department for providing trustee services for these funds.

	2020 \$'000	2019 \$'000
Trust Account - Educational bequests		
Opening balance - Cash	227	239
Revenue - return on investment term deposit	4	6
Expense - Iw asaki Sangyo prize	(21)	(18)
Closing balance - Cash	210	227

(b) Industrial Relations collections

	Total revenue		Total expenses		Net surplus/(deficit)		Total current assets		Total current liabilities		Net assets	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
District Industrial Inspectors' Collection Accounts												
<i>Industrial Relations Act 1999 s 358</i>												
Holds recovered wages owed to employees until funds are cleared before forwarding on to workers	657	7	651	7	6	-	6	-	6	-	-	-
In-scope Electrical Equipment (Registration Fees) Fund												
<i>Electrical Safety Act 2002 s 204A</i>												
Holds money collected from the registration of electrical equipment and make payments to participating jurisdictions for electrical safety services	1 987	1 632	20	16	1 967	1 616	7 509	7 528	-	-	7 509	7 528

There are no audit fees payable by the department for these trust transactions.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

**SECTION 7
OTHER INFORMATION**

G1 KEY MANAGEMENT PERSONNEL (KMP) REMUNERATION

Details of Key Management Personnel

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. The Minister is the Honourable Grace Grace MP, Minister for Education and Minister for Industrial Relations.

The following details for non-Ministerial key management personnel includes those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2019-20 and 2018-19. Further information regarding the department's Key Management Personnel can be found in the body of the Annual Report under the section relating to Governance.

Position	Position Responsibility
Director-General	Strengthening education by boosting participation and quality in early childhood education and care, improving the performance of schools and delivering a more responsive and productive industrial relations sector.
Deputy Director-General, Corporate Services	Strategic leadership for the department's corporate procurement, finance, information technologies, and infrastructure services functions.
Deputy Director-General, People and Executive Services (Position created 16/03/2020)	Provision of strategic leadership across the department's human resources, strategic communications and engagement, and legal services functions to support a diverse, capable and confident workforce that designs and delivers responsive services as our population grows and technology changes how we learn, work and live.
Deputy Director-General, Early Childhood and Community Engagement	Strategic leadership in the development and implementation of the innovation policy, funding and regulatory frameworks that shape the vibrant early childhood education and care sector in Queensland.
Deputy Director-General, Policy, Performance and Planning	Driving strategic direction of the department across early childhood, schooling, and Aboriginal and Torres Strait Islander education. This position delivers education-related strategic policy and intergovernmental relations functions and leads the development of the portfolio's legislative instruments, performance monitoring and reporting functions, and governance, strategy and planning.
Deputy Director-General, State Schools	Strategic leadership in the development and implementation of innovative and effective education models and policies for Queensland State Schools to ensure every student engages purposefully in learning and experiences academic success.
Deputy Director-General, Office of Industrial Relations	Strategic leadership of the Office of Industrial Relations, with responsibility for regulatory frameworks, policy advice and compliance activities for workplace safety, electrical safety, industrial relations and workers' compensation to make Queensland work and workplaces safer, fairer and productive.
Assistant Director-General, Finance and Chief Finance Officer	Provision of strategic financial advice to the department's Executive and overall leadership of the department's finance functions. The position also has responsibilities under section 77 of the <i>Financial Accountability Act 2009 (Qld)</i> .
Regional Director (rotating representative)	Providing direction to the operations of the department at the regional level across all service streams, ensuring delivery of planned outcomes in line with departmental vision, values and strategic direction.

Key Management Personnel Remuneration Policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook, and aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances. The department does not bear any cost of remuneration of Ministers.

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

Where an employee has relieved in a KMP position for less than three months, these costs are reported against their substantive position.

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 and car parking together with fringe benefits tax applicable to the benefit.

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

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

G1 KEY MANAGEMENT PERSONNEL (KMP) REMUNERATION (continued)

Key Management Personnel Remuneration Policies (continued)

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.

Key Management Personnel Remuneration Expenses

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

2019-20

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
Director-General	550	-	13	68	-	631
Deputy Director-General, Corporate Services	308	6	7	34	-	355
Deputy Director-General, Early Childhood and Community Engagement	259	-	6	29	-	294
Deputy Director-General, Policy, Performance and Planning	266	6	7	34	-	313
Deputy Director-General, State Schools	270	6	7	31	-	314
Deputy Director-General, Office of Industrial Relations + Deputy Director-General, People and Executive Services (Position created 16/03/2020) +	308	5	7	27	-	347
Assistant Director-General, Finance and Chief Finance Officer	236	7	6	25	-	274
Regional Director (rotating representative) (to 31/12/2019)	125	-	3	14	-	142
Regional Director (rotating representative) (from 01/01/2020)	122	-	3	13	-	138

+ The role of Deputy Director-General, People and Executive Services was created on the 16th of March 2020. The roles of Deputy Director-General, People and Executive Services and Deputy Director-General, Office of Industrial Relations are currently being undertaken conjointly, performing dual functions within the department's respective service areas.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

G1 KEY MANAGEMENT PERSONNEL (KMP) REMUNERATION (continued)

2018-19

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
Director-General	566	-	12	66	-	644
Deputy Director-General, Corporate Services	309	8	6	33	-	356
Deputy Director-General, Early Childhood and Community Engagement	257	4	6	27	-	294
Deputy Director-General, Policy, Performance and Planning	270	7	7	33	-	317
Deputy Director-General, State Schools (Retired 10/08/2018)	35	4	1	4	-	44
Deputy Director-General, State Schools (Acting 30/07/2018 to 16/11/2018)	86	5	2	8	-	101
Deputy Director-General, State Schools (Appointed 19/11/2018)	162	5	4	14	-	185
Deputy Director-General, Office of Industrial Relations (to 08/01/2019)	158	3	3	16	233	413
Deputy Director-General, Office of Industrial Relations (Acting from 30/11/2018 to 28/05/2019)	125	3	2	9	-	139
Deputy Director-General, Office of Industrial Relations (Appointed 29/05/2019)	27	1	-	2	-	30
Assistant Director-General, Finance and Chief Finance Officer	219	7	5	24	-	255
Regional Director (rotating representative)	234	-	5	26	-	265

Performance Payments

Key Management Personnel do not receive performance or bonus payments.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

G2 RELATED PARTY TRANSACTIONS

Transactions with people/ entities related to KMP

The department has no related party transactions during 2019-20 with people and entities related to Key Management Personnel.

Transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from Government for its services are appropriation revenue (Note B1-1) and equity injections (Note C7-2), both of which are provided in cash via Queensland Treasury. The department purchases a variety of services from the Department of Housing and Public Works including building construction and maintenance \$249.865 million; motor vehicle fleet \$7.211 million; office accommodation \$37.105 million; government employee housing \$21.201 million; and information and communication technology services \$5.936 million.

G3 PRIVATE PROVISION OF PUBLIC INFRASTRUCTURE ARRANGEMENTS

G3-1 Private Provision of Public Infrastructure (PPPI) Agreements

The following two PPPI's within the table below are social infrastructure arrangements whereby the department pays for the third party use of the infrastructure asset through regular service payments to respective partners over the life of contract.

The land on which the facility/schools are constructed is owned and recognised as an asset by the department. The buildings are controlled by the department and are recognised as property, plant and equipment, and details on depreciation are included in Note C3.

The department recognises the future repayments of the construction finance as a financial liability. The contractual agreements provides details about the monthly service payments which are comprised of the following components:

- capital component to affect the systematic write down of the liability over the term of the agreements
- financing component which will be recognised as an expense when incurred
- other components such as facilities management, maintenance, and insurance will be expensed when incurred.

At expiry of each PPPI's agreement period, buildings will revert to the department for nil consideration.

PPP Arrangement	(a) South-East Queensland Schools - Aspire – Public Private Partnership	(b) Queensland Schools – Plenary – Public Private Partnership
Entered Into Contract	April 2009	17 December 2013
Partner	Aspire Schools Pty Ltd	Plenary Schools Pty Ltd
Agreement Type	Design, construct, maintain, and partly finance 7 schools.	Design, construct, maintain and partly finance 10 schools.
Agreement Period	30 years	30 years
Financing	Finance during the design and construction phases was provided by Commonwealth Investments Pty Ltd, Bank of Tokyo-Mitsubishi, and the National Australia Bank. Queensland Treasury Corporation will provide the remaining 70% of the project's financial requirements during the operating phase from January 2010 to December 2039.	Finance during the design and construction phases was provided by Investec, National Australia Bank, Plenary Group, and the State of Queensland. The department paid a series of co-contributions during the construction phase of the project towards the construction costs totalling \$190M.
Finance Arrangement	Finance arrangement with Aspire – the Department will pay abatable and undissected service payments to Aspire for the operation, maintenance, and provision of the schools. Aspire is granted the right to enter and operate on the site, and is required to maintain the facilities to a high standard.	Given the staged construction schedule, the building asset and finance liability is calculated separately for each stage of each school, and recognised on the respective Stage Availability Date. Plenary is granted the right to enter, construct, and operate on the site.
Construction period	May 2009 – January 2014	January 2014 – January 2019
Variable Costs	Variable costs change according to the number of modular units in use at the individual sites, utilities, car parking agreements, and other service payments adjustments.	Variable costs change according to the number of modular units in use at the individual sites, utilities, car parking agreements, and other service payments adjustments.
Other	Inflows for the PPPI relate to cleaning, grounds maintenance, and janitorial services. Aspire is required to use staff provided by the State.	Nil

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

G3 PRIVATE PROVISION OF PUBLIC INFRASTRUCTURE ARRANGEMENTS (continued)

G3-2 Private Provision of Public Infrastructure – Cash Flows

The below estimated cash flows are in respect of the specified income and payments required under the contractual agreements.

	South East Queensland Schools - Aspire		Queensland Schools - Plenary		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Estimated cash flows - Fixed costs						
Outflows						
Not later than 1 year	(32 438)	(30 804)	(4 556)	(6 425)	(36 994)	(37 229)
Later than 1 year but not later than 5 years	(136 272)	(126 205)	(33 430)	(32 151)	(169 702)	(158 356)
Later than 5 years but not later than 10 years	(183 646)	(166 508)	(101 023)	(89 599)	(284 669)	(256 107)
Later than 10 years	(362 948)	(364 405)	(376 397)	(355 228)	(739 345)	(719 633)
Estimated net cash flow - Fixed costs	(715 304)	(687 922)	(515 406)	(483 403)	(1 230 710)	(1 171 325)
Estimated cash flows - Variable Costs						
Inflows						
Not later than 1 year	2 485	2 007	-	-	2 485	2 007
Later than 1 year but not later than 5 years	10 336	8 251	-	-	10 336	8 251
Later than 5 years but not later than 10 years	13 857	10 837	-	-	13 857	10 837
Later than 10 years	31 162	26 045	-	-	31 162	26 045
Outflows						
Not later than 1 year	(2 124)	(1 999)	(14 518)	(14 643)	(16 642)	(16 642)
Later than 1 year but not later than 5 years	(9 664)	(8 052)	(54 843)	(56 839)	(64 507)	(64 891)
Later than 5 years but not later than 10 years	(20 571)	(16 122)	(60 559)	(60 348)	(81 130)	(76 470)
Later than 10 years	(25 966)	(25 409)	(95 358)	(92 748)	(121 324)	(118 157)
Estimated net cash flow - Variable Costs	(485)	(4 442)	(225 278)	(224 578)	(225 763)	(229 020)
Total Estimated Net Cashflow	(715 789)	(692 364)	(740 684)	(707 981)	(1 456 473)	(1 400 345)

G3 PRIVATE PROVISION OF PUBLIC INFRASTRUCTURE ARRANGEMENTS (continued)

G3-2 Private Provision of Public Infrastructure – Cash Flows (continued)

Disclosure about Private Provision of Public Infrastructure Cash Flows

Fixed costs are based on risk free rate of 0.92 percent (2018-19: 1.38 percent).

Variable costs include Lifecycle Costs, Utility Payments and Modular Units.

G4 NEW AND REVISED ACCOUNTING STANDARDS

The department did not voluntarily change any of its accounting policies during 2019-20.

No Australian Accounting Standards have been early adopted for 2019-20.

Effective for the first time in 2019-20

AASB 15 Revenue from Contracts with Customers

AASB 15 requires recognition of revenue when the entity satisfies the performance obligation by transferring goods or services and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 allows for a modified retrospective transition method and, in accordance with Queensland Treasury policy, the department has not restated comparative information. Instead, the cumulative effect of applying the standard was recognised as an adjustment to the opening balance of accumulated surplus at the date of initial application.

The department has reviewed both completed (where the agency has already recognised all of the income in accordance with AASB 1004 prior to 1 July 2019) and uncompleted contracts to assess any payments received prior to 1 July 2019 that fall within the scope of AASB 15 for any unsatisfied performance obligations and has recognised a liability for those obligations upon transition.

The effect of adopting AASB15 as at 1 July 2019 was, as follows:

- The department has identified that revenue from the provision of Student Resource Schemes will be recognised progressively as services are provided throughout the school calendar year under AASB 15. The department currently recognises this revenue up-front when consideration is received at commencement of the calendar year.

At 1 July 2019 transition date, the department recognised a contract liability of \$43.0 million that was recognised in revenue during the 2018-19 financial year with a corresponding reduction in accumulated surplus.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 is applied by the department where the consideration to acquire an asset (including cash) is significantly less than fair value, principally to enable the entity to further its objectives. Timing of income recognition under AASB 1058 depends on whether the transaction gives rise to a contribution by owners, performance obligations, or a liability, related to an asset recognised by the department.

AASB 1058 allows for a modified retrospective transition method and, in accordance with Queensland Treasury policy, the department has not restated comparative information. Instead, the cumulative effect of applying the standard was recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

The department has reviewed both completed (where the agency has already recognised all of the income in accordance with AASB 1004 prior to 1 July 2019) and uncompleted contracts to assess any capital grants received prior to 1 July 2019 for which construction of the asset is not yet completed and has recognised a liability reflecting the 'unspent' amount upon transition.

The department has not remeasured assets that were acquired for significantly less than fair value prior to 1 July 2019 (and originally measured at cost) at fair value on transition to AASB 1058.

The department derives the majority of its income from appropriations which are recognised on receipt under AASB 1058. This is consistent with recognition under AASB 1004.

The effect of adopting AASB 1058 as at 1 July 2019 was, as follows:

- Under AASB 1058, special purpose grants received to construct a departmental non-financial asset will be recognised as a liability, and subsequently recognised progressively as revenue as the department satisfies its performance obligations under the grant.

The department has received \$8.4 million contribution for the relocation of Ravenswood State School which was recognised in prior years in accordance with AASB 1004. At 1 July 2019 transition date, \$5.4 million (representing the unspent portion) was reclassified as a contract liability with a corresponding decrease in accumulated surplus.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2020

G4 NEW AND REVISED ACCOUNTING STANDARDS (Continued)

Effective for the first time in 2019-20 (Continued)

The following table shows the impacts of adopting AASB 15 and AASB 1058 on the department's 2019-20 financial statements. It compares the actual amounts reported to amounts that would have been reported if the previous standards (AASB 1004, AASB 118, AASB 111 and related interpretations) had been applied in the current financial year.

Statement of Comprehensive Income	AASB 15 / AASB 1058 \$'000	Previous AAS \$'000	Increase / (Decrease) \$'000
Income from continuing operations			
User charges and fees	393 692	395 692	(2 000)
Grants and contributions	198 496	193 096	5 400
Total income from continuing operations	10 058 470	10 055 070	3 400
Total Comprehensive income	790 391	786 991	3 400
 Statement of Financial Position			
Liabilities			
Other Current liabilities	81 703	36 703	45 000
Total Liabilities	998 135	953 135	45 000
Equity			
Accumulated surplus	243 453	288 453	(45 000)
Total Equity	21 498 332	21 543 332	(45 000)

AASB 16 Leases

The department applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 117 *Leases* and related interpretations.

Definition of a lease

For leases and lease-like arrangements existing at 30 June 2019, the department elected to apply the practical expedient to grandfather the previous assessments made under AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease* about whether those contracts contained leases. However, arrangements were reassessed under AASB 16 where no formal assessment had been done in the past or where lease agreements were modified on 1 July 2019.

In 2018-19, the department held operating leases under AASB 117 from the Department of Housing and Public Works (DHPW) for non-specialised commercial office accommodation through the Queensland Government Accommodation Office (QGAO) and residential accommodation through the Government Employee Housing (GEH) program.

Effective 1 July 2019, the framework agreements that govern QGAO and GEH were amended with the result that these arrangements would not meet the definition of a lease under AASB 16 and therefore are exempt from lease accounting.

From 2019-20 onward, the costs for these services are expensed as supplies and services expenses when incurred.

Changes to lessee accounting

Previously, the department classified its leases as operating or finance leases based on whether the lease transferred significantly all of the risks and rewards incidental to ownership of the asset to the lessee.

This distinction between operating and finance leases no longer exists for lessee accounting under AASB 16. From 1 July 2019, all leases, other than short-term leases and leases of low value assets, are now recognised on balance sheet as lease liabilities and right-of-use assets.

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the department is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- amounts expected to be payable by the department under residual value guarantees
- the exercise prices of a purchase option that the department is reasonably certain to exercise
- payments for termination penalties, if the lease term reflects the early termination.

The discount rate used is the interest rate implicit in the lease, or the department's incremental borrowing rate if the implicit rate cannot be readily determined.

G4 NEW AND REVISED ACCOUNTING STANDARDS (Continued)

Effective for the first time in 2019-20 (Continued)

Subsequently, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as change in variable lease payments that depend on an index or rate (e.g. a market rent review), or a change in the lease term.

The corresponding right-of-use assets are initially recognised at cost and are subsequently depreciated over the life of the lease.

The department has elected to recognise lease payments for short-term leases and leases of low value assets as expenses on a straight-line basis over the lease term, rather than accounting for them on balance sheet.

Transitional impact

The majority of the department's former operating leases, other than the exempt QGAO and GEH arrangements, are now recognised on-balance sheet as right-of-use assets and lease liabilities.

On transition, lease liabilities were measured at the present value of the remaining lease payments discounted at the department's incremental borrowing rate at 1 July 2019. The department's weighted average incremental borrowing rate on 1 July 2019 was 1.79 percent.

The right-of-use assets were measured at their carrying amount as if AASB 16 had always been applied since lease commencement, less accumulated depreciation from commencement of the lease arrangement until 1 July 2019.

At 1 July 2019 transition date, the department recognised the aggregate value of the right-of-use asset \$6.6 million and an associated liability of \$7.1 million.

Former finance leases as lessee

The former finance leases are associated with assets acquired through private provision of public infrastructure arrangements.

These have previously been recorded as finance leases because there is no Australian Accounting Standard that specifically addresses the accounting treatment to be adopted for these arrangements (refer Note G3).

However, further review indicates that the substance of these arrangements is more in the nature of construction finance and an operating licence to provide maintenance, therefore the current finance lease liabilities have been reclassified as borrowings.

The associated building assets will continue to be reported at fair value on a current replacement cost basis consistent with other school buildings, and have been reclassified from leased assets to buildings within property, plant and equipment.

New Australian Accounting Standards issued but not yet effective

AASB 1059 Service Concession Arrangements: Grantors

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

The department is currently analysing the effects of the private provision of public infrastructure arrangements and it does not consider that AASB 1059 is applicable as no services are directly delivered to the public.

All other Australian Accounting Standards and Interpretations with future commencement dates are either not applicable to the department's activities, or have no material impact on the department.

G5 EVENTS OCCURRING AFTER THE REPORTING DATE

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

G6 TAXATION

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

G7 CLIMATE RISK DISCLOSURE

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

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

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

Department of Education
Management Certificate
for the year ended 30 June 2020

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

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Education for the financial year ended 30 June 2020, and of the financial position of the department at the end of that year; and

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



Alison Mohr CPA, B ECom (Acc)
Acting Assistant Director-General, Finance
Chief Finance Officer
Department of Education



Tony Cook PSM
Director-General
Department of Education

Date: 19 August 2020

Date: 19 August 2020

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Education

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental service as at 30 June 2020, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental service for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Key audit

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

Valuation of Buildings (\$14.7 billion as at 30 June 2020)

Refer to note C3 in the financial report.

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

Responsibilities of the department for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

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

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

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

Prescribed requirements scope

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



Brendan Worrall
Auditor-General

20 August 2020

Queensland Audit Office
Brisbane

