

Department of Education

Financial Statements

For the year ended 30 June 2025

Department of Education Financial Statements
for the year ended 30 June 2025

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Department of Education
Statement of Comprehensive Income
for the year ended 30 June 2025

		2025	2025		2024
	Note	Actual	Adjusted budget*	Budget variance**	Actual
		\$'000	\$'000	\$'000	\$'000
OPERATING RESULT					
Income from continuing operations					
Appropriation revenue	B1-1	13,234,304	13,410,725	(176,421)	12,184,428
User charges and fees	B1-2	539,918	484,086	55,832	520,813
Grants and contributions	B1-3	88,342	95,869	(7,527)	190,271
Interest		42,436	38,613	3,823	41,186
Other revenue		81,979	14,670	67,309	45,883
Total income from continuing operations		13,986,979	14,043,963	(56,984)	12,982,581
Expenses from continuing operations					
Employee expenses	B2-1	9,733,809	9,708,823	24,986	9,239,236
Supplies and services	B2-2	2,069,593	2,413,575	(343,982)	1,887,256
Grants and subsidies	B2-3	664,590	642,397	22,193	536,281
Depreciation and amortisation		1,200,580	1,146,777	53,803	1,060,672
Impairment losses/(gains)		8,968	728	8,240	8,632
Finance/borrowing costs		27,439	25,691	1,748	27,996
Other expenses	B2-4	112,380	105,972	6,408	99,517
Total expenses from continuing operations		13,817,359	14,043,963	(226,604)	12,859,590
OPERATING RESULT FOR THE YEAR		169,620	-	169,620	122,991
Items not reclassified to operating result					
Increase/(decrease) in asset revaluation surplus	C8-3	3,114,381	2,888,255	226,126	2,841,722
Total other comprehensive income		3,114,381	2,888,255	226,126	2,841,722
TOTAL COMPREHENSIVE INCOME		3,284,001	2,888,255	395,746	2,964,713

*The 2024-25 Adjusted budget disclosed is presented on a post-machinery-of-government basis (Note A3).

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

The accompanying notes form part of these financial statements.

Department of Education
Statement of Comprehensive Income by Major Departmental Service
for the year ended 30 June 2025

	Early Childhood Education and Care		School Education		Industrial Relations*		Racing*		Arts Queensland**		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING RESULT												
Income from continuing operations												
Appropriation revenue	640,858	522,820	12,476,374	11,611,821	-	23,714	-	26,073	117,072	-	13,234,304	12,184,428
User charges and fees	2,576	1,733	522,834	507,768	-	11,312	-	-	14,508	-	539,918	520,813
Grants and contributions	674	853	87,668	115,677	-	73,741	-	-	-	-	88,342	190,271
Interest	-	-	42,426	41,186	-	-	-	-	10	-	42,436	41,186
Other revenue	10,731	3,880	70,790	41,378	-	625	-	-	458	-	81,979	45,883
Total income from continuing operations	654,839	529,286	13,200,092	12,317,830	-	109,392	-	26,073	132,048	-	13,986,979	12,982,581
Expenses from continuing operations												
Employee expenses	62,431	52,941	9,658,155	9,114,216	-	71,814	-	265	13,223	-	9,733,809	9,239,236
Supplies and services	33,317	30,648	2,002,451	1,825,268	-	31,339	-	1	33,825	-	2,069,593	1,887,256
Grants and subsidies	543,627	435,478	80,597	69,580	-	5,431	-	25,792	40,366	-	664,590	536,281
Depreciation and amortisation	6,915	4,676	1,147,801	1,055,552	-	444	-	-	45,864	-	1,200,580	1,060,672
Impairment losses/(gains)	71	48	8,897	8,584	-	-	-	-	-	-	8,968	8,632
Finance/borrowing costs	6	5	27,423	27,991	-	-	-	-	10	-	27,439	27,996
Other expenses	122	189	112,229	98,908	-	420	-	-	29	-	112,380	99,517
Total expenses from continuing operations	646,489	523,985	13,037,553	12,200,099	-	109,448	-	26,058	133,317	-	13,817,359	12,859,590
OPERATING RESULT FOR THE YEAR	8,350	5,301	162,539	117,731	-	(56)	-	15	(1,269)	-	169,620	122,991
Items not reclassified to operating result												
Increase/(decrease) in asset revaluation surplus	17,512	17,737	3,027,244	2,823,985	-	-	-	-	69,625	-	3,114,381	2,841,722
Total other comprehensive income	17,512	17,737	3,027,244	2,823,985	-	-	-	-	69,625	-	3,114,381	2,841,722
TOTAL COMPREHENSIVE INCOME	25,862	23,038	3,189,783	2,941,716	-	(56)	-	15	68,356	-	3,284,001	2,964,713

*The Industrial Relations and Racing functions were transferred out of the Department of Education as a result of the 18 December 2023 (effective 1 January 2024) machinery-of-government changes.

**Arts Queensland was transferred to the Department of Education as a result of the 1 November 2024 machinery-of-government changes. Further details are provided at Note A3.

Department of Education
Statement of Financial Position
as at 30 June 2025

		2025	2025		2024
	Note	Actual	Adjusted budget*	Budget variance**	Actual
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	C1	1,644,126	1,135,877	508,249	1,862,616
Receivables	C2	229,700	139,241	90,459	205,945
Inventories		955	2,077	(1,122)	1,806
Other current assets		52,188	43,418	8,770	40,778
Total current assets		1,926,969	1,320,613	606,356	2,111,145
Non-current assets					
Property, plant and equipment	C3-1	38,173,108	38,519,379	(346,271)	33,991,748
Right-of-use assets		7,078	-	7,078	6,464
Intangible assets		50,852	35,637	15,215	40,882
Total non-current assets		38,231,038	38,555,016	(323,978)	34,039,094
Total assets		40,158,007	39,875,629	282,378	36,150,239
Current liabilities					
Payables	C4	541,579	286,561	255,018	786,897
Borrowings	C5	12,935	20,279	(7,344)	10,769
Lease liabilities		1,105	-	1,105	559
Accrued employee benefits	C7	183,484	190,610	(7,126)	139,720
Other current liabilities		95,959	89,376	6,583	94,841
Total current liabilities		835,062	586,826	248,236	1,032,786
Non-current liabilities					
Borrowings	C5	332,009	337,691	(5,682)	343,713
Lease liabilities		6,500	-	6,500	6,411
Other non-current liabilities		-	228	(228)	-
Total non-current liabilities		338,509	337,919	590	350,124
Total liabilities		1,173,571	924,745	248,826	1,382,910
Net assets		38,984,436	38,950,884	33,552	34,767,329
Equity					
Contributed equity		7,158,208			6,225,102
Accumulated surplus		996,959			827,339
Asset revaluation surplus	C8-3	30,829,269			27,714,888
Total equity		38,984,436	38,950,884	33,552	34,767,329

*The 2024-25 Adjusted budget disclosed is presented on a post-machinery-of-government basis (Note A3).

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

The accompanying notes form part of these financial statements.

Department of Education
Statement of Assets and Liabilities by Major Departmental Service
as at 30 June 2025

	Early Childhood Education and Care		School Education*		Arts Queensland**		General - not attributed		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets										
Cash and cash equivalents	-	-	905,255	789,468	2,974	-	735,897	1,073,148	1,644,126	1,862,616
Receivables	9,641	17,611	209,936	188,334	10,123	-	-	-	229,700	205,945
Inventories	-	-	955	1,806	-	-	-	-	955	1,806
Other current assets	-	-	50,901	40,778	1,287	-	-	-	52,188	40,778
Total current assets	9,641	17,611	1,167,047	1,020,386	14,384	-	735,897	1,073,148	1,926,969	2,111,145
Non-current assets										
Property, plant and equipment	182,560	171,133	36,755,475	33,820,615	1,235,073	-	-	-	38,173,108	33,991,748
Right-of-use assets	-	-	7,078	6,464	-	-	-	-	7,078	6,464
Intangible assets	2,392	2,158	48,460	38,724	-	-	-	-	50,852	40,882
Total non-current assets	184,952	173,291	36,811,013	33,865,803	1,235,073	-	-	-	38,231,038	34,039,094
Total assets	194,593	190,902	37,978,060	34,886,189	1,249,457	-	735,897	1,073,148	40,158,007	36,150,239
Current liabilities										
Payables	28,051	28,296	504,392	758,601	9,136	-	-	-	541,579	786,897
Borrowings	-	-	11,704	10,769	1,231	-	-	-	12,935	10,769
Lease liabilities	-	-	1,105	559	-	-	-	-	1,105	559
Accrued employee benefits	1,959	1,570	180,944	138,150	581	-	-	-	183,484	139,720
Other current liabilities	93	146	95,842	94,695	24	-	-	-	95,959	94,841
Total current liabilities	30,103	30,012	793,987	1,002,774	10,972	-	-	-	835,062	1,032,786
Non-current liabilities										
Borrowings	-	-	332,009	343,713	-	-	-	-	332,009	343,713
Lease liabilities	-	-	6,500	6,411	-	-	-	-	6,500	6,411
Total non-current liabilities	-	-	338,509	350,124	-	-	-	-	338,509	350,124
Total liabilities	30,103	30,012	1,132,496	1,352,898	10,972	-	-	-	1,173,571	1,382,910

*The Gold Coast Performance Centre was transferred out of the Department of Education as a result of the 23 September 2024 (effective 1 October 2024) machinery-of-government changes.

**Arts Queensland was transferred to the Department of Education as a result of the 1 November 2024 machinery-of-government changes. Further details are provided at Note A3.

Department of Education
Statement of Changes in Equity
for the year ended 30 June 2025

	Note	Accumulated surplus	Asset revaluation surplus	Contributed equity	Total
		\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2023		704,348	24,873,166	6,276,141	31,853,655
Operating result					
Operating result from continuing operations		122,991	-	-	122,991
Other comprehensive income					
Increase/(decrease) in asset revaluation surplus	C8-3	-	2,841,722	-	2,841,722
Total comprehensive income for the year		122,991	2,841,722	-	2,964,713
Transactions with owners as owners					
Net transfers in/(out) from other Queensland Government entities		-	-	(37,233)	(37,233)
Appropriated equity injections/(withdrawals)	C8-2	-	-	(15,306)	(15,306)
Non-appropriated equity injections		-	-	1,500	1,500
Net transactions with owners as owners		-	-	(51,039)	(51,039)
Balance at 30 June 2024		827,339	27,714,888	6,225,102	34,767,329

	Note	Accumulated surplus	Asset revaluation surplus	Contributed equity	Total
		\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2024		827,339	27,714,888	6,225,102	34,767,329
Operating result					
Operating result from continuing operations		169,620	-	-	169,620
Other comprehensive income					
Increase/(decrease) in asset revaluation surplus	C8-3	-	3,114,381	-	3,114,381
Total comprehensive income for the year		169,620	3,114,381	-	3,284,001
Transactions with owners as owners					
Net transfers in/(out) from other Queensland Government entities	A3	-	-	1,155,029	1,155,029
Appropriated equity injections/(withdrawals)	C8-2	-	-	(221,923)	(221,923)
Net transactions with owners as owners		-	-	933,106	933,106
Balance at 30 June 2025		996,959	30,829,269	7,158,208	38,984,436

The accompanying notes form part of these financial statements.

Department of Education
Statement of Cash Flows
for the year ended 30 June 2025

		2025	2025		2024
	Note	Actual	Adjusted budget*	Budget variance**	Actual
		\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Inflows:</i>					
Service appropriation receipts		12,914,285	13,404,644	(490,359)	12,697,938
User charges and fees		498,329	493,876	4,453	525,133
Grants and contributions		78,972	91,869	(12,897)	171,995
Interest receipts		42,426	38,613	3,813	41,186
GST input tax credits from ATO		376,410	-	376,410	371,328
GST collected from customers		24,632	-	24,632	25,171
Other		81,935	21,436	60,499	45,860
<i>Outflows:</i>					
Employee expenses		(9,689,839)	(9,672,141)	(17,698)	(9,447,312)
Supplies and services		(2,024,393)	(2,428,961)	404,568	(1,868,271)
Grants and subsidies		(651,101)	(641,938)	(9,163)	(540,622)
Finance/borrowing costs		(27,231)	(25,691)	(1,540)	(27,996)
GST paid to suppliers		(376,944)	-	(376,944)	(373,675)
GST remitted to ATO		(24,184)	-	(24,184)	(25,237)
Other		(110,328)	(110,268)	(60)	(95,997)
Net cash provided by/(used in) operating activities	CF-1	1,112,969	1,171,439	(58,470)	1,499,501
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Inflows:</i>					
Sales of property, plant and equipment		573	-	573	1,975
<i>Outflows:</i>					
Payments for property, plant and equipment		(1,156,435)	(1,342,576)	186,141	(1,232,130)
Loans and advances made		(1,221)	-	(1,221)	-
Net cash provided by/(used in) investing activities		(1,157,083)	(1,342,576)	185,493	(1,230,155)
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Inflows:</i>					
Equity injections		98,805	207,727	(108,922)	68,402
Proceeds from borrowings	CF-2	1,221	-	1,221	-
<i>Outflows:</i>					
Equity withdrawals		(320,728)	(47,865)	(272,863)	(82,208)
Repayments of borrowings	CF-2	(10,769)	(10,770)	1	(9,910)
Lease payments	CF-2	(1,436)	(187)	(1,249)	(648)
Net cash provided by/(used in) financing activities		(232,907)	148,905	(381,812)	(24,364)
Net increase/(decrease) in cash and cash equivalents		(277,021)	(22,232)	(254,789)	244,982
Cash transfers from machinery-of-government restructure	A3	58,531	27,051	31,480	(35,581)
Cash and cash equivalents - opening balance		1,862,616	1,131,058	731,558	1,653,215
Cash and cash equivalents - closing balance	C1	1,644,126	1,135,877	508,249	1,862,616

*The 2024-25 Adjusted budget disclosed is presented on a post-machinery-of-government basis (Note A3).

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

The accompanying notes form part of these financial statements.

Department of Education
Statement of Cash Flows
for the year ended 30 June 2025

NOTES TO THE STATEMENT OF CASH FLOWS

CF-1 Reconciliation of operating result to net cash provided by operating activities

	2025 \$'000	2024 \$'000
Operating surplus/(deficit)	169,620	122,991
Non-cash items included in operating result:		
Depreciation and amortisation expense	1,200,580	1,060,672
Loss on disposal of property, plant and equipment	2,105	3,532
Donated assets received	(9,249)	(19,012)
Bad debts and impairment losses/(gains)	8,968	8,632
Change in assets and liabilities:		
(Increase)/decrease in GST input tax credits receivable	(273)	(2,413)
(Increase)/decrease in net operating receivables	(28,647)	13,503
(Increase)/decrease in inventories	832	290
(Increase)/decrease in other current assets	(14,547)	(2,326)
Increase/(decrease) in other current liabilities	(11,280)	11,117
Increase/(decrease) in GST payable	187	-
Increase/(decrease) in payables	(249,091)	493,264
Increase/(decrease) in accrued employee benefits	43,764	(190,749)
Net cash provided by operating activities	1,112,969	1,499,501

CF-2 Changes in liabilities arising from financing activities

	Closing Balance 2023 \$'000	----Non-cash changes---- New leases acquired \$'000	Non-cash adjustments \$'000	-----Cash flows----- Cash received \$'000	Cash repayments \$'000	Closing Balance 2024 \$'000
Borrowings	364,392	-	-	-	(9,910)	354,482
Lease liabilities	6,645	656	317	-	(648)	6,970
Total	371,037	656	317	-	(10,558)	361,452

	Closing Balance 2024 \$'000	----Non-cash changes---- New leases acquired \$'000	Non-cash adjustments \$'000	-----Cash flows----- Cash received \$'000	Cash repayments \$'000	Closing Balance 2025 \$'000
Borrowings	354,482	-	10	1,221	(10,769)	344,944
Lease liabilities	6,970	1,706	365	-	(1,436)	7,605
Total	361,452	1,706	375	1,221	(12,205)	352,549

Further details on Borrowings are provided at Note C5.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

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 Sector Act 2022* (Qld) 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 Financial Reporting Requirements for reporting periods beginning on or after 1 July 2024;
- in accordance with Australian Accounting Standards and interpretations applicable to not-for-profit entities; and
- on an accrual basis (except for the statement of cash flows which is prepared on a cash basis).

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined at Note G3.

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. Due to rounding, totals may not add exactly.

Comparatives

Comparative information reflects the audited 2023-24 financial statements.

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 the right at the end of the reporting period 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 department's 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 these financial statements 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.

A1-6 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.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-6 THE REPORTING ENTITY (continued)

Machinery-of-government changes commencing on 23 September 2024 (effective 1 October 2024) and 1 November 2024 have impacted comparisons to 2023-24 amounts. The exclusion of the Gold Coast Performance Centre from 1 October 2024 and the inclusion of Arts Queensland from 1 November 2024 are reflected in the preceding statement of comprehensive income by major departmental service and the statement of assets and liabilities by major departmental service.

Material changes for transferred assets, liabilities, equity and appropriation revenue are detailed at Note A3.

A1-7 SEVERE WEATHER EVENTS

There were eight weather events resulting from flooding, cyclone and a microburst which were significant in nature and required rectification works to be carried out at schools during 2024-25.

Five of the eight events caused damages to infrastructure due to flooding events, occurred between August 2024 and May 2025, for which the department incurred expenditure of \$0.779 million.

- Central and Southern Queensland Rainfall and Flooding
- Scenic Rim and Ipswich Storms and Rainfall
- Southwest Queensland Flooding and Rainfall
- Southern Summer Rainfall and Flooding
- Western Queensland Surface Trough and Associated Rainfall and Flooding

The remaining three events, which occurred between January 2025 and March 2025, were caused by cyclone and a microburst which resulted in the additional expenditure of \$6.439 million.

- North and Far North Tropical Low
- Tropic Cyclone Alfred and Associated Severe Weather
- Brisbane Microburst Event

In addition, the department reimbursed \$2.067 million to schools for educational resources lost from natural disasters captured through the Resource Replacement Scheme to allow schools to continue operations with minimal disruption.

There were no impairments to department assets due to these significant weather events during 2024-25.

A2 DEPARTMENTAL OBJECTIVES

The department's vision is Creating Queensland's future – early childhood, education and the arts.

The department's purpose is to deliver a quality early childhood sector, a high performing education system and to support a vibrant arts and cultural sector for Queensland.

The department's strategic objectives are:

- **Every child starting strong** by providing the foundations for children's futures through quality early childhood education and care services;
- **Every student achieving and realising their full potential** by preparing every student for a bright future by equipping them with the knowledge and skills they need;
- **Vibrant arts and culture across the state** by investing in arts and culture to deliver social, cultural and economic outcomes for Queensland; and
- **Capable, confident people, responsive systems, better outcomes** by investing in our people, systems and infrastructure to deliver better outcomes for Queenslanders.

The department contributes to the *Queensland Government's objectives for the community* by working to provide:

- **Safety where you live** by supporting early intervention to keep young people engaged in learning, and strengthening safety in early childhood education and care services and schools;

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

A2 DEPARTMENTAL OBJECTIVES (continued)

- **A plan for Queensland's future** by building the infrastructure needed for a growing population, putting more teachers in safer schools, and preparing young Queenslanders for the future; and
- **A better lifestyle through a stronger economy** by providing access to quality early childhood education and care, supporting the delivery of education, and investing in arts and culture across the state.

The department is funded for the services it delivers principally by parliamentary appropriations. The department's material financial statement balances reflect our large school land and buildings portfolio across more than 1,260 schools and the payment of salaries for our school, regional and central office staff. Supplies and services are dominated by curriculum resources and the maintenance and upkeep of our large asset base, including operational contract costs.

The major services delivered by the department are:

Early childhood education and care

Queensland children engaged in quality early years programs that support learning and development and strengthen successful transitions to school.

School education

Queensland students engaged in learning, achieving and successfully transitioning to further education, training and work.

Arts Queensland

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

A3 MACHINERY-OF-GOVERNMENT CHANGES

Transfers in – Controlled and administered activities

Details of transfer: Arts Queensland transferred from the former Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts to the department

Basis of transfer: Public Service Departmental Arrangements Notice (No.9) 2024 dated 1 November 2024

Date of transfer: 1 November 2024.

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

	<u>\$'000</u>
Assets	
Cash and cash equivalents	60,397
Receivables (trade debtors)	2,981
Other current assets	1,263
Property, plant and equipment	1,164,531
	<u>1,229,172</u>
Liabilities	
Payables	9,398
Other current liabilities	13,040
	<u>22,438</u>
Net Assets	<u><u>1,206,734</u></u>

The increase in net assets of \$1.207 billion has been accounted for as an increase in contributed equity as disclosed in the statement of changes in equity.

Budgeted appropriation revenue of \$102.410 million (controlled) and \$84.781 million (administered) were reallocated from the former Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts to the department as part of the machinery-of-government changes.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

A3 MACHINERY-OF-GOVERNMENT CHANGES (continued)

Transfers out – Controlled activities

Details of transfer: Gold Coast Performance Centre transferred from the department to the former Department of Tourism and Sport

Basis of transfer: Public Service Departmental Arrangements Notice (No.8) 2024 dated 20 September 2024 (commenced 23 September 2024)

Date of transfer: 1 October 2024.

The assets and liabilities of the Gold Coast Performance Centre transferred as a result of this change were as follows:

	\$'000
Assets	
Cash and cash equivalents	1,866
Receivables (trade debtors)	338
Inventories	19
Other current assets	14
Property, plant and equipment	51,500
	53,737
Liabilities	
Payables	1,355
Other current liabilities	432
	1,787
Net Assets	51,950

The decrease in net assets of \$51.950 million has been accounted for as a decrease in contributed equity as disclosed in the statement of changes in equity.

Budgeted appropriation revenue of \$6.227 million was reallocated from the department to the former Department of Tourism and Sport as part of the machinery-of-government changes.

Transfers in – Property

Details of transfer: Residence at 11 Argyle Park Road, Bowen transferred from the former Department of Housing, Local Government, Planning and Public Works to the department

Basis of transfer: Ministerial approval dated 21 June 2024

Date of transfer: 1 July 2024.

The increase in building assets of \$0.122 million (net book value) has been accounted for as an increase in contributed equity as disclosed in the statement of changes in equity.

Transfers in – Property

Details of transfer: Residence at 33 Rankin Street, Mareeba transferred from the Department of Housing and Public Works to the department

Basis of transfer: Ministerial approval dated 25 March 2025

Date of transfer: 25 March 2025.

The increase in building assets of \$0.125 million (net book value) has been accounted for as an increase in contributed equity as disclosed in the statement of changes in equity.

Transfers out – Property

Details of transfer: Land parcel at 117 Gore Street, Murgon transferred from the department to the Department of Housing and Public Works

Basis of transfer: Ministerial approval dated 5 March 2025

Date of transfer: 5 March 2025.

The decrease in land assets of \$0.002 million has been accounted for as a decrease in contributed equity as disclosed in the statement of changes in equity.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

A4 CONTROLLED ENTITIES

The department, through its operating portfolio Arts Queensland, controls or is associated with the entities noted below. These entities are considered immaterial and have not been consolidated or recognised under equity accounting as they would not materially affect the reported financial position and operating result of the department.

Each controlled and associated entity is a reporting entity in its own right and the audited financial statements are included in their respective annual reports. The entities are audited by the Queensland Audit Office.

Controlled entities

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

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

Screen Queensland Pty Ltd (SQ) is a registered company established to facilitate the development, promotion and enhancement of the film production industry, and film culture and presentation of film and film-related events in Queensland. The share capital of SQ consists of one ordinary share of \$10, fully paid, held by the department on behalf of the State of Queensland.

As disclosed in the department's financial statements for the year ended 30 June 2024, Queensland Education Leadership Institute (QELi) ceased operations on 30 September 2023 and was formally deregistered on 6 March 2025.

Associated entity

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

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

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

	2025 \$'000	2024 \$'000
Budgeted appropriation revenue	13,298,648	12,151,259
Transfers from/(to) other departments - redistribution of public business	105,996	(43,635)
Transfers from/(to) other headings - variation in headings	(169,771)	-
Lapsed appropriation	(337,049)	-
Unforeseen expenditure	-	590,314
Total appropriation receipts (cash)	12,897,824	12,697,938
Less: Opening balance of appropriation revenue receivable	-	(41,081)
Plus: Transfer of appropriation payable due to machinery-of-government change	13,040	-
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	472,429	-
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(148,989)	(472,429)
Appropriation revenue recognised in statement of comprehensive income	13,234,304	12,184,428

Accounting policy – Appropriation revenue

Appropriations provided under the Appropriation Act 2024 are recognised as revenue when received in accordance with AASB 1058 Income of Not-for-Profit Entities. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation payable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity, refer to Note C8-2.

At 30 June 2025, the department received approval from Queensland Treasury to recognise a payable for appropriation that was received from the Consolidated Fund but unspent.

B1-2 USER CHARGES AND FEES

	2025 \$'000	2024 \$'000
Student fees	105,207	95,445
General fees	75,850	79,995
Student resource scheme fees	98,649	101,628
Excursion fees	107,489	101,750
Property income	46,374	39,622
Sales revenue	86,998	82,737
Facility management revenue - Arts Queensland	9,170	-
Workers' compensation self-insurer levies	-	5,971
Service delivery	10,056	9,693
Electrical licensing registration fees	-	3,180
Other fees and commissions	125	792
Total	539,918	520,813

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 2025

B1 REVENUE (continued)

B1-2 USER CHARGES AND FEES (continued)

Accounting policy – User charges and fees (continued)

Student fees

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

General fees

General fees include the provision of a wide variety of goods and services including school sports revenue; rural, remote and international fees; car park revenue; and other miscellaneous items. The majority of revenue is recognised at the point in time the goods or services are delivered in accordance with AASB 15.

Student resource scheme fees

Student resource scheme fees relating to bulk provisioning and/or hire of textbooks, resources, consumables and materials are invoiced to parents/caregivers at the beginning of each school (calendar) year. In accordance with AASB 15, a contractual 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

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

Property income

Property income relates to income from hire of facilities such as hall hire, oval hire and court hire. Revenue is recognised at the point in time the revenue is received in accordance with AASB 15, which approximates the delivery of the services.

Sales revenue

Sales revenue relates to revenue from tuckshops, uniform shops and other miscellaneous goods and services provided to students. Revenue is recognised at the point in time that the goods or services are provided in accordance with AASB 15.

Facility management revenue

Facility management revenue relates to Arts Queensland revenue for managing property services, facilities operations, and contracts and maintenance for state-owned art and cultural infrastructure located at the Queensland Cultural Centre.

B1-3 GRANTS AND CONTRIBUTIONS

	2025 \$'000	2024 \$'000
Contributions from WorkCover Queensland ⁽¹⁾	-	63,340
Contributions from external parties	31,904	38,628
Grants from the Commonwealth Government	28,593	27,405
Grants from other State Government departments	3,522	4,821
Special purpose capital grants	4,927	22,345
Goods and services received below fair value	5,562	4,905
Donations - cash	4,585	9,815
Donations - other assets ⁽²⁾	9,249	19,012
Total	88,342	190,271

(1) Contributions from WorkCover Queensland in 2023-24 included Workplace Health and Safety Grants; and Workers' Compensation Regulator Grants. These grants related to the Industrial Relations function which was transferred out of the department as a result of the 18 December 2023 (effective 1 January 2024) machinery-of-government changes.

(2) Donated physical assets are recognised at fair value.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

B1 REVENUE (continued)

B1-3 GRANTS AND CONTRIBUTIONS (continued)

Accounting policy – Grants and contributions

Grants, contributions and donations revenue arise from non-exchange transactions where the department does not directly give approximately equal value to the grantor. Generally, these transactions are accounted for in accordance with AASB 1058 *Income of Not-for-Profit Entities* with revenue recognised upon receipt of the grant funding or donation.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the department to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied. The department has no specific performance obligations under the current grant agreements and therefore, revenue is recognised as income upon receipt.

Contributions from external parties

Contributions from external parties include 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, and therefore, are recognised as income upon receipt in accordance with AASB 1058. The consideration received represents an asset provided to the department for significantly less than fair value to enable the department to further its objectives.

B2 EXPENSES

B2-1 EMPLOYEE EXPENSES

	2025 \$'000	2024 \$'000
Employee benefits		
Teachers' salaries and allowances	5,648,398	5,407,795
Public servants' and other salaries and allowances	1,164,501	1,116,629
Teacher aides' salaries	689,973	656,880
Cleaners' salaries and allowances	276,213	260,616
Janitors'/groundstaff salaries and allowances	78,626	75,334
Employer superannuation contributions	1,056,870	1,005,108
Annual leave levy/expense	312,541	286,086
Long service leave levy/expense	212,010	201,202
Other employee benefits	437	1,151
Employee related expenses		
Fringe benefits tax	6,037	5,258
Workers' compensation premium	171,083	115,721
Staff transfer costs	23,306	20,795
Staff rental accommodation	54,483	48,256
Staff training	39,331	38,405
Total	9,733,809	9,239,236

The number of employees as at 30 June 2025, including both full-time employees and part-time employees measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is:

	2025 No.	2024 No.
Full-time equivalent employees*	78,423	76,459

* In 2025 a net total of 74 full-time equivalent employees were transferred to the department as a result of the 23 September 2024 (effective 1 October 2024) and 1 November 2024 machinery-of-government changes (Note A3).

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

B2 EXPENSES (continued)

B2-1 EMPLOYEE EXPENSES (continued)

Accounting policy – Employee expenses

Wages and salaries

Wages and salaries expenses are recognised in the reporting period in which the employees rendered the related services.

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 Central Scheme, levies are payable by the department to cover the cost of employee leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed back from the scheme quarterly in arrears.

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plans which are administered by the Government Division of Australian Retirement Trust, as determined by the employee's conditions of employment.

Defined contribution plans – Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant Enterprise Bargaining Agreement (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 plans – 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 at Note G1.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

B2 EXPENSES (continued)

B2-2 SUPPLIES AND SERVICES

	2025 \$'000	2024 \$'000
Building maintenance	699,398	568,243
Utilities	237,691	220,947
Equipment and building refurbishment	281,274	271,562
Consultants	651	1,746
Contractors - corporate costs:		
Professional and technical services	57,016	53,937
Information technology services	53,401	53,450
Other services	3,162	1,485
Contractors - in-school costs:		
Operational services	4,745	5,259
Professional and technical services	65,784	70,774
Information technology services	3,647	3,705
Non-professional services	21,763	25,240
Materials and running costs	191,183	187,666
Student course supplies and excursion admission costs	213,603	210,272
Payments to shared service provider/inter-agency services	-	1,069
Computer costs	121,495	113,504
Office accommodation	51,158	41,141
Travel - school and student	40,591	35,688
Travel - other	20,433	18,724
Lease expenses	2,598	2,844
Total	2,069,593	1,887,256

Accounting policy – Supplies and services

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.

Contractors

Where it is not feasible for services required to be performed in-house, the department utilises contractors for critical functions, including for projects and where specialist skills are required and cannot be found in-house. Contractors are procured for various non-professional and professional services. Examples of non-professional services include trade service providers (plumbers, electricians, carpenters etc.), office services and cleaning services. Examples of professional services include medical assessments, rehabilitation, counselling, and specialist skills for information technology system support and maintenance services.

B2-3 GRANTS AND SUBSIDIES

	2025 \$'000	2024 \$'000
Recurrent grants and subsidies		
Early childhood education and care	543,627	435,478
School education	79,069	69,580
Arts Queensland	39,516	-
Industrial relations	-	5,431
Capital grants		
Grants to external organisations	2,378	25,792
Total	664,590	536,281

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

B2 EXPENSES (continued)

B2-4 OTHER EXPENSES

	2025 \$'000	2024 \$'000
Insurance premiums - Queensland Government Insurance Fund (QGIF)	38,476	33,900
External audit fees ⁽¹⁾	757	884
Loss on disposal of property, plant and equipment	2,105	3,532
Special payments:		
Ex-gratia payments - general ⁽²⁾	153	83
Court awarded damages	90	295
Payments to other government departments ⁽³⁾	66,589	57,472
Other	4,210	3,351
Total	112,380	99,517

(1) Total external audit fees quoted by the Queensland Audit Office relating to the 2024-25 financial year are \$0.783 million (2023-24: \$0.746 million). There is 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. The department made two special payments during 2024-25 that were in excess of \$5,000 for the repayment of a Queensland Treasury Corporation loan and a compensation payment in lieu of a medical redundancy.

(3) Payments to other government departments mainly 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 2025

SECTION 3
NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

	2025 \$'000	2024 \$'000
Cash on hand	174	87
Cash at bank	1,643,952	1,862,529
Total	1,644,126	1,862,616

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 and Education Queensland International bank account) are grouped within the whole-of-government set-off arrangement with the Queensland Treasury Corporation. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

C2 RECEIVABLES

	2025 \$'000	2024 \$'000
Current		
Trade receivables	116,418	98,597
Less: Loss allowance	(27,331)	(27,011)
	89,087	71,586
 GST receivable	 41,786	 41,513
GST payable	(188)	(1)
	41,598	41,512
 Employee leave reimbursements	 90,264	 91,170
Equity adjustment receivable	3,891	-
Other	3,611	1,670
Loans and advances	1,249	7
Total	229,700	205,945

Disclosure – Movement in loss allowance for trade receivables

	2025 \$'000	2024 \$'000
Balance at 1 July	27,011	24,086
Expected credit losses expense/(gains)	8,841	8,564
Bad debts written-off	(8,545)	(5,660)
Amounts recovered during the year	24	21
Balance at 30 June	27,331	27,011

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

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, that is 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 the Government Division of Australian Retirement Trust on behalf of the State (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/caregivers of students are the only material grouping for measuring expected credit losses.

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 Consumer Price Index (CPI) for Brisbane as the most relevant forward-looking indicator for receivables.

Where the department has receivables from Queensland Government agencies or the Commonwealth 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 2025

C3 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE

C3-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	Land	at Fair Value Buildings	Heritage and cultural	Plant and equipment	at Cost Work in progress	Total
Property, plant and equipment reconciliation 2025	2025	2025	2025	2025	2025	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	8,588,227	46,068,984	1,615,851	602,163	704,886	57,580,111
Less: Accumulated depreciation	-	(18,104,466)	(924,916)	(377,621)	-	(19,407,003)
Carrying amount at 30 June 2025	8,588,227	27,964,518	690,935	224,542	704,886	38,173,108
<i>Represented by movements in carrying amount:</i>						
Carrying amount at 1 July 2024	7,659,216	25,253,360	243,838	217,998	617,336	33,991,748
Acquisitions (including upgrades)	46,008	551,851	1,800	51,738	488,643	1,140,040
Transfers in from other Queensland Government entities	296,158	242,904	419,691	6,403	199,622	1,164,778
Donations received	-	8,623	-	626	-	9,249
Disposals	-	(1,026)	-	(1,652)	-	(2,678)
Transfers out to other Queensland Government entities	(2)	(51,275)	(6)	(219)	-	(51,502)
Donations made	-	-	-	(12)	-	(12)
Transfers between asset classes	37,666	555,291	6,512	1,246	(600,715)	-
Net revaluation increments/(decrements) in asset revaluation surplus	549,181	2,498,758	66,442	-	-	3,114,381
Depreciation expense	-	(1,093,968)	(47,342)	(51,586)	-	(1,192,896)
Carrying amount at 30 June 2025	8,588,227	27,964,518	690,935	224,542	704,886	38,173,108

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

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

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

	Land	at Fair Value Buildings	Heritage and cultural	Plant and equipment	at Cost Work in progress	Total
Property, plant and equipment reconciliation 2024	2024	2024	2024	2024	2024	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	7,659,216	41,073,435	560,685	617,814	617,336	50,528,486
Less: Accumulated depreciation	-	(15,820,075)	(316,847)	(399,816)	-	(16,536,738)
Carrying amount at 30 June 2024	7,659,216	25,253,360	243,838	217,998	617,336	33,991,748
<i>Represented by movements in carrying amount:</i>						
Carrying amount at 1 July 2023	7,108,290	22,651,750	236,284	210,161	763,783	30,970,268
Acquisitions (including upgrades)	25,677	483,505	3,001	57,688	652,149	1,222,020
Donations received	-	17,656	253	1,100	-	19,009
Disposals	(1,510)	(2,606)	-	(1,356)	-	(5,472)
Transfers out to other Queensland Government entities	-	-	(338)	(1,566)	(9)	(1,913)
Donations made	-	-	-	(35)	-	(35)
Transfers between asset classes (including (to)/from intangibles)	2,438	784,823	(472)	11,420	(798,587)	(378)
Net revaluation increments/(decrements) in asset revaluation surplus	524,321	2,296,313	21,088	-	-	2,841,722
Depreciation expense	-	(978,081)	(15,978)	(59,414)	-	(1,053,473)
Carrying amount at 30 June 2024	7,659,216	25,253,360	243,838	217,998	617,336	33,991,748

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

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

C3-2 RECOGNITION AND ACQUISITION

Accounting policy – Recognition thresholds

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

Land	\$1
Buildings	\$10,000
Heritage buildings	\$10,000
Heritage and cultural (cultural works of art)	\$5,000
Plant and equipment	\$5,000

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

Accounting policy – Acquisition

On acquisition, property, plant and equipment assets are initially recognised at historical cost. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

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

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. On initial recognition, the asset recognition thresholds outlined above apply to the complex asset as a single item. The accounting policy for depreciation of complex assets, and estimated useful lives of components, is disclosed in Note C3-4.

When a separately identifiable component of significant value is replaced, the existing component is derecognised. The replacement component is capitalised when it is probable that future economic benefits from the significant component will flow to the department. Replacement components that do not meet the asset recognition thresholds for capitalisation are expensed.

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 another Queensland Government department, are recognised at their fair value at the date of acquisition.

C3-3 MEASUREMENT

Accounting policy – Historical cost

Plant and equipment assets and capital work in progress are measured at cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector (NCAP). The carrying amounts for such assets are not materially different from their fair value.

Accounting policy – Fair value

Land, buildings (including land improvements such as school infrastructure assets) and heritage and cultural assets are measured at fair value in accordance with the NCAP. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable. All assets are measured at their highest and best use.

All assets measured at fair value 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
- 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
- Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

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

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

Department of Education
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C3 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C3-3 MEASUREMENT (continued)

Revaluation of property

The department's land and building assets (including heritage buildings) were valued using specific appraisals by independent professional valuers as follows:

- Education portfolio by the State Valuation Service (SVS) for land and buildings in a rolling four-year program
- Arts Queensland (AQ) portfolio revalues all land and building assets every five years with the last revaluation completed in 2021-22 by the SVS for land and Gray Robinson and Cottrell Quantity Surveyors (GRC) for buildings (including heritage buildings).

For the purposes of specific appraisal each four years, the Education portfolio has divided the state into 26 districts which provides a framework to ensure that major urban, provincial and rural characteristics are evenly distributed each year.

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 the independent valuer based on the asset portfolio of the department.

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.

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.

Land

Approximately one quarter of the Education portfolio's land was independently valued by SVS with an effective date of 30 June 2025.

The fair value of land is determined using a market-based assessment by reference to observable prices in an active market or recent market transactions in accordance with level 2 of the fair value hierarchy. The specific appraisal involved physical inspection and reference to publicly available data on recent sales of similar land in nearby localities in accordance with industry standards. In determining the values, adjustments were made to the sales data to take into consideration the location of the department's land, its size, street/road frontage and access, and any significant restrictions.

The remaining three quarters of the Education portfolio and all AQ's land assets were indexed to ensure that values reflect fair value at the reporting date. For the Education portfolio, this involved the selection of a sample of 200 properties from the 13 districts across the state that were not independently valued in 2024-25. SVS then provided indices for each of these sites based on recent market transactions for local land sales. The sampled indices are then used to create a weighted average for each district. The AQ portfolio uses indices provided by APV Valuers and Asset Management (APV) to derive the fair value for the entire asset class.

The indices increased the value of land for the Education portfolio by 5.15% and the AQ portfolio by 8.5%.

Buildings

Approximately one quarter of the Education portfolio's buildings, including heritage buildings were independently valued by SVS with an effective date of 30 June 2025.

The fair value of buildings and heritage building assets is determined by calculating the current replacement cost of the asset, as there is no active market for these facilities. The building assets are categorised as level 3 in accordance with the fair value hierarchy. SVS conduct physical inspections and apply construction rates from the Department of Education (Qld) Costing Manual provided by GRC. This is the estimated cost to replace the asset with an appropriate modern equivalent using current construction materials and standards, adjusted to reflect the asset's current physical condition.

Key judgement: The valuers utilise professional judgement in the assessment of the remaining service potential of these facilities, including the current physical condition of the facility, componentising the assets into the significant parts that have different useful lives and estimating the remaining useful life of each asset. For the heritage buildings, further inputs are used by estimating the cost to reproduce the items with features and materials consistent with the original items, with adjustments made to take into consideration the items' heritage restrictions and characteristics.

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

C3-3 MEASUREMENT (continued)

Revaluation of property (continued)

The comprehensive revaluation process utilises the following key assumptions:

- the present use continues to represent the highest and best use
- the replacement cost rates do not include provision for site ground improvements
- that works are procured in accordance with the department's purchasing policies
- that works are carried out in accordance with standard industry by licenced professionals with appropriate safe work practices.

During 2024-25, GRC believed that the current price movements were driven by both domestic economic factors as well as regional and wider global economic factors. The key market drivers underpinning these movements are rising finance costs, limitations to the supply and capacity of sub-contractors, intensity and volume of new capital projects, availability of base construction materials and changes to demographics and population growth.

The remaining three quarters of the building assets were indexed using the Building Price Index (BPI) provided by GRC. The AQ portfolio uses indices provided by APV to derive the fair value for the entire building and heritage building asset classes.

The change in the BPI over the reporting period 1 July 2024 to 30 June 2025 was an increase of 5.45% for the Education portfolio and 7.0% for buildings and 7.2% for heritage buildings for the AQ portfolio.

The indexation model is based on analysis of recent tenders for specialised buildings and capital projects with similar attributes, and accordingly is assessed specifically for the department's asset portfolio.

GRC employs market driven indexation factors, such as Locality Index and BPI, as mechanisms to ensure that estimates are reflective of the construction market at any point in time. The BPI is considered to be the most appropriate index for application to the relevant assets.

For the AQ portfolio, the indexation percentages for the market movement, where market values were adopted for the calculation of fair value, was derived by market research into the movement in value of both vacant land and improved residential type sales within the council region. The indexation percentages for the construction costs of buildings and land improvements were derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook), construction data from the Australian Bureau of Statistics and APV's internal market research and costings.

Key judgement: The department has a key strategic asset management program with continued investment in general and specific priority maintenance, including condition assessments to inform future upgrade and maintenance activities, consequently the conditions of the assets are not expected to deteriorate significantly between comprehensive valuations.

C3-4 DEPRECIATION EXPENSE

Accounting policy – Depreciation expense

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.

For complex assets, where 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 fabric, fit-out and plant. The useful lives for these assets are disclosed in the table below.

Key judgement: The estimated useful lives of 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.

The depreciable value 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.

Capital work-in-progress assets 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.

Department of Education
Notes to the Financial Statements
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C3 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C3-4 DEPRECIATION EXPENSE (continued)

Depreciation rates

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

Class	Useful Life (years)
Buildings – fabric	3 – 85
Buildings – fit-out	3 – 25
Buildings – plant	25
Buildings – non-complex buildings and covered areas	40
Buildings – land improvements (including sporting facilities)	15 – 80
Heritage and cultural assets	2 – 100
Plant and equipment	5 – 20

C3-5 IMPAIRMENT

Accounting policy – Impairment

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of 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 is treated as a revaluation decrease and offset against the asset revaluation surplus of the relevant class.

C4 PAYABLES

	2025 \$'000	2024 \$'000
Current		
Trade creditors and accruals	204,391	155,183
Capital creditors and accruals	155,190	143,511
Fringe benefits tax and other taxes	1,597	1,272
Grants and subsidies payable	27,763	14,274
Deferred appropriation payable to Consolidated Fund	148,989	472,429
Equity adjustment payable	3,421	-
Other	228	228
Total	541,579	786,897

Accounting policy – Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount, that is the agreed purchase/contract price, gross of applicable trade and other discounts. Capital creditors relate to capital works billed progressively based on the extent of work performed. Amounts owing are unsecured.

Key judgement: Accruals are an estimate of work completed but not yet invoiced at 30 June.

C5 BORROWINGS

	2025 \$'000	2024 \$'000
Current		
Queensland Treasury Corporation borrowings	1,231	-
Financial liability - public private partnerships	11,704	10,769
Total	12,935	10,769
Non-current		
Financial liability - public private partnerships	332,009	343,713
Total	332,009	343,713

Department of Education
Notes to the Financial Statements
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C5 BORROWINGS (continued)

Accounting policy – Borrowings

The Queensland Treasury Corporation (QTC) borrowings relate to Arts Queensland. The loans are administered by Screen Queensland Pty Ltd on behalf of the State of Queensland.

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings. Any borrowing costs are added to the carrying amount for the loans to the extent they are not settled in the period in which they arise.

Accounting policy – Financial Liabilities

Financial 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 financial 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.

The maturity profile for financial liabilities is disclosed in Note D1-3.

C5-1 BORROWINGS AND COMMITMENTS

Terms and conditions – Borrowings

All borrowings are from QTC with a maturity date of 30 June 2026. They are in Australian dollar denominated amounts. There have been no defaults or breaches of the loan agreement during the current reporting period.

Interest rates

The interest rate on QTC borrowings is fixed and ranges from 3.66% to 4.07%.

Terms and conditions – Financial Liabilities

The financial liabilities relate to two Public Private Partnership (PPP) agreements - South-East Queensland Schools and Queensland Schools. 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 (Note C6).

Interest rates

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

The implicit interest rates for the financial liabilities range from 2.87% to 15.99% (2023-24: 2.87% to 15.99%).

C5-2 DISCLOSURES ABOUT SENSITIVITY TO INTEREST RATE MOVEMENTS

Interest rate sensitivity analysis evaluates the impact on profit or loss if interest rates were to change by +/- 0.25% 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/(deficit) and equity increase/(decrease) of \$3.586 million (2023-24: \$4.119 million).

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

	2025		2024	
	\$'000	\$'000	\$'000	\$'000
	Carrying amount	Fair Value	Carrying amount	Fair Value
Queensland Treasury Corporation borrowings ⁽¹⁾	1,231	1,235	-	-
Financial liability - public private partnerships ⁽²⁾	343,713	229,768	354,482	230,083
Total	344,944	231,003	354,482	230,083

(1) The fair value of borrowings is notified by the QTC.

(2) The fair value of financial liabilities - PPP is calculated using discounted cash flow analysis and using the Reserve Bank Commonwealth Government 10-year bond rate.

Department of Education
Notes to the Financial Statements
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C6 PUBLIC PRIVATE PARTNERSHIPS

C6-1 OTHER PUBLIC PRIVATE PARTNERSHIPS OUTSIDE AASB 1059

Some PPPs are not service concession arrangements within the scope of AASB 1059 *Service Concession Arrangements: Grantors*. Other accounting standards and policies apply to these arrangements, and are described for each arrangement below.

PPPs outside AASB 1059

	2025 \$'000	2024 \$'000
Assets		
Buildings (Note C3)		
South-East Queensland Schools	342,901	256,975
Queensland Schools	603,823	468,727
Liabilities		
Borrowings (Note C5)		
South-East Queensland Schools	173,163	180,141
Queensland Schools	170,550	174,341

The department's two PPP projects - South-East Queensland Schools and Queensland Schools in the following table, are social infrastructure arrangements whereby the department pays for the third party use of the infrastructure assets through regular service payments to respective partners over the life of the contract.

The PPP operators only provide maintenance activities that do not contribute significantly to the public services provided by the asset and therefore are out of scope of AASB 1059.

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 provide details about the monthly service payments which comprise the following components:

- capital - used to fund the systematic write down of the liability over the term of the agreements;
- financing - which is recognised as an expense when incurred; and
- other - such as facilities management, maintenance, and insurance which is expensed as it is incurred.

PPP Arrangement	(a) South-East Queensland Schools	(b) Queensland Schools
Entered into contract	April 2009	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 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 (\$190 million) during the construction phase of the project towards the construction costs.
Construction period	May 2009 – January 2014	January 2014 – January 2019
Variable costs	Variable costs change according to the number of module units in use at the individual sites, utilities, car parking agreements, and other service payments adjustments.	Variable costs change according to the number of module units in use at the individual sites, utilities, car parking agreements, and other service payments adjustments.
Other	Inflows for the PPP 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
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C6 PUBLIC PRIVATE PARTNERSHIPS (continued)

C6-2 OPERATING STATEMENT IMPACT

The operating statement impact for each material PPP arrangement is as follows:

		South-East Queensland Schools	Queensland Schools	Total
	2025	\$'000	\$'000	\$'000
Revenue				
Other revenue		2,935	13	2,948
Expenses				
Depreciation		(10,615)	(16,199)	(26,814)
Interest expenses		(13,755)	(13,476)	(27,231)
Utilities		(468)	(603)	(1,071)
Property rates		(304)	(557)	(861)
Facility management		(19,481)	(13,906)	(33,387)
Insurance		(689)	(806)	(1,495)
Other		(22)	(35)	(57)
Net impact on operating result		(42,399)	(45,569)	(87,968)
	2024	South-East Queensland Schools \$'000	Queensland Schools \$'000	Total \$'000
Revenue				
Other revenue		2,908	-	2,908
Expenses				
Depreciation		(7,983)	(12,847)	(20,830)
Interest expenses		(14,264)	(13,577)	(27,841)
Utilities		(408)	(574)	(982)
Property rates		(345)	(713)	(1,058)
Facility management		(19,353)	(11,638)	(30,991)
Insurance		(665)	(763)	(1,428)
Other		(33)	(52)	(85)
Net impact on operating result		(40,143)	(40,164)	(80,307)

Department of Education
Notes to the Financial Statements
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C6 PUBLIC PRIVATE PARTNERSHIPS (continued)

C6-3 ESTIMATED FUTURE CASH FLOWS

The estimated future cash flows for the department's PPPs are as follows:

	South-East Queensland Schools		Queensland Schools		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash inflows						
Not later than 1 year	2,904	2,870	-	-	2,904	2,870
Later than 1 year but not later than 5 years	11,282	11,144	-	-	11,282	11,144
Later than 5 years but not later than 10 years	13,383	13,199	-	-	13,383	13,199
Later than 10 years	12,625	14,829	-	-	12,625	14,829
	<u>40,194</u>	<u>42,042</u>	<u>-</u>	<u>-</u>	<u>40,194</u>	<u>42,042</u>
Cash outflows						
Not later than 1 year	(41,126)	(40,529)	(32,099)	(31,563)	(73,225)	(72,092)
Later than 1 year but not later than 5 years	(159,860)	(151,226)	(123,938)	(119,657)	(283,798)	(270,883)
Later than 5 years but not later than 10 years	(177,308)	(175,772)	(148,326)	(140,534)	(325,634)	(316,306)
Later than 10 years	(141,859)	(159,872)	(215,602)	(229,728)	(357,461)	(389,600)
	<u>(520,153)</u>	<u>(527,399)</u>	<u>(519,965)</u>	<u>(521,482)</u>	<u>(1,040,118)</u>	<u>(1,048,881)</u>

C7 ACCRUED EMPLOYEE BENEFITS

	2025	2024
	\$'000	\$'000
Annual leave levy payable	86,710	80,723
Long service leave levy payable	53,470	50,251
Accrued salaries and wages	42,327	7,725
Paid parental leave	977	1,021
Total	<u>183,484</u>	<u>139,720</u>

Accounting policy – Accrued employee benefits

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

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

Department of Education
Notes to the Financial Statements
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C8 EQUITY

C8-1 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 (Note C8-2); and
- Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-government changes (Note A3).

C8-2 APPROPRIATIONS RECOGNISED IN EQUITY

Reconciliation of payments from Consolidated Fund to equity adjustment

	2025 \$'000	2024 \$'000
Budgeted equity adjustment appropriation	163,079	675,851
Transfers from/(to) other departments - redistribution of public business	(3,217)	(2,100)
Lapsed equity adjustment	(382,255)	(689,057)
Equity adjustment receipts (payments)	(222,393)	(15,306)
Plus: Closing balance of equity adjustment receivable	3,891	-
Less: Closing balance of equity adjustment payable	(3,421)	-
Equity adjustment recognised in contributed equity	(221,923)	(15,306)

C8-3 ASSET REVALUATION SURPLUS BY ASSET CLASS

Accounting policy – Asset revaluation surplus

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	Total \$'000
Balance at 1 July 2023	6,936,654	17,804,451	132,061	24,873,166
Revaluation increments/(decrements)	524,321	2,296,313	21,088	2,841,722
Balance as at 30 June 2024	7,460,975	20,100,764	153,149	27,714,888
	Land \$'000	Buildings \$'000	Heritage and cultural \$'000	Total \$'000
Balance at 1 July 2024	7,460,975	20,100,764	153,149	27,714,888
Revaluation increments/(decrements)	549,181	2,498,758	66,442	3,114,381
Balance as at 30 June 2025	8,010,156	22,599,522	219,591	30,829,269

Department of Education
Notes to the Financial Statements
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SECTION 4
NOTES ABOUT RISKS 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	2025 \$'000	2024 \$'000
Financial assets			
Cash and cash equivalents	C1	1,644,126	1,862,616
Financial assets at amortised cost:			
Receivables	C2	229,700	205,945
Total financial assets		1,873,826	2,068,561
Financial liabilities			
Financial liabilities at amortised cost:			
Payables	C4	541,579	786,897
Lease liabilities		7,605	6,970
Borrowings	C5	344,944	354,482
Total financial liabilities		894,128	1,148,349

No financial assets and financial liabilities have been offset and presented net in the statement of financial position.

D1-2 FINANCIAL RISK MANAGEMENT

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: (a) 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 (b) Financial guarantees provided to Parents and Citizens' Associations, universities and grammar schools which are managed on an ongoing basis (maximum exposure disclosed in Note D2).
Liquidity Risk	The risk that the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	This risk is minimal, and is managed through a combination of regular fortnightly appropriation payments, and an approved overdraft facility of \$250 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 Borrowings (Note C5), and cash deposited in interest bearing accounts (Note C1).

All financial risk is managed by each division of the department under policy approved by the department's Executive Leadership Team, and established and co-ordinated by the Policy, Performance, International and Intergovernmental Division, and the Finance, Procurement and Facilities Division.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

D1 FINANCIAL RISK DISCLOSURES (continued)

D1-3 LIQUIDITY RISK – CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

The following tables set out the liquidity risk of financial liabilities held by the department. They represent 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.

	2025 Payable in			Total
	<1 year	1 - 5 years	>5 years	
	\$'000	\$'000	\$'000	\$'000
Financial liabilities				
Payables	541,579	-	-	541,579
Lease liabilities	1,269	1,578	8,657	11,504
Borrowings	38,512	144,343	409,938	592,793
Total	581,360	145,921	418,595	1,145,876
	2024 Payable in			Total
	<1 year	1 - 5 years	>5 years	
	\$'000	\$'000	\$'000	\$'000
Financial liabilities				
Payables	786,897	-	-	786,897
Lease liabilities	707	1,547	8,654	10,908
Borrowings	38,205	144,633	445,968	628,806
Total	825,809	146,180	454,622	1,426,611

D2 CONTINGENCIES

Litigation in progress

At 30 June 2025, the department has been named as defendant in 75 claims (Education: 56; AQ: 19) before a Court, Commission or Tribunal, and 105 general liability claims (for Education) not yet subject to Court, Commission or Tribunal action for which there may be contingent liabilities. The department's legal advisers believe it is not possible to estimate the final amounts payable for the claims.

The Queensland Government Insurance Fund (QGIF) limits the department's liability in a majority of these claims to \$10,000, being the deductible (excess) payable per claim.

In addition, the AQ portfolio has 2 active personal injuries claims under the *Personal Injuries Proceedings Act 2002* (Qld) and 1 active property damage claim which are covered under QGIF policy with a maximum liability of \$10,000 per claim for personal injury claims and \$250 per claim for property damage claims.

There are currently 134 (Education: 133; AQ: 1) WorkCover Queensland common law claims being managed by the department.

Financial guarantees and associated credit risk

The department has provided 21 (2023-24: 23) financial guarantees to Parents and Citizens' Associations (P&C), 6 (2023-24: 6) guarantees to universities, and 8 (2023-24: 8) guarantees to grammar schools for a variety of loans. These guarantees have been provided over a period of time and have various maturity dates.

	2025 Remaining balance \$'000	2024 Remaining balance \$'000	Enabling legislation
Parents and Citizens' Associations	3,974	4,794	<i>Statutory Bodies Financial Arrangements Act 1982</i> (Qld)
Universities	519,488	399,738	
Grammar schools	107,134	90,241	
	630,596	494,773	

Key estimate and judgement: The department assesses the fair value of financial guarantees annually as at 30 June. As at 30 June 2025, no university, grammar school or P&C had defaulted on an existing loan and the department's management does not expect that the guarantees will be called upon in the near future. As such, the fair value of the guarantees has not been recognised in the statement of financial position.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

D2 CONTINGENCIES (continued)

Native title claims over departmental land

There are native title claims which have the potential to impact properties of the department, however, most departmental properties are occupied under freehold tenure, or under 'reserve' tenure validly created prior to 23 December 1996. Therefore, any development undertaken in accordance with a reserve's gazetted purpose should minimise the potential for native title claims.

At the reporting date, it is not possible to estimate 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 reserves have been declared surplus and attempts are made for the property to be 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:

	2025 \$'000	2024 \$'000
Buildings		
Not later than 1 year	402,558	563,316
Later than 1 year but not later than 5 years	503,398	25,345
Total capital expenditure commitments - buildings	905,956	588,661
Heritage and cultural		
Not later than 1 year	18,007	-
Total capital expenditure commitments - heritage and cultural	18,007	-

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

SECTION 5
NOTES ABOUT OUR PERFORMANCE COMPARED TO BUDGET

E1 BUDGETARY REPORTING DISCLOSURES

This section provides explanations of major variances between the department's actual 2024-25 financial results and the adjusted budget presented to Parliament.

The original budget has been adjusted for the machinery-of-government changes effective on 1 October 2024 that transferred responsibility for the Gold Coast Performance Centre to the former Department of Tourism and Sport, as well as the transfer of responsibility for Arts Queensland from the former Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts from 1 November 2024. Details of the transfers are outlined in Note A3. Queensland Treasury policy requires that budget figures used in this comparison represent the adjusted budget for the financial year, as published in the 2025-26 Service Delivery Statement tabled in Parliament.

The department's funding model is derived mainly from Commonwealth and State appropriations, which can fluctuate within a financial year from the original budget to the end of financial year close. This is because a significant portion of the department's funding is determined by percentage amounts of the Commonwealth Government's Schooling Resource Standard, which is calculated using state school student enrolments and has loadings for needs-based categories such as disability. The school and student input data for these calculations change between when the budget is determined and payments are made, which occurs to support school funding cycles that are aligned to calendar years, rather than financial years. Consequently, the difference between final school payment amounts and the budgeted amount is mainly driven by the amount of unexpected variation in student and school needs between the different data collection periods. Other funding variances may also occur within the financial year in response to government decisions.

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

<i>User charges and fees:</i>	Variance of \$55.832 million greater than budget mainly due to revenue from higher than expected international student enrolments \$31.796 million, and higher than expected school excursions and facility hire \$15.811 million.
<i>Other revenue:</i>	Variance of \$67.309 million greater than budget largely due to unanticipated contributions to the department's capital program and recoveries from QGIF \$45.260 million, and early childhood grant recoveries \$8.647 million. The remainder of the variance predominately relates to post-capitalisation of assets recognised at year end through the annual comprehensive asset revaluation process \$11.099 million.
<i>Supplies and services:</i>	Variance of \$343.982 million less than budget due to timing differences and delays associated with programs, in particular the operating component of capital projects, including \$136.991 million which was deferred into 2025-26 and \$38.212 million due to higher capitalised expenditure than expensed in the School Infrastructure Enhancement program. Also contributing was expenditure in schools being incurred in other categories (for example, capital) \$122.095 million, and lower electricity costs \$14.666 million.
<i>Depreciation and amortisation:</i>	Variance of \$53.803 million greater than budget largely due to the impact of increases in asset values resulting from revaluation processes.
<i>Increase in asset revaluation surplus:</i>	Variance of \$226.126 million greater than budget due to higher than expected revaluation increments from the 2024-25 comprehensive land and building revaluation process. Revaluation outcomes in 2024-25 included an increase of 10.35% in buildings and 6.85% in land predominantly in the Education portfolio. Factors driving these increments include domestic economic factors as well as regional and wider global economic factors. The key market drivers underpinning these movements are rising finance costs, limitations to the supply and capacity of sub-contractors, intensity and volume of new capital projects, availability of base construction materials and changes to demographics and population growth.

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

<i>Cash and cash equivalents:</i>	Variance of \$508.249 million greater than budget mainly due to timing and delays in capital projects attributable to market pressures and current labour market conditions \$308.3 million, delayed expenditure in schools \$115.590 million, and \$33.108 million relating to carryover funding associated with various delayed projects and activities.
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E1 BUDGETARY REPORTING DISCLOSURES (continued)

E1-2 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF FINANCIAL POSITION (continued)

Property, plant and equipment: Variance of \$346.271 million less than budget mainly due to lower capital purchases \$167.165 million, higher depreciation for the period \$53.803 million, and the impact of lower actual opening balances than budget \$366.247 million. This is partially offset by higher than budgeted revaluations for the year \$186.377 million.

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

Payments for property, plant and equipment: Variance of \$186.141 million less than budget mainly due to timing of capital projects, with investment to occur in 2025-26 \$167.165 million.

Equity injections/withdrawals: Variance of \$381.785 million less than budget mainly due to the timing of capital projects \$318.479 million and an increase in depreciation \$42.690 million.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

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.

The majority of administered operations relate to Commonwealth financial assistance to non-government schools paid to the State in accordance with s 23 of the *Australian Education Act 2013* (Cth) for transfer to non-government schools. The most significant component of state government funded administered operations relates to financial assistance provided to non-government schools through the Non-State Schools Recurrent Grant. The Non-State Schools Recurrent Grant is provided under s 368(1)(b) of the *Education (General Provisions) Act 2006* (Qld).

The department also administers funds for AQ statutory bodies including the Queensland Art Gallery, Queensland Museum, Queensland Performing Arts Trust, State Library of Queensland and Queensland Theatre Company.

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

	2025 Actual \$'000	2025 Adjusted budget* \$'000	Budget variance \$'000	2024 Actual \$'000
Administered income				
Appropriation revenue ⁽¹⁾	5,961,182	5,770,693	190,489	5,557,331
Fees and charges	-	-	-	41,735
Grants and contributions				
Recurrent				
Specific purpose - Commonwealth	4,594,381	4,442,661	151,720	4,277,313
Total administered income	10,555,563	10,213,354	342,209	9,876,379
Administered expenses				
Grants and subsidies				
Recurrent				
Commonwealth Government				
Non-state schools	4,594,381			4,277,313
State Government				
Non-state schools and other external organisations	970,912			907,234
Textbook and resource allowance	89,830			85,983
Statutory bodies	170,740			156,095
Capital				
State Government				
Non-state schools and other external organisations	135,319			130,706
	5,961,182	5,770,690	190,492	5,557,331
Supplies and services	-	3	(3)	-
Transfers of administered income to government ⁽²⁾	4,594,381	4,442,661	151,720	4,319,048
Total administered expenses	10,555,563	10,213,354	342,209	9,876,379
Operating surplus/(deficit)	-	-	-	-

*The 2024-25 Adjusted budget disclosed is presented on a post-machinery-of-government basis (Note A3).

(1) This appropriation revenue is provided in cash via Queensland Treasury and funds activities/expenses that the department administers on behalf of the government.

(2) 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 2025

F1 ADMINISTERED ACTIVITIES (continued)

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

	2025 Actual	2024 Actual
Budgeted appropriation	5,687,912	5,482,413
Transfers from/(to) other departments - redistribution of public business	84,456	(131,324)
Transfers from/(to) other headings - variation in headings	169,771	-
Unforeseen expenditure	-	262,250
Total administered receipts	5,942,139	5,613,339
Less: Opening balance of administered revenue receivable	-	(38,956)
Plus: Closing balance of administered revenue receivable	1,991	-
Plus: Opening balance of administered revenue payable to government	17,052	-
Less: Closing balance of administered revenue payable to government	-	(17,052)
Administered income recognised in Note F1-1	5,961,182	5,557,331

F1-3 SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	2025 Actual \$'000	2025 Adjusted budget* \$'000	Budget variance \$'000	2024 Actual \$'000
Administered current assets				
Cash at bank	-	212	(212)	17,163
Appropriation receivable	1,991	-	1,991	-
Trade receivables	23	-	23	73
GST input tax credits receivable	28	-	28	28
Total administered current assets	2,042	212	1,830	17,264
Administered current liabilities				
Overdraft facility	1,830	-	1,830	-
Revenue payable to government	-	-	-	17,052
Total administered current liabilities	1,830	-	1,830	17,052
Net administered assets/liabilities	212	212	-	212

*The 2024-25 Adjusted budget disclosed is presented on a post-machinery-of-government basis (Note A3).

F1-4 ADMINISTERED ACTIVITIES – BUDGET TO ACTUAL VARIANCE ANALYSIS

This note provides an explanation of major variances between 2024-25 actual results and the adjusted budget for the department's major classes of administered income, expenses, assets and liabilities.

Grants and contributions: Variance of \$151.720 million greater than budget is mainly due to increased Commonwealth Government funding for non-state schools to reflect higher enrolments and indexation.

Grants and subsidies: Variance of \$190.492 million greater than budget is mainly due to increased State and Commonwealth Government funding for non-state schools to reflect higher enrolments and indexation.

Appropriation receivable: Variance of \$1.991 million greater than budget is attributed to the impact of appropriation receivable from Queensland Treasury due to increased Commonwealth and State Government funding for non-state schools.

Overdraft facility: Variance of \$1.830 million greater than budget reflects the appropriation receivable from Queensland Treasury.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

F2 TRUST TRANSACTIONS AND BALANCES

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 this fund.

	2025	2024
	\$'000	\$'000
Trust account - educational bequests		
Opening balance - cash	197	188
Revenue - return on investment term deposit	8	9
Closing balance - cash	205	197

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 2025

**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 John-Paul Langbroek MP, Minister for Education and the Arts.

During the period 18 December 2023 to 26 October 2024, the responsible Minister of the department was the Honourable Di Farmer MP, Minister for Education, and Minister for Youth Justice. Prior to 18 December 2023, the responsible Minister of the department was the Honourable Grace Grace MP, Minister for Education, Minister for Industrial Relations and Minister for Racing.

The following details for non-Ministerial KMP includes those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2024-25 and 2023-24. Further information regarding the department's KMP can be found in the body of the Annual Report under the section 'Our divisions and Executive Leadership Team'.

Position	Position Responsibility
Director-General ^{(1) (2)}	Lead the strategic direction and oversight to deliver a high performing education system that gives all children a strong start, engages young people in high quality learning and realises the potential of every student. Until 18 December 2023, the Director-General's responsibilities included delivering a responsive and productive industrial relations sector and fostering a more sustainable racing industry. From 1 November 2024, the Director-General's responsibilities include overseeing the department's investment and policy activities of the Arts Queensland portfolio.
Associate Director-General, Early Childhood and State Schools ⁽²⁾	Lead innovative, state-wide systemic reforms in early childhood education and state schooling, working in partnership with internal and external stakeholders to deliver government priorities and outstanding outcomes for children, students and young people.
Deputy Director-General, Early Childhood ⁽³⁾	Provide strategic leadership in early learning and child development in Queensland by developing and implementing policy, risk-based regulation, continuous quality improvement and investment. Protection of the health, safety and wellbeing of children attending early childhood education and care.
Deputy Director-General, Policy, Performance, International and Intergovernmental ^{(1) (3)}	Lead the department's strategic planning, performance monitoring, international and intergovernmental relations, non-state school and home education regulation, governance and reporting. Until 18 December 2023, the Deputy Director-General's responsibilities included oversight of Racing Queensland and legislation enabling the operation of the racing industry in Queensland.
Deputy Director-General, Schools and Student Support ⁽³⁾	Develop and implement innovative and effective educational delivery to support Queensland schools ensuring every student realises their potential. Also responsible for building the capability of professional workforces, developing excellence in leadership, teaching quality and effective pedagogical practices.
Deputy Director-General, School and Regional Operations and Performance ⁽²⁾	Implement high-impact projects that enhance student outcomes and wellbeing services, lead and strengthen the alignment between regional offices and central administration, and ensure the needs of school communities are effectively addressed to lift learning outcomes for all children.
Deputy Director-General, First Nations Strategy and Partnerships ⁽³⁾	Drive the community engagement and stakeholder relationships to improve education outcomes for Aboriginal students and Torres Strait Islander students. This includes the provision of high-level advice and direction on effective and appropriate policies, services and programs that support culturally responsive learning in the early years and schools, and strengthens cultural capability in our workplaces.
Deputy Director-General, People, Information and Communication Services ⁽³⁾	Provide strategic leadership across the department's human resources, information and technologies, strategic communications and engagement 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, Infrastructure Services	Lead the delivery of sustainable investment in support of the government's education infrastructure to build, maintain, improve and renew our schools and facilities across Queensland.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

G1 KEY MANAGEMENT PERSONNEL (KMP) REMUNERATION (continued)

Details of key management personnel (continued)

Position	Position Responsibility
Deputy Director-General, Arts Queensland ⁽²⁾	Oversee the department's investment and policy activities in the arts. This includes the Queensland Government's investment in the Queensland Cultural Centre, the funding of the state's major arts companies, corporate governance support for the state's arts statutory bodies and government-owned companies, and the delivery of the arts investment funding programs.
Deputy Director-General, Office of Industrial Relations ⁽¹⁾	Lead the Office of Industrial Relations, with responsibility for regulatory frameworks, policy advice and compliance activities for work health and safety, electrical safety, industrial relations and workers' compensation to make Queensland workplaces safer, fairer and productive.
Assistant Director-General, Finance, Procurement and Facilities and Chief Finance Officer	Lead the provision of high-quality financial, procurement and facilities related services, to support the department's operational and strategic objectives. The position also has responsibilities under section 77 of the <i>Financial Accountability Act 2009</i> (Qld).

- (1) The Office of Industrial Relations and Office of Racing functions were transferred to the former Department of State Development and Infrastructure (DSDI) on 18 December 2023 (effective 1 January 2024) as part of the machinery-of-government changes. Only the Deputy Director-General, Office of Industrial Relations was transferred to DSDI. No KMP were transferred with the Office of Racing function.
- (2) Arts Queensland (AQ) was transferred from the former Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts (DTATSIPCA) on 1 November 2024 as part of the machinery-of-government changes. Only the Deputy Director-General, AQ was transferred from DTATSIPCA. The department also realigned divisional functions by replacing the Associate Director-General, Early Childhood and State Schools position with the Deputy Director-General, School and Regional Operations and Performance position.
- (3) As of 30 June 2025, the department's executive leadership structure was undergoing a transition for the realignment of Central Office functions, effective 1 July 2025. The realignment will better support the delivery of strategic goals, priorities of the department, provide opportunities for more effective delivery of services to regions and schools, improve efficiency and reduce complexity of our work. As a result, these KMP positions will be renamed to realign with these functions.

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 are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances. 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 Sector Commission as provided for under the *Public Sector Act 2022* (Qld). 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 non-Ministerial KMP comprise the following components:

Short term employee expenses include:

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

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.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

G1 KEY MANAGEMENT PERSONNEL (KMP) REMUNERATION (continued)

Key management personnel remuneration expenses (continued)

2024-25

2024-25 Position	Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total expenses
	Monetary expenses	Non-monetary benefits	\$'000	\$'000	\$'000	\$'000
	\$'000	\$'000				
Director-General ⁽²⁾ (Appointed 06/12/2021 to 05/12/2024)	209	6	5	26	-	246
Director-General ⁽²⁾ (Acting 29/08/2024 to 11/09/2024; 01/11/2024 to 20/03/2025; appointed 21/03/2025)	441	4	10	50	-	505
Associate Director-General, Early Childhood and State Schools ⁽²⁾ (Appointed 22/08/2022 to 31/10/2024)	146	2	3	18	-	169
Deputy Director-General, Early Childhood ⁽³⁾ (Appointed 19/09/2022)	294	6	7	37	-	344
Deputy Director-General, Policy, Performance, International and Intergovernmental ⁽³⁾ (Appointed 14/11/2022)	326	6	8	42	-	382
Deputy Director-General, Schools and Student Support ⁽³⁾ (Appointed 19/09/2022)	334	6	8	42	-	390
Deputy Director-General, School and Regional Operations and Performance ⁽²⁾ (Acting 04/11/2024 to 30/06/2025)	231	4	5	28	-	268
Deputy Director-General, First Nations Strategy and Partnerships ⁽³⁾⁽⁴⁾ (Appointed 21/11/2022)	345	6	8	42	-	401
Deputy Director-General, People, Information and Communication Services ⁽³⁾⁽⁴⁾ (Appointed 07/11/2022)	274	5	6	33	-	318
Deputy Director-General, Infrastructure Services (Acting 01/07/2024 to 15/09/2024, appointed 16/09/2024)	328	5	8	39	-	380
Deputy Director-General, Arts Queensland ⁽²⁾ (Appointed 12/08/2013)	189	5	5	26	-	225
Assistant Director-General, Finance, Procurement and Facilities and Chief Finance Officer (Appointed 16/07/2018)	273	6	6	34	-	319

(2), (3) Refer to footnote on page 44 of the statements.

(4) Due to an external secondment, the Deputy Director-General, First Nations Strategy and Partnerships also held the Deputy Director-General, People, Information and Communication Services position at 30 June 2025.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

G1 KEY MANAGEMENT PERSONNEL (KMP) REMUNERATION (continued)

Key management personnel remuneration expenses (continued)

2023-24

2023-24 Position	Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total expenses
	Monetary expenses	Non-monetary benefits	\$'000	\$'000	\$'000	\$'000
	\$'000	\$'000				
Director-General ⁽¹⁾ (Appointed 06/12/2021)	621	17	15	77	-	730
Associate Director-General, Early Childhood and State Schools (Appointed 22/08/2022)	476	6	11	62	-	555
Deputy Director-General, Early Childhood (Appointed 19/09/2022)	256	6	6	36	-	304
Deputy Director-General, Policy, Performance, International and Intergovernmental ⁽¹⁾ (Appointed 14/11/2022)	339	2	8	43	-	392
Deputy Director-General, Schools and Student Support (Appointed 19/09/2022)	318	8	8	45	-	379
Deputy Director-General, First Nations Strategy and Partnerships (Appointed 21/11/2022)	300	6	7	41	-	354
Deputy Director-General, Office of Industrial Relations ⁽¹⁾ (Acting 01/07/2023 to 31/12/2023)	210	2	5	25	-	242
Deputy Director-General, People, Information and Communication Services (Appointed 07/11/2022)	320	6	8	43	-	377
Deputy Director-General, Infrastructure Services (Appointed 30/08/2021 to 14/06/2024)	302	6	7	41	60	416
Assistant Director-General, Finance, Procurement and Facilities and Chief Finance Officer (Appointed 16/07/2018)	260	7	6	39	-	312

(1) Refer to footnote on page 44 of the statements.

Performance payments

KMP do not receive performance or bonus payments.

G2 RELATED PARTY TRANSACTIONS

Transactions with people/entities related to key management personnel

Given the breadth and depth of State government activities, the department's KMP transact with the Queensland public sector in a manner consistent with other ordinary citizens, for example, children of KMP may attend Queensland state schools or family members may be employed in departmental schools. The department's KMP are required to complete an annual declaration form in relation to the related party transactions/arrangements along with an explanation for these types of transactions and to complete an annual mandatory training program which is underpinned by the *Public Sector Ethics Act 1994* (Qld).

A related party of a KMP of the department controls another Queensland Government-related entity that provides services to the department. These services are provided on an arm's length basis on the same terms and conditions applicable to all other Queensland Government-related entities. An amount of \$0.757 million was paid or payable during 2024-25.

Department of Education
Notes to the Financial Statements
for the year ended 30 June 2025

G2 RELATED PARTY TRANSACTIONS (continued)

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 C8-2), both of which are provided in cash via Queensland Treasury.

The department purchases a variety of services from other departments including building construction and maintenance \$592.277 million* from QBuild (2023-24: \$464.179 million); motor vehicle fleet \$10.599 million from QFleet (2023-24: \$8.537 million); office accommodation \$27.972 million, government employee housing \$31.066 million and building construction \$11.106 million* from the Department of Housing and Public Works (2023-24: \$43.473 million and \$31.527 million respectively); information and communication technology services \$9.392 million from the Centre for Information Technology and Communications (CITEC) (2023-24: \$9.785 million); and services relating to school transport arrangements for \$64.249 million from the Department of Transport and Main Roads (2023-24: \$55.670 million).

The AQ portfolio also purchases additional services from other departments including protective services \$3.779 million from the Queensland Police Service; and corporate services \$1.368 million from the Corporate Administration Agency. Note C5 discloses QTC borrowings relating to the AQ portfolio.

Other relevant transactions are the insurance premiums paid to WorkCover Queensland (Note B2-1) and QGIF (Note B2-4); and the transfer of assets and liabilities arising from machinery-of-government changes during 2024-25 (Note A3).

(*) Figures also include or represent the expenditure of the AQ portfolio.

G3 NEW AND REVISED ACCOUNTING STANDARDS

Accounting standards effective for the first time in 2024-25

No new accounting standards or interpretations that apply to the department for the first time in 2024-25 had any material impact on the financial statements. No Australian accounting standards have been early adopted for 2024-25.

New Australian Accounting Standards issued but not yet effective

AASB 18 *Presentation and Disclosure in Financial Statements* applies to not-for-profit public sector entities for annual reporting periods beginning on or after 1 January 2028, which will be the 2028-29 financial year for the department.

This standard sets out new requirements for the presentation of the Statement of Comprehensive Income, requires new disclosures about management-defined performance measures and removes existing options in the classification of interest received and interest paid in the Statement of Cash Flows.

The Australian Accounting Standards Board (AASB) is aware that there are issues that need to be clarified in applying AASB 18's new requirements to not-for-profit entities. The AASB expects to conduct outreach with not-for-profit and public sector entities to address these issues, and expects that modifications to AASB 18 for application by these entities could take the form of guidance, exemptions and alternative requirements.

The department will make an assessment of the expected impacts of AASB 18 after the AASB has decided on the modifications applicable to not-for-profit public sector entities. AASB 18's changes will only affect presentation and disclosure; it will not affect the recognition or measurement of any reported amounts.

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.

G4 EVENTS OCCURRING AFTER THE REPORTING DATE

No events after the balance date have occurred for the department that materially impact on these financial statements.

G5 TAXATION

The department is a state body as defined under the *Income Tax Assessment Act 1936* and is exempt from all forms of direct Commonwealth taxation with the exception of indirect taxation, Fringe Benefits Tax (FBT), Goods and Services Tax (GST), Pay As You Go (PAYG) withholding tax and Wine Equalisation Tax (WET). FBT, GST, WET and PAYG withholding 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 (Note C2).

G6 CLIMATE RISK DISCLOSURE

Climate Risk Assessment

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

The department has not identified any material climate related risks relevant to the financial report at the reporting date. The department continues to monitor the emergence of such risks under the Queensland Government's *Queensland's net zero emission roadmap by 2050* in order to fulfill the requirements under section 11 of the *Clean Economy Jobs Act 2024* (Qld), and other Queensland Government climate-related policies or directives.

Current Year Impacts

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 in relation to climate risk.

Department of Education
Management Certificate
for the year ended 30 June 2025

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

- (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 2025, 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 sections 7 and 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.



Duncan Anson
GAICD, FCPA, B Bus
Assistant Director-General
Finance, Procurement and Facilities
Chief Finance Officer
Department of Education



Sharon Schimming
GAICD, MEd (Educational Leadership), BSc (Health), DipT
Director-General
Department of Education

Date: 25 August 2025

Date: 25 August 2025

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.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental service as at 30 June 2025, 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 material accounting policy information, and the management certificate.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2025, and its financial performance for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

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 (including Independence Standards)* (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 matter

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 (\$27.9 billion as at 30 June 2025)

Refer to note C3 in the financial report

Key audit matter	How my audit addressed the key audit matter
Department of Education's specialised buildings were measured at fair value at balance date using the current replacement cost method. 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. The current replacement cost method comprises: - gross replacement cost, less - accumulated depreciation. For comprehensively revalued buildings, the department applied unit rates provided by the independent valuer to derive gross replacement cost. These unit rates require significant judgement in relation to: - 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. For buildings not comprehensively revalued, significant judgement was required to estimate the change in gross replacement cost from the prior year. The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.	My procedures for buildings comprehensively revalued included, but were not limited to: - 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: - modern substitute (including locality factors and oncosts) - adjustment for obsolescence. For buildings revalued by index, my procedures included but were not limited to: - 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. Buildings useful life estimates were evaluated for reasonableness by: - 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.

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the accountable officer 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar6.pdf

This description forms part of my auditor's report.

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 2025:

- 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.



27 August 2025

Patrick Flemming FCPA
as delegate of the Auditor-General

Queensland Audit Office
Brisbane