

# Annual Report

2017 | 2018



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#### Translating and interpreting assistance



Building Queensland is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on 07 3237 7500 between 9 am and 5 pm Monday to Friday (except for public holidays) and we will arrange an interpreter to effectively communicate the report to you.

This annual report provides information about Building Queensland's financial and non-financial performance for 2017–2018. It has been prepared in accordance with the *Financial Accountability Act 2009*, the *Building Queensland Act 2015* and the Financial and Performance Management Standard 2009.

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

Copies of this report are available in paper form and can be obtained from Building Queensland. Additional information is available online and on the Queensland Government open data website [www.qld.gov.au/data](http://www.qld.gov.au/data)

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# Letter of compliance

10 September 2018

The Honourable Cameron Dick MP  
Minister for State Development, Manufacturing, Infrastructure and Planning  
PO Box 15009  
CITY EAST QLD 4002

Dear Minister,

I am pleased to submit for presentation to the Parliament the annual report 2017–2018 and financial statements for Building Queensland.

I certify that this annual report complies with:

- » the prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2009
- » the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*, and
- » section 51 of the *Building Queensland Act 2015*.

A checklist outlining the annual reporting requirements can be found on pages 57–58 of this annual report.

Yours sincerely



**Alan Millhouse**  
Chair  
Building Queensland Board

## Chair and CEO's report

**Building Queensland is firmly focused on providing independent expert advice and transparent analysis in respect of the state's infrastructure priorities. We do this primarily through stewardship of the state's major business cases and development of the Infrastructure Pipeline Report.**

Once again, Building Queensland has delivered strongly on the objectives underpinning our strategic direction. The willingness of Queensland Government agencies to partner with us in developing business cases and accept our advice have been important to our success.

In 2017–18, Building Queensland completed 11 detailed business cases—a sizeable increase on the previous two years. The analysis underpinning these projects will position government to make informed, evidence-based infrastructure investment decisions.

**“Looking ahead, Building Queensland is well placed to positively influence infrastructure outcomes.”**

To help government progress priority proposals in the planning stages, Building Queensland produced two updates to the Infrastructure Pipeline Report. In the 12 months since the June 2017 Infrastructure Pipeline Report, the Queensland Government committed funding to 11 projects considered to be priorities by Building Queensland. A further 14 proposals were added to the infrastructure pipeline reflecting a maturing of the pipeline.

This year, with the change in responsibilities of government portfolios, the Board welcomed Rachel Hunter, Director-General of the Department of State Development, Manufacturing, Infrastructure and Planning. The Board also expresses gratitude to Board members Frankie Carroll and James McKenzie, who have recently retired from the Board, for their significant contributions to Building Queensland since its establishment in December 2015.

Looking ahead, Building Queensland is well placed to positively influence infrastructure outcomes. Building Queensland will continue to develop robust analysis that will enable the Queensland Government to make informed infrastructure investment decisions. Our approach will remain collaborative and transparent.



**Alan Millhouse**  
Chair, Building Queensland



**Damian Gould**  
Chief Executive Officer,  
Building Queensland

## Overview

**Building Queensland is an independent statutory body providing expert advice on the state's major infrastructure.**

Established on 3 December 2015 under the *Building Queensland Act 2015*, Building Queensland is responsible for developing a pipeline of proposals considered to be priorities for the state, and preparing robust business cases to inform investment decisions.

Working with Queensland Government agencies, including government departments, government-owned corporations and nominated statutory authorities, Building Queensland promotes the development of robust business cases to inform government decision-making.

**“Building Queensland works across all asset classes”**

Building Queensland leads the development of detailed business cases with a minimum estimated capital cost of \$100 million and assists with proposals between

\$50–\$100 million. All infrastructure proposals are developed under Building Queensland's Business Case Development Framework. The framework ensures a consistent and rigorous approach to proposal development.

To assist the Queensland Government in determining the projects that will best address the state's infrastructure priorities, Building Queensland develops the Infrastructure Pipeline Report. The Infrastructure Pipeline Report provides transparency of key government proposals that Building Queensland considers to be priorities for the state and visibility of Building Queensland's work program.

Building Queensland works across all asset classes including: Arts, Culture and Recreation; Digital; Education; Health Built; Health ICT; Transport Ports; Transport Rail; Transport Road; Water; Energy; Justice and Public Safety.



## OUR VISION

To enhance infrastructure outcomes for Queensland through robust advice and industry leading expertise.

## OUR PURPOSE

To provide independent expert advice to the Queensland Government on matters relating to infrastructure.

## OUR VALUES

### Teamwork

Collaborate, support and develop expertise across government

### Independence

Provide robust and objective advice  
Maintain our independence

### Accountability

Deliver on our commitments  
Pursue opportunities to innovate and continuously improve

### Quality

Deliver consistency on our approach and output  
Strive for the highest possible standards

### Respect

Value the contribution of others  
Recognise the needs of all stakeholders  
Actively listen and provide constructive advice and direction

## 2017–18 HIGHLIGHTS

 **11** detailed business cases completed

Business case **recommendations accepted** by Queensland Government resulting in  funding decisions and  corridor preservation



**2** Infrastructure Pipeline Reports published



**37** priority proposals — 11 funded

# 2017–18 Performance

Our vision of enhancing infrastructure outcomes for Queensland is being realised with Building Queensland successfully delivering against the three objectives stated in the Strategic Plan 2017–2021.

OBJECTIVES	RESULTS
Position government to make informed, evidence-based infrastructure investment decisions.	<b>ACHIEVED</b> Full compliance with reporting and other legislative requirements. Government acceptance of Building Queensland advice, including alternative solutions to delivering infrastructure requirements. Agencies engaging with Building Queensland early in developing infrastructure proposals.
Provide government with comprehensive and robust business cases.	<b>ACHIEVED</b> Business cases delivered to the highest quality, on time and on budget. Final business cases endorsed by Building Queensland Board. Government basing infrastructure investment decisions on Building Queensland business case recommendations.
Inform government, industry and the community on infrastructure projects Building Queensland considers to be priorities for the state.	<b>ACHIEVED</b> Infrastructure Pipeline Report and other Building Queensland publications accepted by industry. Engagement with industry contributing to thought leadership and analysis of trends and issues affecting the infrastructure sector.



# Business cases

Working collaboratively with government agencies, Building Queensland is focused on improving business case development capability in government and driving excellence by applying our Business Case Development Framework.

In addition to our ongoing engagement with agencies during the development of Building Queensland-led business cases, Building Queensland also assists by providing formal advice on preliminary business cases. Our involvement in the earlier stages of business case development enables Building Queensland to examine the service need and ensure all options to solve an identified service need are explored, including non-infrastructure solutions.

Building Queensland's advice is regularly sought by agencies. We facilitate Investment Logic Mapping workshops with agencies that are commencing the business case development process to clearly articulate problems and service needs. We also provide ongoing advice on the application of the Business Case Development Framework and feedback on draft business case documents.

## Achievements 2017–18

Building Queensland led and completed the development of 11 detailed business cases and assisted with four early stage business cases in 2017–18.

### Q3 2017

#### 1. Arthur Gorrie Correctional Centre Expansion Project

The Arthur Gorrie Correctional Centre, located in Wacol, is a high security remand facility for male prisoners in Southern Queensland. It provides 890 high security cells for remand prisoners.

Working in partnership Queensland Corrective Services, Building Queensland completed a detailed business case investigating the construction of 628 additional cells to meet growth in remand prisoner numbers across Queensland's corrective services system.

#### 2. Bruce Highway—Cairns Southern Access Corridor Stage 4 (Kate Street to Aumuller Street)

Working in partnership with the Department of Transport and Main Roads, Building Queensland led the development of the Bruce Highway Cairns Southern Access Corridor Stage 4 (Kate Street to Aumuller Street) Detailed Business Case. As the primary freight access to Cairns, and the principal access to the CBD from the south of Cairns, the detailed business case investigated a range of upgrades to relieve traffic congestion.



11

Detailed business cases completed

9

Detailed business cases underway



Assisted with

4

early stage business cases

### 3. Public Safety Regional Radio Communications Project

Building Queensland led the development of the Public Safety Regional Radio Communications Project Detailed Business Case in partnership with the Queensland Public Safety Agencies and the then Department of Science, Information Technology and Innovation. The detailed business case examined ways of improving radio communications for public safety agencies across regional Queensland.

### 4. Lower Fitzroy River Infrastructure Project

Building Queensland led the development of the Lower Fitzroy River Infrastructure Project Detailed Business Case in partnership with the joint proponents, SunWater and the Gladstone Area Water Board.

The detailed business case investigated the construction of a new weir at Rookwood on the Lower Fitzroy River capable of supplying 76,000 megalitres per annum of high priority water. The detailed business case explored the strategic opportunity to provide an additional bulk water source for urban and industrial customers in the Gladstone region, and to expand agricultural production in the Fitzroy region.

## Q4 2017

### 5. Townsville Eastern Access Rail Corridor

Building Queensland developed the Townsville Eastern Access Rail Corridor Detailed Business Case in partnership with the Department of Transport and Main Roads. The detailed business case investigated the viability of a new 8.3-kilometre freight rail link connecting the Mount Isa Line to the North Coast line, through the Townsville State Development Area, to the Port of Townsville.

### 6. Bruce Highway—Cairns Southern Access Corridor Stage 3 (Edmonton to Gordonvale)

Building Queensland led the Bruce Highway Cairns Southern Access Corridor Stage 3 (Edmonton to Gordonvale) Detailed Business Case in partnership with the Department of Transport and Main Roads. The business case investigated a range of upgrades to the 9-kilometre section of the Bruce Highway to address the significant delays during morning and evening peaks and high crash rates.

## Q2 2018

### 7. Five Schools Project

Building Queensland led the Five Schools Project Detailed Business Case in partnership with the Department of Education. The detailed business case investigated the delivery of new schools in the following high growth areas:

- » Ripley Valley – primary and secondary school
- » Mango Hill – secondary school
- » Coomera – secondary school
- » Yarrabilba – secondary school.

### 8. Bruce Highway—Caboolture/Bribie Island Road Interchange to Steve Irwin Way Interchange Upgrade

Building Queensland led the Caboolture/Bribie Island Road Interchange to Steve Irwin Way Interchange Upgrade Detailed Business Case in partnership with the Department of Transport and Main Roads. The business case investigated upgrades to the 11-kilometre section of the Bruce Highway, including an upgrade of the existing four-lane highway to a six-lane divided highway with flood and safety improvements.

### 9. Bruce Highway—Maroochy Road Interchange Upgrade

Building Queensland led the Bruce Highway Maroochy Road Interchange Upgrade Detailed Business Case in partnership with the Department of Transport and Main Roads. The business case investigated a range of upgrades to relieve congestion and enhance safety.

### 10. Caboolture Hospital Expansion Stage 1

Building Queensland led the Caboolture Hospital Expansion Stage 1 Detailed Business Case in partnership with Queensland Health. The detailed business case assessed options including a combination of a new build and refurbishment of existing facilities to allow the hospital to keep pace with growing demand for a range of health services in the region.

## 11. Cairns Shipping Development

Building Queensland led the development of the Cairns Shipping Development Detailed Business Case in partnership with Ports North. The detailed business case investigated the widening and deepening of the Trinity Inlet shipping channel and swing basin to allow access for larger cruise ships and naval vessels. It also investigated the establishment of a new swing basin to support future expansion of the HMAS Cairns Navy Base and structural upgrades of the existing wharf infrastructure.

### Assist role

In addition to Building Queensland's lead role in developing the state's major business cases, in 2017-18 Building Queensland also assisted the Queensland Government with early stage business cases for the following projects:

#### Cairns Convention Centre

Building Queensland assisted the Department of Housing and Public Works with a preliminary business case investigating an expansion of the Cairns Convention Centre to meet potential unmet demand for national and international conventions in Cairns. The preliminary business case considered opportunities to leverage other anticipated precinct developments, such as the State Government's planned Global Tourism Hub, to enhance state and regional economic outcomes.

## Outcomes

### The Building Queensland Board endorsed all 11 completed detailed business cases.

The Board's endorsement of the business cases was supported by assurance processes comprising Business Case Development Framework alignment reviews, gateway reviews and expert peer review of technical and other inputs.

During the reporting period the Queensland Government considered the business cases for the Lower Fitzroy River Infrastructure Project, Townsville Eastern Access Rail

#### Clean Energy Hub

Building Queensland assisted Powerlink with a feasibility study investigating strategic transmission infrastructure in north and north-west Queensland to support a clean energy hub. The clean energy hub will comprise one or more transmission assets developed to facilitate the connection of clean energy proponents in North and North West Queensland to the National Electricity Market.

#### Gold Coast Convention and Exhibition Centre

Building Queensland assisted the Department of Housing and Public Works with a preliminary business case investigating an upgrade and expansion of the Gold Coast Convention and Exhibition Centre. This project would facilitate additional national and international conventions resulting in greater economic benefits to the region and state.

#### Schools Package—Metropolitan and North Coast Regional Growth Corridors

Building Queensland assisted the Department of Education with a preliminary business case investigating additional state schooling capacity for students in the high-growth areas of North Lakes/Mango Hill and Ripley Valley. The preliminary business case was completed in late 2017 and progressed to a detailed business case, known as the Five Schools Project, led by Building Queensland.

Corridor, Public Safety Regional Radio Communications Project and those developed under the Bruce Highway Upgrade Program. The Queensland Government accepted Building Queensland's business case recommendations and is progressing with these projects (see page 10 for information on business cases considered by government). The remaining projects have been presented to the Queensland Government for consideration.

## Business cases considered by government



**LOWER FITZROY RIVER INFRASTRUCTURE PROJECT**  
Planning for implementation underway



**TOWNSVILLE EASTERN ACCESS RAIL CORRIDOR**  
Rail corridor preserved



**PUBLIC SAFETY REGIONAL RADIO COMMUNICATIONS PROJECT**  
Project options endorsed to ensure that regional public safety radio communications remain compliant with Australian Communications and Media Authority requirements



**BRUCE HIGHWAY—CAIRNS SOUTHERN ACCESS CORRIDOR STAGE 4 (KATE STREET TO AUMULLER STREET)**  
Planning for implementation underway



**BRUCE HIGHWAY—CAIRNS SOUTHERN ACCESS CORRIDOR STAGE 3 (EDMONTON TO GORDONVALE)**  
Planning for implementation underway



**BRUCE HIGHWAY—CABOOLTURE/BRIBIE ISLAND ROAD INTERCHANGE TO STEVE IRWIN WAY INTERCHANGE UPGRADE**  
Planning for implementation underway



**BRUCE HIGHWAY—MAROOCHY ROAD INTERCHANGE UPGRADE**  
Planning for implementation underway

## Townsville Eastern Access Rail Corridor

The export infrastructure from Mount Isa to the Port of Townsville has been the subject of several studies over the years. The studies have investigated the wider Mount Isa to Townsville supply chain from the mines in the west of Queensland through to the Port of Townsville.

A preliminary evaluation of the rail infrastructure in and around Townsville—the Townsville Eastern Access Rail Corridor—was completed in 2012. Based on the analysis of the options at the time, the proposal has been included in Building Queensland's Infrastructure Pipeline Report since our first edition in June 2016.

Building Queensland completed a detailed business case for the project in late 2017. The detailed business case investigated options for a new freight rail link with greater capacity connecting the Mount Isa line and North Coast line, through the Townsville State Development Area to the Port of Townsville. The analysis considered the planned

expansion of the Port of Townsville as outlined in the 2017 Environmental Impact Statement assessment report.

A key focus of the detailed business case was to estimate how much freight would likely be required in the near to medium term, considering current and forecast commodity prices, the viability of expected mining investments and the required freight movement of major commodities.

Building Queensland analysed these issues in detail and concluded that the costs of proceeding with the new line at this time would significantly outweigh the benefits. Recognising the strategic importance of the freight line, Building Queensland recommended the government preserve the rail corridor.

The government's acceptance of Building Queensland's recommendation will reduce the risks associated with the delivery of the project when it is needed.

## Future directions for 2018–19

Building Queensland is well progressed with the development of detailed business cases for the following projects:

- » Bruce Highway Deception Bay Road Interchange Stage 1 (Package 3)
- » Cross River Rail Precincts – Roma Street (Brisbane Live)
- » Gold Coast Light Rail Stage 3A
- » Inner City South State Secondary School
- » Logan Hospital Expansion
- » M1 Pacific Motorway – Eight Mile Plains to Daisy Hill
- » M1 Pacific Motorway – Varsity Lakes to Tugun
- » Nullinga Dam and Mareeba Dimbulah Water Supply Scheme Improvements.

Building Queensland is working in close consultation with the relevant agencies to develop the analysis to inform the government’s investment decisions. Building Queensland is also consulting Infrastructure Australia in the development of many of these business cases where Australian Government funding contributions will be sought.

To further support the development of high-quality business cases, Building Queensland will continually review and, where appropriate, update our Business Case Development Framework and engage with agencies to further enhance capability.

## Infrastructure Pipeline Report

As the Queensland Government’s infrastructure advisor, Building Queensland is committed to providing independent advice on priority proposals. The Infrastructure Pipeline Report identifies government proposals that are unfunded for delivery with a minimum capital cost of \$50 million. These are the proposals Building Queensland recommends

the government further develop, or are ready for consideration by government.

The Infrastructure Pipeline Report also provides visibility of Building Queensland’s work program, including the detailed business cases Building Queensland is leading.

## Achievements 2017–18

Over the 2017–18 reporting period, Building Queensland produced two updates of the Infrastructure Pipeline Report—December 2017 and June 2018.

Combined, 37 priority proposals were identified by Building Queensland. In the 12 months since the June 2017 Infrastructure Pipeline Report, 11 proposals have received funding commitments from the Queensland Government, including:

- » Beerburum to Nambour Rail Upgrade
- » Bruce Highway – Caboolture/Bribie Island Road to Steve Irwin Way
- » Caboolture Hospital Expansion Stage 1
- » Ipswich Hospital Redevelopment
- » Five Schools Package
- » Logan Hospital Expansion

- » Lower Fitzroy River Infrastructure Project
- » M1 Pacific Motorway—Eight Mile Plains to Daisy Hill
- » M1 Pacific Motorway—Varsity Lakes to Tugun
- » New Performing Arts Venue
- » Smithfield Transport Corridor Upgrade.

To enhance transparency of infrastructure proposals under development, Building Queensland added a new section in the June 2018 report featuring detailed business cases Building Queensland is leading that have funding commitments from the Queensland Government for delivery. The inclusion of this section provides full visibility of Building Queensland’s work program.

## Outcomes

**The infrastructure pipeline is maturing with a more balanced spread of proposals throughout the various stages of development.**

Building Queensland is seeing improvements in the early stage investigations that are being undertaken by agencies to test the service need or opportunity, examine options and then progress to detailed analysis.

The Infrastructure Pipeline Report is also starting to provide early visibility of Queensland proposals entering

Infrastructure Australia's Infrastructure Priority List. In March 2018, Infrastructure Australia added the M1 Pacific Motorway Eight Mile Plains to Daisy Hill and Varsity Lakes to Tugun projects to the list as priority initiatives. Furthermore, Infrastructure Australia approved the Beerburrum to Nambour Rail Upgrade Detailed Business Case, recognising it as a Priority Project in the Infrastructure Priority List.

## Future directions for 2018–19

**Building Queensland will continue to consult agencies on the development of infrastructure proposals at all stages of development.**

Through this process we seek to promote the development of high-quality business cases that will result in sound investment decisions.

Importantly, the Infrastructure Pipeline Report will signpost emerging priorities and act as a reference point for Building Queensland's work program.

## Transparency

Building Queensland has helped bring forward a new era of transparency in infrastructure planning having released the analysis behind the government's infrastructure investment decisions. In addition to our statutory requirement to

publish cost benefit analysis summaries, Building Queensland has also published business case summaries and, in several instances, released full business cases.

## Achievements 2017–18

**To help establish a more rigorous evidence base for infrastructure investment decision-making, Building Queensland released four business cases in 2017–18, including:**

- » Townsville Eastern Access Rail Corridor Detailed Business Case—released April 2018
- » Nullinga Dam and Other Options Preliminary Business Case—released February 2018
- » Lower Fitzroy River Infrastructure Project Detailed Business Case—released January 2018
- » Cross River Rail Detailed Business Case—released August 2017.

Summaries of business cases and cost benefit analyses undertaken by Building Queensland were also published on our website for two projects that have since been considered by the Queensland Government.

- » Smithfield Transport Corridor Upgrade
- » Beerburrum to Nambour Rail Upgrade.

## Outcomes

### Building Queensland's business case analysis has helped build confidence in the Queensland Government's investment decisions.

In response to a Ministerial Direction under the *Building Queensland Act 2015*, the Cross River Rail Detailed Business Case was made publicly available on Building Queensland's website on 24 August 2017. This was the first business case released publicly by Building Queensland. The business case helped facilitate awareness and make accessible relevant information about the project.

On 24 January 2018, Building Queensland released another full business case—the Lower Fitzroy River Infrastructure Project Detailed Business Case. With the Australian Government's \$130 million funding commitment to the project subject to the findings of the detailed business case, the public availability of the analysis was important to facilitate broader understanding of the project. The economic cost benefit analysis indicated that the costs of the project could outweigh the benefits. However, recognising the opportunity presented by Commonwealth funding to expand agricultural production and secure additional bulk water supply in the region, Building Queensland specified in the business case conditions for the project to be advanced to a stage where it could be economically viable.

Building Queensland released the Nullinga Dam and Other Options Preliminary Business Case on 15 February 2018. This is the first preliminary business case led by Building Queensland to be publicly released. Building Queensland recommended in the business case that the Queensland Government progress with improvements to the existing water supply scheme and obtain a satisfactory

level of certainty of demand before further investigating the construction of the proposed Nullinga Dam. Since completing the preliminary business case, industry provided information that satisfied the triggers based on potential demand to progress to a detailed business case. Building Queensland is now leading the development of the detailed business case in partnership with SunWater.

The release of the Townsville Eastern Access Rail Corridor Detailed Business Case on 19 April 2018 provided the evidence supporting the Queensland Government's decision to preserve the rail corridor (refer to case study on page 10).

#### “4 full detailed business cases released”

To raise awareness of proposals under development, Building Queensland's CEO undertakes an extensive engagement program with government and industry. Central to this engagement activity is CEO's participation in speaking opportunities and panel discussions at major infrastructure forums. Building Queensland also regularly updates our stakeholders on the availability of information on our website through LinkedIn and electronic newsletters.

## Future directions for 2018–19

### Building Queensland strives for transparency and will continue to meet our statutory requirement to publish cost benefit analysis and business case summaries after projects have been considered by the Queensland Government.

Where the public release of full business cases will support an understanding of a project's drivers and outcomes, Building Queensland will work with the relevant agency

to ensure appropriate information is set out in released business cases.

## Operating environment

**Building Queensland contributes to the Queensland Government's *Objectives for the Community* by ensuring integrity, accountability and collaboration in our interactions across government and industry.**

Our strategic direction supports the government's objectives in creating jobs and a diverse economy; protecting the environment; and building safe, caring and connected communities by providing expert independent advice to the Queensland Government on infrastructure

opportunities. Furthermore, Building Queensland supports the Queensland public service values of: customers first; ideas into action; unleash potential; be courageous; and empower people.

## Changes in the operating environment

In late 2017, following the state election, the administration of Building Queensland's Act was referred to a new government portfolio—the Department of State Development, Manufacturing, Infrastructure and Planning. The department oversees the Queensland Reconstruction Authority, Economic Development Queensland, Office of the Coordinator-General, and has responsibility for the State Infrastructure Plan and market-led proposals. Building Queensland's Infrastructure Pipeline Report is a key input into the State Infrastructure Plan and Building Queensland will potentially lead business cases that may originate from the market-led proposals framework.

Building Queensland is cognisant of policy developments and initiatives being pursued by both the Australian and Queensland governments, such as City Deals, Principles of Innovative Financing and Value Sharing, and Smart Cities Plan. Consistent with Building Queensland's Business Case Development Framework, detailed business cases analyse the strategic context and policy developments and initiatives under which projects are developed.

Consistency with Infrastructure Australia's Assessment Framework is critical given the volume of business cases being submitted to the national infrastructure body for assessment. In March 2018, Infrastructure Australia released an updated Assessment Framework. Building Queensland's Business Case Development Framework is being reviewed in the context of these updates. Furthermore, learnings from Building Queensland's participation in the Next Generation Engagement Project—a collaboration with the University of Melbourne and 30 other national infrastructure, government, industry and research organisations—will also be considered in future updates to the framework to ensure best practice community engagement and environmental outcomes for major infrastructure delivery.



## Governance and organisational structure

Building Queensland is led by a Board of eight members comprising five members from the private sector and three from the public sector. The Building Queensland Board met nine times in the year to June 2018.

COMMITTEE MEMBER	TERM	NUMBER OF MEETINGS
Alan Millhouse (Chair)	December 2015—current	9
Dr Catherin Bull	December 2015—current	9
Graham Hooper	December 2015—current	9
Rachel Hunter	April 2018—current	2
Jim Murphy	December 2015—current	9
Dave Stewart	December 2015—current	7
Jacqui Walters	December 2015—current	9
Michael Schaumburg*	December 2017—March 2018	1
James MacKenzie*	December 2015—February 2018	5
Frankie Carrol*	December 2015—December 2017	4

*\*Retired Board member.*

## ALAN MILLHOUSE (CHAIR)



Alan was a partner of national law firm Allens for three decades until he retired in 2009, where he practised in the commercial, infrastructure and finance areas and was a member of the Allens Board. He was also head of the firm's infrastructure practice.

During the past two decades, he has been a key legal advisor to the State of Queensland and has advised other Australian and Asian governments on a range of issues.

Alan has written and published extensively. He has co-authored two legal texts on foreign investment law and joint ventures law. He has been President of the Queensland Japan Chamber of Commerce and Industry and, while in that role, co-led various Australian trade missions to Japan with government ministers, and worked closely with the Australia Japan Business Co-operation Committee to promote trade and commerce between Australia and Japan. He was President of the Banking and Financial Services

Association of Australia, President of the Infrastructure Association of Queensland and an executive committee member of the Australian Council of Infrastructure Development and Infrastructure Partnerships Australia.

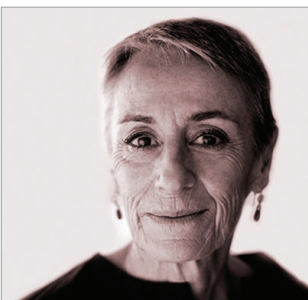
Alan is also the Queensland Chairman and serves on the national board of the Australian British Chamber of Commerce.

Alan is an Adjunct Professor in Law at the University of Queensland and a member of The University of Queensland's Law School Advisory Board. He has also lectured at Harvard University, Queensland University of Technology, Bond University and Keio University in Tokyo.

Alan has also served as a director and Chair of various companies including SunWater Limited, Queensland Motorways Limited and Utilities Trust of Australia. Alan is a Fellow of the Australian Institute of Company Directors.

In 2011, Alan was awarded a Doctor of Laws honoris causa by The University of Queensland in recognition of his distinguished career, his service to Queensland and Australia and his contribution to the university.

## DR CATHERIN BULL



Catherin is Emeritus Professor of Landscape Architecture at the University of Melbourne and an Adjunct Professor at QUT. She has led national and international consultancies in landscape architecture and urban design, been a Commissioner in the Land

and Environment Court of NSW and was, for over two decades, an academic teacher, researcher and advisor to government and industry on development and design, most recently as the Elisabeth Murdoch Professor of Landscape Architecture (–2010).

She has published two books and over 50 papers internationally, including the award-winning *New Conversations with an Old Landscape*. *Landscape Architecture in Contemporary Australia* (Images Publishing

2002) and with co-editors and authors *Cross-cultural Urban Design. Local or Global Practice?* (Routledge 2007). In 2011 she chaired and co-authored the OECD Global Science Forum report *Effective Modelling of Urban Systems to Address the Challenges of Climate Change and Sustainability*. As an advocate for better quality planning and design nationally she has chaired and served on boards, juries, and planning and design review panels across Australia. These include the National Capital Authority, the Planning and Land Authority, and Capital Metro in the ACT; in NSW, UrbanGrowth NSW and Sydney Olympic Park Authority; in Queensland, the Board for Urban Places and Brisbane City Council's Independent Design Advisory Panel; in Victoria, Phillip Island Nature Parks; and in SA, the Capital City Commission. She was awarded membership of the Order of Australia in 2009 in recognition of her contribution to landscape architecture and urban design.

Catherin is currently Chair of South Bank Corporation.

## FRANKIE CARROLL



Frankie was appointed Director-General of the Department of Infrastructure, Local Government and Planning in November 2015 and held this position until December 2017.

His previous role was Chief Executive Officer of the Queensland Reconstruction Authority, where he was responsible for delivering a disaster reconstruction program worth more than \$13 billion.

Prior to being appointed Chief Executive Officer, Frankie held the position of Deputy Chief Executive and Chief Financial Officer since the Authority's inception in the wake of the Queensland Floods and Severe Tropical Cyclone Yasi in 2010–11. Frankie also previously held the role of Chief Executive Officer and Chief Financial Officer of Queensland Water Infrastructure, delivering major water storage facilities in South East Queensland.

He has substantial experience across the private and public sectors, and a thorough understanding of Queensland's infrastructure needs, having held senior executive roles in multiple industry disciplines spanning construction, finance and service organisations.

## GRAHAM HOOPER



Graham is an independent consultant, based in Australia, providing advisory services in infrastructure. He was formerly Global Managing Director for AECOM's Transportation Infrastructure business in all modes including highways, transit, freight-rail, ports

and aviation. In this role he served on AECOM's Corporate Development Group and Global Operations Committee. He was also a member of AECOM's Global Major Projects Risk Review Committee.

In the course of his 26-year career with AECOM, Graham held a number of senior positions including Chair of the Africa Leadership Team, Global Leader of AECOM's Ports business and Market Sector Director for AECOM's business in Australia, South East Asia and Middle East. A Chartered Civil Engineer, Graham has advised governments, financial institutions and private sector infrastructure owners and operators on transport policy, planning and major project implementation, and has been responsible for delivery of major transportation infrastructure around the world. He has also served as Global Vice-Chairman of the Washington Program of the International Roads Federation.

## RACHEL HUNTER



Rachel was appointed Director-General of the Department of State Development, Manufacturing, Infrastructure and Planning in April 2018. Rachel is a highly regarded and accomplished Director-General and CEO, having

worked across various portfolios.

Rachel is a former Director-General of two Queensland Government departments—the Department of Justice

and Attorney-General, and the Department of Education, Training and the Arts. She also served as Queensland's Public Service Commissioner from 2000 to 2003.

Rachel has chaired the Board of Jobs Queensland providing industry and evidence-based advice on skills needs and workforce planning. She is currently a Deputy Chancellor with Griffith University and has served as the Chair of Children's Health Queensland.

Much of Rachel's career in government has been spent in portfolios with a focus on employment, skills, training, and economic growth and resilience. She brings to the role an outcome-focused, and values-led leadership style.

## JAMES MACKENZIE



James is a leading Australian company director having chaired three ASX-listed companies. He brings vast experience in the financial services sector and the Victorian Public Sector having held senior executive positions including Chair of the Transport Accident Commission and Worksafe Victoria. He was Director and Chair of Mirvac Group—a leading Australian-listed diversified property group, Co-Vice Chair

of Yancoal Australia—one of Australia’s largest listed mining companies, and Chairman of Gloucester Coal Ltd and Pacific Brands Limited.

James is Chair of Victorian Funds Management Corporation and Development Victoria, as well as President of the Victorian Arts Centre Trust. He holds a Bachelor of Business from Swinburne University, and is a Fellow of the Australian Institute of Company Directors and the Institute of Chartered Accountants in Australia. In 2001 James was awarded the Centenary Medal for Services to Public Administration.

of senior executive positions in the Commonwealth Departments of Treasury, Attorney-General and Finance. His distinguished career also includes a role as an advisor with the International Monetary Fund in Washington DC, and for a short period he worked as Chief of Staff in the Office of the Prime Minister. Jim was also awarded a Public Service Medal for his strategic economic advice that formed the government’s response to the global financial crisis.

## JIM MURPHY



Before his role with the ANZ Bank, he was Deputy Secretary in the Commonwealth Treasury for more than a decade and also held a number

of senior executive positions in the Commonwealth Departments of Treasury, Attorney-General and Finance. His distinguished career also includes a role as an advisor with the International Monetary Fund in Washington DC, and for a short period he worked as Chief of Staff in the Office of the Prime Minister. Jim was also awarded a Public Service Medal for his strategic economic advice that formed the government’s response to the global financial crisis.

Formerly a senior executive with the ANZ Bank, Jim is an outstanding senior policy executive and respected government leader.

Before his role with the ANZ Bank, he was Deputy Secretary in the Commonwealth Treasury for more than a decade and also held a number

of senior executive positions in the Commonwealth Departments of Treasury, Attorney-General and Finance. His distinguished career also includes a role as an advisor with the International Monetary Fund in Washington DC, and for a short period he worked as Chief of Staff in the Office of the Prime Minister. Jim was also awarded a Public Service Medal for his strategic economic advice that formed the government’s response to the global financial crisis.

## MICHAEL SCHAUMBURG



Michael has been employed full-time in Queensland in the planning, approvals, detailed design, construction and maintenance of resources and infrastructure projects and programs, and has led various industry development

Michael held the position of Director-General for the Department of State Development, Manufacturing, Infrastructure and Planning from December 2017 to March 2018. Prior to this Michael was the Director-General of the Department of State Development.

programs and initiatives for 34 years. A total of 24 years has been with the public sector including eight years with a government-owned corporation. The remaining 10 years were with the private sector including an infrastructure engineering consultancy, a global privately-owned infrastructure construction company, an ASX-listed mid-scale liquefied natural gas (LNG) project developer, and a public resources infrastructure company that Michael co-founded and led.

His academic qualifications include a Bachelor of Engineering (Civil) (Honours) and a Graduate Diploma in Business Administration. He is a Graduate of the Australian Institute of Company Directors; a Registered Professional Engineer of Queensland and a Fellow of Engineers Australia.

## DAVE STEWART



Dave Stewart was appointed the Director-General of the Department of the Premier and Cabinet in 2015.

He has considerable experience in the public service. He was the former Secretary of Transport for New South Wales, where he led around 27,000 people

in shaping the planning, policy and delivery of public transport, roads and freight across the state.

Following a distinguished career in local government and engineering construction in Australia and the United Kingdom, Dave joined the Queensland Government as Deputy Coordinator-General within the Department of Infrastructure and Planning. In this role he was responsible for delivering major water and road projects.

Following on from this role, he was the Director-General of Queensland Transport and then the Department of Transport and Main Roads, overseeing the integration of organisations to a new customer-focused model. His primary responsibility was transport leadership including strategic policy and planning, system stewardship, infrastructure delivery and service delivery.

## JACQUI WALTERS



Jacqui joined the Building Queensland Board in December 2016 and chairs the Risk and Audit Committee. Jacqui has held leadership roles in top tier professional services firms with over 25 years' experience in delivering and leading strategy and change

projects in both the public and private sector. She has international experience across many industry sectors. Her work has ranged from whole of organisation transformation and restructuring to highly specific areas such as major capital project delivery, new product introduction,

Dave is an advocate for regional Queensland and one of his highlights as Director-General is participating in the community champions program for Indigenous communities, where he regularly visits the community of Pormpuraaw and assists community members with accessing much-needed government services.

He is also a member of Queensland's Male Champions of Change group, joining 10 other prominent and influential business leaders to promote gender equality across a range of industries, including the Queensland public sector.

Dave was named as one of Australia's Top 100 most influential engineers by Engineers Australia.

He holds Masters Degrees in Business and Engineering Science and completed a Harvard executive program looking at private sector involvement in infrastructure delivery.

He is also a Fellow of Engineers Australia, Honorary Fellow, Chartered Institute of Transport and Logistics and Fellow of the Australian Academy of Technology and Engineering.

He is also a Council of Australian Governments Senior Official and holds multiple Board positions including the Cross River Rail Delivery Authority and the Great Barrier Reef Marine Park Authority.

professional services strategy and performance, and post-merger culture alignment.

Jacqui was a Principal and senior executive of Evans & Peck, a leading infrastructure advisory firm.

Jacqui is a founding partner of Era Innovation, a boutique advisory firm working with large corporates to identify, select and commercialise growth opportunities.

She established and Chairs the Citytrain Response Unit (oversighting the transformation of Queensland Rail and public transport in Queensland). In March 2018 Jacqui joined the Board of Slater & Gordon and is Chair of the Risk and Audit Committee.

## CHIEF EXECUTIVE OFFICER, DAMIAN GOULD



Damian is Chief Executive Officer of Building Queensland. Since his appointment in February 2017, Damian has been responsible for driving the development of the state's major infrastructure business cases and advising the Queensland Government

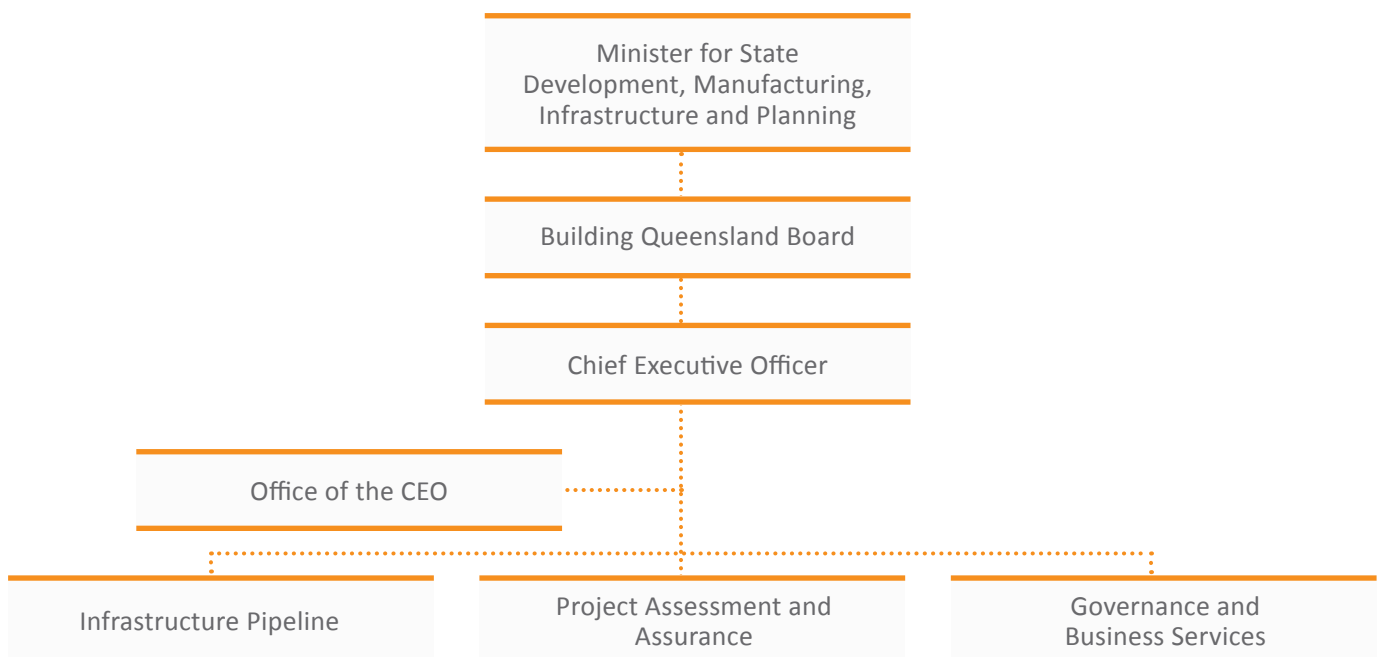
on infrastructure priorities. Prior to this, Damian held positions as Principal in international advisory firms Evans & Peck and Advisian leading the Queensland Government and social infrastructure practices. Damian's career has also included senior executive roles with the Queensland Office of the Coordinator-General and the Department of Infrastructure and Planning, as well as senior positions with Queensland Treasury.

Damian brings to the Chief Executive role over 20 years' experience across the government and infrastructure sectors and a strong track record in the successful planning and delivery of a broad range of infrastructure projects and programs. In his previous positions with the Queensland Government, Damian played a key role in the planning and delivery of the South East Queensland Water Grid. More recently he led the Queensland Government procurement process for the Toowoomba Second Range Crossing Project. Damian's other achievements include lead roles in the establishment of flood recovery programs for the Queensland Reconstruction Authority and Toowoomba Regional Council, and the Queensland Government Wireless Network.

Damian holds Bachelor Degrees in Economics and Law, is a graduate of the Australian Institute of Company Directors and has previously been a director of the Infrastructure Association of Queensland.

## Structure

Building Queensland is managed within three groups: Infrastructure Pipeline, Project Assessment and Assurance, and Governance and Business Services.



## Staffing

The number of full-time equivalent positions as at 30 June 2018 is 27. Building Queensland also draws on secondments and interchange agreements from other government departments, contractors, agency staff and advisors for the development of business cases. To the extent practicable, Building Queensland supports part-time and flexible working hours, and promotes a healthy work-life balance. There were no redundancy or early retirement packages paid during the reporting period.

Building Queensland has adopted whole-of-government employee management policies, procedures, directives and standards. All new staff members undergo a corporate induction program that includes orientation to Building Queensland's role and functions, policies and procedures, and information technology and records management systems. Building Queensland supports the principles underlying equal

employment opportunities and actively ensures that its work environment adheres to these principles, the principles of anti-discrimination and the avoidance of sexual harassment and bullying.

Building Queensland staff, including contractors, consultants, students and anyone employed in any other capacity for Building Queensland must adhere to Building Queensland's Code of Conduct. The Code of Conduct provides information on ethical conduct and is aligned to the principles outlined in the *Public Sector Ethics Act 1994*. Information on the Code of Conduct is provided to all new starters during their induction and electronic copies are available on Building Queensland's intranet. Two Code of Conduct training sessions were presented to employees and senior executives during 2017–18.

## Workforce planning

Building Queensland has adopted the Public Service Commission principles in its strategic workforce management, leadership and capability development activities. A tailored Workforce Analysis and Strategic Plan document has been developed during the reporting period and will be implemented in 2018–19.

Personal development plans for employees are developed annually and reviewed six-monthly. Through this process

employees have a clear role in the achievement of Building Queensland's strategic vision. Building Queensland is committed to developing staff and building a culture that drives high standards. This is evidenced by the bi-annual staff educational forums where both internal and external industry and government leaders present information on the latest trends and infrastructure projects.

## Workplace Health and Safety Committee

Building Queensland is committed to ensuring a safe, supportive and healthy working environment for all employees. Our Workplace Health and Safety Committee undertakes monthly meetings to identify and rectify potential hazards.

The Workplace Health and Safety Committee provide updates at regular Building Queensland staff forums to educate and monitor incident reporting. The committee comprises the Chief Executive Officer and three Building Queensland employees.

## Risk management

Building Queensland has a risk management framework that incorporates governance arrangements and risk reporting and analysis. The framework helps ensure Building Queensland achieves its strategic objectives and fulfils its legislative mandate within the *Building Queensland Act 2015*.

Regular risk workshops are held with the Chief Executive Officer and the leadership team to monitor risk management activities and to optimise our ability to meet our strategic objectives. Building Queensland's 2017–2021 Strategic Plan identified the following overarching strategic risks and opportunities including:

- » reputation—demonstrating and maintaining acknowledged expertise
- » stakeholders—managing the diverse expectations of our stakeholders
- » independence—maintaining a respected level of independence
- » efficiency and prioritisation—efficiently and cost-effectively undertaking our functions whilst ensuring effective prioritisation.

These risks are a focus of the Risk and Audit Committee.

## Risk and Audit Committee

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

The committee's responsibilities include:

- » reviewing the financial statements for compliance with prescribed accounting and other requirements
- » overseeing the risk management framework including identifying, monitoring and managing significant risks
- » ensuring fraud and corruption risks are identified, managed and mitigated
- » reviewing internal and external audit plans and monitoring the implementation of audit recommendations
- » ensuring compliance with performance management, monitoring and reporting requirements.

During 2017–18, the committee observed the terms of its charter and had due regard to the Audit Committee Guidelines. The committee's achievements include:

- » endorsed the annual financial statements and monitored the ongoing financial position of Building Queensland
- » considered the financial audit report from the Queensland Audit Office and monitored the implementation of actions

- » considered the procurement audit report from the Corporate Administration Agency and monitored the implementation of audit recommendations
- » considered ongoing corporate governance and compliance activities
- » guided updates to the corporate risk register, including risk treatment plans and their implementation
- » accepted annual assurance plans and reports for project and enterprise activities
- » considered all newly developed and reviewed organisational policies
- » provided advice on fraud and corruption prevention and management.

The Risk and Audit Committee has four members and met four times in the year to June 2018. The CEO, Group Director Governance and Business Services, and representatives from the Queensland Audit Office have standing invitations as observers to attend committee meetings. The Chair of the committee receives \$2,500 (excluding GST) annually to prepare for and attend committee meetings. Other non-government committee members receive \$2,000 (excluding GST) annually.

The Risk and Audit Committee comprises:

COMMITTEE MEMBER	TERM	NUMBER OF MEETINGS
Jacqui Walters (Chair)	Commenced March 2016	4
Dave Stewart	Commenced March 2016	4
Dr Catherin Bull	Commenced June 2018	1
Rachel Hunter	Commenced June 2018	1
James MacKenzie	Retired February 2018	2
Frankie Carroll	Retired December 2017	2



## Internal audit

Operating within Building Queensland's annual budget and meeting the requirements associated with a growing work program, Building Queensland continues to invest in ways to effectively operate and deliver its business while best directing assurance and audit functions.

As a statutory body with limited resourcing, Building Queensland has not established an internal audit service.

## External scrutiny

The Queensland Audit Office undertook a review of Building Queensland's Assurance Framework in 2017–18. The review focused on Building Queensland-led business cases including assurance plans, assurance activity reports, project initiation documents, Board assurance reports and the Business Case Development Framework as it relates to risk and assurance.

An Interim Financial Audit was undertaken by the Queensland Audit Office in March 2018, including an assessment of the internal control environment. No significant issues were reported.

Instead, Building Queensland maintains an internal assurance function to monitor adherence to policies and procedures and assess the effectiveness and efficiency of operations. This risk-based approach includes an option to procure audit services as required. This approach is reflected in Building Queensland's Compliance Management System, Risk Management Policy and other corporate governance arrangements.

An audit of Building Queensland's procurement activities was undertaken by the Corporate Administration Agency in October 2017. The primary objective of the audit was to assess Building Queensland's systems for managing our procurement activities and ensuring consistency with the Queensland Government procurement framework and policy. The audit confirmed that overall current processes were operating effectively. Some minor gaps in process application were identified from the sample testing performed but were considered low risk.

## Information systems and recordkeeping

Building Queensland's electronic records management system, HPE Content Manager, is maintained in compliance with the Public Records Act 2001 and the Right to Information Act 2009. All official records are held in HPE Content Manager—minimal paper records are stored.

Building Queensland is committed to quality records management and contracts the Corporate Administration

Agency for expert information technology services. During 2017–18, HPE Content Manager was upgraded to Version 9.11. The Business Classification System was reviewed and updated to align with our key functions. User training was delivered by the Corporate Administration Agency in April 2018. As Building Queensland has only been in operation for three years, all records are currently retained.

## Open data

No Building Queensland staff travelled overseas for the reporting period.

Information regarding Building Queensland's engagement of consultancies is available on the Queensland Government open data website [www.data.qld.gov.au](http://www.data.qld.gov.au)

# Financial performance

The financial statements included in this annual report provide specific information about Building Queensland's activities for the period 1 July 2017–30 June 2018 and Building Queensland's financial position at the end of that period.

## Operating result

Building Queensland's operating result for the reporting period was a surplus of \$142,000. The table below summarises the financial results of Building Queensland's operations for 2016–17 and 2017–18.

### Summary of financial results of Building Queensland's operations

Category	2017–18 \$'000	2016–17 \$'000
Total income	23,379	17,165
Total expenses	23,237	15,752
Operating results for the year	142	1,413

## Revenues

Revenue predominately relates to funding from the Queensland Government of \$7.271 million for operations of Building Queensland and cost recoveries of \$15.783 million for business case development. Building Queensland's total revenue has increased significantly due to an increase in the number of business cases led or assisted by Building Queensland.

## Expenses

Expenses predominately relate to employee expenses of \$4.648 million and costs for business case development of \$18.369 million. The increased volume of business cases generated significantly higher expenses.

## Operating results

The reduction of operational funding combined with the increased number of business cases resulted in a decrease of \$1.271 million in operating results.

## Financial position

The total equity position reported in the financial statements illustrates the net worth of Building Queensland. At 30 June 2018, this was \$3.387 million. The table below summarises Building Queensland's financial position for 2016–17 and 2017–18.

### Summary of financial position—assets and liabilities

Category	2017–18 \$'000	2016–17 \$'000
Total assets	7,815	5,477
Total liabilities	4,428	2,232
Total equity	3,387	3,245

The growth in total asset and total liabilities is associated with the increased number of business cases led or assisted by Building Queensland during 2017–18.



# **Building Queensland Financial Statements**

**for the year ended 30 June 2018**

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# Building Queensland Financial Statements for the year ended 30 June 2018

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***Building Queensland***  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2018**

		2018	2017
	Notes	\$'000	\$'000
<b>Income from Operations</b>			
User charges and fees	2.	15,783	9,038
Grants and contributions	3.	7,271	8,054
Other income	4.	260	-
Interest income		65	73
		<hr/>	<hr/>
<b>Total Income from Operations</b>		23,379	17,165
		<hr/>	<hr/>
<b>Expenses from Operations</b>			
Supplies and services	6.	18,369	10,942
Employee expenses	5.	4,648	4,626
Depreciation	10.	123	121
Other expenses	7.	97	63
		<hr/>	<hr/>
<b>Total Expenses from Operations</b>		23,237	15,752
		<hr/>	<hr/>
<b>Operating Result from Operations</b>		142	1,413
		<hr/>	<hr/>
<b>Other Comprehensive Income</b>		-	-
		<hr/>	<hr/>
<b>Total Comprehensive Income</b>		142	1,413
		<hr/>	<hr/>

*The accompanying notes form part of these financial statements.*

**Building Queensland**  
**Statement of Financial Position**  
**as at 30 June 2018**

		2018	2017
	Notes	\$'000	\$'000
<b>Current Assets</b>			
Cash and cash equivalents	8.	2,015	2,305
Trade and other receivables	9.	5,774	3,005
Other current assets		13	38
<b>Total Current Assets</b>		<b>7,802</b>	<b>5,348</b>
<b>Non-Current Assets</b>			
Plant and equipment	10.	13	129
<b>Total Non-Current Assets</b>		<b>13</b>	<b>129</b>
<b>Total Assets</b>		<b>7,815</b>	<b>5,477</b>
<b>Current Liabilities</b>			
Trade and other payables	11.	4,256	1,798
Employee benefit obligations	12.	172	154
Make good provision	13.	-	260
Lease liabilities	14.	-	20
<b>Total Current Liabilities</b>		<b>4,428</b>	<b>2,232</b>
<b>Total Liabilities</b>		<b>4,428</b>	<b>2,232</b>
<b>Net Assets</b>		<b>3,387</b>	<b>3,245</b>
<b>Equity</b>			
Accumulated surplus		3,387	3,245
<b>Total Equity</b>		<b>3,387</b>	<b>3,245</b>

*The accompanying notes form part of these financial statements.*

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***Building Queensland***  
Statement of Changes in Equity  
for the year ended 30 June 2018

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	<b>Accumulated Surplus \$'000</b>
<b>Balance as at 1 July 2016</b>	1,832
Operating Result from Operations	1,413
	<hr/>
<b>Balance as at 30 June 2017</b>	3,245
	<hr/>
<b>Balance as at 1 July 2017</b>	3,245
Operating Result from Operations	142
	<hr/>
<b>Balance as at 30 June 2018</b>	3,387
	<hr/>

*The accompanying notes form part of these financial statements.*

***Building Queensland***  
**Statement of Cash Flows**  
**for the year ended 30 June 2018**

	2018	2017
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
<i>Inflows:</i>		
Grants and other contributions	7,271	8,054
User charges and fees	12,982	7,724
GST collected from customers	1,892	963
GST input tax credits from ATO	1,760	1,008
Interest receipts	65	73
<i>Outflows:</i>		
Employee expenses	(4,670)	(4,619)
Supplies and services	(16,796)	(10,442)
GST paid to suppliers	(1,890)	(1,090)
GST remitted to ATO	(1,690)	(870)
Other	(97)	(63)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,173)</b>	<b>738</b>
<b>Cash flows from investing activities</b>		
<i>Inflows:</i>		
NWIDF funds received	890	-
<i>Outflows:</i>		
Payments for plant and equipment	(7)	(12)
<b>Net cash provided by (used in) investing activities</b>	<b>883</b>	<b>(12)</b>
Net increase (decrease) in cash held	(290)	726
Cash and cash equivalents at beginning of financial year	2,305	1,579
<b>Cash and cash equivalents at end of financial year</b>	<b>2,015</b>	<b>2,305</b>
<b>Reconciliation of Operating Result to Net Cash Provided from Operating Activities</b>		
Operating surplus	142	1,413
Reversal of make good provision	(260)	-
Depreciation expense	123	121
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	(2,769)	(1,319)
(Increase)/decrease in other current assets	25	(27)
Increase/(decrease) accounts payable	1,568	511
Increase/(decrease) in accrued employee benefits	18	23
Increase/(decrease) in lease liabilities	(20)	16
<b>Net cash provided by (used in) Operating Activities</b>	<b>(1,173)</b>	<b>738</b>

*The accompanying notes form part of these financial statements.*



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# ***Building Queensland***

## **Notes to and forming part of the financial statements for the year ended 30 June 2018**

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### Basis of Financial Statement Preparation

Note 1:	Objectives and principal activities of Building Queensland
Note 2:	User charges and fees
Note 3:	Grants and contributions
Note 4:	Other income
Note 5:	Employee expenses
Note 6:	Supplies and services
Note 7:	Other expenses
Note 8:	Cash and cash equivalents
Note 9:	Trade and other receivables
Note 10:	Plant and equipment and depreciation expense
Note 11:	Trade and other payables
Note 12:	Employee benefit obligations
Note 13:	Make good provision
Note 14:	Lease liabilities
Note 15:	Financial risk disclosures
Note 16:	Contingencies
Note 17:	Commitments
Note 18:	Economic dependency
Note 19:	Key management personnel (KMP) disclosures
Note 20:	Related party transactions
Note 21:	First year application of new accounting standards of change in policy
Note 22:	Future impact of accounting standards not yet effective
Note 23:	Taxation
Note 24:	Accounting estimates and judgements
Note 25:	Events after the balance date

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# ***Building Queensland***

## **Notes to and forming part of the financial statements for the year ended 30 June 2018**

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### **Basis of Financial Statement Preparation**

#### **General Information**

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

The head office and principal place of business of Building Queensland is Level 30, 12 Creek Street, Brisbane, Queensland, 4000.

#### **Compliance with Prescribed Requirements**

Building Queensland has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting period beginning on or after 1 July 2017.

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

No new accounting standards have been applied in these financial statements, refer to Note 21 for further detail.

#### **Presentation**

##### *Currency and Rounding*

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

##### *Comparatives*

Comparative information reflects the audited 2016-17 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 statutory body does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

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

#### **Budgetary Reporting**

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

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

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# ***Building Queensland***

## **Notes to and forming part of the financial statements for the year ended 30 June 2018**

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### **Implementation of the Shared Services Initiative**

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

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

### **Authorisation of financial statements for issue**

The financial statements are authorised for issue by the Chief Executive Officer and Group Director Governance and Business Services at the date of signing the Management Certificate.

### **Basis of Measurement**

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

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

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# ***Building Queensland***

**Notes to and forming part of the financial statements  
for the year ended 30 June 2018**

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## **1. Objectives and principal activities of Building Queensland**

Building Queensland provides objective and transparent advice to the Queensland Government to enhance infrastructure outcomes for Queensland.

We work with Queensland Government departments, government-owned corporations and statutory authorities providing strategic advice and assisting with early stage development of projects.

One of our key functions is to develop rigorous business cases for projects. Using transparent and disciplined frameworks, including cost benefit analysis, our team of experts assist with business cases on projects where potential government investment is between \$50-\$100 million and lead the preparation of business cases where investment exceeds \$100 million. We will also lead the procurement or delivery of projects if directed.

Infrastructure projects that we believe should be prioritised to meet the State's needs are identified in our pipeline of priority projects. This pipeline, based on rigorous analysis and assessment of projects, will underpin future state infrastructure plans.

We are committed to sharing our expertise because we believe infrastructure decision-making should be based on transparent analysis. We will regularly publish our work, including project summaries and cost benefit analysis summaries, on our website.

# Building Queensland

## Notes to and forming part of the financial statements for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
<b>2. User charges and fees</b>		
User charges and fees	15,783	9,038
<b>Total</b>	<b>15,783</b>	<b>9,038</b>

### Accounting Policy

User charges and fees are recognised as revenue when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This occurs upon delivery of the goods to the customer or completion of the requested services at which time the invoice is raised. Accrued revenue is recognised if the revenue has been earned but not yet invoiced, and can be measured reliably.

User charges and fees are the value of business case development costs that have been recovered or are recoverable from business case owner agencies.

### 3. Grants and contributions

Grants	7,271	8,054
<b>Total</b>	<b>7,271</b>	<b>8,054</b>

The entire 2017-18 grant was provided by the Department of Local Government, Racing and Multicultural Affairs - formerly known as the Department of Local Government, Infrastructure and Planning - for the purpose of funding the operations and strategic objectives of Building Queensland.

The Department of State Development, Manufacturing, Infrastructure and Planning became Building Queensland's administrative department, as a result of the 2017 Machinery of Government changes. The department is therefore now responsible for the operations and grant funding for Building Queensland.

The grant does not require any goods or services to be provided in return. Corresponding revenue is recognised in the year in which the statutory body obtains control over the grant/contribution (control is generally obtained at the time of receipt). The grant is non-reciprocal in nature.

No contributed physical assets were received in 2017-18.

### Disclosure about Grant Funding Received

The grant revenue is non-reciprocal in nature. The terms of the grant are that it must be used to fund Building Queensland's base corporate operations. The grant has been recognised in its entirety upon receipt as the statutory body has met the grant agreement's conditions entitling it to receipt of the funding.

The statutory body has complied with its obligations under the grant agreement. Consequently, no liability has been recognised for any unspent funding to be returned to the Department of State Development, Manufacturing, Infrastructure and Planning at reporting date. In future years, the department will reassess the existence (or otherwise) of any obligation to return any unspent funding having regard to the terms and conditions of the grant agreement including whether any directive is received to repay funds from the administrative department.

# Building Queensland

## Notes to and forming part of the financial statements for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
<b>4. Other income</b>		
Reversal of make good provision	260	-
<b>Total</b>	<b>260</b>	<b>-</b>

Building Queensland's lease with the Department of Housing and Public Works for level 30, 12 Creek Street, expired on 30 June 2018. This lease contained a make good clause. Building Queensland provided for the cost of make good works by recognising a make good provision, refer to Note 13 for further detail. Building Queensland signed a new lease with the Department of Housing and Public Works on 1 June 2018. The lease is effective 1 July 2018. The new lease does not contain a make good clause. Building Queensland were released from the make good obligation with respect to the lease that expired on 30 June 2018.

### 5. Employee expenses

#### *Employee benefits*

Wages and salaries	3,488	3,516
Employer superannuation contributions	428	381
Annual leave levy	330	287
Long service leave levy	77	64
Other employee benefits	12	24

#### *Employee related expenses*

Workers' compensation premium	8	13
Payroll tax	180	170
Other employee related expenses	125	171

<b>Total</b>	<b>4,648</b>	<b>4,626</b>
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	2018 No.	2017 No.
Full-time equivalent employees	27	27

#### **Accounting Policy - Wages and Salaries**

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

#### **Accounting Policy - Sick Leave**

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

#### **Accounting Policy - Annual Leave**

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for statutory bodies, commercialised business units and shared service providers. Under this scheme, a levy is made on the statutory body to cover the cost of employees' annual 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 are claimed from the scheme quarterly in arrears.

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# ***Building Queensland***

## **Notes to and forming part of the financial statements for the year ended 30 June 2018**

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### **5. Employee expenses (cont'd)**

#### **Accounting Policy - Long Service Leave**

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

#### **Accounting Policy - Superannuation**

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

Defined Contribution Plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

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

#### **Accounting Policy - Workers' Compensation Premiums**

Building Queensland pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

Key Management personnel and remuneration disclosures are detailed in Note 19.

# Building Queensland

## Notes to and forming part of the financial statements for the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
<b>6. Supplies and services</b>		
Consultants and contractors	16,663	9,269
Operating leases	794	920
Other	485	380
Corporate service charges	427	373
<b>Total</b>	<b>18,369</b>	<b>10,942</b>

### Accounting Policy - Distinction between Grants and Procurement

For a transaction to be classified as supplies and services, the value of goods or services received by the statutory body must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant expense.

### Accounting Policy - Operating Lease Rentals

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred. Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability. Building Queensland's lease expired on 30 June 2018, therefore, the balance of the lease liability at 30 June 2018 is \$0.

### Disclosure - Operating Leases

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities. Lease terms extend over a period of 5 years. The statutory body has no option to purchase the leased item at the conclusion of the lease. There is no provision for extension of terms in the current lease. At reporting date, Building Queensland have negotiated and signed a new agreement with the Department of Housing and Public Works, which is effective 1 July 2018.

Operating lease rental expenses comprises the minimum lease payments payable under operating lease contracts. Lease payments are generally fixed, but the inflation escalation clauses on which contingent rentals are determined.

### 7. Other expenses

Queensland Audit Office - external audit fees for the audit of financial statements <sup>(a)</sup>	50	29
Insurance	32	19
Sponsorships	15	15
<b>Total</b>	<b>97</b>	<b>63</b>

(a) Total audit fees quoted by the Queensland Audit Office relating to the 2017-18 financial statements are \$45,000 (2017: \$39,500). There are no non-audit services included in this amount.

### 8. Cash and cash equivalents

Cash at bank	2,015	2,305
<b>Total</b>	<b>2,015</b>	<b>2,305</b>

### Accounting Policy

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June 2018.



# Building Queensland

## Notes to and forming part of the financial statements for the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
<b>9. Trade and other receivables</b>		
Accrued revenue	3,161	1,350
Trade debtors	2,537	1,547
	<hr/>	<hr/>
	5,698	2,897
GST receivable	315	185
GST payable	(326)	(124)
	<hr/>	<hr/>
	(11)	61
Long service leave reimbursements	34	-
Annual leave reimbursements	53	47
	<hr/>	<hr/>
	87	47
	<hr/>	<hr/>
<b>Total</b>	<b>5,774</b>	<b>3,005</b>

### Accounting policy - Receivables

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

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

### Disclosure - Credit Risk Exposure of Receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets.

No collateral is held as security and no credit enhancements relate to receivables held by the statutory body.

All receivables have been assessed and are expected to be fully collectible. They are considered of good credit quality based on recent collection history. Credit risk management strategies are detailed in Note 15.

## 10. Plant and equipment and depreciation expense

### Accounting Policy - Recognition

#### Basis of Capitalisation and Recognition Thresholds

Items of plant and equipment with a historical cost or other value equal to or exceeding the following thresholds in the year of acquisition are reported as Plant and Equipment for the following class:

Plant and Equipment      \$5,000

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

### Accounting Policy - Cost of Acquisition

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

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# **Building Queensland**

## **Notes to and forming part of the financial statements for the year ended 30 June 2018**

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### **10. Plant and equipment and related depreciation expense (cont'd)**

#### **Accounting Policy - Measurement Using Historical Cost**

Plant and equipment is measured at historical cost in accordance with the Queensland Treasury Non-current Asset Policies. The carrying amounts for such plant and equipment is not materially different from their fair value.

#### **Accounting policy - depreciation expense**

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost of each asset, less any estimated residual value, progressively over its estimated useful life to Building Queensland.

Depreciation rates for each class of depreciable asset:

<b>Class</b>	<b>Rate</b>
Plant and equipment	20%

#### **Plant and equipment - balances and reconciliations of carrying amount**

	<b>Plant and Equipment</b>	
	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Gross *	26	279
Less: accumulated depreciation plant and equipment	(13)	(150)
<b>Carrying amount at 30 June</b>	<b>13</b>	<b>129</b>
<i>Represented by movements in carrying amount</i>		
Carrying amount at 1 July	129	238
Acquisitions	7	12
Depreciation for period	(123)	(121)
<b>Carrying amount at 30 June</b>	<b>13</b>	<b>129</b>

\* Building Queensland disposed of the leasehold improvement asset at 30 June 2018. The asset's carrying amount was \$0.

# Building Queensland

## Notes to and forming part of the financial statements for the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
<b>11. Trade and other payables</b>		
Accrued expenses	2,506	1,047
Grants payable	890	-
Trade creditors	821	716
Payroll tax	20	17
Corporate card	19	18
<b>Total</b>	<b>4,256</b>	<b>1,798</b>

### Accounting Policy - Accrued Expenditure

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

### Accounting Policy - Grant Payable

Grants payable are recognised upon the receipt of funds and are measured at the nominal amount.

The grant payable at 30 June 2018 is the first tranche of a Commonwealth National Water Infrastructure Development Fund (NWIDF) grant. The total value of the grant is \$4.39 million (ex GST). The grant was awarded to the Queensland Government, for the development of the Nullinga Dam and Mareeba Dimbulah Water Supply Scheme business case.

Building Queensland is responsible for leading the development of the business case, under the Building Queensland Act 2015. Sunwater Ltd are the business case proponent.

Building Queensland entered into a binding agreement with Sunwater Ltd to remit the funds to Sunwater Ltd, upon the receipt from Department of Natural Resources Mines and Energy (DNRME). DNRME is not permitted to remit the funds directly to Sunwater Ltd, as it is a government-owned corporation.

Building Queensland received the first tranche of NWIDF funding from DNRME on 29 June 2018, upon the completion of the first project milestone. The remaining two project milestones fall within the 2018-19 financial year.

At balance date the funds had been received from DNRME but not yet remitted to Sunwater Ltd. It is therefore disclosed as a grant payable.

### Accounting Policy - Trade Creditors

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

# Building Queensland

## Notes to and forming part of the financial statements for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
<b>12. Employee benefit obligations</b>		
<i>Current</i>		
Salary and wage related	61	54
Annual leave levy payable	84	75
Long service leave levy payable	19	17
Superannuation	8	8
<b>Total</b>	<b>172</b>	<b>154</b>

### Accounting policy

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

<b>13. Make good provision</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
<i>Current</i>		
Make good provision	-	260
<b>Total</b>	<b>-</b>	<b>260</b>
<b>Movement</b>		
Balance at 1 July	260	260
Removal of provision on renegotiation of lease	(260)	-
<b>Total</b>	<b>-</b>	<b>260</b>

### 14. Lease liabilities

Building Queensland is not party to any finance leases as at 30 June 2018.

Operating lease payments for accommodation space are representative of the pattern of benefits derived from the leased assets and are expensed on a straight line basis over the life of the lease.

	<b>2018 \$'000</b>	<b>2017 \$'000</b>
<i>Current</i>		
Commercial rent - current	-	20
<b>Total</b>	<b>-</b>	<b>20</b>

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# ***Building Queensland***

## **Notes to and forming part of the financial statements for the year ended 30 June 2018**

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### **15. Financial risk disclosures**

#### **Financial instrument categories**

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

<b>Category</b>	<b>Note</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
<b>Financial assets</b>			
Cash and cash equivalents	8.	2,015	2,305
Trade and other receivables	9.	5,774	3,005
<b>Total Financial assets</b>		<b>7,789</b>	<b>5,310</b>
<b>Financial liabilities</b>			
Financial liabilities measured at amortised cost:			
Trade and other payables	11.	4,256	1,798
<b>Total Financial liabilities at amortised cost</b>		<b>4,256</b>	<b>1,798</b>

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

No financial assets were past due or impaired as at 30 June 2018.

# Building Queensland

## Notes to and forming part of the financial statements for the year ended 30 June 2018

### 15. Financial risk disclosures (cont'd)

#### Financial risk management

##### (a) Risk exposure

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

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

Risk Exposure	Definition	Exposure
Credit Risk	Credit risk exposure refers to the situation where Building Queensland may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	Building Queensland is exposed to credit risk in respect of its trade and other receivables (Note 9).
Liquidity Risk	Liquidity risk refers to the situation where Building Queensland may encounter difficulty in meeting its financial obligations that are settled by delivering cash or another financial asset.	Building Queensland is exposed to liquidity risk in respect of its trade and other payables (Note 11).
Market Risk	The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.	Building Queensland does not trade in foreign currency and is not materially exposed to commodity price changes or other market changes. Building Queensland are not materially exposed to interest rate risk through its cash deposited in interest bearing accounts.

##### (b) Risk Measurement and Management Strategies

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

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

# Building Queensland

## Notes to and forming part of the financial statements for the year ended 30 June 2018

### 16. Contingencies

There are no material legal or any other contingencies that are known to Building Queensland at 30 June 2018.

### 17. Commitments

#### Non-cancellable operating lease commitments

Negotiations are under way in relation to future lease agreement for office space. Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2018 \$'000	2017 \$'000
Not later than 1 year	673	876
Later than 1 year but not later than 5 years	3,018	-
	<u>3,691</u>	<u>876</u>

### 18. Economic dependency

Building Queensland is dependent on a State grant of \$7.513m for 2018-19 (\$7.271m for 2017-18) to ensure its continued existence and ability to carry out its normal activities.

### 19. Key management personnel (KMP) disclosures

#### Details of key management personnel

As from 2017-18, Building Queensland's responsible Minister is identified as part of Building Queensland's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*.

The Minister for State Development, Manufacturing, Infrastructure and Planning became Building Queensland's responsible Minister on 12 December 2017, as a result of the December 2017 Machinery of Government (MOG) changes. The responsible Minister before this date, was the Deputy Premier, Minister for Transport and Minister for Infrastructure and Planning

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Building Queensland during 2017-18.

Position	Position Responsibility
Chief Executive Officer (CEO)	Responsible for the day-to-day administration of Building Queensland and is accountable to the Board.
Executive Director	Responsible for leading the activities of the Project Assessment and Assurance team including the development of business cases, along with the project assurance and frameworks team. The Executive Director also provides strategic direction in leading key deliverables for Building Queensland
Group Director, Governance and Business Services	Responsible for the management of corporate services (including finance, HR, procurement, IT, contracts) and is accountable to the CEO.
Chair	Leading and directing the activities of the Board to ensure the Board performs its functions appropriately.
Board members	Responsible for the governance and strategic direction of Building Queensland while ensuring it is responsive to stakeholder priorities.

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# ***Building Queensland***

## **Notes to and forming part of the financial statements for the year ended 30 June 2018**

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### **19. Key management personnel (KMP) disclosures (cont'd)**

#### **KMP Remuneration Policies**

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. Building Queensland does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements as from 2016-17, which are published as part of Queensland Treasury's Report on State Finances.

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

Remuneration expenses for those KMP comprise the following components:

Short term employee expenses, including:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position;
- performance payments - no performance payments were made to the key management personnel of Building Queensland during the period; and
- non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

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

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

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



# Building Queensland

## Notes to and forming part of the financial statements for the year ended 30 June 2018

### 19. Key management personnel (KMP) disclosures (cont'd)

#### Remuneration expenses

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

#### 2017-18

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	327	5	7	21	0	360
Executive Director (from 11/07/2017)	198	4	4	17	0	223
Group Director, Governance and Business Services (Long-term leave) 2/1/2018 - 19/10/2018	89	4	35	18	0	146
Group Director, Governance and Business Services (from 2/1/2018)	72	1	1	8	0	82
Chair	50	0	0	5	0	55
Director	29	0	0	3	0	32
Director (to 14/02/2018)	19	0	0	2	0	21
Director	27	0	0	3	0	30
Director	27	0	0	3	0	30
<b>Total Remuneration</b>	<b>838</b>	<b>14</b>	<b>47</b>	<b>80</b>	<b>0</b>	<b>979</b>

#### 2016-17

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer 1 July 2016 - 17 Feb 2017	271	0	4	29	0	304
Chief Executive Officer 20 Feb 2017 - 30 June 2017	117	0	2	10	0	129
Group Director, Governance and Business Services	133	0	3	16	0	152
Chair	50	0	0	5	0	55
Director	29	0	0	3	0	32
Director	29	0	0	3	0	32
Director	27	0	0	3	0	30
Director	27	0	0	3	0	30
<b>Total Remuneration</b>	<b>683</b>	<b>0</b>	<b>9</b>	<b>72</b>	<b>0</b>	<b>764</b>

Three board members are not remunerated as they are Public Sector employees.

# Building Queensland

## Notes to and forming part of the financial statements for the year ended 30 June 2018

### 20. Related party transactions

#### *Transactions with people/entities related to KMP*

In 2016-17, Alan Millhouse, Chair of Building Queensland, was engaged as a consultant to national legal firm Allens. Building Queensland engaged Allens during these periods for legal advice on the development of the Business Case for the Public Safety Regional Radio Communications Project. Alan Millhouse did not participate in the process to appoint Allens for provision of the legal advice, and did not contribute to the provision of any advice from Allens to Building Queensland. These are not related party transactions. There are no transactions to disclose for 2017-18.

#### *Transactions with other Queensland Government-controlled entities*

Building Queensland transacts with other Queensland Government-controlled entities in the conduct of its day-to-day business operations under normal terms and conditions, including the payment of workers compensation and insurance premiums. Building Queensland received its grant revenue from the Department of Local Government, Racing and Multicultural Affairs (formerly known as Department of Infrastructure, Local Government and Planning.)

The statutory body derives user charges revenue from the provision of business case advice and preparation services, charged on a cost pass-through basis.

The statutory body holds a number of service level and partnering agreements with other Queensland Government controlled entities, including:

- The Department of State Development, Manufacturing, Infrastructure and Planning provides the statutory body with corporate services relating to Ethics and Integrity
- The Corporate Administration Agency provides the statutory body with corporate business services and technology solutions to support finance and human resources transactions.

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

<b>Revenue</b>			
<b>Agency</b>	<b>Nature</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Former Department of Energy & Water	Cost recovery for Business Case development	45	521
Department of Justice & Attorney General	Cost recovery for Business Case development	353	1,811
Department of Transport & Main Roads	Cost recovery for Business Case development	4,930	3,549
Gladstone Area Water Board	Cost recovery for Business Case development	694	199
Queensland Ambulance Services	Cost recovery for Business Case development	339	725
Queensland Fire & Emergency Services	Cost recovery for Business Case development	339	738
Queensland Police Service	Cost recovery for Business Case development	339	657
Sunwater Ltd	Cost recovery for Business Case development	935	199
Metro North Hospital & Health Service	Cost recovery for Business Case development	2,360	82
Metro South Hospital & Health Service	Cost recovery for Business Case development	2,130	-
Cross River Rail Delivery Authority	Cost recovery for Business Case development	321	-
Department of Education	Cost recovery for Business Case development	1,091	-
Department of Housing & Public Works	Cost recovery for Business Case development	631	-

# Building Queensland

## Notes to and forming part of the financial statements for the year ended 30 June 2018

### 20. Related party transactions (cont'd)

<b>Expenses</b>			
<b>Agency</b>	<b>Nature</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Department of Housing and Public Works	Commercial Office Rent	1,000	789
Corporate Administration Agency	Corporate services provider and technology solutions	514	410
Department of State Development, Manufacturing, Infrastructure and Planning	Ethics and integrity services	13	32

In August 2016, Sunwater Ltd and the Gladstone Area Water Board (GAWB) engaged Building Queensland to lead and prepare a Detailed Business Case for the Lower Fitzroy River Infrastructure Project (LFRIP). In June 2018, Sunwater Ltd engaged Building Queensland to lead and prepare a Detailed Business Case for the Nullinga Dam and Mareeba Dimbulah Water Supply Scheme.

Commonwealth National Water Infrastructure Development Fund (NWIDF) grants of \$2.2 million (incl GST) and \$4.8 million (incl GST), respectively, were awarded to the Queensland Government to assist the proponents in furthering their business case. Sunwater Ltd and Gladstone Area Water Board (GAWB) were the ultimate intended recipients of the grant funds.

Building Queensland claimed the grant funds from Department of Energy and Water and Department of Natural Resources, Mines and Energy (DNRME) upon the completion of agreed milestones. Building Queensland met all milestones in relation to the LFRIP Detailed Business Case during the 2017-18 financial year. Building Queensland met the first project milestone for Mareeba Dimbulah Water Supply Scheme and claimed \$979,000 (incl GST) from DNRME.

Building Queensland then remitted the funds to Sunwater Ltd and Gladstone Area Water Board, for the LFRIP Detailed Business Case. Building Queensland is due to remit the \$979,000 (incl GST) to Sunwater Ltd early in the 2018-19 financial year.

The table below represents 2017-18 NWIDF cash flows (incl GST) for the LFRIP and Nullinga Dam Mareeba Dimbulah Water Supply Scheme business cases.

<b>NWIDF Funds Received</b>	
<b>Agency</b>	<b>\$'000</b>
Department of Energy and Water	1,100
Department of Natural Resources, Mines and Energy	2,079

<b>NWIDF Funds Disbursed</b>	
<b>Agency</b>	<b>\$'000</b>
Sunwater Ltd	1,100
Gladstone Area Water Board	1,100

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# ***Building Queensland***

## **Notes to and forming part of the financial statements for the year ended 30 June 2018**

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### **21. First year application of new accounting standards of change in policy**

#### **Changes in accounting policy**

Building Queensland did not voluntarily change any of its accounting policies during 2017-18.

#### **Accounting standards early adopted**

No Australian Accounting Standards have been early adopted for 2017-18.

#### **Accounting standards applied for the first time in 2017-18**

No Australian Accounting Standards have been applied for the first time in 2017-18.

### **22. Future impact of accounting standards not yet effective**

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

#### ***AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers***

These standards will first apply to the statutory body from its financial statements for 2019-20.

Building Queensland has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report are as follows:

- Under the new standards, other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. Building Queensland is yet to evaluate the existing grant arrangements as to whether revenue from those grants could be deferred under the new requirements.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Building Queensland receives several grants for which there are no sufficiently specific performance obligations - these grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.
- Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of Building Queensland's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that Building Queensland has received cash but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). Building Queensland is yet to complete its analysis of existing arrangements for sale of its goods and services and the impact, if any, on revenue recognition has not yet been determined.
- A range of new disclosures will also be required by the new standards in respect of Building Queensland's revenue.

#### ***AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)***

These standards will first apply to Building Queensland from its financial statements for 2018-19, with a 1 July 2018 date of transition. The main impacts of these standards on Building Queensland are that they will change the requirements for the classification, measurement, impairment and disclosures associated with Building Queensland's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

Building Queensland has reviewed the impact of AASB 9 on the classification and measurement of its financial assets. The following summarises the estimated impact (or ranges of estimates) of AASB 9 will change the categorisation and valuation of the amounts reported in Note 15:

- There will be no change to either the classification or valuation of the cash and cash equivalent item.

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# **Building Queensland**

## **Notes to and forming part of the financial statements for the year ended 30 June 2018**

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### **22. Future impact of accounting standards not yet effective (cont'd)**

- Trade receivables will be classified and measured at amortised cost, similar to the current classification of loans and receivables. However, new impairment requirements will result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. Building Queensland will be adopting the simplified approach under AASB 9 and measure lifetime expected credit losses on all trade receivables and contract assets using a provision matrix approach as a practical expedient to measure the impairment provision. At 30 June 2018, Building Queensland did not recognise a provision for the impairment of receivables. The impact of AASB 9 is therefore minimal.
- Trade receivables are not impaired. No impairment provision will be raised on transition.
- All financial liabilities listed in Note 15 will continue to be measured at amortised cost. Building Queensland does not expect a material change in the reported value of financial liabilities.

These changed amounts will form the opening balance of those item on the date AASB 9 is adopted. However, Building Queensland will not restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. Aside from a number of one-off disclosures in the 2018-19 financial statements to explain the impact of adopting AASB 9, a number of new or changed disclosure requirements will apply from that time. Assuming no change in the types of financial instruments that Building Queensland enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment.

### **AASB 16 Leases**

This standard will first apply to Building Queensland from reporting period 2019-20. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases – Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

#### **Impact for Lessees**

Unlike AASB 117 *Leases*, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16. There will be a significant increase in assets and liabilities for agencies that lease assets. The impact on the reported assets and liabilities would be largely in proportion to the scale of Building Queensland's leasing activities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the commencement date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

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# **Building Queensland**

## **Notes to and forming part of the financial statements for the year ended 30 June 2018**

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### **22. Future impact of accounting standards not yet effective (cont'd)**

Building Queensland has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure required. The exact impact will not be known until the year of transition. However, assuming the statutory bodies current operating lease commitments (see Note 17) were recognised 'on-balance sheet' at transition, the expected increase in lease liabilities (with a corresponding right-of-use asset) is estimated to be \$3.691m. The reclassification between supplies and services expense and depreciation/interest has not yet been estimated.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to Building Queensland's activities, or have no material impact on Building Queensland.

### **23. Taxation**

The Statutory Body is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by Building Queensland. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note 9).

### **24. Accounting estimates and judgements**

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

### **25. Events after the balance date**

There were no significant events occurring after balance date.

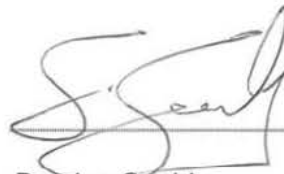
## Management Certificate for Building Queensland

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Building Queensland for the period ended 30 June 2018 and of the financial position of the entity at the end of that period; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Alan Millhouse  
Chair



Damian Gould  
Chief Executive Officer

Date: 24 August 2018

Date: 24 August 2018

## INDEPENDENT AUDITOR'S REPORT

To the Board of Building Queensland

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Building Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2018, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

#### Basis for opinion

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

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

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

#### Other information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

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 entity for the financial report**

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

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

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

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

### **Report on other legal and regulatory requirements**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

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



28 August 2018

Vaughan Stemmett  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

# Compliance checklist

SUMMARY OF REQUIREMENT		BASIS FOR REQUIREMENT	ANNUAL REPORT REFERENCE
<b>Letter of compliance</b>	» A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	p.2
<b>Accessibility</b>	» Table of contents	ARRs – section 9.1	p.1
	» Glossary		N/A
	» Public availability	ARRs – section 9.2	Inside front cover
	» Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Inside front cover
	» Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	Inside front cover
	» Information licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Inside front cover
<b>General information</b>	» Introductory information	ARRs – section 10.1	p.3
	» Agency role and main functions	ARRs – section 10.2	p.4
	» Operating environment	ARRs – section 10.3	p.14
<b>Non-financial performance</b>	» Government's objectives for the community	ARRs – section 11.1	p.14
	» Other whole-of-government plans / specific initiatives	ARRs – section 11.2	p.14
	» Agency objectives and performance indicators	ARRs – section 11.3	p.6-13
	» Agency service areas and service standards	ARRs – section 11.4	N/A
<b>Financial performance</b>	» Summary of financial performance	ARRs – section 12.1	p.24
<b>Governance – management and structure</b>	» Organisational structure	ARRs – section 13.1	p.20
	» Executive management	ARRs – section 13.2	p.15-20
	» Government bodies (statutory bodies and other entities)	ARRs – section 13.3	buildingqueensland.qld.gov.au
	» <i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	p.21
	» Queensland public service values	ARRs – section 13.5	p.14

SUMMARY OF REQUIREMENT		BASIS FOR REQUIREMENT	ANNUAL REPORT REFERENCE
<b>Governance – risk management and accountability</b>	» Risk management	ARRs – section 14.1	p.21
	» Audit committee	ARRs – section 14.2	p.22
	» Internal audit	ARRs – section 14.3	p.23
	» External scrutiny	ARRs – section 14.4	p.23
	» Information systems and recordkeeping	ARRs – section 14.5	p.23
<b>Governance – human resources</b>	» Workforce planning and performance	ARRs – section 15.1	p.21
	» Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i>  Directive No.16/16 <i>Early Retirement, Redundancy and Retrenchment (from 20 May 2016)</i>  ARRs – section 15.2	p.21
<b>Open Data</b>	» Statement advising publication of information	ARRs – section 16	p.23
	» Consultancies	ARRs – section 33.1	p.23
	» Overseas travel	ARRs – section 33.2	p.23
	» Queensland Language Services Policy	ARRs – section 33.3	N/A
<b>Financial statements</b>	» Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	p.53
	» Independent Auditor’s Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	p.54

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



[buildingqueensland.qld.gov.au](http://buildingqueensland.qld.gov.au)

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