

06 Financial performance

Chief Finance Officer's report

Financial Assurance and Risk Management

Section 77(2)(b) of the *Financial Accountability Act 2009* requires the Chief Finance Officer of the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships to provide the accountable officer with a statement on whether the department's internal financial controls are operating efficiently, effectively and economically.

The 2021–2022 Statement of Assurance provided to the Director-General satisfies all requirements of the *Financial and Performance Management Standard 2019*. The statement was also provided to the department's Audit and Risk Committee.

The statement indicated no deficiencies or breakdowns in internal controls that would impact adversely on the department's financial governance or financial statements for the year.

The department manages financial risks and liabilities by reviewing its financial performance through the corporate governance framework. To help us manage risks, the department's Audit and Risk Committee oversees audit activities, audit recommendations, financial reporting, internal controls and compliance. For more information on our financial performance, please refer to Appendix 6: Financial Statements on page 83.

Financial Performance

The department's strong fiscal discipline resulted in an operating surplus of \$31.191 million for 2021–2022. Importantly, this result included the effects of asset revaluation increases of \$28.569 million.

Income

Our income in 2021–2022 was \$336.127 million, with the major sources of income being the Queensland and Australian governments for the provision of services.

Income by category for the year ended 30 June 2022:

Income	Income %	\$ Million
Appropriation Revenue	84.2%	282.968
User Charges	3.1%	10.412
Grants and other contributions	3.3%	11.209
Other revenue	0.9%	2.969
Reversal of Asset Revaluation Decrement	8.5%	28.569
Total Income		336.127

User charges include revenues to offset costs associated Disability Worker Screening applications for individuals seeking to be engaged in roles that require either a NDIS or state based screening clearance.

In accordance with Australian Accounting Standards, the department has recognised revenue of \$28.569 million reflecting the effects of asset revaluation increases.

Operating expenses

Our department provides a wide range of services to the community, delivered by contracted non-government organisations and through direct service delivery. As a result, our two largest expense categories are employee expenses and supplies and services. Our total operating expenses for 2021–2022 were \$304.936 million.

Expenses by category for the year ending 30 June 2022:

Expenses	Expenses %	\$ Million
Employee expenses	70.5%	214.908
Supplies and services	22.2%	67.636

Expenses	Expenses %	\$ Million
Grants and subsidies	5.2%	15.863
Depreciation and amortisation	1.2%	3.784
Impairment losses on financial assets	0.2%	0.531
Other expenses	0.7%	2.214
Total Expenses		304.936

Supplies and services include service procurement expenses of \$17.880 million, services provided by other state agencies under memorandum of understanding arrangements of \$14.549 million, property and vehicle rent expenses of \$11.078 million, property repairs and maintenance expenses of \$8.880 million, professional and technical fees of \$8.872 million and other operational expenses of \$6.377 million.

Other expenses include items such as insurance costs, audit fees, and services received below fair value. Other expenses also reflect \$0.814 million in property costs associated with damage to a department disability facility.

Assets

Our total assets as at 30 June 2022 were \$265.988 million. The primary assets held by our department were properties used to:

- support people with disability, including accommodation and respite services
- support Aboriginal and Torres Strait Islander partnerships service delivery.

The value of our assets by category was:

- Cash and cash equivalents – \$51.005 million
- Receivables – \$7.510 million
- Property, plant and equipment – \$205.173 million
- Intangibles – \$0.438 million
- Other current assets – \$0.982 million
- Non-Current assets classified as held for sale - \$0.880 million.

Liabilities

Our liabilities consist primarily of payables for trade creditors, deferred appropriation payable to the Consolidated Fund, and provisions for employee entitlements.

Our total liabilities as at 30 June 2022 were \$36.805 million. Liabilities by category were:

- Payables – \$26.482 million
- Accrued employee benefits – \$9.261 million
- Other current liabilities – \$1.062 million.

Administered Payments

In 2021–2022, on behalf of the Queensland Government, we administered total payments and expenses of \$2,405,434 million including:

- payments of \$1,992.273 million to the National Disability Insurance Agency for Queensland NDIS participants
- concession payments of \$390.650 million for electricity and reticulated natural gas, rates and water subsidies, electricity for life support, home energy emergency assistance and asset ownership electricity dividend
- residual grant payments of \$0.316 million for electricity relief to small and medium businesses impacted by the pandemic
- grant payment of \$16.373 million to the Western Cape Communities Trust
- grant payment of \$4.218 million to the Family Responsibilities Commission
- grant of \$1.605 million reflecting the transfer of ownership of Olandi Hall to Torres Shire Council.

Income and expenditure on these administered items are accounted for separately from our operating accounts. Variances between budget and actual results are explained in the financial statements.