

ANNUAL REPORT 2021–2022



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Letter of compliance

30 September 2022

The Honourable Glenn Butcher MP
Minister for Regional Development and Manufacturing and
Minister for Water
1 William Street
Brisbane QLD 4000

Dear Minister

I am pleased to submit for presentation to the Queensland Parliament the Annual Report 2021–2022 and financial statements for the Department of Regional Development, Manufacturing and Water.

I certify that this annual report complies with:

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

A checklist outlining the Queensland Government's annual reporting requirements is provided at page 98 of this annual report.

Yours sincerely



Graham Fraine
Director-General
Department of Regional Development, Manufacturing and Water

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Director-General's report

Our second year as a department has seen us evolve and further strengthen our foundations, while continuing to deliver vital services to the Queensland community, often under challenging conditions.

In addition to our daily work in water policy, management and compliance, regional development and manufacturing, we have continued to support the Queensland Government's program for economic recovery from COVID-19 and provided critical advice and support during major flood events.

An evolving department

As our department has progressed through its first full financial year of operation, we have taken key steps to fully orient ourselves toward the priorities set for us by government. Most notably, in February we adopted a new departmental structure featuring 2 groups that aligned with our 2 focus areas – Regional Economic Development and Water Resource Management – ably supported by our Corporate Services team.

In this new configuration we have been able to focus our efforts on delivering on the existing and emerging needs of the communities we serve and better integrate our economic and water infrastructure work in regional Queensland.

This new structure also aligns our functions to our revised Strategic Plan 2022–2026, released 1 July 2022. Our new strategic plan reflects our priorities and the mandates of the Queensland Budget 2022–23 and prepares us to meet future challenges. Now commenced, our Strategic Plan 2022–26 will underpin future annual reporting.

Core delivery

Throughout the year, our staff have continued to deliver on the government's priorities. I'm pleased to report that substantial progress is being made. This includes infrastructure delivery, where major programs of work like the \$9 million Regional Water Assessment Program, \$367.2 million Rookwood Weir Project, \$19.34 million Southern Downs Drought Resilience Program and \$600 million Paradise Dam Improvement Project have all achieved major milestones in the past 12 months.

In our economic and industry development role, we have seen the Made in Queensland and Manufacturing Hub Grants Programs continue to set our manufacturing sector up for ever greater success, while Round 6 of our third grants program – Building our Regions – received dozens of applications from councils eager to improve their water security. Successful applicants from the planning round of that program have now been announced, with capital projects to be announced soon.

Beyond grant programs, our Regional Manufacturing Hubs have worked closely with dozens of businesses to strengthen local manufacturing and grow the industry. We are also pleased that ongoing funding has been committed to continue the hubs' vital work.

In our role as Queensland's water manager, we have continued to oversee the safe and sustainable use of our precious water resources. This includes the ongoing regulation of more than 39,500 water entitlements, 83 water service providers, and more than 100 referable dams. We also administer Queensland's responsibilities under the Murray-Darling Basin Compliance Compact, helping safeguard the health of that nationally significant water system.

Reviews of the Mary Basin and Barron Water Plans are continuing as part of our process to ensure our water planning framework accounts for the latest science, impacts of climate change and the cultural needs of Aboriginal and Torres Strait Islander peoples.

New opportunities

Other priorities and opportunities have, of course, emerged throughout the year.

In December, the department released 110,000 megalitres of general reserve unallocated water in the Flinders River Catchment. This release is supporting economic growth in the region, without compromising water security or environmental values.

In February the Queensland Government committed permanent funding for the Queensland Water Regional Alliance Program, an industry-led initiative to drive regional collaboration and deliver improved water and sewerage services in regional Queensland.

The department published updated guidelines on Safety Assessments for Referable Dams 2021 as part of its response to the Auditor-General's Report on Regulating Dam Safety. These updated guidelines replace the Queensland Acceptable Flood Capacity for Dams 2007.

We are also continuing with key pieces of long-term transformative work – notably Stage 2 of the Rural Water Futures Program; an enhanced water measurement policy; a Strategic Water Infrastructure Plan; an updated action plan to support further implementation of the Advanced Manufacturing 10-Year Roadmap; and an increased focus on water rights and access for Aboriginal and Torres Strait Islander peoples.

My thanks

I continue to be inspired by the hard work and commitment of all departmental staff who deliver for communities across Queensland every day. I thank them all for their efforts over the past 12 months.

I want to particularly highlight the contribution of all in the department who provided flood advice and support during the major flood events across southern Queensland earlier this year. This ranged from providing critical real-time data on dam levels to assessing drinking water quality and providing advice to decision-makers on emergency management and flood operations. My deepest gratitude goes to all those who were called upon during this difficult time – many of whom had their own families and homes affected. My gratitude also to all our partner agencies who worked through that event, and in particular our colleagues at Seqwater and Sunwater.

Thank you also to our many stakeholders in government and industry for their ongoing collaboration, and to the citizens we serve, who help to create prosperity for all Queenslanders. I look forward to another year working together to build a thriving Queensland and a sustainable future.

Graham Fraine
Director-General
Department of Regional Development, Manufacturing and Water

About this report

The annual report is integral to the department's corporate governance and key to ensuring our department is accountable to our partners, stakeholders, the Queensland Parliament and the community, for our activities.

This report details our strategic initiatives, achievements, performance and financial position for the 2021–22 financial year. It satisfies the requirements of Queensland's *Financial Accountability Act 2009* and aligns with the department's Strategic Plan 2021–2025, Service Delivery Statements 2021–22 and the Queensland Government's objectives for the community.

About our department

Our vision

Our vision is a Queensland where our sustainable water resources and innovative manufacturing drives economic growth and job opportunities for our regional communities.

Our purpose

Our purpose is to:

- generate economic growth and jobs through competitive regional economies
- enable an innovative manufacturing sector
- make best use of our water resources by delivering sustainable, safe, secure and affordable water state-wide.

Legislative responsibilities

We discharge our statutory obligations under the following Acts:

- *Energy and Water Ombudsman Act 2006* (jointly administered with the Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement)
- *Lake Eyre Basin Agreement Act 2001* (except to the extent administered by the Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs)
- *New South Wales-Queensland Border Rivers Act 1946*
- *River Improvement Trust Act 1940*
- *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*
- *South East Queensland Water (Restructuring) Act 2007* (in so far as the Minister is a jointly Responsible Minister for the purpose of Chapter 2 of this Act)
- *Surat Basin Rail (Infrastructure Development and Management) Act 2012*
- *Water Act 2000* (Chapter 8, Part 5 jointly administered with the Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs; and except to the extent administered by the Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs)
- *Water (Commonwealth Powers) Act 2008*
- *Water Efficiency Labelling and Standards (Queensland) Act 2005*
- *Water Supply (Safety and Reliability) Act 2008*.

Our strategic direction

Our Strategic Plan 2021–2025 is our direction setting document, outlining our vision, as well as describing our guiding principles and priorities. It identifies strategies to achieve our objectives and how we measure our success, together with potential risks and opportunities.

Our work contributes to the Queensland Government’s objectives for the community through the following *Unite and Recover* – Queensland’s *COVID-19 Economic Recovery Plan* objectives:

- Supporting jobs: supporting increased jobs in more industries to diversify the Queensland economy and build on existing strengths in agriculture, resources and tourism.
- Making it for Queensland: growing manufacturing across traditional and new industries, making new products in new ways and creating new jobs.
- Building Queensland: driving investment in the infrastructure that supports our recovery, resilience and future prosperity.
- Growing our regions: helping Queensland’s regions grow by attracting people, talent and investment, and driving sustainable economic prosperity.
- Investing in skills: ensuring Queenslanders have the skills they need to find meaningful jobs and set up pathways for the future.
- Protecting the environment: protecting and enhancing our natural environment and heritage for future generations and achieving a 50 per cent renewable energy target by 2030.

Strategic objectives

To achieve our vision and purpose we:

- improve sustainable long-term water security to build community confidence and economic development
- drive water infrastructure investment to maximise community benefit
- develop economic opportunities in regional communities
- build and create jobs in local manufacturing.

Strategic opportunities and risks

We embrace our opportunities to:

- seize economic opportunities for regional Queensland arising from our recovery from COVID-19
- draw on our expertise and strong partnerships with communities, stakeholders and other government agencies
- create and support jobs for Queenslanders by supporting the manufacturing sector
- utilise our datasets to enable improved decision-making for communities and investors
- leverage opportunities to have sustainable use of water while protecting the environment
- provide strong leadership and drive regional representation in the Queensland Government’s policy and economic agendas
- draw on the combined wisdom of Traditional Owners and our scientific community to manage our resources.

We manage our strategic risks to:

- ensure Queenslanders have access to essential water supply for healthy communities and a strong economy
- deliver mission-critical systems to meet business and community needs
- optimise the design and implementation of our regulatory framework and program delivery
- overcome challenges including diversity of infrastructure, investment, skill sets and Queensland's vast land mass to roll out development opportunities in regional communities
- build resilience in regional communities and the manufacturing sector to plan and respond to natural disaster events
- ensure our work, health and safety systems protect our people from harm.

Our indicators of success

We measure our success by the extent to which we:

- deliver the government's portfolio commitments
- maintain integrity of water supplies
- increase engagement with communities
- promote sustainable economic growth in our regions
- expand manufacturing.

Performance

Our review of the year is seen through the lens of activities and achievements against the 2021–2025 strategic plan objectives.

Objective 1: Improve sustainable long-term water security to build community confidence and economic development

Science to support water planning

Good science is crucial to the sustainable management of water in Queensland. Scientific data has been collected over multiple years to inform the evaluation and review of water plans. This year, the department continued to coordinate and deliver a state-wide water monitoring and aquatic ecosystem monitoring program to support water planning. Scientific data collected included stream flows, bore levels and pressures, measurement of in-stream waterholes, water quality, and fish and turtle movement in response to flows.

In collaboration with the Department of Environment and Science, the department assessed risks to water resources, including the impacts of climate change, for all water plans under review or due for a 5-yearly evaluation. Results of these assessments in 2021–22 are summarised in:

- Minister's Performance Report Water Plan (Logan Basin) 2007¹
- Minister's Performance Report Water Plan (Gold Coast) 2006²
- Minister's Performance Report Water Plan (Moreton) 2007³

The department also undertook an assessment of risks to groundwater resources and used this information to make recommendations⁴ about the future scope of the groundwater monitoring network.

Southern Downs Drought Resilience Package

The \$19.34 million Southern Downs Drought Resilience Package progressed well in 2021–22, developing local water supplies and advancing planning for the proposed Toowoomba to Warwick Pipeline (the pipeline).

The department is working closely with its project partners, including the Southern Downs Regional Council, Seqwater and Sunwater, and in consultation with the Toowoomba Regional Council, to deliver an efficient and fit-for-purpose response to drought conditions.

In April 2022, Seqwater completed preparatory works for the pipeline, which included surveys, approvals, geotechnical investigations, detailed design, costings and community consultation.

On 14 June the government announced funding of more than \$300 million for the pipeline, with a proposed completion date of mid-2026 subject to further consultation with local councils. Construction of the pipeline will deliver approximately 420 jobs to the local communities, as well as long-term water security, which is critical to jobs, economic growth and liveability of Queensland communities.

When completed, the proposed pipeline and local water management measures will provide a drought-resilient town water supply for 24,000 residents in Warwick, Stanthorpe, Allora, Yangan and Killarney. The pipeline will also provide a permanent water supply to 3,400 residents in the towns of Cambooya, Greenmount, Nobby and Clifton, allowing Toowoomba Regional Council to avoid a duplicate pipeline.

¹

<https://qldgov.softlinkhosting.com.au:443/liberty/OpacLogin?mode=BASIC&openDetail=true&corporation=DERM&action=search&queryTerm=uuid%3D%2236e677750a0200f06ee3f051000fa203%22&operator=OR&url=%2Fopac%2Fsearch.do>

²

<https://qldgov.softlinkhosting.com.au:443/liberty/OpacLogin?mode=BASIC&openDetail=true&corporation=DERM&action=search&queryTerm=uuid%3D%2236c4edc60a0200f06ee3f051000ed641%22&operator=OR&url=%2Fopac%2Fsearch.do>

³

<https://qldgov.softlinkhosting.com.au:443/liberty/OpacLogin?mode=BASIC&openDetail=true&corporation=DERM&action=search&queryTerm=uuid%3D%2246358b990a0200f0510252ef001a7942%22&operator=OR&url=%2Fopac%2Fsearch.do>

⁴ <https://water-monitoring.information.qld.gov.au/wini/documents/reference/GW%20Monitoring%20Network%20Recommendations%202022.pdf>

In addition to work on the pipeline, other measures in the Drought Resilience Package saw substantial progress, including:

- Sunwater finished market testing the availability of downstream medium-priority allocations for urban use
- Southern Downs Regional Council commissioned new bores in Warwick and Allora, which can add up to 450 megalitres of unused council entitlement to the town supply each year
- Southern Downs Regional Council's new pumps arrived on-site for installation at Leslie Dam.

Water plan reviews

Over 95 per cent of Queensland by area is managed under a water plan. In recent years, changes to the *Water Act 2000* ensure water plans will consider the impacts on water availability from climate change and incorporate Aboriginal and Torres Strait Islander peoples' cultural needs and values. The plans will continue to provide security for existing water allocations and opportunities for new development through provisions for unallocated water, including reserves for Indigenous economic and cultural needs.

Water plans are in effect for ten years and are underpinned by the best available science through hydrologic, social, economic, cultural, and environmental assessments and include community input. This includes consideration of climate change impacts in each water plan area for the 10-year life of the plan. There is regular monitoring and reporting to determine whether the plan is meeting outcomes and objectives. The department is undertaking community consultation and reviews for the following plans:

- The Mary Basin Water Plan: the review commenced in 2021 and is due for completion in 2023.
- The Barron Water Plan: the review commenced in 2021 and is due for completion in late 2022.

Dam safety upgrade program

The dam safety regulator has oversight of more than 100 referable dams and has a broad regulatory approach to public safety. In 2021–22 reporting period 9 audits were undertaken.

Queensland has an excellent dam safety record with the risks of dam related incidents and failures being very low. Requirements for dam safety upgrades can change over time as a result of downstream population growth, improved understanding of science of rainfall and flooding, improvements in dam engineering and ageing of infrastructure.

The dam improvement program has identified the referable dams in Queensland that required upgrading to enable them to withstand extremely rare weather events and to protect the reliability of water supply for the community. Some dams across the state have already had upgrades completed, while upgrades for other dams are still being progressed, including Paradise, Burdekin Falls, North Pine, Somerset and Wivenhoe dams.

Regulations now require dam owners to justify and report on progress of dam upgrade projects to the department annually. This will provide the department with improved data and information to assist with risk management, allocation of financial resources and assessment of industry capacity to deliver the pipeline of proposed works for dam upgrades.

Response to 2022 extreme rainfall and flooding events

The department activated its emergency and disaster plans in response to extreme rainfall and flooding events in the 2021–22 storm and cyclone season. The department worked closely with the State Disaster Management Centre, Seqwater and Sunwater throughout these events, as well as participating in local and district disaster management groups in affected regions.

A total of 26 referable dams activated their emergency action plans during the South East Queensland rainfall and flooding event (February – March 2022).

- All notifications associated with dam safety emergency action plan triggers were received by the department.
- Based on the information provided to the department, dam owners conducted appropriate dam surveillance activities to maintain safety to the community and water security.

Approximately 180 of the department's stream and river gauging stations provided critical information during the event.

Some of the department's offices and facilities were also impacted by the flood event. The impact was considered relatively minor, with clean-up and resumption of normal operations achieved in the month following the event.

Continuity of supply

The Queensland Government monitors water security across Queensland. The rainfalls in the past 12 months have reduced water security risk in most areas.

The department works in partnership with local councils to develop and publish Regional Water Supply Security Assessments that identify long-term water security risk for individual communities. In the 2021–22 reporting period assessments for Goondiwindi, Cassowary Coast, Dawson River communities (includes Banana, Baralaba, Moura and Theodore), Biloela and Dalby have been progressed, with Biggenden and Roma being completed and published.

The government also helps councils to develop water security solutions. For example, following the State Government investment of \$40.4 million, the department is working with Rockhampton Regional Council to improve water supply to Mount Morgan.

Great Artesian Basin Rehabilitation Program

The department delivers two Great Artesian Basin cap and piping agreements that contribute to water security and drought resilience in the Great Artesian Basin. These are:

- \$18.1 million – Improving Great Artesian Basin Drought Resilience (Queensland and Australian Government joint funding) 2020–24 Project Agreement
- \$3 million – Great Artesian Basin Industry Partnership Program 2020–23 Contribution Agreement.

Through these agreements the department has administered \$6.29 million in grant funding. This has resulted in 3,952 megalitres in water savings. Twenty-three projects were completed in 2021–22 under funding deeds held between the department and landholders.

Support for implementing the Murray–Darling Basin Plan 2012 (the Basin Plan)

The Schedule ‘Implementing Water Reform in the Murray–Darling (2021–22 to 2023–24)’ commits Australian Government funding support to continue delivery of Murray–Darling Basin water reforms by Basin States through implementation of the Murray–Darling Basin Plan and associated water reforms.

The Schedule builds on the work already completed or underway by the Basin State Governments under the National Partnership Agreement on Implementing Water Reform in the Murray–Darling Basin (which expired on 30 June 2020), and the Implementing Water Reform in the Murray–Darling Basin schedule to the Federation Funding Agreement - Environment (which expired on 30 June 2021).

Under the Schedule each Basin State will report to the Australian Government, on or before 31 March each funding year, on its progress against all milestone and key performance indicators (KPIs) which relate to:

- water recovery
- coordinated environmental use
- implementation of the Basin Plan
- water market improvement
- improved compliance and reporting
- enhanced coordinated consultation and engagement with all Basin communities.

During 2021–22, the Queensland Government met its reporting requirements under the Schedule and received \$2.3 million from the Australian Government. This funding was used to deliver the KPIs including:

- assisting with the Australian Government’s environmental water recovery program
- delivering improvements in environmental water accounting and management
- improving access to water information and strengthening compliance in consultation with the Inspector-General of Water Compliance.

The funding is also supported by ongoing scientific research, engagement and collaboration with the Murray–Darling Basin Authority and other jurisdictions, to implement the Murray–Darling Basin Plan 2012. This occurs principally through implementation of Queensland’s water plans.

Environmental measures

During 2021–22, we continued to work on environmental measures in the Northern Murray–Darling Basin, including Stage 2 of the Northern Basin Toolkit Measures and the Fencing Northern Riverbanks Program. These programs will deliver on-ground environmental benefits by improving conditions for native fish and other wildlife that depend on healthy waterways.

The installation of fish-friendly screens on irrigation infrastructure has begun implementation. The Fencing Northern Riverbanks Program is also on track, with contracts executed during 2021–22 for over 500km of riparian fencing and off-stream stock watering points. These programs will continue into the 2022–23 and 2023–24 financial years.

Murray–Darling Basin Compliance Compact

The department is also delivering work to meet Queensland’s commitment under the Murray–Darling Basin Compliance Compact (the compact). The Australian Government’s Office of Water Compliance, reporting to the Inspector General of Water Compliance, is responsible for assessing each State’s compliance with the compact.

The department has responded to audits and reviews commissioned by the Inspector General of Water Compliance and reported against metering and measurement key performance indicators. These audits, reviews and reporting requirements providing the opportunity for the department to demonstrate how it is meeting its obligations.

The department is also delivering the Rural Water Futures program to transform the way we manage water while also assuring the delivery of the Murray–Darling Basin Compliance Compact commitments.

Rural Water Futures

The Rural Water Futures program is driving more transparent and sustainable water management across the state. The program is delivering better systems, policies and processes to give Queenslanders the confidence that water resources are being managed fairly and responsibly.

Funding commitments

The department has continued to deliver projects against the Australian Government funded Hydrometric Networks and Remote Sensing Programs and Murray-Darling Basin Communities Investment Package.

Investment from the Australian Government complements Queensland Government funding for the Rural Water Futures program, with the Queensland Government committing a further \$9.3 million in the Queensland Budget 2022–23 to progress Stage 2 of the program.

During 2021–22, the department has made significant progress on key initiatives:

- Data platforms and a suite of innovative cloud-based tools, including a customer portal, a mobile app for water users and an internal water portal, are under development.
- A 10-month trial to understand the use of telemetry on water meters to improve water resource management was completed. During the trial, data was collected from 47 devices installed across 11 remote sites in the Queensland Murray–Darling Basin.
- A \$3.7 million investment in the telemetry subsidy program to support works to improve the provision of meter reads to the department, commenced. Expression of Interest to access the subsidy are open to water users.
- Trialling tools to improve the measurement of changes in water infrastructure on farms, irrigated crop areas and environmental flows. The department is collaborating with Geoscience Australia and the New South Wales Department of Planning, Industry and Environment on a range of new and innovative applications of remote sensing products that can estimate on-farm storage and water use from irrigated crops without the need for in-situ measurement devices. We will continue to evaluate these tools and applications and to incorporate them into our monitoring and compliance activities where they enhance water planning and management in the state.

Strengthened measurement

During 2021–22, the department continued to take steps to strengthen water measurement, including the measurement of overland water flow take.

In late 2021, the department undertook targeted stakeholder engagement on refined non-urban measurement policy proposals with peak industry bodies and irrigator groups in the Queensland Murray–Darling Basin. This included consultation on the future overland flow policy and standards. Feedback from this engagement and extensive stakeholder consultation over the past three years is helping shape our approach and meet our commitments under the Murray–Darling Basin Compliance Compact.

The department have updated the Queensland interim water meter standard for non-urban metering that enables the department to have greater confidence in water meter performance into the future.

Optimised water markets

The department worked with key stakeholders on a range of practical actions to improve water market activity in Queensland under the Queensland Water Markets Optimisation Action Plan⁵ (QWMO). Key achievements include:

- a collaboration with Sunwater and Seqwater to deliver publication of data on the price, location and volume of temporary trades for supplemented water
- a departmental initiative to include temporary trade data on the Business Queensland website for unsupplemented water

⁵ https://www.rdmw.qld.gov.au/_data/assets/pdf_file/0020/1552034/qld-water-markets-optimisation-plan.pdf

- Seqwater's creation of an electronic bulletin board to better connect potential water buyers and sellers in the schemes they manage. This was done in direct response to departmental engagement after bulletin boards were identified in the QWMO as a valuable tool. Planning is well progressed for similar tools for other water supply schemes and water management areas in the state.

These initiatives help to break down barriers in water markets and enable water users to either find more water to grow their business or sell their unused water to benefit other water businesses to grow.

Case study: DRDMW sets new standard for water measurements

This year saw a world-first for DRDMW, with the department leading the development of national standards for measuring the velocity and volume of water flow through the collection and analysis of videos of the water surface from drones or fixed cameras.

The use of imaging technology to measure water flow has been on the rise. It's particularly useful somewhere like Queensland, where distances are vast and many sites are difficult or impossible to access, particularly during wet weather.

However, its use has previously been unregulated. The standards will improve data quality and confidence, as well as guiding hardware and software developers who produce commercial products.

The new standards⁶ were endorsed and published by the Water Monitoring Standardisation Technical Committee (WaMSTeC) in October 2021. WaMSTeC is a national body comprising more than 25 industry organisations with an interest in advancing consistent water information standards across Australian water monitoring agencies. The new standards provide guidance on how to capture video images, what equipment should be used and how the images should be analysed.

Objective 2: Drive water infrastructure investment to maximise community benefit

Strategic water infrastructure planning

The Queensland Government is refining its strategic outlook for new water infrastructure projects. This includes the commencement in 2021-22 of the development of a Strategic Water Infrastructure Plan (SWIP) and outlining a longer-term pipeline of water infrastructure projects identified as Queensland Government priorities.

⁶ www.bom.gov.au/water/standards/niGuidelinesHyd.shtml

The SWIP will enable a considered and strategic approach to underpin investment decisions on water infrastructure projects, with an emphasis on developing projects with strategic drivers from dam improvement projects to regional economic development.

The 2022-23 Queensland Budget provided additional funding of \$5.5 million over 4 years from 2021-22 to develop a strategic water infrastructure plan to inform optimal decisions around investment and the forward program.

Unallocated water

The department has continued to support economic development in regional communities through the strategic release of water held in unallocated water reserves across Queensland. In the past year, the department has prepared and conducted releases, making an additional 156,568 megalitres of water available to the community. This additional water:

- supports multiple industries, including agriculture
- helps drive prosperity, jobs and growth
- helps regional communities to recover from the impacts of COVID-19.

Through the Queensland water plans, unallocated Indigenous reserves can be made available to support cultural values and uses. Water provided through these releases has been accounted for in the water planning process and is within the sustainable limits for extraction.

Support and protection for water users and water-dependent ecosystems

Under the Water Resource Management annual compliance plan, the department proactively undertook 916 audits of water management related activities and 6,316 audits of self-read water meter readings with 47 penalty infringement notices, 126 warning letters and 3 water compliance notices issued.

The department administers more than 39,500 water entitlements allowing the take of approximately 7.9 million megalitres of water from our river and groundwater aquifers that are managed by the department, either directly by the department or indirectly through resource operations license holders. This is comprised of approximately 20,700 water licences and interim allocations and 18,800 water allocations.

The department is responsible for administering the regulation of drinking and recycled water supply under the *Water Supply (Safety and Reliability) Act 2008*. Currently there are 83 registered drinking water service providers who are responsible for supplying drinking water services across Queensland. The majority of these are local governments. In the 2021–22 financial year, 98 per cent of service providers submitted their drinking water quality management plan annual reports and third-party audit reports on time, exceeding the 90 per cent performance target.

Central Queensland water supply – Fitzroy to Gladstone Pipeline Project

Significant progress has been made in advancing business cases needed to support the Gladstone and the Central Queensland economy. The Gladstone regional economy is positioned to become one of the major hubs for the emerging hydrogen production and export industry.

The department is working with Gladstone Area Water Board to improve water security for Central Queensland residents and its large industrial base, while also catering for future economic growth, particularly in industries like hydrogen.

The business case process is structured in such a way that if drought conditions persist, construction of a pipeline from the Fitzroy River to Gladstone can occur in the shortest possible time – this includes undertaking investigations and preparatory works that are currently underway.

The business case is also examining options to improve water security for the Gladstone, Rockhampton and Livingstone regions, as well as what additional infrastructure would be required to bolster economic development, including in the hydrogen industry.

South East Queensland bulk water prices

The Queensland Competition Authority (QCA) review of bulk water prices for 2022–2026 informed the department’s implementation of new bulk water prices for South East Queensland (SEQ).

The QCA released its final report on SEQ Bulk Water Prices on 14 April 2022. Key recommendations on bulk water prices for non-drought operating conditions were accepted by the government without qualification. This included the recommended 2.2 per cent annual price increases over the next 4 years, from 2022–23 to 2025–26.

Bulk water charges account for around one-third of average household water and sewerage bills. The new charges will increase in the average SEQ household’s water bill by approximately \$11 per annum, or 21 cents per week. This is well below inflation and less than the 3.5 per cent increases of the past 4 years.

The prices for the 2022–23 to 2025–26 period ensure Seqwater can recover the cost of providing bulk water services, including investment in the SEQ Water Grid, providing a safe, secure and reliable water supply for all SEQ customers.

National Water Grid

The Queensland Government is signatory to national funding agreements with the Australian Government for funding for feasibility assessment and construction of water projects under the National Water Grid Fund.

In 2021–22, the department administered just over \$114 million of funding for feasibility assessments and capital projects under both the existing National Project Agreements for the National Water Infrastructure Development Fund and the Federal Funding Arrangement, Infrastructure - the National Water Grid Fund.

Administration of this funding facilitated the following feasibility assessment work during 2021-22:

- Lakelands irrigation area: progress on a detailed business case
- Paradise Dam to Coalstoun Lakes: progress on a detailed business case for a pipeline for irrigation and associated pumped hydro-electricity scheme
- Hughenden Irrigation Scheme: delivery of a detailed business case
- Urannah Dam: progress on an environmental impact assessment
- Hells Gates Dam: delivery of a detailed business case.

The department also facilitated work on the construction of Rookwood Weir, pre-construction activities for Emu Swamp Dam (Granite Belt Irrigation Project) and Big Rocks Weir, and practical completion of Stage 1 of the Mareeba-Dimbulah Water Supply Scheme modernisation project.

In 2021–22, the Queensland Government secured a total of \$58.75 million in new or additional funding under the National Water Grid Fund for a range of projects, including:

- Big Rig Rocks Weir (\$30 million - \$3 million towards assessment and \$27 million towards construction)
- Warren's Gully system capacity upgrade (\$4.76 million)
- Warwick recycled water for agriculture project (stage 3) (\$480,979).

This new funding will support the development of assessments and business cases for a number of projects, including:

- Urannah Dam: an environmental impact assessment and updated detailed business case (\$12.65 million)
- Burdekin River to Bowen pipeline: detailed business case (\$5 million)
- Nogoa Mackenzie Water Supply Scheme: an assessment of water security options including raising Bedford Weir (\$1.69 million)
- Dawson Valley Water Supply Scheme: an assessment of water security options including Paranui Weir (\$1.95 million)
- Burdekin Haughton Water Supply Scheme: an assessment of modernisation options (\$1.97 million).

In addition, \$175,000 was received for a feasibility assessment of opportunities for underground technologies in Queensland to support future agricultural development, and \$160,000 for a strategic assessment of sustainable agricultural development potential for Mitchell, Flinders and Gilbert Catchments (Stage 1).

Rookwood Weir

Construction of Rookwood Weir is underway and will add up to 86,000 megalitres of supply for Central Queensland. The \$367.2 million project, co-funded by the Queensland and Australian Governments, will provide for significant agricultural growth along the Fitzroy River near Rockhampton and enhance the security of urban and industrial water supplies for Gladstone and Capricorn Coast communities.

The weir is due to be completed by mid-2023, weather permitting, following the commencement of in-river works in April 2021. These works have included construction of a temporary river crossing, coffer dams, bulk excavation and earthworks, and the first concrete pour on the main weir structure in September 2021. Substantial work has been undertaken on the foundations and fish-lock structure.

The project has supported over 100 regional jobs through essential road and bridge upgrades. The construction of the weir itself will support a further 200 jobs, including 140 locally sourced contractors, and around 15 per cent of total construction hours using apprentices and trainees.

On 6 April 2022, the Queensland Government and the Darumbal People Aboriginal Corporation Registered Native Title Body Corporate, the Traditional Custodians of the land at the Rookwood Weir site, signed an Indigenous Land Use Agreement. This followed the signing of an agreement with the Gaangalu Nation People, the Traditional Custodians of the land further upstream of the weir within the project footprint. Both agreements are awaiting final registration through the National Native Title Tribunal to give full effect to the agreements and allow the benefits of those agreements to flow to the Traditional Custodians.

Case study: Rookwood Weir ILUA – a win/win scenario

In April 2022, DRDMW successfully negotiated a complex Indigenous Land Use Agreement (ILUA) with the Darumbal People, Traditional Custodians of the land at the Rookwood Weir site. This is the second and final ILUA to be agreed for the Rookwood Project after the Gaangalu Nations People ILUA was secured in late 2021.

It was also the first time an ILUA offered a water allocation from a large water infrastructure project in Queensland. The process took just over 12 months – a very short timeframe for an agreement of this scale.

Negotiating the agreement was a process of talking and listening. DRDMW staff worked extensively with the Darumbal People from the start of the project to ensure they had input throughout the entire process. Engagement included 4 formal meetings and several others to answer questions and provide information as required.

Ultimately, the Darumbal People have been allocated a perpetual water allocation from the weir, which they will be able to lease to local water users. The Darumbal board of directors will use the revenue generated to promote and educate local school children on both their language and culture.

Additionally, the Darumbal local procurement company, Tunuba, will be used to assist with environmental activities as required. Tunuba has already helped to relocate local turtles from the weir and move them safely to a new home, using their traditional knowledge.

The ILUA will have long-term cultural and economic benefits for the Darumbal People.

Big Rocks Weir

The Queensland Government has committed \$3 million to Charters Towers Regional Council for pre-construction activities. These include environmental and other regulatory approvals, geotechnical assessments, detailed design and water product and pricing definition.

Pre-construction work is well underway, with 4 of the scheduled 7 milestones completed. The completed milestones have been reviewed and \$2.25 million of the commitment has been progressed to council. The Queensland Government has also secured an additional \$3 million in funding from the Australian Government to support pre-construction activities. The department has provided \$1.5 million of the Australian Government funding to council for completed milestones in association with this pre-construction phase.

In addition to facilitating funding for the project, the department is providing support with project governance and technical input.

Paradise Dam essential works

As part of the essential works completed in 2021, the Paradise Dam spillway has now been lowered 5.8 metres below its original height and a temporary concrete cap has been installed on the crest. These interim measures have reduced dam failure risk in the short-term, but more significant remediation is needed to fix the dam for the long-term.

The Paradise Dam options evaluation was undertaken in parallel with the essential works program. Based on the findings of the independent Options Evaluation Report, in late 2021 the Queensland Government decided to return the dam to its original height and has committed up to \$600 million to these works, matched by the Australian Government.

Sunwater is leading the next stage of the project, including planning for detailed engineering design and developing a package of early works to commence in 2023, before major construction starts at the dam in 2024.

Sunwater and Seqwater irrigation prices

Irrigation prices for water supply schemes owned by Sunwater and Seqwater will be discounted by 15 per cent for the 3-year period from 2021–22 to 2023–24 as part of an \$81.6 million Queensland Government commitment to reduce irrigation prices in the state during that period.

In addition, the Horticulture Irrigation Pricing Rebate Scheme was established by the Department in 2021–22 for the 2021–22 to 2023–24 period, to give effect to the government's irrigation pricing election commitment. The scheme, administered by the Queensland Rural and Industry Development Authority, allows horticulture growers to access a 35 per cent discount on water charges. This is on top of the 15 per cent discount provided to all irrigators as part of the government's economic plan to build back from the global COVID-19 pandemic.

Objective 3: Develop economic opportunities in regional communities

Queensland Water Regional Alliance Program

The Queensland Water Regional Alliance Program (QWRAP) is an industry-led initiative that encourages collaboration and sharing of skills between neighbouring local government water service providers to improve the delivery of water and sewerage services in regional Queensland. The program is administered by the Local Government Association of Queensland and Queensland Water Directorate, on behalf of the Queensland Government.

Collaboration at a regional level allows for economies of scale and scope to be created, which would otherwise not be available to the individual local governments. The program allows participating councils to drive improvements in service delivery by addressing gaps in workforce capacity and capability, operational processes, data and systems, and provides greater purchasing power, cost savings and resource-sharing opportunities.

The Water Industry Worker initiative is a notable example of capacity building in local government. The initiative set up a framework to create a common set of skills for water and sewerage network and field staff, providing career opportunities for participants and access to additional resources for local governments. While initiated by the Whitsunday, Isaac and Mackay Water Alliance, it has expanded to Wide Bay Burnett Urban Water Alliance, Central Queensland and North Queensland groups.

Another notable example is the joint research project between 5 North Queensland local governments and James Cook University to better understand how to manage contaminants of emerging concern that are being flushed down sewers. It is the first regional characterisation of chemicals in biosolids, and examination of what treatment may be available to reduce them.

Regional Australia Institute

The department partners with the Regional Australia Institute (RAI) to deliver the Intergovernmental Shared Inquiry Research Program that produces high-quality research to inform policy development.

The department committed \$200,000 towards the program for 2021–22. The 2 research projects in the current program are Regional Housing and Regional Innovation and Productivity. The first aims to track and analyse trends and patterns in Australia's regional housing markets, while the second is exploring the drivers of success in Australia's most innovative regional businesses and most competitive regional business clusters. Queensland's regional manufacturing hubs will be included as a case study as part of this research.

Collaboration with other jurisdictions occurs on a quarterly basis through regional policy forums hosted by the RAI, which provide an important platform for the discussion of emerging regional policy issues confronting all jurisdictions.

Rural and Regional National Cabinet Reform Committee

The Honourable Glenn Butcher MP, Minister for Regional Development and Manufacturing and Minister for Water, is Queensland's representative on the Rural and Regional National Cabinet Reform Committee and the Regional Ministers' Roundtable. The committee focused on improving the delivery of existing investments to support Australia's COVID-19 economic recovery through strong and sustainable rural and regional communities. No meetings were held during the 2021-22 period.

The committee is also supported by a Deputy Senior Officials group of senior government officers from across all jurisdictions and the Regional Delivery Unit (RDU). Queensland was represented at the meetings held on the 25 August 2021 and 10 November 2021.

The department appointed an officer (at 0.5 FTE) during 2021-22 to support Queensland's participation in the RDU, with a focus on facilitating connections across the Australian Government.

Building our Regions

The Building our Regions (BoR) program has a long and successful history of supporting Queensland's local governments to invest in essential regional infrastructure by upgrading local assets, creating flow-on economic development opportunities and jobs.

Previous rounds of BoR funding have seen over \$348 million approved towards 271 projects across 67 local government areas. These projects have leveraged over \$539 million in additional funding from other sources for a total capital expenditure of over \$887 million, supporting more than 2,700 construction jobs.

Round 6 of BoR offers \$70 million in funding over 3 years for councils to improve their water supply and sewerage systems. In 2021–22, \$8.2 million in planning projects were approved towards 35 projects across Queensland. Round 6 construction projects are under assessment in readiness for announcements in early 2022–23.

Regional Water Assessment Program

The Queensland Government has invested \$9 million over 3 years in the Regional Water Assessment Program. The program aims to better define opportunities to achieve economic development through regional investment in water in the Southern and Darling Downs, Bundaberg and Burnett, and Atherton Tableland regions.

The 3 assessments will set out how existing infrastructure, new infrastructure and non-infrastructure solutions can be used to maximise water supply in each of these regions and help drive economic growth.

The program commenced in mid-2021 and is proceeding in 3 phases:

- Phase 1 will establish each region's service need and a shortlist of options. Phase 1 progressed for all 3 assessments in 2021-22 and are nearing completion.
- Phase 2 will focus on detailed analysis of shortlisted options and generating draft reports for public consultation.
- Phase 3 will finalise reports for Queensland Government consideration and approval for release.

We are working closely with local governments, peak and industry bodies, Traditional Owners and other relevant entities to develop the assessments. Sunwater is leading the Bundaberg and Burnett assessment on behalf of the department.

Over the next 12 months, the program will progress into Phase 2 across all 3 assessment areas.

Development of Northern Australia

The department continues to be responsible for coordinating Queensland's response to the Australian Government policy for the development of Northern Australia and is the point of contact for the Office of Northern Australia (ONA).

The Australian Government launched the 'Our North, Our Future: 2021–2026 Targeted Growth' policy and 5-year plan for the development of Northern Australia in November 2021. The 5-year plan is intended to target 'regions of growth' for master planning to enable a collaboration with state and territory governments to invest in water infrastructure, energy, minerals and logistics infrastructure, to accelerate growth in the north.

The department continues to represent Queensland at the Northern Australia Infrastructure Roundtable meetings and the Northern Australia Senior Officials meetings (a forum where the ONA coordinates progress with state and territory jurisdictions). Senior departmental representatives also meet with the ONA to progress the master planning process. In 2021–2022 the department completed an extensive consultation with Queensland Government agencies on the 5-year plan and collated responses informing the process for 'regions of growth'.

Objective 4: Build and create jobs in local manufacturing

Manufacturing Ministerial Council

The Manufacturing Ministerial Council (MMC) provides high-level industry advice on strategic matters in relation to building and promoting manufacturing in Queensland to help drive economic, regional and employment growth throughout the state. The MMC is chaired by the Honourable Glenn Butcher MP, Minister for Regional Development and Manufacturing and Minister for Water, and has 13 manufacturing industry members.

Membership includes the Australian Industry Group, Chamber of Commerce and Industry Queensland, the Australian Manufacturing Workers' Union, the Australian Workers' Union and 9 manufacturing businesses. The MMC includes representatives from key industry subsectors, small and medium enterprises, regional manufacturing, and women in manufacturing.

In 2021–22, the MMC held 3 meetings and provided advice on the Queensland Advanced Manufacturing 10-Year Roadmap initiatives such as the Made in Queensland grants, Building our Regions, Manufacturing Hubs Grant Program, automation and digitisation, carbon neutrality and sustainable manufacturing, large-scale and emerging industry supply chain opportunities, women in manufacturing, cybersecurity and showcasing Queensland’s manufacturing industry.

Made in Queensland

The Made in Queensland (MIQ) grants program continued in 2021–22. This round of the program awarded \$17.8 million in grants to 21 Queensland manufacturers for projects, with a total private sector investment over \$40 million, that improve productivity and international competitiveness, onshore manufacturing work to Queensland and create jobs.

The MIQ grants program has now supported 105 projects across Queensland. To June 2022, 81 MIQ projects were completed. Manufacturers who have implemented these projects report that 5,394 jobs have been created and supported, with more than \$100 million in private-sector investment leveraged through the program.

In June 2022, funding of \$40 million was committed for two further rounds of MIQ over the next two years, bringing the total program funding to \$101.5 million to June 2024.

Manufacturing hubs

The department’s 6 regional manufacturing hubs in Cairns, Townsville, Mackay, Rockhampton, Gladstone and the Gold Coast are supporting the strengthening and growth of regional manufacturing through collaborative initiatives that bring together local businesses, all levels of government, economic development agencies and education providers. During 2021–22 the manufacturing hubs have engaged broadly across the manufacturing industry through one-on-one meetings and industry wide forums and workshops.

Rounds 1 and 2 of the Manufacturing Hubs Grant Program continued to receive applications from the Cairns, Townsville, Mackay, Central Queensland and Gold Coast manufacturing hub regions. As at 30 June 2022, across both rounds, \$11 million of grant funding has been awarded to 38 regional manufacturers, creating 229 jobs and protecting a further 1,100 jobs.

Due to the continued success of the hubs, in June 2022 the Queensland Government committed to ongoing government funding to support manufacturers across regional Queensland to grow and create jobs of the future through collaboration.

A further \$10 million was committed over the next two-years to fund a third round of Manufacturing Hubs Grant Program, bringing the total program funding over three rounds to \$28.5 million.

Industry engagement program

The Industry Engagement Program provides tools, information and demonstrations to assist manufacturers in their uptake of Industry 4.0 processes, practices and technologies. In 2021–22, the department delivered 89 workshops, events and seminars attracting more than 1,400 attendees:

- Digital Connectivity webinars: 4 webinars attracted 135 participants. The webinars supported manufacturers to digitally transform their business, bringing them closer to their customers and positioning them to better manage the manufacturing process and product lifecycle.
- Women in Manufacturing events: 6 events attracted 450 participants highlighted the importance of mentoring and attracting the next generation of women into the industry and helped to establish supportive networks.
- Introduction to Industry 4.0 Seminars: 7 events, attracted 200 participants, assisted manufacturers in their understanding and implementation of Industry 4.0 technologies, techniques and processes.
- Industry 4.0 Masterclasses: 8 masterclasses, attracting 101 participants, focused on digital innovation, providing manufacturers with knowledge and tools to practically implement Industry 4.0,
- Inside Advanced Manufacturing showcase events: 2 events, attracted more than 300 manufacturers, educators and supply chain partners. A selection of Queensland's top manufacturers opened their doors to showcase their innovative manufacturing techniques and technologies.

Case study: Inside Advanced Manufacturing 2022

DRDMW once more hosted Inside Advanced Manufacturing⁷ (IAM) week in May 2022, with the event receiving its best feedback ever.

IAM sees a selection of Queensland's top manufacturers open their doors to showcase innovative manufacturing techniques and technologies to other manufacturers. This year's event – the third – saw 278 manufacturers, supply-chain partners and educators join 31 tours across the state.

Though exhibitor and participant numbers were down slightly on previous years due to illness and staff shortages caused by COVID-19, participant feedback was the best received yet. Evaluations indicated that IAM:

- **increased awareness** of Industry 4.0 for 78 per cent of respondents
- **created new business connections** for 68 per cent of respondents
- **helped stimulate new ideas** for their own business for 59 per cent of respondents.

IAM is an innovative way to help manufacturers learn and evolve. The week offers peer-to-peer learning while still ensuring the intellectual property of the exhibiting manufacturer is protected.

This year's program also included schools for the first time, with 4 of the tours held in regional Queensland exclusively for students, resulting in 54 students getting a behind-the-scenes look into manufacturing. Feedback indicated that 70 per cent of the students who participated left wanting to learn more about future skills and careers in manufacturing. More student tours are on the agenda for IAM 2023.

⁷ <https://www.rdmw.qld.gov.au/manufacturing/manufacturing-assistance-programs/inside-advanced-manufacturing>

Advanced Manufacturing Roadmap

The Advanced Manufacturing 10-Year Roadmap and Action Plan sets out a range of initiatives to support the adoption of Industry 4.0 technologies and techniques to increase the number of advanced manufacturers in Queensland. The success of the Queensland Government's approach has been underlined by the designation by the World Economic Forum of Queensland as an advanced manufacturing hub.

The roadmap is now halfway through its 10-year lifespan. During 2021–22 the department has been preparing an updated action plan to build on the successes to date and support the next five years of implementation.

Rail Manufacturing Strategy for Queensland

The Rail Manufacturing Strategy for Queensland aims to strengthen, transform and revitalise Queensland's rail manufacturing sector to capture a substantial portion of the national rail market. The vision is that Queensland's rail manufacturing sector will be a sustainable, leading provider of rail manufacturing products and services, with the capacity to capture a significant portion of the national rail market.

In 2021-22, the department, through the six regional manufacturing hubs, supported manufacturing businesses to identify opportunities to supply into the rail sector. The hubs have also worked with businesses to identify the relevant certifications and accreditations that they may require to supply to the rail sector.

The department has also worked with the Department of Transport and Main Roads and the National Rail Action Plan Harmonisation Committee in 2021-22 to address the issue of divergent rail manufacturing standards across Australia, which provide challenges for manufacturers to supply across jurisdictions.

Summary of financial performance

This summary provides an overview of the department's financial results for the 2021-22 financial year. A full set of financial statements is provided in this report which includes an analysis of actual expenditure compared to the published budget with explanations of major variances.

Analysis – operating result

Table 1: Operating Result

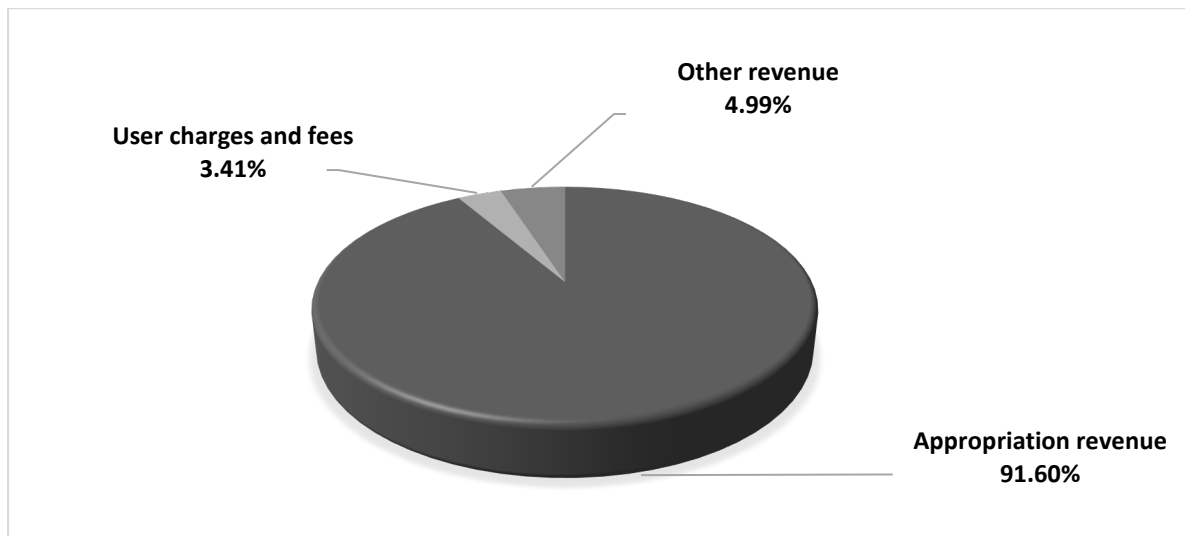
	2021-22 \$'000	2020-21 \$'000	Variance \$'000
Total income	188,170	107,251	80,919
Total expenses	191,906	122,387	69,519
Operating result	(3,736)	(15,136)	11,400
Other comprehensive income			
Increase in asset revaluation surplus	4,472	258	4,214
Total comprehensive income	736	(14,878)	15,614
Total assets	383,452	231,149	152,303
Total liabilities	48,957	44,301	4,656
Net assets(liabilities)	334,495	186,848	147,647

Across all lines, the primary driver between financial year 2020-21 and 2021-22 is due to the Water function joining the department from 1 December 2021 subsequent to a machinery-of-Government Change. In 2020-21 only 7 months was recognised, with 2021-22 being the first full year of financial transactions recognised.

The operating result for 2021-22 primarily represents the accounting treatment for non-cash items including depreciation, and movement in assets.

Income

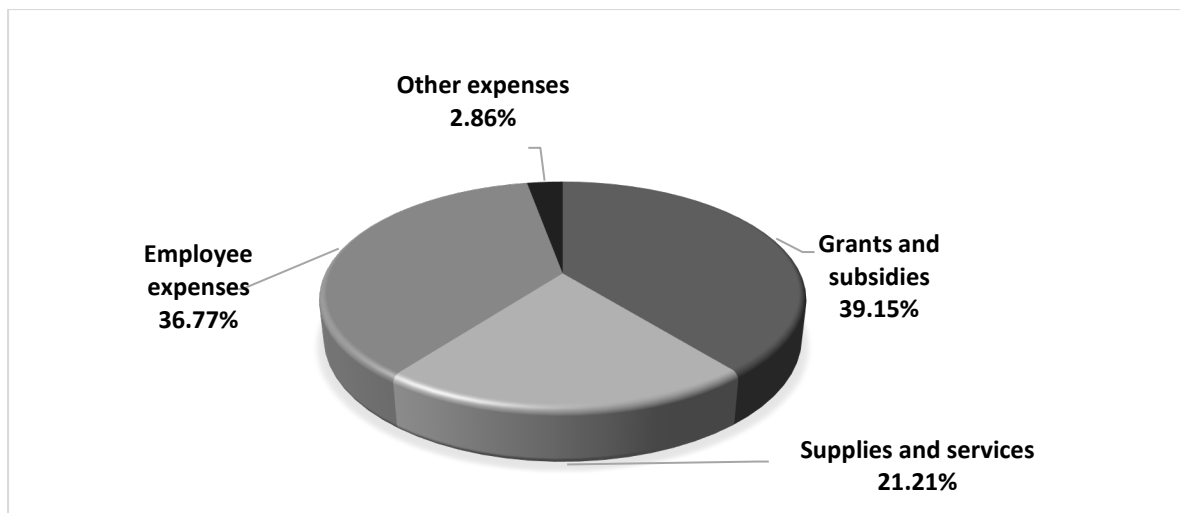
Figure 1: Income by category for the year ended 30 June 2022



The total income for the year ended 30 June 2022 is \$188,170 million. Appropriation revenue makes up 91.6 per cent of total revenue and is the primary source of revenue for the department (Figure 1). User charges are generated from Groundwater Impact Assessment Levy and rent revenue received in relation to dam land management.

Expenses

Figure 2: Expenses by category for the year ended 30 June 2022



Total expenses for the year ended 30 June 2022 is \$191,906 million. As depicted in Figure 2, the department's significant expense categories are employee expenses, grants and subsidies provided to both industry and local governments, and supplies and services which include consultancies and contractors, office accommodation, ICT costs, shared service provider costs, travel and other.

Administered

The department administers, but does not control, certain resources on behalf of the Queensland Government. The main source of administered revenue is appropriation for the payment of community service obligations for water operations, grants to Queensland Rural and Industry Development Authority and annual grant payment to the Dumaresq-Barwon Border Rivers Commission.

Statement of financial position – assets and liabilities

Table 1: Assets and liabilities

	2022 \$'000	2021 \$'000	Variance \$'000
Total Current Assets	148,172	109,397	38,775
Total Non-Current Assets	235,280	121,752	113,528
Total Assets	383,452	231,149	152,303
Total Current Liabilities	41,404	42,051	(647)
Total Non-Current Liabilities	7,553	2,250	5,303
Total Liabilities	48,957	44,301	4,656
Total Equity	334,495	186,848	147,647

Total assets as at 30 June 2022 are \$383,452 million. Total assets increased by \$152,303 million in 2021–22 predominantly due to the property, plant and equipment (capital work in progress) for the Rookwood Weir package project. Both land and buildings were also valued during the year with an upward movement.

Total liabilities as at 30 June 2022 are \$48,957 million. Total liabilities increased by \$4,656 million in 2021–22 predominantly due to revenue received in advance for the sale of unallocated water for Rookwood Weir and accrued expenses incurred by Sunwater for the Rookwood Weir project.

Administered

The department administers, but does not control, certain resources on behalf of the Queensland Government. The main elements of administered assets are property, plant and equipment mainly land held for future dam site water management. Liabilities mainly relate to payables for Community Service Obligations to SeqWater and Sunwater; as well as Rural Water Charges and revenue payable to consolidate fund for water license fees and riverine quarry material royalties.

Management and structure

Executive management

As at 30 June, the Departmental Leadership Team (DLT) comprises the following executive staff:

Graham Fraine, Director-General

Graham has nearly three decades experience in public policy, program development and service delivery across state and local government. He has previously held Deputy Director-General roles in the Department of the Premier and Cabinet and the Department of Transport and Main Roads and was Deputy Under Treasurer, Queensland Treasury. Graham also holds a bachelor's degree in psychology from James Cook University and a PhD from the Queensland University of Technology.

In 2018, Graham was awarded the Public Service Medal for outstanding public service to social science research and policy development in Queensland.

Linda Dobe, Deputy Director-General, Water Resource Management

Linda has worked in Queensland Government water functions for more than 20 years, with lead roles covering all aspects of state water responsibilities including strategic policy, legislative reform, regulation, infrastructure development and water resource planning and management. Prior to joining water, Linda worked in the state mines department and has private-sector experience in education, finance and mining, where she worked as an exploration geologist for some years.

Bernadette Zerba, Deputy Director-General, Regional Economic Development

Bernadette has worked in government for more than 20 years, holding leadership roles in multiple agencies across state government. She specialises in leading water infrastructure assessment and delivery and regional economic development initiatives across the state, including policy development, strategic analysis, interdepartmental and interjurisdictional engagement, and negotiation.

Wietske Smith, Head of Corporate

Wietske has substantial experience delivering corporate services across many departments in Queensland and has held many senior roles, including as Chief Financial Controller and Head of Corporate Services at TransLink and as the General Manager (Governance) at the Department of Transport and Main Roads. Wietske also has extensive operational delivery experience through her previous role as the Executive Director (Customer) for public transport.

Other staff who held DLT roles in 2021–22

Michael Glover

Acting Director-General
January – August 2021

Acting Deputy Director-General, Regional Development and Manufacturing
August – November 2021

Jarrold Cowley-Grimmond

Acting Head of Corporate and Agency Security Executive
February – October 2021

Darren Cleland

Acting Deputy Director-General, Regional Development and Manufacturing
November 2021 – February 2022.

Organisational structure

Our organisational structure and governance committees report to the Director-General, as the department's accountable officer, to facilitate timely and effective decision-making in the delivery of our objectives, operations and performance.

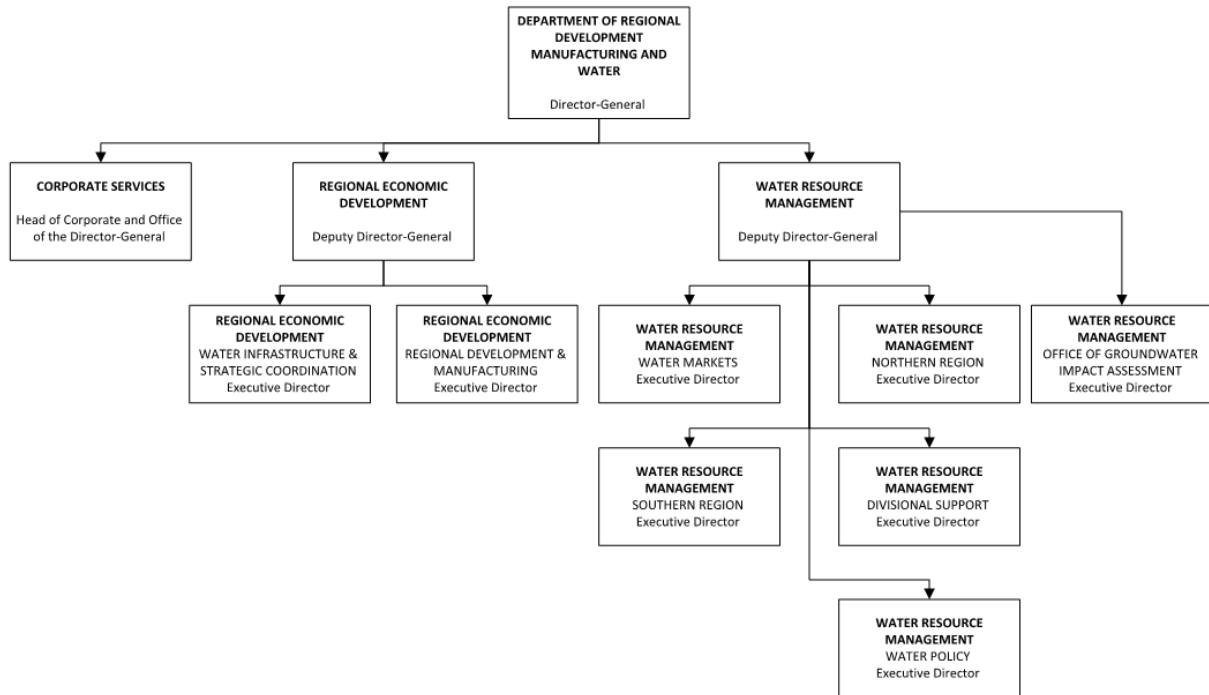
In 2021–22, the department underwent a structural realignment resulting in the following organisational structure.

At 30 June 2022, the department comprised the Office of the Director-General and three groups:

- Regional Economic Development
- Water Resources Management
- Corporate Services.

Department of Regional Development, Manufacturing and Water

30 June 2022



Regional Economic Development

The Regional Economic Development Group creates jobs that provide enduring economic benefit by delivering regional economic development opportunities, water infrastructure and support to the manufacturing industry in Queensland.

Its programs and projects contribute to job creation and stimulate regional economic development and investment in skills through:

- facilitating and investing in the assessment and construction of major water infrastructure projects and the release of water for economic development
- collaborating with the Australian Government and other States and Territories on developing northern Australia and the broader regional policy agenda.
- partnering with the Department of State Development, Infrastructure, Local Government and Planning to deliver the Regional Infrastructure Plans
- implementing the Advanced Manufacturing 10-Year Roadmap and Action Plan and related industry strategies
- supporting manufacturers to implement new processes and systems through the widespread adoption of Industry 4.0
- administering grant and industry development programs to help Queensland manufacturers become more internationally competitive and create high-value, highly skilled jobs
- supporting local councils to provide essential water and sewerage services to their communities
- planning and delivery of major water infrastructure projects.

Water Resource Management

The Water Resource Management Group is responsible for sustainable management of Queensland's water resources as well as regulation of water service providers and water infrastructure owners.

Its programs and projects lead water resource management to achieve sustainability and public safety outcomes by:

- developing and implementing legislation, policies and programs to manage Queensland's water resources
- monitoring surface and groundwater for the purposes of managing the water resource and meeting water planning outcomes
- maintaining community confidence in the management of Queensland's surface and groundwater resources through effective licensing and regulation of water users
- supporting economic activity by making water available for development
- regulating drinking water service providers to ensure communities have access to reliable, safe and high-quality drinking water
- regulating dam owners to ensure communities are protected from the risks of dam failure
- transforming the management of Queensland's water resources through the Rural Water Futures program.

The Office of Groundwater Impact Assessment is an independent entity established under the *Water Act 2000* responsible for assessing and managing the impacts of groundwater extraction from resource operations in cumulative management areas.

Corporate Services

The Corporate Services Group actively supports the department to deliver against its strategic objectives and is responsible for providing the following activities:

- Cabinet and Executive Services
- Media and Communication
- Finance and Procurement Services
- Governance, Reporting and Risk
- Human Resources
- Legal Services
- Digital Capability.

Some corporate functions are also provided to the department by other agencies which are managed through service-level agreements.

Departmental Leadership Team

The Departmental Leadership Team (DLT) is the primary decision-making body of the department.

The DLT directs and guides the department to deliver on its strategic direction and provides oversight of our finance, risk management, workplace health and safety, performance and culture. DLT members also represent the department in a range of public and private-sector forums and bodies and are responsible for ensuring compliance with our obligations.

Audit and Risk Management Committee

The department's Audit and Risk Management Committee (ARMC) acts as a forum for dialogue between the Director-General, senior management, internal audit and the Queensland Audit Office.

The role of the committee is to provide independent advice and assistance to the Director-General on the department's:

- risk management, internal control and compliance frameworks
- external accountability responsibilities as prescribed in the relevant legislation and standards, including annual financial statements
- integrity framework.

The committee met 5 times during 2021–22.

Committee membership comprises:

- Mr Ian Rodin, Chair and independent external member
- Ms Debbie Best, independent external member
- Ms Lisa Dalton, independent external member.

Total remuneration for committee members during 2021–22 was \$35,000 (excluding GST).

Information Security, Data and Digital Committee

The Information Security, Data and Digital Committee provides advice and assistance to the Director-General to ensure the principles of information security are well understood and adopted across the department.

The committee also provides assurance to the Director-General that our risks to information, applications and technologies are being managed using an Information Security Management System and ensures that our service and system investments are appropriately monitored, maintained and managed throughout their lifecycle.

Public Sector Ethics and Code of Conduct

Education and Training

The Code of Conduct for the Queensland Public Service is at the centre of how our employees deliver services to the community.

All employees are required to undertake comprehensive training on the code of conduct which is based on the ethics principles of the *Public Sector Ethics Act 1994*. This training is delivered during the employment onboarding and annually as part of the department's core foundational training. The training, accompanied by advice and support from Human Resources, provides mechanisms to support early intervention and local resolution of unsatisfactory conduct and performance.

The principal requirements for public service conduct, decision-making, and positive performance are supported by additional foundational training on information security, information privacy awareness and fraud awareness and corruption prevention.

The department's systems and processes encourage accountability and transparency, with a particular focus on the department's performance through its governance, people and service delivery. In addition, individual role requirements are addressed through the annual performance development cycle and regular performance and development discussions.

In 2021–22, the department implemented iLearn, an online Learning Management System. By automating training programs, staff and direct line managers receive reminders and notification of completion, improving efficiency and visibility for the department. All foundational training requirements are accessible to staff via iLearn.

Ethical behaviour is promoted to all staff through multiple avenues of communication, including consistent messaging from the Director-General. The department maintains a continued focus on ensuring appropriate governance arrangements are in place, and on improvement as part of our ethics and integrity framework. Policies and resources on how to apply ethical behaviour and how to report an issue, are accessible on a dedicated intranet page that was launched in September 2021.

Ethics and conduct complaints

The department is committed to achieving the highest level of ethical standards. Employees are obligated to report incidents of suspected serious wrongdoing or corrupt conduct. Policies, procedures and activities that have been developed and implemented to support this include:

- a Public Interest Disclosure (PID) protocol
- a nominated trained PID coordinator
- trained PID support officers
- a nominated Crime and Corruption Commission liaison officer for the provision of reporting and managing allegations of corrupt conduct
- a departmental policy on complaints about the Director-General in accordance with section 48A of the *Crime and Corruption Act 2001*
- systems to ensure compliance and reporting on any contact with lobbyists
- systems to ensure compliance by all employees and the Chief Executive on declarations of interests, and appropriate management and documentation of conflict-of-interest matters.

The department is developing a comprehensive PID training package to provide an opportunity for anyone with managerial or supervisory responsibilities to become familiar with their obligations in receiving and managing PIDs. This training will be incorporated as part of the core mandatory training in the department's iLearn platform.

During 2021–22, the department received 8 general customer complaints. None of the complaints met the thresholds to require reporting to the Public Service Commission for employee-related matters, the Queensland Ombudsman or the Crime and Corruption Commission.

Human rights

The department is committed to building a culture that respects and promotes human rights under the *Human Rights Act 2019* (HR Act). Actions taken during 2021–22 include:

- ensuring departmental templates contained a human rights impact assessment
- developing a human rights intranet page with links to useful resources to disseminate human rights resource material to staff
- promoting Human Rights Day on 10 December 2021
- developing bespoke human rights training for staff
- developing bespoke material to assist staff apply the HR Act
- providing guidance to staff on the application of the HR Act
- reviewing our legislation for compatibility with human rights
- embedding human rights in our strategic plan and workforce plans
- establishing governance arrangements for human rights complaints
- reviewing operational procedures to improve compliance with the HR Act.

No human rights complaints were received by the department during 2021–22.

Risk management and accountability

Risk management

The department recognises that risk is characterised by both threat and opportunity and manages risk to enhance opportunities and reduce threats that may impact on the department's business plans and strategies. The department's approach to risk management is based on the Australian Risk Management Standard (AS ISO 31000: 2018 Risk Management Guidelines) and A Guide to Risk Management – Queensland Treasury.

The department manages its risks through our risk management framework, accompanying guidelines and a strategic risk profile that captures the department's principal risks. The risk management framework, which includes the Risk Management Policy and Risk Management Procedure, is reviewed at least every 2 years to ensure that risk management is effective and continues to support organisational performance.

As a result of strategic realignment activities within the department, in 2021–22 new strategic and key departmental risks were identified, and a new risk appetite statement developed. Existing risks were monitored, reviewed and reported to the DLT as part of the regular risk assessment and management processes.

Internal audit

The department has established an internal audit function which delivers an independent and objective assurance and advisory service to:

- provide assurance to the DG and ARMC that the department's financial and operational controls are operating in an efficient, effective, economical and ethical manner
- assist management in adding value to and improving operations.

The internal audit function operates through an outsourced model, where the planning, executing and reporting of audits is outsourced to a third-party provider, PwC Australia. The Head of Internal Audit is directly accountable to the Director General. Operations of the internal audit function are governed by the DRDMW Internal Audit Charter.

During 2021–22, the internal audit function delivered against the planned program of internal audit work set out in the Strategic Internal Audit Plan. The Strategic Internal Audit Plan is the department's risk-based 3-year program of planned internal audits activities which, in consultation with management, is reviewed each year, endorsed by the ARMC and approved by the Director-General. This approach ensures that the focus of department's internal audit activities provides adequate audit coverage across the department's principal risks within the 3-year period.

The Head of Internal Audit issued 8 reports on internal audits conducted during 2021–22. Recommendations for action arising from internal audits were followed up on a regular basis and their implementation status reported to the ARMC and Director-General.

External assurance

Queensland Government agencies can be reviewed or audited by various authorities and bodies, including the Queensland Audit Office, parliamentary committees, the Crime and Corruption Commission, the Queensland Ombudsman, the Information Commissioner Queensland, and the Office of the State Coroner.

In addition to an annual audit of the department's financial statements, the Auditor-General conducts performance audits and whole-of-government audits, in accordance with the Queensland Audit Office Strategic Audit Plan and advice to the Director-General.

The Auditor-General tabled 2 reports to Parliament relevant to the operations of the department during 2021–22.

1. Regulating Dam Safety (Report 9: 2021–22), tabled 8 December 2021

The department supported the 9 recommendations and is actively working to complete implementation of the agreed strategies and actions.

2. Appointing and renewing government boards (Report 17: 2021–22), tabled 19 May 2022

Only one recommendation related to the department and will be actioned further based on the Department of the Premier and Cabinet’s delivery of their other recommendations.

At 30 June 2022, there were no outstanding recommendations from the reports tabled in previous years relating directly to the department or indirectly to us as a public-sector entity.

Records management

The department has a comprehensive records management framework that is consistent with the *Public Records Act 2002*, *Public Service Act 2008* and the Queensland State Archives (QSA) Records Governance Policy.

Departmental policies are in place which allocate responsibilities for recordkeeping. An end-to-end recordkeeping service supports business areas to develop an effective recordkeeping culture and apply new technologies to maximise the use of digital records. The records are held in the corporate eDRMS and according to the Information Security Policy. There were no security breaches of this system in 2021–22.

Retention and authorised disposal processes and controls are in place for physical and electronic records. The number of records transferred to off-site storage will continue to decline as the transition to digital recordkeeping increases. Records are retained in accordance with the following approved general administrative and core business retention and disposal schedules:

- General Retention and Disposal Schedule – QDAN 415 v.4 (2020)
- Water – QDAN 738 (2016).

Information security management

During the mandatory annual Information Security reporting process, the Director-General attested to the appropriateness of the information security risk management within the Department of Regional Development, Manufacturing and Water to the Queensland Government Chief Information Security Officer, noting that appropriate assurance activities have been undertaken to inform this opinion and the department information security risk position.

Our people

Workforce profile

Figure 3: Workforce profile data⁸

	FTE
Total FTE for the Department of Regional Manufacturing and Water	552.22

Figure 4: Workforce Profile data⁹

Gender	Number (headcount)	Percentage of total workforce (calculated on headcount)
Woman	333	54.95%
Man	272	44.88%
Non-binary	<5	0.17%
Diversity Groups	Number (headcount)	Percentage of total workforce (calculated on headcount)
Women	333	44.88%
Aboriginal Peoples and Torres Strait Islander Peoples	7	1.16%
People with disability	30	4.95%
Culturally and Linguistically Diverse – Born overseas	14	2.31%
Culturally and Linguistically Diverse – Speak a language at home other than English including (Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages)	11	1.82%
	Number (headcount)	Percentage of total Leadership Cohort (calculated on headcount)
Women in leadership roles ¹⁰	24	44.44%

⁸ MOHRI FTE data for fortnight ending 17 June 2022.

⁹ To ensure privacy, in tables where there are less than 5 respondents in a category, specific numbers should be replaced by <5.

¹⁰ Women in Leadership Roles are considered those positions that are Senior Officer and equivalent and above.

Strategic workforce planning and performance

The department is people-focused and understands the importance of creating a safe, supportive and inclusive work environment and having a positive culture where people feel supported and empowered.

Preliminary scoping activities have commenced to identify the critical workforce needs to support delivery of the new strategic plan. The scoping work undertaken lays a foundation for the future capability roadmap and contemporary strategies to attract and retain an innovative, inclusive, diverse and capable workforce, focusing on:

- talent acquisition and retention
- leadership and capability development
- new ways of working focusing on our culture.

Behaviours Charter

In the first half of 2022, a Staff Reference Group of more than 50 staff was established with a key role of developing a departmental behaviours charter that would further define how we would like our workplace to operate.

Several workshops were held, and engagement occurred across the department to ensure the charter outlined the behaviours all staff would strive to follow to create a positive workplace culture that can achieve outcomes for the community. Our Behaviours Charter was officially launched in June 2022.

Employment performance management

The department incorporates the principles of positive performance management into all local management practices through setting clear performance expectations and constructively engaging with employees to improve work performance and build expertise in the public sector.

Performance is managed through an annual performance and development cycle where performance goals and development conversations are documented and reviewed regularly. The department supports the conduct and performance excellence model, including reporting of matters that require ongoing monitoring and action to the Public Service Commission.

The department actively pursues cross-training, upskilling and knowledge-sharing activities for staff, including internal secondments and opportunities to provide expertise in high-level Australian Government-funded projects and operational emergency management response and reporting activities.

The department is committed to a culture that prioritises recognition of employees who are high performing by recognising effort regardless of the outcome and acknowledging success through genuine appreciation of work completed.

Leadership and management development framework

The department supports the development of leadership by assessing competency against the Leadership Competencies for Queensland framework and provides leaders with information about key strengths and development areas in order to guide career activities. Formal development programs on offer to our people during the year included:

- whole-of-sector leadership development programs, master classes and seminars
- online learning modules, videos and interactions via a learning management system
- formal leadership training for senior leaders
- one-on-one coaching from senior leaders where teams were experiencing changes to organisational structure.

Health, safety and wellbeing

The department promotes and supports recovery of workforce health, safety and wellbeing through the provision of contemporary safety systems, flexible work arrangements, mentally healthy workplaces and domestic and family violence strategies.

The department are committed to ensuring our work health and safety systems protect our people from harm. During 2021–22, we undertook activities to support the development and implementation of a contemporary Safety Management System. Activities included:

- development and implementation of a dedicated departmental workplace health and safety (WHS) SharePoint site as a single information source for staff, which houses all relevant WHS information, policies, procedures, plans and committee minutes
- construction and implementation of an Incident/Hazard reporter, SafeWorx, including a COVID-19 tracking system
- development of regional emergency response plans tested in real-life simulations
- establishment and embedding of a safety committee framework at local, regional and departmental levels
- implementation of Field Ops and TracerTrak statewide, providing the capability to track employee safety via call-ins and tracking of all vehicle movements in remote and/or high-risk travel
- development of a WHS policy
- review/rewriting of WHS procedures and a process for consultation and endorsement.

The department also focused on employee wellbeing in response to employee feedback on workload and health obtained from the Working for Queensland survey results.

Mental Health Awareness workshops were conducted for all departmental staff across 31 sites, as well as further sessions for managers and supervisors.

The department also participated in the following initiatives and programs during this period:

- Staff Alliance (Staff Welfare Fund)
- Annual Flu Vaccination Program
- Lifeblood Teams (blood donations)
- monthly Employee Assistance Program webinars
- RU OK? Day.

Domestic and family violence prevention

In May 2022, the department achieved its White Ribbon accreditation status.

A range of activities held throughout the year were aimed at preventing domestic and family violence and supporting employees who may be impacted. Some of the initiatives and programs delivering during this period include:

- senior leadership signed the Not now, not ever. Together pledge
- the department signed a Memorandum of Understanding with a remote far North Queensland Domestic Family Violence Shelter
- Recognise, Respond, Refer training was rolled out via our Learning Management System
- activities and education were provided around awareness events such as White Ribbon Day and Domestic and Family Violence Month
- a DRDMW team participated in and raised funds for the Darkness to Daylight event.

DRDMW employees who are affected by domestic and family violence are provided with support through leave entitlements, flexible work arrangements and referral services.

Inclusion and diversity

The department continues to implement measures to support an inclusive workplace that represents the diversity of our community. We support the Queensland Government's commitment to providing equal opportunities for women, young people, Aboriginal and Torres Strait Islander peoples, people from culturally and linguistically diverse backgrounds and people with disabilities.

Some of the initiatives and programs delivered during this period include:

- celebrating and providing education around awareness days such as International Women's Day; Multicultural Month; Reconciliation Week; International Day Against Homophobia, Biphobia, Interphobia and Transphobia; Mental Health Week; Movember; Disability Action Week
- signing a supporter agreement for the Racism. It Stops With Me campaign
- signing up to the Aboriginal and Torres Strait Islander Career Pathways Service
- launching an internal DRDMW Cultural Capability Network
- implementing Starting the Journey Cultural Capability training
- continuing to coordinate the Women in Manufacturing program.

The department supports the development of young Queenslanders in the transition from education to employment via 2 graduate entry programs:

- Water Policy Futures Program
- Graduate Excellence Program.

Early retirement, redundancy and retrenchment

No redundancy, early retirement or retrenchment packages were paid during 2021–22.

Department of Regional Development, Manufacturing and Water

Financial Statements

For the Year Ended 30 June 2022

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Department of Regional Development, Manufacturing and Water

Financial Statements

For the Year Ended 30 June 2022

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Department of Regional Development, Manufacturing and Water
Statement of Comprehensive Income
for the year ended 30 June 2022

	Notes	2022 Actual \$'000	2022 Original Budget \$'000	2022 Budget Variance ¹ \$'000	2021 Actual \$'000
Income					
Appropriation revenue	B1-1	172,367	178,725	(6,358)	99,994
User charges and fees	B1-2	6,419	8,186	(1,767)	1,479
Grants and contributions	B1-3	4,915	-	4,915	4,283
Other revenue	B1-4	4,462	78	4,384	413
Total revenue		188,163	186,989	1,174	106,169
Gains on disposal and remeasurement of assets		7	-	7	1,082
Total income		188,170	186,989	1,181	107,251
Expenses					
Employee expenses	B2-1	70,572	69,490	1,082	40,731
Grants and subsidies	B2-3	75,136	72,226	2,910	58,619
Supplies and services	B2-2	40,704	41,572	(868)	19,294
Depreciation and amortisation		3,386	2,600	786	1,853
Revaluation decrement	C4-1	-	-	-	1,185
Other expenses	B2-4	2,108	1,101	1,007	705
Total expenses		191,906	186,989	4,917	122,387
Operating result		(3,736)	-	(3,736)	(15,136)
Other comprehensive income					
Items not reclassified to operating result					
Increase in asset revaluation surplus	C4-1	4,472	-	-	258
Total other comprehensive income		4,472	-	-	258
Total comprehensive income		736	-	(3,736)	(14,878)

¹ An explanation of major variances is included at Note E1-1

The accompanying notes form part of these statements

Department of Regional Development, Manufacturing and Water
Statement of Comprehensive Income by Major Departmental Services
for the year ended 30 June 2022

	Grow the Economy¹		Water Resource Management Services		Total[*]	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Appropriation revenue	81,422	51,749	90,945	48,245	172,367	99,994
User charges and fees	104	17	6,315	1,462	6,419	1,479
Grants and contributions	492	395	4,423	3,888	4,915	4,283
Other revenue	3,989	37	473	376	4,462	413
Total revenue	86,007	52,198	102,156	53,971	188,163	106,169
Gains on disposal and remeasurement of assets	-	-	7	1,082	7	1,082
Total income	86,007	52,198	102,163	55,053	188,170	107,251
Expenses						
Employee expenses	11,578	9,243	58,994	31,488	70,572	40,731
Grants and subsidies	62,944	54,389	12,192	4,230	75,136	58,619
Supplies and services	13,655	3,495	27,049	15,799	40,704	19,294
Depreciation and amortisation	573	26	2,813	1,827	3,386	1,853
Revaluation decrement	-	81	-	1,104	-	1,185
Other expenses	279	100	1,829	605	2,108	705
Total expenses	89,029	67,334	102,877	55,053	191,906	122,387
Operating result	(3,022)	(15,136)	(714)	-	(3,736)	(15,136)
Other comprehensive income						
Items not reclassified to operating result						
Increase in asset revaluation surplus	-	-	4,472	258	4,472	258
Total other comprehensive income	-	-	4,472	258	4,472	258
Total comprehensive income	(3,022)	(15,136)	3,758	258	736	(14,878)

¹ The name of this service area has been amended from "Develop the Economy" to "Grow the Economy".

^{*} Refer to note A2

Department of Regional Development, Manufacturing and Water
Statement of Financial Position
as at 30 June 2022

	Notes	2022 Actual \$'000	2022 Original Budget \$'000	2022 Budget Variance ¹ \$'000	*Restated 2021 Actual \$'000
Current assets					
Cash and cash equivalents	C1	123,515	35,924	87,591	84,796
Receivables	C2	4,949	10,755	(5,806)	3,620
Other current assets	C3	19,708	1,846	17,862	20,981
Total current assets		148,172	48,525	99,647	109,397
Non-current assets					
Receivables	C2	654	-	654	737
Property, plant and equipment	C4	232,668	319,817	(87,149)	120,100
Intangible assets		1,958	1,212	746	915
Total non-current assets		235,280	321,029	(85,749)	121,752
Total assets		383,452	369,554	13,899	231,149
Current liabilities					
Payables	C5	37,950	2,041	35,909	39,625
Accrued employee benefits	C6	2,135	2,124	11	1,757
Other current liabilities	C7	1,319	4,420	(3,101)	669
Total current liabilities		41,404	8,585	32,819	42,051
Non-current liabilities					
Other non-current liabilities	C7	7,553	-	7,553	2,250
Total non-current liabilities		7,553	-	7,553	2,250
Total liabilities		48,957	8,585	40,372	44,301
Net assets		334,495	360,969	(26,473)	186,848
Equity					
Contributed equity		831,569	-	-	684,659
Accumulated deficit		(501,804)	-	-	(498,068)
Asset revaluation surplus		4,730	-	-	258
Total equity		334,495	-	-	186,848

¹ An explanation of major variances is included at Note E1-2

* Refer to note A1-3, C1 and C3.

The accompanying notes form part of these statements

Department of Regional Development, Manufacturing and Water
Statement of Assets and Liabilities by Major Departmental Services
as at 30 June 2022

	Grow the Economy ¹		Water Resource Management Services		Total ^{**}	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	*Restated 2021 \$'000
Current assets						
Cash and cash equivalents	93,881	51,662	29,634	33,134	123,515	84,796
Receivables	1,614	3,445	3,335	175	4,949	3,620
Other current assets	17,790	19,207	1,918	1,774	19,708	20,981
Total current assets	113,285	74,314	34,887	35,083	148,172	109,397
Non-current assets						
Receivables	-	-	654	737	654	737
Property, plant and equipment	198,183	86,867	34,485	33,233	232,668	120,100
Intangible assets	-	-	1,958	915	1,958	915
Total non-current assets	198,183	86,867	37,097	34,885	235,280	121,752
Total assets	311,468	161,181	71,984	69,968	383,452	231,149
Current liabilities						
Payables	6,207	7,007	31,743	32,618	37,950	39,625
Accrued employee benefits	254	330	1,881	1,427	2,135	1,757
Other current liabilities	-	-	1,319	669	1,319	669
Total current liabilities	6,461	7,337	34,943	34,714	41,404	42,051
Non-current liabilities						
Other non-current liabilities	7,553	2,250	-	-	7,553	2,250
Total non-current liabilities	7,553	2,250	-	-	7,553	2,250
Total liabilities	14,014	9,587	34,943	34,714	48,957	44,301
Net assets	297,454	151,594	37,041	35,254	334,495	186,848

¹ The name of this service area has been amended from "Develop the Economy" to "Grow the Economy".

* Refer to note A1-3, C1 and C3.

** Refer to note A2

Department of Regional Development, Manufacturing and Water
Statement of Changes in Equity
for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Contributed equity			
Balance as at 1 July		684,659	491,469
Transactions with owners as owners:			
Appropriated equity injections/(withdrawals)	C8-2	146,910	41,500
Net transfer out from other Queensland Government entities		-	(13,890)
Balance transferred in through machinery-of-Government		-	165,580
Total contributed equity		831,569	684,659
Accumulated deficit			
Balance as at 1 July		(498,068)	(477,578)
Adjustments to Water balances		-	(5,354)
Operating result		(3,736)	(15,136)
Total accumulated deficit		(501,804)	(498,068)
Asset revaluation surplus			
Balance as at 1 July		258	-
Revaluation increments		4,472	258
Total asset revaluation surplus		4,730	258
Total equity at 30 June		334,495	186,848

The accompanying notes form part of these statements

Department of Regional Development, Manufacturing and Water

Statement of Cash Flows

for the year ended 30 June 2022

		2022	2022	2022	*Restated
	Notes	Actual	Original	Budget	2021
		\$'000	Budget	Variance ¹	Actual
			\$'000	\$'000	\$'000
Cash flows from operating activities					
Inflows:					
Service appropriation receipts		172,184	178,725	(6,541)	6,352
User charges and fees		6,065	7,777	(1,712)	2,942
Grants and contributions		3,441	-	3,441	4,283
GST input tax credits from ATO		365	-	365	4,341
GST collected from customers		11,236	-	11,236	178
Interest		52	-	52	22
Other		9,779	2,398	7,381	4,931
Outflows:					
Employee expenses		(70,485)	(69,490)	(995)	(41,108)
Supplies and services		(39,282)	(43,827)	4,545	(21,483)
Grants and subsidies		(78,333)	(72,226)	(6,107)	(37,710)
GST paid to suppliers		(10,917)	-	(10,917)	(5,571)
GST remitted to ATO		(296)	-	(296)	(171)
Other		-	(1,992)	1,992	(60,899)
Net cash provided by/(used in) operating activities		3,809	1,365	2,444	(143,894)
Cash flows from investing activities					
Inflows:					
Sales of property, plant and equipment		617	-	617	704
Outflows:					
Payments for property, plant and equipment		(110,831)	(142,600)	31,769	(8,220)
Payments for intangible assets		(1,787)	-	(1,787)	-
Net cash provided by/(used in) investing activities		(112,000)	(142,600)	30,599	(7,516)
Cash flows from financing activities					
Inflows:					
Equity injections	C8-2	146,910	140,000	6,910	41,500
Outflows:					
Non-appropriated equity withdrawals		-	-	-	(13,890)
Net cash provided by/(used in) financing activities		146,910	140,000	6,910	27,610
Agency trust fund adjustment*		-	-	-	42,133
Net increase/(decrease) in cash and cash equivalents		38,719	(1,235)	39,954	(123,800)
Increase/(decrease) in cash and cash equivalents from restructuring		-	-	-	28,508
Cash and cash equivalents at beginning of financial year		84,796	37,159	47,637	137,954
Cash and cash equivalents at end of financial year	C1	123,515	35,924	87,591	84,796

¹ An explanation of major variances is included at Note E1-3

* Refer to note A1-3 for details regarding the restatement.

The accompanying notes form part of these statements

Department of Regional Development, Manufacturing and Water
Statement of Cash Flows
for the year ended 30 June 2022

NOTES TO THE STATEMENT OF CASH FLOW

Reconciliation of operating result to net cash used in the operating

	Notes	2022 \$'000	*Restated 2021 \$'000
Operating result		(3,736)	(15,136)
Non-cash items included in operating result:			
Depreciation and amortisation expense		3,386	1,853
Asset revaluation decrement		-	1,185
Impairment losses		421	36
Gains on disposal and remeasurement of assets		(7)	(1,082)
Losses from disposal of property, plant and equipment		318	185
Donated assets received below fair value		(835)	-
Assets donated expensed	C4-1	-	15,134
Outflows			
Increase/(decrease) in deferred appropriation payable to Consolidated Fund		(183)	(93,642)
(Increase)/decrease in receivables		(1,402)	2,933
(Increase)/decrease in other assets		1,292	(61,269)
Increase/(decrease) in payables		(332)	3,373
Increase/(decrease) in accrued employee benefits		85	(376)
Increase/(decrease) in other liabilities		4,802	2,912
Net cash used in operating activities		3,809	(143,894)

* Refer to note A1-3

The accompanying notes form part of these statements

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

SECTION 1
ABOUT THE DEPARTMENT AND THIS FINANCIAL REPORT

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

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

The head office and principal place of business of the department is 1 William Street, Brisbane QLD 4000.

A1-2 STATEMENT OF COMPLIANCE

The department has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2021.

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

A1-3 PRESENTATION

Currency and rounding

Amounts included in the financial statements are in Australian dollars and have been 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.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

Comparatives

Comparative information reflects the audited 2020-21 financial statements (except where restated) as necessary to be consistent in disclosures for the current reporting period).

The 2020-21 comparatives include 7 months of the Water function, noting the machinery of Government ("MoG") change was effective from 1 December 2020, while 2021-22 financial year include the full 12 months of this function.

Restatement

During the year, the department reassessed its contractual relationship regarding the Rookwood Weir Project. The review considered principal and agent arrangements. The department concluded it was acting as the principal in the delivery of Weir construction as it retains all the risks and responsibilities associated with the delivery of the project.

Funds paid to the lead agent are held in Trust for the department. The lead agent does not control the use of this cash as it is limited to the progression of the weir construction activity. Consequently, cash held in trust by the agent as at 30 June 2021 has been reclassified from Other Current Assets - Advances to Cash in the Statement of Financial Position (refer to notes C1 & C3).

The impact to the Statement of Cashflows for the 2020-21 financial year is an increase of \$42.133 million, representing the funds held in Trust by the agent for the Rookwood Weir Project funding.

Current/non-current classification

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

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

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

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

A1-5 BASIS OF MEASUREMENT

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

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

Historical cost

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.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- *The market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- *The cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- *The income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

A1-6 THE REPORTING ENTITY

The financial statements include all income, expenses, assets, liabilities and equity of the department. The department has no controlled entities.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

A2 DEPARTMENT OBJECTIVES

The objective of the department is to drive investment, economic growth and jobs through competitive regional economies, enable an innovative manufacturing sector and make best use of our water resources by delivering sustainable, safe, secure and affordable water state-wide.

The department's major services are:

Grow the Economy

This service area's objective is to create jobs that provide enduring economic benefit by delivering regional economic development opportunities and supporting the manufacturing industry in Queensland.

Water Resource Management Services

This service area's objective is to deliver sustainable management of Queensland's water resources as well as regulation of water service providers and water infrastructure owners.

Comparatives

The comparative financial statements by Major Departmental Services have been amended to reflect an internal restructure between the two service areas. Financial Statement line item totals have not changed.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

SECTION 2
NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 APPROPRIATION REVENUE

Reconciliation of payments from consolidated fund to appropriated revenue recognised in operating Result

	Notes	2022 \$'000	2021 \$'000
Original budget appropriation revenue		178,725	-
Treasurer's transfers		(6,541)	-
Unforeseen expenditure ¹		-	6,352
Total Appropriation Receipts (cash)		172,184	6,352
Plus: Opening balance of deferred appropriation payable to Consolidated Fund		31,144	124,786
Less: Closing balance of deferred appropriation payable to Consolidated Fund	C5	(30,961)	(31,144)
Appropriation revenue recognised in Statement of Comprehensive Income		172,367	99,994

¹Unforeseen expenditure mainly relates to the reallocation of funding from the Department of Resources for Water Resource Management Services, partly offset by timing adjustments for the Made in Queensland program.

Accounting Policy – Appropriation Revenue

Appropriations provided under the *Appropriation Act 2021* are recognised as revenue when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity (refer to Note C8-2).

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' item appropriations (refer to Note F1-1).

B1-2 USER CHARGES AND FEES

	2022 \$'000	2021 \$'000
Fees and permits	4,129	-
Property rental	1,812	975
Other user charges and fee	478	504
Total	6,419	1,479

Accounting Policy - User Charges and Fees

The department recognises user charges and fees as revenues 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 or payment is received. Accrued revenue is recognised if the revenue has been earned but not yet invoiced (refer to Note C2).

The annual levy for underground water management under the *Water Regulation 2016* is recognised upon issuance of the levy notice. Revenue for 2020-21 was recognised within the Department of Resources, as levy notice was issued in September 2020 (pre-MoG).

Accounting Policy – Property rental

Rental revenue is recognised as income on a periodic straight-line basis over the lease term.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

B1-3 GRANTS AND CONTRIBUTIONS

	2022	2021
	\$'000	\$'000
Revenue from contracts with customers		
Commonwealth grants	1,033	3,057
Other grants and contributions		
Contributions	2,361	981
Goods and services received at below fair value	1,521	245
Total	4,915	4,283

Accounting Policy – Grants and contributions

Grants and contributions are non-reciprocal transactions where the department does not directly give approximately equal value to the grantor.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the department to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied. Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding.

The department has a number of grant arrangements with the Commonwealth's Department of Agriculture, Water and the Environment which have been identified as having sufficiently specific performance obligations under enforceable grant agreements.

Accounting Policy – Goods and services received below fair value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, the amount representing the fair value is recognised as revenue with a corresponding expense for the same amount.

B1-4 OTHER REVENUE

	2022	2021
	\$'000	\$'000
General recoveries	3,940	144
Other revenue	368	-
QGIF claims recoveries	102	247
Interest	52	22
Total	4,462	413

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

B2 EXPENSES

B2-1 EMPLOYEE EXPENSES

	2022	2021
	\$'000	\$'000
Employee benefits		
Salaries and wages	54,909	32,371
Employer superannuation contributions	7,438	4,197
Annual leave levy	6,095	3,065
Long service leave levy	1,348	713
Other employee benefits	2	105
Employee relates expenses		
Other employee related expenses	573	161
Workers' compensation premium	207	119
Total	70,572	40,731

Minimum Obligatory Human Resource Information (MOHRI) measured on a full time equivalent basis is:

	2022	2021
Number of employees:	559	547

The number of employees as at 30 June is based upon the fortnight ending 01 July 2022 (2021 is based upon fortnight ending 02 July 2021), including both full time and part time employees.

Disclosure – Employee expenses

Employee expenses as at 30 June included two Enterprise Bargaining Agreements increases and is the full 12 months (2021 is 7 months of reporting for the Water function, due to the MoG, effective from 1 December 2020).

Accounting Policy – Wages and salaries

Salaries and wages due but unpaid at the reporting date are recognised at the current salary rates. As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting Policy – Annual leave and Long service leave

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed 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 on the advice of the State Actuary. Contributions are paid by the department at the specified rate following completion of the employee's service each pay period. The department's obligations are limited to those contributions paid.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

B2-1 EMPLOYEE EXPENSES (continue)

Accounting Policy – Workers' compensation premium

The department 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 G1.

B2-2 SUPPLIES AND SERVICES

	2022	2021
	\$'000	\$'000
Contractors and consultants	17,210	5,650
Office Accommodation	7,998	5,057
Information and communication technology costs	5,323	2,782
Marketing and public relations	3,158	96
Other	3,099	2,945
Service costs to other government agencies and shared service providers	1,649	1,514
Motor vehicles	1,374	752
Travel	893	498
Total	40,704	19,294

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 department 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 in Note B2-3.

Office accommodation

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework arise from non-lease arrangements with the Department of Energy and Public Works (DEPW), who has substantive substitution rights over the assets used within this scheme. Payments are expensed as incurred and categorised within accommodation costs.

B2-3 GRANTS AND SUBSIDIES

	2022	2021
	\$'000	\$'000
Grants		
Industry attraction	57,645	33,946
Queensland and local government	17,041	24,392
Universities	-	10
Contributions - subsidies	450	271
Total	75,136	58,619

Accounting policy – Grants and subsidies

Grants and contributions are recognised in accordance with the relevant funding agreement between the department and the recipient and are non-reciprocal. Grants are treated as an expense when the recipient can control the use of the resources or when the department's obligation for a transfer arises at that time.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

B2-4 OTHER EXPENSES

	2022	2021
	\$'000	\$'000
Goods received below fair value	638	141
Insurance premiums - QGIF	490	194
Losses from disposal of property, plant and equipment	318	185
Special payments	253	-
Queensland Audit Office - external audit fees for the audit of the financial statement	247	210
Impairment losses	136	(36)
Other expenses	25	11
Total	2,108	705

Audit fees

Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$0.247 million (2021: \$0.210 million).

Special payments

Special payments represent ex gratia expenditure that the department is not contractually or legally obligated to make to other parties. Special payments provided during the 2021-22 financial year, were \$0.252 million and includes the following item over \$5,000:

- The department recognised special payments provided for ex-gratia compensation.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

SECTION 3
NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

	2022	*Restated 2021
	\$'000	\$'000
Cash at bank	29,356	40,413
Agency funds held in trust	94,159	44,383
Total	123,515	84,796

* Refer to note A1-3 and C3.

* Funds paid to a lead agent under a contractual arrangement, are held in Trust for the department. The lead agent has responsibility to ensure decisions made are in line with the agreed project plan and milestones in relation to construction of the Rookwood Weir Project and does not control the use of this cash as it is limited to the progression of the weir construction activity. The department controls the cash as it is acting as the principal in the delivery of Weir construction, and it therefore retains all the risks and responsibilities associated with the delivery of the project.

Prior to the restatement, the comparative for 2020-21 cash at bank balance was \$42.663 million, which included deposits received in trust for the department on the sales of unallocated water for Rookwood Weir. The restatement increased agency funds held in trust by \$44.383 million, which includes unspent funds held in the TOC account (\$42.133 million) and unallocated water deposits received in trust (\$2.250 million).

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 as well as deposits at call with financial institutions.

C2 RECEIVABLES

	2022	2021
	\$'000	\$'000
Current		
Trade debtors	2,699	352
Accrued revenue	74	548
	2,773	900
Less: Allowance for impairment loss	(456)	(35)
	2,317	865
GST input tax receivable	908	1,296
Annual leave claim receivable	1,344	1,014
Long service leave receivable	375	443
Other receivables	5	2
Total current receivables	4,949	3,620
Non-Current		
Trade Debtors	654	737
Total non-current receivables	654	737
Total	5,603	4,357

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

C2 RECEIVABLES (continued)

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 30 days from invoice date.

Disclosure - Receivables

The closing balance of receivables arising from contracts with customers at 30 June 2022 is \$1.589 million (2021: \$1.066 million).

C2-1 IMPAIRMENT OF RECEIVABLES

Accounting Policy – Impairment of Receivables

The loss allowance reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact the department's debtors, along with relevant industry and statistical data, where applicable.

Receivables from Queensland Government agencies or Australian Government agencies have no loss allowance recorded on the basis of materiality. Refer to Note D2-2 for the department's credit risk management policies.

Where the department has no reasonable expectation of recovering an amount owed, the amount owed is written off by directly reducing the receivable against the loss allowance. This occurs when the department determines that an amount owing to the department has become uncollectible (after an appropriate range of debt recovery actions). If the amount written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Disclosure - Credit Risk Exposure of Receivables

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

The department has determined that groupings used for measuring expected credit losses (both controlled and administered) are in line with the department's major revenue streams. The revenue streams are water sales revenue and other departmental revenue.

For the water sales revenue, the department uses a provision matrix to measure the expected credit losses on water billing debtors. The calculations reflect historical observed default rates based on credit losses experienced on past sales transactions during the last five years preceding 30 June 2022 for each ageing band. Actual credit losses over the five years preceding 30 June 2022 have been correlated against reasonable and supportable forward-looking changes in environmental factors and based on those results, the historical default rates are adjusted in line with expected changes to that indicator.

As the department has very few other departmental revenue transactions, receivables for this revenue stream are assessed individually to measure the expected credit losses. Amounts outstanding are assessed for probability of default and loss given default. The probability of default incorporates historical observed default rates for each debtor. In addition, reasonable and supportable forward-looking information for expected economic changes that affect the future recovery of receivables have been considered.

Set out below is the credit risk exposure on the department's trade debtors broken down by revenue streams and by ageing band.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

C2-1 IMPAIRMENT OF RECEIVABLES (continued)

Impairment – Water sales revenue

Ageing	2022			2021		
	Gross receivables	Loss rate	Expected credit losses	Gross receivables	Loss rate	Expected credit losses
	\$'000	%	\$'000	\$'000	%	\$'000
Current	1,385	0.91	13	809	0.12	-
1 to 30 days overdue	-	-	-	-	0.28	-
31 to 60 days overdue	5	14.78	1	-	6.71	-
61 to 90 days overdue	71	39.65	27	1	41.41	-
91 to 270 days overdue	-	100.00	-	6	88.98	6
>270 days	415	100.00	415	5	100.00	5
Total	1,876		456	821		11

Impairment – Other departmental revenue

Ageing	2022			2021		
	Gross receivables	Loss rate	Expected credit losses	Gross receivables	Loss rate	Expected credit losses
	\$'000	%	\$'000	\$'000	%	\$'000
Current	1,477	-	-	154	-	-
1 to 30 days overdue	-	-	-	36	-	-
31 to 60 days overdue	-	-	-	30	-	-
61 to 90 days overdue	-	-	-	-	-	-
91 to 270 days overdue	-	50.00	-	5	50.00	2
>270 days	-	50.00	-	43	50.00	22
Total	1,477		-	268		24

Disclosure – Movement in loss allowance for trade debtors

	2022 \$'000	2021 \$'000
Loss allowance as at 1 July	35	-
Transfer due to machinery-of-Government	-	393
Amounts written off during the year	298	(285)
Increase/(decrease) in allowance recognised in operating result	123	(73)
Loss allowance as at 30 June	456	35

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

C3 OTHER CURRENT ASSETS

	2022	*Restated
	\$'000	2021
		\$'000
Advances	17,620	19,088
Inventories	1,254	1,324
Prepayments	834	569
Total	19,708	20,981

** Refer to note A1-3 and C1*

** Prior to the restatement, the comparative for 2020-21, advances balance was \$61.221 million, which included unspent funds held in trust by the lead agent for the Rookwood Weir Project funding (\$42.133 million).*

Accounting Policy – Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expensed as incurred.

Disclosure – Advances

Sunwater Limited ("Sunwater") is the lead agent of the Rookwood Weir project. Advances include unspent funding provided to the lead agent for the Rookwood Weir project as at 30 June 2022.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE

C4-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	Work in Progress \$'000	Total \$'000
30 June 2022						
Gross	6,091	30,521	16,134	11,054	197,389	261,189
Less: Accumulated depreciation	-	(14,981)	(7,263)	(6,238)	-	(28,482)
Less: Accumulated impairment losses	-	-	(39)	-	-	(39)
Carrying amount at 30 June 2022	6,091	15,540	8,832	4,816	197,389	232,668

Represented by movements in carrying amount

Carrying amount at 1 July	4,801	12,040	9,657	5,390	88,212	120,100
Acquisitions	899	573	69	416	109,778	111,735
Disposals	-	(612)	-	(318)	-	(930)
Transfer between classes	-	63	-	496	(601)	(42)
Adjustment to Water balances	(39)	-	-	-	-	(39)
Net revaluation increments in operating result	-	13	-	-	-	13
Net revaluation increments in revaluation surplus	430	4,042	-	-	-	4,472
Depreciation	-	(579)	(894)	(1,168)	-	(2,641)
Carrying amount at 30 June 2022	6,091	15,540	8,832	4,816	197,389	232,668

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	Work in Progress \$'000	Total \$'000
30 June 2021						
Gross	4,801	18,717	16,265	12,142	88,212	140,137
Less: Accumulated depreciation	-	(6,677)	(6,569)	(6,752)	-	(19,998)
Less: Accumulated impairment losses	-	-	(39)	-	-	(39)
Carrying amount at 30 June 2021	4,801	12,040	9,657	5,390	88,212	120,100

Represented by movements in carrying amount

Transfer as a result of machinery-of-Government (MoG) change	4,504	12,954	9,721	5,657	105,481	138,317
Adjustment for advanced funding included in MoG transfer	-	-	-	-	(45,275)	(45,275)
Acquisitions	-	-	106	495	53,277	53,878
Disposals	-	-	(165)	(27)	-	(192)
Donations made	-	-	(15,134)	-	-	(15,134)
Transfer between classes	-	-	15,622	-	(15,622)	-
Adjustment to Water balances	39	599	-	-	(9,649)	(9,011)
Net revaluation decrements in operating result	-	(1,185)	-	-	-	(1,185)
Net revaluation increments in revaluation surplus	258	-	-	-	-	258
Depreciation	-	(328)	(493)	(735)	-	(1,556)
Carrying amount at 30 June 2021	4,801	12,040	9,657	5,390	88,212	120,100

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

C4-2 RECOGNITION AND ACQUISITION

Recognition thresholds for Property, Plant and Equipment

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

Buildings (including land improvements)	\$10,000
Infrastructure	\$10,000
Land	\$1
Plant and equipment	\$ 5,000

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

Land improvements undertaken by the department are included with buildings or infrastructure based on the proximity of the asset to which they relate.

Acquisition of assets

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

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition, plus all other costs incurred in getting the assets ready for use.

Where assets are received free of charge from another Queensland Government entity (whether as a result of a MoG change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the other entity immediately prior to the transfer.

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at the date of acquisition.

Capital work in progress: Work in progress is recognised at cost. All costs relating to items of property, plant and equipment constructed in-house are recorded as work in progress until completion of the project using all direct and indirect costs, where the latter are reliably attributable. Work in progress performed under external contracts is recorded using the invoice amount supplied by the vendor.

C4-3 DEPRECIATION EXPENSE

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated remaining useful life to the department.

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

Key judgement: Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the department.

Assets under construction (work in progress) are not depreciated until construction is completed and the asset is put to use or is ready for its intended use, whichever is earlier. These assets are then reclassified to the relevant class within property, plant and equipment.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Department of Regional Development, Manufacturing and Water
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C4-3 DEPRECIATION EXPENSE (continued)

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

For the department's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

Key Estimate: Depreciation rates are assessed annually and the following useful life ranges are used for each class of depreciable assets:

Physical asset class	Useful life
Buildings	15 – 80 years
Infrastructure	15 – 120 years
Plant and equipment	5 – 15 years

C4-4 MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT

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

Land, buildings and infrastructure assets are measured at fair value as required by Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable.

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

Property, plant and equipment classes measured at fair value are revalued on an annual basis either by appraisals undertaken by independent professional valuers or by the use of appropriate and relevant indices. They are reviewed annually taking into consideration an analysis of movement in fair value and other relevant information.

Use of Specific Appraisals

The department comprehensively values its land, building and infrastructure assets using a rolling revaluation program which ensures all material assets are valued by independent professional valuers at least once every five years.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case a revaluation is warranted). Refer Note D1-2.

Use of Indices

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The department ensures that the application of such indices would result in a valid estimation of the asset's fair value at reporting date. The State Valuation Service (SVS) supplies the indices and provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Such indices are either publicly available or are derived from market information available to SVS. Indices used are also tested by SVS for reasonableness by applying the indices to a sample of assets and comparing the results to similar assets that have been valued. At year end, management assesses the relevance and suitability of indices provided by SVS based on the department's particular circumstances.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
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C4-4 MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT (continued)

Accounting for Changes in Fair Value

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

The department's building and infrastructure assets are revalued using a cost valuation approach (that is current replacement cost). Revaluations are recorded using the 'gross method' meaning accumulated depreciation is adjusted to equal the difference between the gross amount and the carrying amount, after taking into account accumulated impairment losses.

C4-5 IMPAIRMENT

All non-current physical assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement*. If an indicator of possible impairment exists, the department determines the asset's recoverable amount under AASB 136 *Impairment of Assets*.

C5 PAYABLES

	2022	2021
	\$'000	\$'000
Deferred appropriation/equity payable to the Consolidated Fund	30,961	31,144
Grants and subsidies payable	2,681	5,879
Accrued expenses	2,538	2,123
Trade creditors	1,470	463
Special payment	253	-
Other	47	16
Total	37,950	39,625

Accounting Policy - Payables

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.

C6 ACCRUED EMPLOYEE BENEFITS

	2022	2021
	\$'000	\$'000
Annual leave levy payable	1,740	1,423
Long service leave levy payable	395	334
Total	2,135	1,757

Accounting policy – Accrued employee benefits

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

Department of Regional Development, Manufacturing and Water
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C7 OTHER LIABILITIES

	2022	2021
	\$'000	\$'000
Current		
Unearned revenue	1,152	-
Other	167	669
Total current liabilities	1,319	669
Non-Current		
Accrued expenses	3,051	-
Deposits held	4,502	2,250
Total non-current liabilities	7,553	2,250
Total	8,872	2,919

Disclosure – Accrued expenses

Accrued expenses include water allocation sales and marketing expenditure in respect of Rookwood Weir project, which is payable upon the operational of the weir.

Disclosure – Deposits held

Deposits held were monies received from customers for the future sale of water allocation in respect of Rookwood Weir, which are to be assessed and granted in line with the *Water Act 2000* upon successful commissioning and completion of the Rookwood Weir project.

C8 EQUITY

C8-1 CONTRIBUTED EQUITY

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

- Appropriations for equity adjustments (refer Note C8-2).

C8-2 APPROPRIATIONS RECOGNISED IN EQUITY

	2022	2021
	\$'000	\$'000
Reconciliation of payments from Consolidated Fund to Equity Adjustment		
Budgeted equity adjustment appropriation	140,000	18,942
Treasurer's transfer	6,910	-
Unforeseen expenditure ¹	-	22,558
Equity adjustment recognised in Contributed Equity	146,910	41,500

¹Unforeseen expenditure mainly relates to the reallocation of funding from the Department of Resources for Water Resource Management Services, partly offset by timing adjustments for the Made in Queensland Grants program.

Department of Regional Development, Manufacturing and Water
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SECTION 4
NOTES ABOUT RISKS AND OTHER ACCOUNTING UNCERTAINTIES

D1 FAIR VALUE MEASUREMENT

D1-1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the department in relation to non-financial assets include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the department in relation to non-financial assets include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics/functionality of the department assets, internal records of recent construction costs (and/or estimates of such costs) and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

Fair Value Measurement Hierarchy

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

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

None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy.

D1-2 BASIS FOR FAIR VALUE MEASUREMENT

The basis for fair value measurement applies to assets controlled and administered by the department as at 30 June 2022.

Land

The department engaged State Valuation Services (SVS) to undertake specific appraisals on 100% of the total land assets effective 30 June 2022. The valuation approach was market-based assessment. SVS used publicly available data on sales of similar land in nearby localities in the twelve months prior to the date of the revaluation. Adjustments were made to the sales data to take into account the location, size, street/road frontage and access, and any significant restriction for each individual land parcel. A detailed review by departmental staff has ensured that values applied are reasonable.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
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D1-2 BASIS FOR FAIR VALUE MEASUREMENT (continued)

Buildings

SVS performed specific appraisals on 97.5% of the total building assets effective 30 June 2022 using current replacement cost (due to no active market for such facilities). Internal records of the original cost are adjusted for contemporary technology and construction approaches. Significant judgement is also used to assess the remaining service potential of the facility, given local climatic and environmental conditions, projected usage, and records of the current condition of facility.

Infrastructure

In 2020-21, SVS performed specific appraisals on infrastructure (pre-MoG). Infrastructure assets are revalued using current replacement cost (due to no active market for such facilities). Internal records of the original cost are adjusted for contemporary technology and construction approaches. Significant judgement is also used to assess the remaining service potential of the facility, given local climatic and environmental conditions, projected usage, and records of the current condition of facility. Due to inclement weather conditions and access issues only a small sample of the asset were valued. As a result, management did not revalue assets of this class. This is in lines with Non-Current Assets Policies ("NCAP") 3 - Valuation of non-current assets allow agencies discretion to value assets if they are immaterial compared to the total asset class.

D1-3 CATEGORISATION OF ASSETS MEASURED AT FAIR VALUE

All land, building and infrastructure assets held or administered by the department are categorised as level 3 in the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

D2 FINANCIAL RISK DISCLOSURES

D2-1 FINANCIAL INSTRUMENTS CATEGORIES

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

CONTROLLED

	Notes	2022 \$'000	2021 \$'000
Financial assets			
Cash and cash equivalents	C1	123,515	84,796
Receivables at amortised cost	C2	5,603	4,357
Total		129,118	89,153
Financial assets			
Payables at amortised cost	C5	37,950	39,625
Other liabilities	C7	4,669	2,919
Total		42,620	42,544

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D2-2 FINANCIAL RISK MANAGEMENT

Risk Exposure

Financial risk management is implemented pursuant to Government and departmental policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department. All financial risk is managed under approved departmental financial management policies.

The department utilises written principles for overall risk management, as well as policies covering specific areas. The department measures risk exposure using a variety of methods as follows:

Risk Exposure	Definition	Exposure
Credit risk	Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The department is exposed to credit risk in respect of its receivables in Note C2.
Liquidity risk	Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The department is exposed to liquidity risk in respect of its payables in Note C5.
Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.	The department is not materially exposed to changes in commodity prices, foreign currency or other price risk.

Risk measurement and management strategies

The department measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement method	Risk management strategies
Credit risk	Ageing analysis	The department manages credit risk through the use of a credit management policy articulated in the department's Financial and Management Practice Manual. This policy aims to reduce the exposure to credit default by ensuring that the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity risk	Sensitivity analysis	The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.
Market risk	Interest rate sensitivity analysis	The department does not undertake any hedging in relation to interest risk and manages its risk as per the department's liquidity risk management strategy articulated in the department's Financial Management Practice Manual.

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D2-3 CREDIT RISK DISCLOSURES

Credit risk management practices

The department considers financial assets that are over 30 days past due to have significantly increased in credit risk and measures the loss allowance of such assets at lifetime expected credit losses instead of 12-month expected credit losses. The exception is trade receivables (Note C2-1) for which the loss allowance is always measured at lifetime expected credit losses.

Receivables from other Queensland Government agencies and Australian Government agencies are considered to have low credit risk. The department assumes that credit risk has not increased significantly for these low credit risk assets.

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

The write-off policy is disclosed in Note C2-1.

Credit risk exposure

Credit risk exposure relating to receivables is disclosed in Note C2-1.

D2-4 LIQUIDITY RISK – CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at the reporting date.

Financial liabilities

2022

	2022 Payable in			
	< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	Total \$'000
Payables at amortised cost	37,950	-	-	37,950
Other liabilities	167	4,502	-	4,669
	38,117	4,502	-	42,619

2021

	2021 Payable in			
	< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	Total \$'000
Payables at amortised cost	39,625	-	-	39,625
Other liabilities	669	2,250	-	2,919
	40,294	2,250	-	42,544

D3 CONTINGENCIES

Claim in progress

As at 30 June 2022, there were three claims against the department through the Queensland Government Insurance Fund (QGIF). Under the QGIF, the department would be able to claim back the amounts paid for claims, less \$10,000 deduction.

Guarantees and undertakings

The department holds bank guarantees in relation to Dam Land Management for financial security against non-conformance of contract. The total value of bank guarantees held as at 30 June 2022 is \$0.324 million (2021: \$0.313 million).

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Notes to the Financial Statements
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D3 CONTINGENCIES (continued)

Key judgement: No contract performance breaches have occurred, and the department does not expect that the guarantees will be called upon. Consequently, the probability of default is considered remote and no provision for losses has been recognised in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Future transfer of Rookwood Weir ownership

The Operations Agreement between the State of Queensland, as represented by the department, and Sunwater provides for the transfer of Rookwood Weir ownership to Sunwater at fair value. This is scheduled to occur five years subsequent to the completion of the weir with the option for an earlier transfer upon the State giving Sunwater six months' notice after the completion of the weir. This may result in a loss for the department during the year of transfer.

Contingent Assets

The department and Sunwater share an 8.827 hectare site at Rocklea. Various agreements have been entered into with Sunwater since 2001 regarding the future use and disposal of surplus land. A Deed of Variation to these agreements in 2009 established that, upon subdivision and sale of surplus land a freehold portion is to be transferred to the department at no cost; and proceeds arising from the sale of the surplus land are to go to Sunwater. The sale of surplus land is subject to various approvals from Brisbane City Council, leading to uncertainty about the timing of the sale and therefore the time at which the department would receive freehold title. For these reasons, it is not possible to provide a reliable estimate of the value of the land at balance date.

D4 COMMITMENTS

	2022	2021
	\$'000	\$'000
Capital expenditure commitments		
Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are		
Not later than one year	24,200	140,000
Later than one year but not later than five years	-	21,000
Total	24,200	161,000

D5 EVENTS AFTER THE BALANCE DATE

To the date of management signing the Financial Statements, no events have occurred subsequent to balance date that would materially impact on these financial statements or would require disclosure under AASB 110 *Events after the Reporting Period*.

Department of Regional Development, Manufacturing and Water
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SECTION 5
NOTES ABOUT OUR PERFORMANCE COMPARED TO BUDGET

E1 BUDGETARY REPORTING DISCLOSURES

This section contains explanations of major variances between the department's actual 2021–22 financial results and the original budget presented to Parliament.

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

<i>Appropriation revenue:</i>	Appropriation revenue for 2021-22 is \$6.358 million less than budget for a number of reasons. Part of the variance (\$12.225 million) is predominantly due to the re-negotiation of the funding schedule for the Emu Swamp Dam with the Australian Government and deferrals of various grant funding payments (\$21.510 million). These reductions were partly offset by additional funding through the Australian Government's National Water Grid Fund ("NWGF") (\$19.413 million) and Murray-Darling Basin Water reform (\$4.886 million) for various projects.
<i>User charges and fee:</i>	User charges and fees recovery is \$1.767 million less than budget due predominantly to COVID and flood related disruptions affecting planned field investigations and modelling programs.
<i>Grants and contributions:</i>	Grants and contribution for 2021-22 is \$4.915 million greater than budget. The variance is predominantly related to various grants and contributions, which were not originally budgeted for, including contributions for the Great Artesian Basin Industry Partnership Program ("GABIP") (\$1.500 million), and Commonwealth Grant funding under the Hydrometric Networks (\$1.033 million) and Remote Sensing Program (\$1.472 million).
<i>Other revenue:</i>	Other revenue for 2021-22 is \$4.384 million greater than budget due to recovery of project costs from Sunwater and Gladstone Area Water Board ("GAWB") following the transition of projects from Building Queensland (\$4.331 million).
<i>Employee expenses:</i>	Employee expenses for 2021-22 is \$1.082 million greater than budget predominantly due to Enterprise Bargaining Agreement increases.
<i>Supplies and services:</i>	Supplies and services for 2021-22 is \$0.868 million underspent due to the timing differences associated with priority projects in the Murray-Darling Basin (Northern MDB Metering Program (part of Rural Water Futures).
<i>Grants and subsidies:</i>	Grants and subsidies for 2021-22 is \$2.910 million greater than budget due to the increased spend driven by new NWGF funding, partly offset by the timing differences for other NWGF projects, Made in Queensland ("MIQ") and Manufacturing Hubs Grant Program ("MHGP").
<i>Depreciation and amortisation:</i>	Depreciation and amortisation for 2021-22 is \$0.786 million greater than budget is predominantly due to unbudgeted amortisation expense (\$0.745 million).
<i>Revaluation surplus:</i>	Revaluation surplus for 2021-22 is \$4.472 million greater than budget is predominantly due to unbudgeted revaluation surplus.

Department of Regional Development, Manufacturing and Water
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E1-2 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF FINANCIAL POSITION

<i>Cash and cash equivalents:</i>	The variance for cash and cash equivalents (\$87.591 million) is primarily related to funds associated with the Rookwood Weir project Funds are held in advance by the lead agent under a contractual relationship (\$94.189 million) (refer to note A1-3 for prior year adjustment).
<i>Receivables:</i>	The variance for receivables (\$5.806 million) is primarily related to the reduction in opening balance of MoG receivables (\$5.152 million).
<i>Other current assets:</i>	The variance for other current assets (\$17.862 million) is primarily relates to funds provided in advance for the Rookwood Weir project for non-weir activities (\$17.620 million).
<i>Property, plant and equipment:</i>	The variance for property, plant and equipment (\$87.149 million) is primarily related to project scheduling of the Rookwood Weir construction and reclassification of Rookwood non-Weir community infrastructure to operating expenditure included in the original budget (\$86.484 million).
<i>Payables:</i>	The variance for payables (\$35.909 million) is primarily related to unbudgeted appropriation payable of \$30.961 million.
<i>Other non-current liabilities:</i>	The variance for other non-current liabilities (\$3.101 million) is primarily related to Rookwood Weir unearned revenue for water allocations and marketing expenses payable in relation to early water allocation sales.

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

<i>Appropriation receipts:</i>	The decrease to cash inflows for appropriation (\$6.541 million) has resulted from the re-negotiation of the funding schedule for the Emu Swamp Dam with the Australian Government and deferrals of various grant funding payments partly offset by additional funding through the Australian Government's National Water Grid Fund (NWGF) and Murray-Darling Basin Water reform for various projects as outlined in the explanations of major variances for the statement of comprehensive income.
<i>User charges and fees:</i>	The decrease to cash inflows for user charges and fee (\$1.712 million) has resulted from COVID and flood related disruptions affecting planned field investigations and modelling programs.
<i>Grants and contributions:</i>	The increase to cash inflows for grants and contribution (\$3.441 million) has resulted from unbudgeted various grants and contributions as outlined in the explanations of major variances for the statement of comprehensive income.
<i>Taxes:</i>	The net increase to cash inflows for GST (\$0.387 million) has resulted from unbudgeted GST movement.
<i>Other revenue:</i>	The increase to cash inflows for other revenue (\$7.383 million) has resulted from the recovery of project costs from Sunwater and GAWB following the transition of projects from Building Queensland.
<i>Employee expenses:</i>	The increase to cash outflows for employee expenses (\$0.995 million) is predominantly due to Enterprise Bargaining increases.
<i>Supplies and services:</i>	The decrease to cash outflows for supplies and services (\$4.545 million) is predominantly due to the timing differences associated with priority projects in the Murray-Darling Basin (Northern MDB Metering Program (part of Rural Water Futures)).
<i>Grants and subsidies:</i>	The increase to cash outflow for grants and subsidies (\$6.107 million) is due to the increased spend driven by new NWGF funding, partly offset by the timing differences for other NWGF projects and Made in Queensland (MIQ) and Manufacturing Hubs Grant Program (MHGP).

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E1-3 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF CASH FLOWS (continued)

<i>Payments for property, plant and equipment:</i>	The decrease to cash outflows for property, plant and equipment (\$31.769 million) is predominantly due to the underspent of the Rookwood Weir project resulting from rescheduling the construction works.
<i>Payment to intangible:</i>	The increase to cash outflow for intangible (\$1.787 million) is predominantly due to the IT platform associated with Rural Water Futures projects.
<i>Equity injections:</i>	The increase to cash inflow for equity (\$6.910 million) due to additional funding provided for Rookwood Weir COVID related expenses, which was unbudgeted.

Department of Regional Development, Manufacturing and Water
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SECTION 6
WHAT WE LOOK AFTER ON BEHALF OF WHOLE-OF-GOVERNMENT AND THIRD PARTIES

F1 ADMINISTERED ITEMS

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

The responsibility of forwarding appropriation revenue for Gasfields Commission was transferred to the Department of Resources effective 1 December 2020.

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

F1-1 SCHEDULE OF ADMINISTERED REVENUE AND EXPENSES

	Gasfields Commission		Community Service Obligations		Water Licences		Emergency Water Supply		Drought Contingency		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue												
Appropriation revenue	-	2,562	33,960	15,045	-	-	-	5,155	-	1,174	33,960	23,936
User charges and fees	-	-	-	-	6,335	2,612	-	-	-	-	6,335	2,612
Riverine quarry material royalties	-	-	-	-	1,231	750	-	-	-	-	1,231	750
Other revenue	-	-	-	-	8	2	-	-	-	-	8	2
Total revenue	-	2,562	33,960	15,045	7,574	3,364	-	5,155	-	1,174	41,534	27,300
Expenses												
Grants and subsidies	-	2,562	33,960	15,045	-	-	-	5,155	-	1,174	33,960	23,936
Transfer of administered item revenue to government	-	-	-	-	6,944	3,364	-	-	-	-	6,944	3,364
Depreciation	-	-	-	-	373	217	-	-	-	-	373	217
Other expenses	-	-	-	-	630	47	-	-	-	-	630	47
Total Expenses	-	2,562	33,960	15,045	7,947	3,628	-	5,155	-	1,174	41,907	27,564
Net operating result	-	-	-	-	(373)	(264)	-	-	-	-	(373)	(264)

Department of Regional Development, Manufacturing and Water
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F1-2 RECONCILIATION OF PAYMENTS FROM CONSOLIDATED FUND

Reconciliation of Payments from Consolidated Fund to

Administered appropriated revenue recognised in operating result

	2022	2021
	\$'000	\$'000
Budgeted administered appropriation revenue	37,205	-
Treasurer's transfers	(369)	-
Lapsed appropriation	(7,815)	-
Total administered receipts	29,021	-
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	6,758	48,211
Less: Balance of appropriation revenue payable transferred as a result of machinery-of-government changes	-	(17,516)
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(1,819)	(6,758)
Administered appropriation revenue recognised in schedule of administered revenue and expense	33,960	23,937
This is represented by grants and contributions to:		
Statutory authorities	33,960	17,608
Local government	-	6,329
Total grants and contributions	33,960	23,937

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

F1-3 SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	Community Service Obligations		Water Licences		Emergency Water Supply		Drought Contingency		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current Assets										
Cash and cash equivalents	10,056	6,227	(411)	2,191	-	2,952	-	2,051	9,645	13,421
Receivables	3	-	1,499	489	-	-	-	95	1,502	584
Total current assets	10,059	6,227	1,088	2,680	-	2,952	-	2,146	11,147	14,005
Non-Current Assets										
Receivables	-	-	654	716	-	-	-	-	654	716
Property, plant and equipment	-	-	201,225	167,598	-	-	-	-	201,225	167,598
Total non-current Assets	-	-	201,879	168,314	-	-	-	-	201,879	168,314
Total assets	10,059	6,227	202,967	170,994	-	2,952	-	2,146	213,026	182,319
Current Liabilities										
Payables	8,240	4,566	-	-	-	-	-	-	8,240	4,566
Payables to government	1,819	1,661	691	2,477	-	2,952	-	2,146	2,510	9,236
Other current liabilities	-	-	284	151	-	-	-	-	284	151
Total Current Liabilities	10,059	6,227	975	2,628	-	2,952	-	2,146	11,034	13,953
Total Liabilities	10,059	6,227	975	2,628	-	2,952	-	2,146	11,034	13,953
Net administered Assets	-	-	201,992	168,366	-	-	-	-	201,992	168,366

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

F1-4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE

CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	Land		Buildings		Infrastructure		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	194,429	160,335	14,630	7,544	117	117	209,176	167,996
Less: Accumulated depreciation	-	-	(7,948)	(397)	(3)	(1)	(7,951)	(398)
Carry amount at 30 June	194,429	160,335	6,682	7,147	114	116	201,225	167,598
Carrying amount at 1 July	160,335	-	7,147	-	116	-	167,598	-
Transfer as a result of machinery-of-government change	-	104,309	-	7,288	-	117	-	111,714
Acquisition	-	-	-	4	-	-	-	4
Net revaluation increments in revaluation surplus	34,094	56,026	(94)	71	-	-	34,000	56,097
Depreciation	-	-	(371)	(216)	(2)	(1)	(373)	(217)
Carry amount at 30 June	194,429	160,335	6,682	7,147	114	116	201,225	167,598

The accounting policies for administered property, plant and equipment are consistent with those used for assets held by the department (refer to Note C4).

The department administered land is held for future dam site water management and flood mitigation.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

F1-5 ADMINISTERED ACTIVITIES – BUDGET TO ACTUAL COMPARISON AND VARIANCE ANALYSIS

Original budget to actual comparison and variance analysis

	2022 Actual \$'000	2022 Original Budget \$'000	2022 Variance \$'000
Revenue			
Appropriation revenue	33,960	37,205	(3,245)
User charges and fees	6,335	8,312	(1,977)
Riverine quarry material royalties	1,231	-	1,231
Other revenue	8	-	8
Total revenue	41,534	45,517	(3,983)
Expenses			
Grants and subsidies	33,960	37,205	(3,245)
Other expenses	1,003	-	1,003
Total Expenses	34,963	37,205	(2,242)
Net operating result before transfers to government	6,571	8,312	(1,741)
Transfers of administered revenue to government	6,944	8,312	(1,368)
Operating result	(373)	-	(373)

ASSETS AND LIABILITIES

Current assets			
Cash and cash equivalents	9,645	3,125	6,520
Receivables	1,502	1,634	(132)
Total current assets	11,147	4,759	6,388
Non-current assets			
Receivables	654	-	654
Property, plant and equipment	201,225	111,714	89,511
Total non-current assets	201,879	111,714	90,165
Total assets	213,026	116,473	96,553
Current liabilities			
Payables	8,240	3,125	5,115
Payables to government	2,510	1,634	876
Other current liabilities	284	-	284
Total current liabilities	11,034	4,759	6,275
Total liabilities	11,034	4,759	6,275
Net assets	201,992	111,714	90,278

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

F1-5 ADMINISTERED ACTIVITIES – BUDGET TO ACTUAL COMPARISON AND VARIANCE ANALYSIS (continue)

Notes explaining major variances for administered activities

<i>Administered appropriation revenue:</i>	The actual appropriation revenue is \$3.245 million less than the budgeted figure. This is primarily due to lower than anticipated community service obligation payments for the Water for Horticulture program.
<i>Administered user charges and fee:</i>	The actual user charges and fees is \$1.977 million less than the budgeted figure. This is primarily due to less than anticipated water license fee revenue received from customers as a result of waivers being issued to areas affected by droughts and by other severe weather events (e.g. cyclones and floods).
<i>Administered riverine quarry material royalties:</i>	The actual riverine quarry material royalties is \$1.231 million, which were unbudgeted.
<i>Administered grants and subsidies:</i>	The actual grant payments are \$3.245 million less than the budgeted figure. This is primarily due to lower than anticipated community service obligation payments for the Water for Horticulture program.
<i>Administered other expenses:</i>	The actual other expenses are \$1.003 million, which were unbudgeted. This is mainly due to unbudgeted administration fees retained by the department and depreciation of buildings.
<i>Transfers of administered revenue to government:</i>	The actual transfer of administered revenue to government is \$1.368 million less than budgeted. This is primarily due to less than anticipated water license fee revenue received from customers as outlined in the variance explanation above, administration fee retained by the department and impairment losses.
<i>Administered cash and cash equivalents:</i>	The actual cash is \$6.520 million more than budgeted. This is primarily due to more than expected payables at year end.
<i>Administered property, plant and equipment:</i>	The actual property, plant and equipment is \$89.511 million more than budgeted. This is mainly due to net revaluation increments of \$56.097 million in 2020-21 and \$34.000 million in 2021-22 not being budgeted for.
<i>Administered payables:</i>	The actual payables is \$5.115 million higher than budgeted. This is mainly due to unbudgeted grants payable for Community Service Obligations (\$4.180 million).

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

SECTION 7
OTHER INFORMATION

G1 KEY MANAGEMENT PERSONNEL DISCLOSURES

Details of Key Management Personnel (KMP)

The department's responsible Ministers are identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. The department's responsible Ministers are:

- Minister for Regional Development and Manufacturing
- Minister for Water

The following details for non-Ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2021–22 and 2020–21. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
Director-General	Responsible for the efficient, effective and economical administration of the department.
Deputy Director-General, Water Resource Management	Provides strategic leadership and direction to the department's water markets and supply functions and responsibilities
Deputy Director-General, Regional Economic Development	Responsible for developing regional economic development strategies; delivering project facilitation services to priority and strategic private sector major projects; regional engagement and support through manufacturing hubs and the Manufacturing Hubs Grants Program.
Head of Corporate	Provides strategic leadership and direction to the department's resources, safety and health services.

KMP Remuneration Policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The department 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, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the department's other key management personnel 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) are specified in employment contracts.

Remuneration expenses for key management personnel comprise the following components:

Short term employee expenses which include:

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

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

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

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

G1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

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.

The remuneration package for all KMPs do not provide for any performance or bonus payments.

Remuneration Expenses

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

2021-22 Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Total expenses
	Monetary	Non-monetary			
	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General (from 02/08/2021) ¹	289	5	8	40	342
Deputy Director-General - Water Resource Management (from 01/02/2022)	104	2	3	11	120
Acting Deputy Director-General - Water Resource Management (01/07/2021 – 08/10/2021)	80	2	1	6	89
Deputy Director-General, Regional Economic Development (from 16/05/2022) ²	103	3	2	9	117
Acting Deputy Director-General, Regional Economic Development (30/11/2021 – 13/05/2022)	117	1	3	12	133
Acting Deputy Director-General, Regional Economic Development (02/08/2021 – 26/11/2021) ³	105	2	2	12	121
Head of Corporate (from 25/10/2021)	142	4	4	15	165
Acting Head of Corporate (01/07/2021 – 22/10/2021)	57	2	1	6	66
TOTAL	997	21	24	111	1,153

¹ From 1 to 27 August 2021, Queensland Treasury recognised the salaries and wages.

² During the period 11 October 2021 to 31 January 2022, this KMP fulfilled the role of Acting Deputy Director-General - Water, remuneration of \$80,000 is included in the total for this period.

³ During the period 1 to 30 July 2021, the Acting Deputy Director-General, Regional Economic Development also fulfilled the role of Acting Director-General, remuneration of \$32,000 is included in the total for this period.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

G1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

2020-21 Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Total expenses
	Monetary	Non-monetary			
	\$'000	\$'000	\$'000	\$'000	\$'000
Director General (01/7/2020 – 26/01/2021)	317	-	7	41	365
Acting Director General (from 11/01/2021)	156	2	3	19	180
Deputy Director-General - Water (from 1/12/2020)	132	2	3	15	152
Acting Deputy Director-General - Water (from 11/05/2021)	36	1	1	3	41
Deputy Director-General, Regional Development (01/07/2020 – 08/01/2021) ^{4,5}	84	2	-	11	97
Deputy Director-General, Manufacturing (from 01/07/2021 - 08/01/2021) ⁵	117	2	3	12	134
Deputy Director-General, Regional Development and Manufacturing (from 11/01/2021)	78	2	2	11	93
Acting Deputy Director-General, Office of the Director-General and Strategic Initiatives (01/07/2020 – 28/02/2021) ^{6,7}	39	3	1	7	50
Acting Head of Corporate (from 22/02/2021)	63	1	1	6	71
Chief Finance Officer (01/12/2020 – 07/05/2021)	105	0	2	8	115
Acting Chief Finance Officer (from 10/05/2021)	23	0	0	1	24
TOTAL	1,150	15	23	134	1,322

⁴ Balance excludes the amount of \$64,000 which was paid to a consulting firm.

⁵ These positions were consolidated into one position, Deputy Director-General Regional Development and Manufacturing, as a result of a restructure from 11/01/21.

⁶ This KMP was seconded from QT and total remuneration from 01/7/2020 – 28/11/2020 of \$102,302 was paid to QT.

⁷ This position was replaced by Head of Corporate from 22/02/2021.

G2 RELATED PARTY TRANSACTIONS

Transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from the Government for services are appropriation revenue (Note B1-1) and equity injections (Note C8-2), both of which are provided in cash via Queensland Treasury.

The department transacts with various Queensland Government agencies on a fee for service basis which are disclosed under Note B2-2. These include:

- Department of Agriculture and Fisheries for information and communication technology services.
- Department of State Development, Infrastructure, Local Government and Planning for commercial evaluation and management, ethics and legal.
- Department of Housing and Public Works for accommodation services, building and asset services, vehicle services (Q-Fleet).
- Department of Queensland Shared Services for operational services such as accounts receivable, payroll management, taxation and telecommunications.
- Department of Resources processed transactions on behalf of the department for the Water Resource Management Services function.

Department of Regional Development, Manufacturing and Water
Notes to the Financial Statements
for the year ended 30 June 2022

G2 RELATED PARTY TRANSACTIONS (continued)

Queensland Audit Office (QAO) performs the financial audit of the department. Total audit fees payable to QAO relating to the 2021–22 financial statements are quoted to be \$0.247 million (2021: \$0.210 million).

The department is a member of the Annual Leave Central Scheme (ALCS) and Long Service Leave Scheme (LSLS) which are administered by QT. Annual leave levy and long service leave levy expense is disclosed in Note B2-1.

The department engaged Sunwater, a government owned corporation, as the lead agent of the Rookwood Weir project (refer to Note C1, C3 and C7). The department also provided grants (refer to Notes B2-3 and C5) and payments for community service obligations to Sunwater (refer to Note F1).

The department provided payments for community service obligations to SeqWater, a statutory body (refer to Note F1).

Transactions with related parties are within arm's length on normal commercial terms and conditions.

G3 TAXATION

The department 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 the department. GST credits receivable from and GST payable to the Australian Taxation Office are recognised (refer to Note C2).

G4 CLIMATE RISK DISCLOSURE

Climate Risk Assessment

The department maintains a strong risk management focus on climate change and the impacts on the agency. The department addresses the financial statement impacts of climate related risks by identifying and monitoring the accounting judgements and estimates that will potentially be affected, including asset useful lives, fair value of assets, provisions or contingent liabilities and changes to future expenses and revenue.

The department has identified its potential material climate related risks relate to the expected credit losses of receivables. For the department, environmental and climate factors, such as droughts and cyclones, affects customers and their ability to pay amounts due to the department. The effect of these risk factors is already accounted for in calculating the impairment of receivables (refer to note C2).

G5 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS

Accounting standards applied for the first time

No new accounting standards or interpretations that apply to the department for the first time in 2021-22 had any material impact on the financial statements.

No Australian Accounting Standards have been early adopted for 2021-22.

Department of Regional Development, Manufacturing and Water
Management Certificate
for the year ended 30 June 2022

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

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Regional Development, Manufacturing and Water for the financial year ended 30 June 2022 and of the financial position of the department at the end of that year; and

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



STEWART SAINI, FCPA
Chief Finance Officer

29 August 2022



DR GRAHAM FRAINE
Director-General

29 August 2022

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Department of Regional Development, Manufacturing and Water

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Department of Regional Development, Manufacturing and Water.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental services as at 30 June 2022, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Key audit matters

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

Valuation of administered land \$194.429m

Refer to note F1 in the financial report

Key audit matter	How my audit addressed the key audit matter
<p>Land is held for future dam sites.</p> <p>Significant judgement is involved when determining the fair value of administered land due to limited availability of recent sales data for land of similar size with similar use.</p> <p>The department comprehensively revalued land in 2021–22.</p> <p>In making these judgements, the department engaged an external valuation expert to perform the comprehensive revaluation assessments.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • obtaining an understanding of the methodology used with reference to common industry practices and ensuring consistent application thereof. • assessing the competence, capability and objectivity of the external valuers. • for a sample of land parcels: <ul style="list-style-type: none"> ○ checking the accuracy and relevance of the recent sales data used by the valuer against supporting evidence ○ evaluating the reasonableness of the basis documented by the valuer for the impact on fair value of the differences in characteristics between the land recently sold and the land being valued. • assessing the adequacy of management's review of the valuation process.

Responsibilities of the department for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

Prescribed requirements scope

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



Lisa Fraser
as delegate of the Auditor-General

30 August 2022

Queensland Audit Office
Brisbane

Appendix 1: Progress against service standards

Service Area: Grow the economy

Service standards	Notes	2021–2022 Target / estimate	2021–2022 Actual
Effectiveness measures			
Value of total capital investment created through the Made in Queensland and Manufacturing Hubs grants programs		\$21.5M	\$28.6M
Value of regional capital investment created through the Made in Queensland and Manufacturing Hubs grants ¹	1.	\$17.2M	\$15.7M
Estimated number of jobs created through the Made in Queensland and Manufacturing Hubs grants ²	2.	71	94
Efficiency measure			
Capital investment created per dollar spent on project facilitation		\$4.01	\$5.45

Notes:

1. The 2021–22 Actual is lower than the 2021–22 Target/estimate due to the receipt of additional grant applications than forecast from regional businesses for round 4 of Made in Queensland grants program and a reduced uptake in Manufacturing Hub Grants as we established the new Mackay Hub.
2. This service standard calculates the estimated number of jobs created through programs that have been facilitated and supported through the department's activities. The number of jobs is calculated using the Queensland Treasury jobs multiplier. The variance between 2021–22 Actual and the 2021–22 Target/estimate is mainly the result of grant applicants for the Building our Regions (Round 6) program being included in the 2021–22 Actual.

Service Area: Water resource management services

Service standards	Notes	2021–22 Target / estimate	2021–22 Actual
Effectiveness measures			
Accuracy and reliability of the State's water monitoring networks		90%	92%
Percentage of the State's drinking water service providers compliant with drinking water regulatory requirements		90%	98%
Efficiency measure			
Average cost per participant to implement and deliver workshops and support visits to Water Supply Providers		<\$400	\$374

Appendix 2: Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Page 3
Accessibility	Table of contents	ARRs – section 9.1	Page 4
	Glossary		Page 107
	Public availability	ARRs – section 9.2	Page 2
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Page 2
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	Page 2
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Page 2
General information	Introductory Information	ARRs – section 10	Page 6
Non-financial performance	Government’s objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	Page 10
	Agency objectives and performance indicators	ARRs – section 11.2	Page 10
	Agency service areas and service standards	ARRs – section 11.3	Page 96
Financial performance	Summary of financial performance	ARRs – section 12.1	Page 30
Governance – management and structure	Organisational structure	ARRs – section 13.1	Page 34
	Executive management	ARRs – section 13.2	Page 33
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Page 100
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 38
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 39
	Queensland public service values	ARRs – section 13.6	Page 38
	Risk management	ARRs – section 14.1	Page 39

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Audit committee	ARRs – section 14.2	Page 37
	Internal audit	ARRs – section 14.3	Page 40
	External scrutiny	ARRs – section 14.4	Page 40
	Information systems and recordkeeping	ARRs – section 14.5	Page 41
	Information Security attestation	ARRs – section 14.6	Page 37
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	Page 42
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 46
Open Data	Statement advising publication of information	ARRs – section 16	Page 2
	Consultancies	ARRs – section 31.1	https://data.qld.gov.au
	Overseas travel	ARRs – section 31.2	No data to report
	Queensland Language Services Policy	ARRs – section 31.3	No data to report
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Page 91 Financial Statements Page 45 of 45
	Independent Auditor’s Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Page 92

FAA

Financial Accountability Act 2009

FPMS

Financial and Performance Management Standard 2019

ARRs

Annual report requirements for Queensland Government agencies

Appendix 3: Government bodies relevant to the department

A complete list of Government Bodies relevant to the department can be found at the Queensland Register of Appointees to Government Bodies.

The entities below do not table an individual annual report and record their membership and performance here. All other Government bodies relevant to the department table their own annual reports which can be found through the Queensland Parliament online tabled papers.

Expenditure Advisory Committee for the Office of Groundwater Impact Assessment	
Act or instrument	<i>Water Act 2000</i>
Functions	Advises the Office of Groundwater Impact Assessment on the preparation of its annual budget and the administration of the annual levy on resource tenure holders in accordance with section 479 of the <i>Water Act 2000</i> .
Achievements	The Committee met in February 2022 to undertake a mid-year review for the 2021–22 fiscal year and met in June 2022 to consider the 2022–23 budget.
Financial reporting	Transactions of the entity are accounted for in the financial statements and Department of Regional Development, Manufacturing and Water financial records.
Remuneration: No remuneration is provided to the Chair nor the members. No expenses were paid in 2021–22.	

Gladstone Foundation Board of Advice	
Act or instrument	Trust Deed – Gladstone Foundation
Functions	The purpose of the Gladstone Foundation is to provide a structured approach to address the social infrastructure needs of the people of the Gladstone region in an appropriate way, achieving the best return from all investments in the Foundation for social infrastructure.
Achievements	<p>In the 2021–22 financial year the Gladstone Foundation Board of Advice achieved:</p> <p>Grant Round 4: The Salvation Army (\$3 million)</p> <ul style="list-style-type: none"> • Official opening of the Philip Street Communities and Families Precinct on Friday 12 November 2021 • The Salvation Army (Qld) Property trust project was to construct an integrated Communities Facilities Centre, which included a Community Centre, a Child and Family Centre and an Allied Health Centre, within the Integrated Health Precinct, Philip Street, West Gladstone. <p>Grant Round 5: Calliope Rural Fire Brigade (\$3.97 million)</p> <ul style="list-style-type: none"> • Official Opening of the Calliope Rural Fire Brigade on Saturday 12 February 2022 • The Calliope Rural Fire Brigade project was for a facility upgrade. <p>Grant Round 7: Endeavour Foundation (\$3.5 million)</p> <ul style="list-style-type: none"> • Official opening held on Friday 3 September 2021.

	<ul style="list-style-type: none">The Endeavour Foundation project was for the purpose of increasing disability employment opportunities in the Gladstone Region from recycling and confidential document destruction. <p>Grant Round 7: Gladstone Central Committee on the Ageing (\$300,000)</p> <ul style="list-style-type: none">Official re-opening of the Port Curtis Place – Senior Citizens Centre on Wednesday 6 October 2021. The Gladstone Central Committee on the Ageing project was for the purposes of interior refurbishment of the Port Curtis Place – Senior Citizens Centre.				
Financial reporting	Queensland Audit Office (QAO) prepares annual general-purpose statements for the Gladstone Foundation based on financial transactions conducted within the respective financial year. The general-purpose statement is used to provide the financial information annually, to the Australian Charities and Charities and Not-For-Profits Commission (ACNC).				
Remuneration					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Timothy Griffin		\$6,000	N/A	\$6,000 per annum
Member	Executive Director, DRDMW		Not entitled to receive annual sitting fees (Ex-officio)	N/A	N/A
Member	Gladstone Regional Council Mayor		Not entitled to receive annual sitting fees (Ex-officio)	N/A	N/A
Member	Bob McCosker		\$3,000	N/A	Chosen not to claim
Member	Robert Gibb		\$3,000	N/A	Chosen not to claim
Member	Karen Leinster		\$3,000	N/A	Chosen not to claim
Member	Maxine Brushe		\$3,000	N/A	Chosen not to claim
Member	Veronica Laverick	Resigned 29 October 2021	\$3,000	N/A	Chosen not to claim
No. scheduled meetings/sessions	No formal meetings have been undertaken due to the Gladstone Foundation not undertaking any current grant rounds. Currently, the focus of the Gladstone foundation Board of Advice is to work with the committed funding proponents to their funded projects through to fruition and serve the needs of the citizens of the Gladstone Region. The Gladstone Foundation Board of Advice members have attended the official openings.				
Total out of pocket expenses	Include total \$5,268.65 cost for Chair and all members.				

Manufacturing Ministerial Council					
Act or instrument	Terms of Reference				
Functions	The role of the Manufacturing Ministerial Council is to identify and provide advice to government on strategic matters in relation to building the manufacturing industry in Queensland to drive economic, regional and employment growth.				
Achievements	Advice has been provided on key issues such as: the Made in Queensland grants, Manufacturing Hubs Grants Program, automation and digitisation, carbon neutrality and sustainable manufacturing large-scale and emerging industry supply chain opportunities such as the supply chain for the 2032 Olympic Games, women in manufacturing, Industry Engagement Program workshops and events to assist manufacturers transition to Industry 4.0 and showcasing Queensland’s manufacturing industry.				
Financial reporting	Transactions of the entity are accounted for in the financial statements and Department of Regional Development, Manufacturing and Water financial records.				
Remuneration: No remuneration is provided to the Chair nor the members of the Manufacturing Ministerial Council.					
Position	Name	Meetings/ sessions attendance	Approved annual, sessional or daily fee	Approved sub- committee fees if applicable	Actual fees received
Chair	The Hon Glenn Butcher MP, Minister for Regional Development and Manufacturing and Minister for Water	3	N/A	N/A	N/A
Member	Rebecca Andrews	3	N/A	N/A	N/A
Member	Christine Bridges-Taylor	3	N/A	N/A	N/A
Member	Shay Chalmers	3	N/A	N/A	N/A
Member	Marina Chambers	1	N/A	N/A	N/A
Member	Jane Hunter	2	N/A	N/A	N/A
Member	Brenda Mossel	3	N/A	N/A	N/A
Member	John McLean	3	N/A	N/A	N/A
Member	Richard Parker	3	N/A	N/A	N/A
Member	Tony Prove	1*	N/A	N/A	N/A
Member	Amanda Rohan	2	N/A	N/A	N/A
Member	Mitchell Upton	2	N/A	N/A	N/A
Member	Desmond Watkins	3	N/A	N/A	N/A

Member	Rohan Webb	1	N/A	N/A	N/A
No. scheduled meetings/sessions	Three meetings were held during 2021–22.				
Total out of pocket expenses	Total out of pocket expenses for the Chair and all members totals \$10,909.22 including GST. These costs relate primarily to regional members travel expenses to attend meetings in Brisbane and for members to attend a regional meeting in Gladstone.				

* Mr Tony Prove is abstaining from Manufacturing Ministerial Council meetings during the Queensland Train Manufacturing Program procurement as Mr Prove's employer, Downer Group, is a shortlisted tenderer for this project.

Ministerial Advisory Council for Flood Mitigation Manuals					
Act or instrument	Section 570 of the <i>Water Supply (Safety and Reliability) Act 2008</i>				
Functions	The functions of the Advisory Council are to provide advice to the Minister under section 371E and 372 of the Act by independently assessing a referred flood mitigation manual and by producing a report with appropriate advice and recommendations on whether to approve or not approve the manual.				
Achievements	The Ministerial Advisory Council for Flood Mitigations met 3 times during 2021–22 and provided advice to the Minister on the Flood Mitigation Manual for Wivenhoe and Somerset Dams and Flood Mitigation Manual for North Pine Dam.				
Financial reporting	Included in the Department of Regional Development, Manufacturing and Water’s Annual report.				
Remuneration: Category under the Remuneration Matrix: Regulation, Administration and Advice (Level 2)					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Dr Diana Day	3	\$520 > 4 hours / \$260 < 4 hours	N/A	\$11,960
Member	Mr Mark Babister	3	\$400 > 4 hours / \$200 < 4 hours	N/A	\$2,600
Member	Ms Sarah Zeljko	2	\$400 > 4 hours / \$200 < 4 hours	N/A	\$3,460
Member	Dr Bill Weeks	3	\$400 > 4 hours / \$200 < 4 hours	N/A	\$3,400
Local government Member	Mr Allan Charteris	2	Not remunerated	N/A	\$0
Local government Member	Ms Kaye Cavanagh	1	Not remunerated	N/A	\$0

Local government Member	Mr Tim Wright	1	Not remunerated	N/A	\$0
Local government Member	Luke Hannan	2	Not remunerated	N/A	\$0
No. scheduled meetings/sessions	3 meetings were held during 2021–22.				
Total out of pocket expenses	<p>\$305.90 reimbursed for domestic and travel expenses (travelled in May 2021, claimed in August 2021). There were no expenses associated with flights, catering and accommodation paid for by the department during 2021–22 FY.</p> <p>The Chair and 2 Members have been also paid for work hours outside of the meetings. Actual fees received are inclusive of the costs for extra work. Additional individual work sessions are not reflected in the number of meetings column.</p> <p>Actual fees received are also inclusive of the fees for 7 meetings held during 2020–21 period as members were paid for these meetings in August 2021.</p>				

Great Artesian Basin Advisory Council (Ministerially appointed)	
Act or instrument	Section 1005(1) of the <i>Water Act 2000</i>
Functions	<p>The Council plays an important role in providing advice to the Minister on western Queensland’s main groundwater resource. The external advice provided by the Council represents independent industry and community viewpoints on Basin management.</p> <p>The Council provides advice on a number of ongoing and emerging Basin specific topics, including:</p> <ul style="list-style-type: none"> • Implementation of the Great Artesian Basin and Other Regional Aquifers (GABORA) water plan 2017 • The national Great Artesian Basin Strategic Management Plan and its implementation mechanisms • Current and future capping and piping initiatives (i.e. the Improving Great Artesian Basin Drought Resilience program and the Great Artesian Basin Industry Partnership Program) • Encouraging regional businesses and landholders to make their bore infrastructure watertight • Supporting the national Great Artesian Basin Stakeholder Advisory Committee.
Achievements	The Council had no achievements in 2021–22 as it had not been reconstituted, the term of the previous Council ended on 28 June 2021.
Financial reporting	The Council had no budget in 2021–22 as it had not been reconstituted, the term of the previous Council ended on 28 June 2021.
Remuneration: The Council was not remunerated and had no expenses in 2021–22.	

Water Act Referral Panel	
Act or instrument	<i>Water Act 2000</i>
Functions	The Water Act Referral Panel (Panel) provides independent advice and recommendations to the Chief Executive on a range of water planning matters and to the Minister on moratorium matters, under Chapter 2 of the <i>Water Act 2000</i> .
Achievements	Nil – 0 meetings held during 2021–22.
Financial reporting	Accounted for in financial statements of the Department of Regional Development, Manufacturing and Water. Previously in financial statements of the Department of Natural Resources, Mines and Energy.
Remuneration: Category under the matrix: Regulation, Administration and Advice (Level 1). No remuneration or expenses were provided to members. There is no Chair on the Water Act Referral Panel.	

Appendix 4: Report of the regulator's activities under the water supply (safety and reliability) act 2008

Under the *Water Supply (Safety and Reliability) Act 2008* (the Act), the chief executive of the department, as the regulator, is responsible for a number of duties—including maintaining a register of registered service providers and monitoring compliance with the Act. Each year the regulator may prepare a report about the regulator's activities.

The department is responsible for the regulation of drinking and recycled water providers in Queensland. Regulated activities include reporting related to drinking water quality, recycled water and service provider performance. Water Supply Regulation, within Divisional Support, is the unit responsible for managing the department's water service-related responsibilities, pursuant to the Act. Throughout this appendix, 'the regulator' means 'Water Supply Regulation'.

Voluntary compliance with the Act, by registered drinking and recycled water providers, is encouraged and supported by the regulator through the recurrent provision of information and advice. However, enforcement activities may be required from time to time, when these providers do not meet their obligations under the Act.

This summary is the regulator's report for the period 1 July 2021 to 30 June 2022.

Service provider registrations

Under the Act, an entity that supplies water and/or sewerage services must apply for registration as a service provider.

Currently, there are 209 service providers registered in Queensland, 83 of which are drinking water service providers, who are responsible for supplying drinking water services to a large number of communities ranging from less than five residential properties to almost 250 thousand properties, within their declared water service areas. These community services are also referred to as drinking water schemes, zones or districts.

The regulator is required to keep and publish the list of entities registered as service providers on its website.

This list can be accessed through the Queensland Government's open data portal at: www.data.qld.gov.au/dataset/service-providers-register.

Water and sewerage service providers, who are local governments, are required to declare their water and sewerage service areas by Council resolution and publish this declaration and a map of their declared water and sewerage service areas on their Council's website. This information must be reviewed and updated annually.

Glossary

COVID-19	Coronavirus disease of 2019
eDRMS	electronic document and records management system
FTE	Full time equivalent
iLearn	online Learning Management System
Megalitre	metric unit of capacity equal to a million litres
MOHRI	Minimum obligatory human resource information
QDAN	Queensland Disposal Authority Number
SafeWorx	reporter tool for capture for incidents and hazards
Field Ops	a system for submitting and recording field and work-related trips to protect travelling employees and provide management with information to react to emergencies if necessary.
TracerTrak	a system that provides tracking, message notification and monitoring of worker progress/location during field operations.
Industry 4.0	Industry 4.0 is the Fourth Industrial Revolution. It enables advanced manufacturers to connect big data and analytics with automation and robotics, improving cost, productivity, profitability and operations

