

FINANCIAL STATEMENTS

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Foreword

Queensland Treasury's Financial Statements are general purpose financial statements prepared in accordance with prescribed requirements including *Australian Accounting Standards* and the *Financial Reporting Requirements* issued by Queensland Treasury.

The Financial Statements comprise the following components:

- Statements of Comprehensive Income
- Statements of Financial Position
- Statement of Changes in Equity
- Statements of Cash Flows
- Statements of Comprehensive Income by Major Departmental Services
- Statements of Assets and Liabilities by Major Departmental Services
- Notes to the Financial Statements.

In addition, Queensland Treasury (Treasury) administers transactions and balances in a trust or fiduciary capacity. These are identified in notes 43–45.

Treasury, Queensland Treasury Holdings Pty Ltd (QTH) and Queensland Hydro Pty Ltd (Queensland Hydro) are controlled by the State of Queensland which is the ultimate parent entity.

The head office and principal place of business of Treasury is:

1 William St
BRISBANE QLD 4000

	Notes	Consolidated Entity*		Parent Entity			
		2024	2023	2024	2024	2024	2023
		Actual	Actual	Actual	Original budget	Budget variance	Actual
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from operations							
Appropriation revenue	3	490,041	442,280	490,041	458,181	31,860	442,280
User charges and fees	4	89,334	80,601	89,334	82,204	7,130	80,601
Interest revenue	5	39,845	22,858	26,885	11,565	15,320	12,498
Grants and contributions		650	2,250	650	..	650	2,250
Other revenue	6	43,549	3,144	43,095	2,066	41,029	2,719
Total revenue		663,419	551,133	650,005	554,016	95,989	540,348
Gain on fair value movement of other financial assets		..	32,014	..	..	..	..
Total income from operations		663,419	583,147	650,005	554,016	95,989	540,348
Expenses from operations							
Employee expenses	7	218,334	165,898	189,946	194,996	(5,050)	161,137
Supplies and services	8	296,154	184,965	153,942	189,201	(35,259)	146,353
Grants and subsidies	9	203,047	59,969	203,047	110,650	92,397	59,969
Losses on assets	10	6,209	69,528	4,704	..	4,704	69,528
Depreciation and amortisation		2,619	25,384	764	621	143	25,006
Interest expense		10,403	5,698	106	..	106	287
Other expenses	11	9,814	5,763	7,883	4,184	3,699	4,202
Total expenses from operations		746,580	517,205	560,392	499,652	60,740	466,482
Operating result before income tax expense		(83,161)	65,942	89,613	54,364	35,249	73,866
Income tax expense		478	10,622	..	..	..	..
Operating result for the year		(83,639)	55,320	89,613	54,364	35,249	73,866
Other comprehensive income							
Items that will not be reclassified to operating result							
Increase in revaluation surplus		..	88,000	..	..	..	88,000
Total for items that will not be reclassified to operating result		..	88,000	..	..	..	88,000
Total comprehensive income		(83,639)	143,320	89,613	54,364	35,249	161,866

*The 2022–23 comparative amounts for consolidated entity include balances from Queensland Hydro from 3 August 2022 to 30 June 2023 only (note 21).

The accompanying notes form part of these statements.

	Notes	Consolidated Entity		Parent Entity			2023 Actual \$'000
		2024	2023	2024	2024	2024	
		Actual \$'000	Actual \$'000	Actual \$'000	Original budget \$'000	Budget variance \$'000	
Current assets							
Cash and cash equivalents	12	468,229	618,849	319,828	384,042	(64,214)	507,567
Receivables	13	102,174	48,787	89,193	19,813	69,380	37,612
Other financial assets	14	20,216	63,089	20,216	64,890	(44,674)	63,089
Other assets		14,246	21,315	12,438	10,688	1,750	10,628
Total current assets		604,865	752,040	441,675	479,433	(37,758)	618,896
Non-current assets							
Receivables	13	143,070	153,658	38,242	40,723	(2,481)	39,381
Other financial assets	14	710,048	216,169	627,584	338,061	289,523	132,200
Property, plant and equipment	15	224,621	172,398	168,700	122,366	46,334	165,643
Intangibles		2,256	1,612	2,256	1,067	1,189	1,612
Right-of-use assets		6,302	1,362	..	..	..	..
Deferred tax asset	16	13,848	11,579	..	..	..	..
Other non-current assets		536	..	..	..	..	..
Total non-current assets		1,100,681	556,778	836,782	502,217	334,565	338,836
Total assets		1,705,546	1,308,818	1,278,457	981,650	296,807	957,732
Current liabilities							
Payables	17	363,876	393,535	333,798	220,610	113,188	384,389
Interest bearing liabilities	18	1,805	55,822	..	..	..	..
Accrued employee benefits		7,152	5,545	6,046	4,338	1,708	5,224
Lease liabilities		1,946	654	..	..	..	..
Total current liabilities		374,779	455,556	339,844	224,948	114,896	389,613
Non-current liabilities							
Payables		2,105	740	..	..	..	..
Lease liabilities		4,643	740	..	..	..	..
Interest bearing liabilities	18	96,192	97,997	..	..	..	..
Total non-current liabilities		102,940	99,477	..	..	..	..
Total liabilities		477,719	555,033	339,844	224,948	114,896	389,613
Net assets		1,227,827	753,785	938,613	756,702	181,911	568,119
Equity							
Accumulated surplus		253,730	367,369	366,594	314,913	51,681	276,981
Revaluation surplus		88,000	88,000	88,000	..	88,000	88,000
Contributed equity		886,097	298,416	484,019	441,789	42,230	203,138
Total equity		1,227,827	753,785	938,613	756,702	181,911	568,119

The accompanying notes form part of these statements.

		Consolidated Entity*		Parent Entity		
		2024	2023	2024	2023	
		Actual	Actual	Actual	Actual	
Notes		\$'000	\$'000	\$'000	\$'000	
Accumulated surplus						
	Balance 1 July	367,369	312,049	276,981	203,115	
	Operating result	(83,639)	55,320	89,613	73,866	
	Dividends paid	(30,000)	..	..	..
	Balance 30 June	253,730	367,369	366,594	276,981	
Revaluation surplus						
	Balance 1 July	88,000	..	88,000	..	
	Increase in asset revaluation surplus	..	88,000	..	88,000	
	Balance 30 June	88,000	88,000	88,000	88,000	
Contributed equity						
	Balance 1 July	298,416	387,585	203,138	293,172	
	Transactions with owners as owners:					
	Appropriated equity injections	3	298,182	26,836	298,182	26,836
	Appropriated equity withdrawals	3	(12,892)	(108,977)	(12,892)	(108,977)
	Non-appropriated equity withdrawal		(4,409)	(7,893)	(4,409)	(7,893)
	Contribution by owners		306,800	865
	Balance 30 June		886,097	298,416	484,019	203,138
Total equity						
			1,227,827	753,785	938,613	568,119

*The 2022–23 comparative amounts for consolidated entity include balances from Queensland Hydro from 3 August 2022 to 30 June 2023 only (note 21).

The accompanying notes form part of these statements.

	Notes	Consolidated Entity*		Parent Entity			
		2024	2023	2024	2024	2024	2023
		Actual	Actual	Actual	Original budget	Budget variance	Actual
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities							
Inflows							
Appropriation receipts		464,299	369,539	464,299	454,969	9,330	369,539
Surety receipts to Financial Provisioning Scheme		..	158,686	..	..	..	158,686
User charges and fees		97,366	69,373	97,311	87,027	10,284	69,320
Grants and other contribution		650	2,250	650	..	650	2,250
GST input tax credits from Australian Taxation Office (ATO)		37,692	24,007	23,328	..	23,328	21,259
GST collected from customers		23,441	1,736	23,441	..	23,441	1,736
Interest received		36,304	17,958	24,850	9,890	14,960	9,638
Other		42,929	2,576	42,929	8,270	34,659	2,576
Outflows							
Employee expenses		(215,626)	(164,894)	(189,642)	(195,317)	5,675	(160,454)
Supplies and services		(293,677)	(193,283)	(156,849)	(195,423)	38,574	(147,884)
Grants and subsidies		(203,046)	(61,082)	(203,046)	(110,650)	(92,396)	(61,082)
GST remitted to ATO		(23,328)	(2,300)	(23,328)	..	(23,328)	(1,558)
GST paid to suppliers		(31,414)	(21,120)	(30,673)	..	(30,673)	(21,120)
Surety payments from Financial Provisioning Scheme		(14,148)	..	(14,148)	..	(14,148)	..
Interest paid		(10,021)	(4,873)	..	..	..	..
Income tax paid		(1,311)	(977)	..	..	..	..
Other		(7,632)	(4,094)	(7,632)	(9,007)	1,375	(4,094)
Net cash provided by/(used in) operating activities		(97,522)	193,502	51,490	49,759	1,731	238,812
Cash flows from investing activities							
Inflows							
Payments received from finance lease receivable		6,737	7,117	5,029	9,400	(4,371)	5,483
Proceeds from investments		8,500	8,000	..	..	..	..
Outflows							
Payments for investments		(457,154)	(42,198)	(457,154)	(195,000)	(262,154)	(42,198)
Payments for property, plant and equipment		(46,576)	(6,584)	(3,220)	(43,950)	40,730	(694)
Payment for intangibles		(1,309)	(391)	(1,309)	..	(1,309)	(391)
Payments for facility costs under finance lease		(894)	(2,636)	(894)	..	(894)	(2,636)
Net cash used in investing activities		(490,696)	(36,692)	(457,548)	(229,550)	(227,998)	(40,436)
Cash flows from financing activities							
Inflows							
Proceeds from borrowings		177,750	53,589	..	..	..	..
Equity injections		551,022	32,483	244,222	238,950	5,272	32,483
Outflows							
Payments for lease liabilities		(1,699)	(346)	..	..	..	..
Repayment of borrowings		(233,572)	(1,634)	..	..	..	..
Equity withdrawals		(25,903)	(112,042)	(25,903)	(9,711)	(16,192)	(112,042)
Dividends paid		(30,000)	..	..	..	..	..
Net cash provided by/(used in) financing activities		437,598	(27,950)	218,319	229,239	(10,920)	(79,559)
Net increase/(decrease) in cash and cash equivalents		(150,620)	128,860	(187,739)	49,448	(237,187)	118,817
Cash and cash equivalents at beginning of financial year		618,849	489,989	507,567	334,594	172,973	388,750
Cash and cash equivalents at end of financial year	12	468,229	618,849	319,828	384,042	(64,214)	507,567

*The 2022–23 comparative amounts for consolidated entity include balances from Queensland Hydro from 3 August 2022 to 30 June 2023 only (note 21).

The accompanying notes form part of these statements.

Queensland Treasury
Controlled Reconciliation of Operating Result to Net Cash provided by Operating Activities
for the year ended 30 June 2024

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Total operating result	(83,639)	55,320	89,613	73,866
<i>Non-cash items included in operating result and other adjustments:</i>				
Loss on derecognition of assets	62	58,667	62	58,667
Depreciation/amortisation expense	2,610	25,384	764	25,006
(Gains)/losses on investments	4,642	10,861	4,642	10,861
Interest - loans and receivables	(2,932)	(2,505)	(1,810)	(1,267)
(Gain)/Loss on licence fee receivable	1,505	(32,014)	..	..
Amortisation of unearned income	(399)	(372)	..	..
Change in assets and liabilities:				
(Increase)/decrease in receivables	(49,540)	(12,987)	(51,581)	(11,428)
(Increase)/decrease in other assets	(2,652)	(10,070)	(1,810)	89
(Increase)/decrease in deferred tax assets	(2,268)	9,080	..	..
Increase/(decrease) in payables	(29,406)	97,745	(50,591)	89,511
Increase/(decrease) in accrued employee benefits	1,680	1,206	822	885
Increase/(decrease) in tax provision/deferred tax liability	1,436	565	..	..
Non-cash adjustment - equity receivable and payable	62,564	(10,474)	62,564	(10,474)
Finance lease receivable adjustment	(1,185)	3,096	(1,185)	3,096
Net cash provided by operating activities	(97,522)	193,502	51,490	238,812

		Consolidated Entity*				
	Notes	Opening balance 2023 \$'000	Interest \$'000	Cash received \$'000	Cash repayments \$'000	Closing balance 2024 \$'000
Current/non-current liabilities						
QTC Working Capital Facility	18	54,114	..	177,750	(231,864)	..
Interest bearing liabilities	18	99,705	..	..	(1,708)	97,997
		153,819	..	177,750	(233,572)	97,997

*There are no liabilities arising from financing activities in the Parent entity accounts.

**Controlled Reconciliation of Changes in Liabilities Arising from Financing Activities
for the year ended 30 June 2023**

		Consolidated Entity*				
	Notes	Opening balance 2022 \$'000	Interest \$'000	Cash received \$'000	Cash repayments \$'000	Closing balance 2023 \$'000
Current/non-current liabilities						
QTC Working Capital Facility	18	..	525	53,589	..	54,114
Interest bearing liabilities	18	101,339	..	..	(1,634)	99,705
		101,339	525	53,589	(1,634)	153,819

*There are no liabilities arising from financing activities in the Parent entity accounts.

Queensland Treasury
Controlled Statement of Comprehensive Income by Major Departmental Services
for the year ended 30 June 2024

	Economics and Productivity		Fiscal		Agency Performance		Commercial and Investment		Revenue Management		General – not attributed**		Inter-service/activity eliminations		Queensland Treasury	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from operations *																
Revenue																
Appropriation revenue	28,152	27,277	17,009	13,561	10,454	9,650	210,046	181,011	221,874	207,918	2,506	2,863	..	..	490,041	442,280
User charges and fees	6,161	5,735	83,662	76,606	421	551	2,473	2,335	8,881	7,817	355	327	(12,619)	(12,770)	89,334	80,601
Interest revenue	..	..	24,972	10,942	..	..	1,913	1,556	..	..	..	..	..	..	26,885	12,498
Grants and contributions	..	..	650	2,250	..	..	..	..	..	..	..	..	..	..	650	2,250
Other revenue	277	185	25,968	540	70	31	14,193	861	2,528	1,072	59	30	..	..	43,095	2,719
Total revenue	34,590	33,197	152,261	103,899	10,945	10,232	228,625	185,763	233,283	216,807	2,920	3,220	(12,619)	(12,770)	650,005	540,348
Gain on fair value movement of other financial assets	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total income from operations	34,590	33,197	152,261	103,899	10,945	10,232	228,625	185,763	233,283	216,807	2,920	3,220	(12,619)	(12,770)	650,005	540,348
Expenses from operations *																
Employee expenses	24,020	22,276	12,324	10,187	8,875	7,856	20,987	16,872	122,504	102,695	1,236	1,251	..	..	189,946	161,137
Supplies and services	10,215	10,666	19,227	18,423	1,941	2,291	28,007	15,619	105,596	110,236	1,575	1,888	(12,619)	(12,770)	153,942	146,353
Grants and subsidies	180	66	25,546	606	66	22	176,071	58,872	1,128	382	56	21	..	..	203,047	59,969
Losses on assets	..	..	1,342	..	..	..	3,300	69,528	62	..	..	..	..	..	4,704	69,528
Depreciation and amortisation	11	4	361	357	3	..	7	24,446	379	199	3	..	..	..	764	25,006
Interest expense	..	..	..	..	..	..	106	287	..	..	..	..	..	..	106	287
Other expenses	164	185	3,848	460	60	63	147	139	3,614	3,295	50	60	..	..	7,883	4,202
Total expenses from operations	34,590	33,197	62,648	30,033	10,945	10,232	228,625	185,763	233,283	216,807	2,920	3,220	(12,619)	(12,770)	560,392	466,482
Operating result for the year	..	..	89,613	73,866	..	..	..	..	..	..	..	..	..	..	89,613	73,866
Other comprehensive income items that will not be reclassified to operating result																
Increase in revaluation surplus	..	..	..	..	..	..	..	88,000	..	..	..	..	..	..	..	88,000
Total other comprehensive income	..	..	..	..	..	..	..	88,000	..	..	..	..	..	..	..	88,000
Total comprehensive income	..	..	89,613	73,866	..	..	..	88,000	..	..	..	..	..	..	89,613	161,866
* Allocation of income and expenses to corporate services (disclosure only):																
Income	5,337	5,431	2,683	2,383	1,959	1,853	4,373	3,733	33,361	31,591	1,653	1,732	..	..	49,366	46,723
Expenses	5,337	5,431	2,683	2,383	1,959	1,853	4,373	3,733	33,361	31,591	1,653	1,732	..	..	49,366	46,723

**2024 and 2023 includes corporate support allocated to Motor Accident Insurance Commission and Nominal Defendant.

Accounting policy – Allocation of revenues and expenses from ordinary activities of corporate services

Treasury allocates revenues and expenses attributable to corporate services to its controlled departmental services in the Statement of Comprehensive Income based on the average usage patterns of the services' key drivers of costs.

Queensland Treasury
Controlled Statement of Assets and Liabilities by Major Departmental Services
as at 30 June 2024

	Economics and Productivity		Fiscal		Agency Performance		Commercial and Investment		Revenue Management		General – not attributed*		Queensland Treasury	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current assets														
Cash and cash equivalents	2,235	15,115	318,004	304,246	248	5,016	(27,436)	25,715	7,149	98,219	19,628	59,256	319,828	507,567
Receivables	2,147	1,880	4,575	13,847	170	122	76,203	17,758	2,653	2,474	3,445	1,531	89,193	37,612
Other financial assets	..	..	20,216	63,089	..	..	..	..	..	..	..	..	20,216	63,089
Other assets	214	185	57	53	..	..	..	100	9,586	8,055	2,581	2,235	12,438	10,628
Total current assets	4,596	17,180	342,852	381,235	418	5,138	48,767	43,573	19,388	108,748	25,654	63,022	441,675	618,896
Non-current assets														
Receivables	..	..	..	..	..	..	38,242	39,381	..	..	..	..	38,242	39,381
Other financial assets	..	..	218,684	..	..	..	408,900	132,200	..	..	..	..	627,584	132,200
Property, plant and equipment	2	4	..	..	..	..	168,220	165,000	476	625	2	14	168,700	165,643
Intangibles	..	..	1,646	980	..	..	..	..	..	240	610	392	2,256	1,612
Total non-current assets	2	4	220,330	980	..	..	615,362	336,581	476	865	612	406	836,782	338,836
Total assets	4,598	17,184	563,182	382,215	418	5,138	664,129	380,154	19,864	109,613	26,266	63,428	1,278,457	957,732
Current liabilities														
Payables	3,904	4,207	288,552	285,134	183	2,258	2,458	38,904	17,287	22,984	21,414	30,902	333,798	384,389
Accrued employee benefits	647	525	351	239	235	176	597	423	3,091	2,508	1,125	1,353	6,046	5,224
Total current liabilities	4,551	4,732	288,903	285,373	418	2,434	3,055	39,327	20,378	25,492	22,539	32,255	339,844	389,613
Total liabilities	4,551	4,732	288,903	285,373	418	2,434	3,055	39,327	20,378	25,492	22,539	32,255	339,844	389,613
Net assets	47	12,452	274,279	96,842	..	2,704	661,074	340,827	(514)	84,121	3,727	31,173	938,613	568,119

The department has systems in place to allocate assets and liabilities by major departmental services.

*Includes assets and liabilities associated with corporate support functions.

1 Basis of financial statements preparation

(a) Statement of compliance

Treasury has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*.

Treasury is a not-for-profit entity and has prepared these general purpose financial statements in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities. The financial statements comply with Treasury's *Financial Reporting Requirements* for the year beginning 1 July 2023.

(b) The reporting entity

Treasury is a Queensland Government department established under the *Public Sector Act 2022* and controlled by the State of Queensland, which is the ultimate parent.

For financial reporting purposes, Treasury is a department in terms of the *Financial Accountability Act 2009* and is subsequently consolidated into the *Report on State Finances* of the Queensland Government.

Treasury as an economic entity consists of the parent entity together with its controlled entities, QTH and Queensland Hydro. To provide enhanced disclosure, Treasury has adopted the principles outlined in Australian Accounting Standard AASB 10 *Consolidated Financial Statements* and AASB 12 *Disclosure of Interests in Other Entities*. This approach is considered appropriate as it reflects the relationship between Treasury's core business activities and those of its controlled entities. In the process of reporting on Treasury as a single economic entity, all transactions and balances internal to the economic entity have been eliminated in full. The consolidated financial statements include the value of all revenues, expenses, assets, liabilities and equity of Treasury and the entities it controls. Details of Treasury's controlled entities are disclosed in note 21. For the purposes of these financial statements, "QTH" refers to QTH and its controlled entities.

The accrual basis of accounting has been adopted for both controlled transactions and balances, and those administered by Treasury on a whole-of-government basis (except for the Statement of Cash Flows, which is prepared on a cash basis). Except when stated, the historical cost convention is used.

(c) Controlled and Administered transactions and balances

Transactions and balances are controlled by Treasury where they can be deployed for the achievement of departmental objectives.

Treasury administers, but does not control, certain resources on behalf of the government such as loans, borrowings and cash arrangements, collection of Australian Government grants, state taxes, royalties, fines and investment in the Queensland Future Fund. In doing so, it is responsible and accountable for administering related transactions and balances but does not have the discretion to deploy the resources for the achievement of Treasury's objectives.

Transactions and balances relating to administered resources are not recognised as controlled revenues, expenses, assets, liabilities and equity, but are disclosed separately as administered transactions and balances in the administered statements and associated notes.

If not otherwise stated, the controlled accounting policies also apply to administered transactions and balances.

(d) Australian Government taxes

Treasury 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). As such, FBT and GST credits receivable from/payable to the ATO are recognised and accrued.

QTH and Queensland Hydro are subject to the National Tax Equivalents Regime, and payments are made to the State Treasurer (Consolidated Fund) equivalent to the amount of Commonwealth income tax.

QTH falls under the Taxation of Financial Arrangements legislation and applies the default realisation and accrual methods.

(e) Presentation

Rounding and comparatives

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. Due to rounding, totals may not add exactly. Comparative information reflects the audited 2022–23 financial statements. The 2022–23 comparative amounts for the consolidated entity include balances from Queensland Hydro from 3 August 2022 to 30 June 2023 only.

1 Basis of financial statements preparation (continued)

(e) Presentation (continued)

Current/non-current classification

Assets and liabilities are classified as either current or non-current in the statement of financial position and associated notes. Assets are classified as current where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date, or the department does not have the right at the end of the reporting period to defer settlement to beyond the 12 months after the reporting date. All other assets and liabilities are classified as non-current.

(f) Issuance of financial statements

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

(g) Accounting estimates and judgements

Estimates and assumptions that have a potential significant effect are outlined in the following notes:

- notes 13 and 36 (allowance for impairment)
- notes 14 and note 23 (g) (fair value on controlled other financial assets and financial instruments)
- notes 15 (fair value on property, plant and equipment)
- notes 20 and 39 (contingencies)
- notes 37 and 40 (e) (fair value on administered other financial assets and financial instruments).

Further, the matters covered in each of those notes necessarily involve estimation uncertainty with the potential to materially impact on the carrying amount of Treasury's assets and liabilities in the next reporting period. Reference should be made to the respective notes for more information.

(h) First year application of new accounting standards and future impact of accounting standards not yet effective

The requirements of AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* that applies to 2023–24 financial statements were adopted in presenting material accounting policy information. Materiality of account balance as at 30 June 2024 and relevance to financial statement users were considered. Note 6 on other revenue was an added disclosure for 2023–24 due to its material balance while note on income tax expense was removed due to immaterial balance as at 30 June 2024.

No other new accounting standards or interpretations that apply to the department and its controlled entities for the first time in 2023–24 had any material impact on the financial statements. No Australian Accounting Standards have been early adopted for 2023–24.

2 Objectives and major activities of the department

Treasury's vision is a strong economy for all Queenslanders, which is guided by a purpose of driving government priorities through expert advice and services.

Treasury's objectives are to:

- grow the Queensland economy and create jobs
- deliver fiscal sustainability
- drive public sector improvement.

Treasury is funded for the departmental services it delivers principally by parliamentary appropriations. Details on Treasury's departmental service areas can be viewed in the Service Reports section of the department's Annual Report.

(a) Major activities of the department

Major activities of the department are detailed on the face of the statements by Major Departmental Services for both controlled and administered items.

The Financial Statements have been aggregated into the following disclosures (refer to notes 1(b) and 1(c) for full details of this aggregation):

1 Controlled

- (a) Treasury (as an entity in its own right and to which the remainder of this financial report refers) – column headed 'Parent Entity'.
- (b) Consolidated (Treasury and its controlled entities which includes QTH and its subsidiaries and Queensland Hydro) – column headed 'Consolidated Entity'.

2 Administered on behalf of whole of government – shaded statements and notes.

(b) Financial Provisioning Scheme

From 1 April 2019, Financial Assurance (now called Financial Provisioning) requirements for resource activities under the *Environmental Protection Act 1994* (EP Act) were replaced with the Financial Provisioning Scheme (Scheme) under the *Mineral and Energy Resource (Financial Provisioning) Act 2018* (MERFP Act). The Scheme manages the State's financial risk from the potential failure of a resource activity holder of an environmental authority or small-scale mining tenure (holder) to meet their rehabilitation and environmental obligations under the EP Act.

The Scheme is administered by the Scheme Manager, a statutory officer supported by Treasury, who is responsible for administering all holders' financial provisioning on behalf of the State of Queensland.

Under the *MERFP Act 2018*, holders meet their financial provisioning obligation by providing:

- a contribution to the Financial Provisioning Fund (FP Fund); and/or
- surety, which can be in the form of cash, bank guarantee or insurance bond.

Under the EP Act, the Administering Authority (Department of Environment, Science and Innovation) may make a claim against a holder's financial provisioning to the Scheme Manager. Where the claim is properly made, the Scheme Manager will either make arrangements for payments from the FP Fund or realise the surety and transfer the funds to the administering authority's designated bank account. No liability is held by Treasury for any rehabilitation obligations.

All balances/transactions relating to the FP Fund are reported in the controlled financial statements. Fund contributions and assessment fees are recognised under user charges and fees (note 4). FP Fund cash is reported in note 12 and FP Fund investments are reported in note 14.

Balances/transactions relating to surety are reported either in the financial statements or disclosed as contingencies.

- Cash surety is reported as cash asset (note 12) with a corresponding payable to the holders (note 17), as the Fund obtains the interest benefit from the cash surety held.
- Forfeitures of surety held are recognised as other revenue and transferred to Department of Environment, Science and Innovation and/or Department of Resources as grant expenses.

2 Objectives and major activities of the department (continued)

(b) Financial Provisioning Scheme (continued)

- Non-cash surety is disclosed in the contingency note (note 20). Non-cash surety is only redeemable for cash when claims are made. At reporting date, it is not possible to determine the quantum or timing of claims that will be made against the non-cash surety.
- Where a notice to provide surety has been issued and the surety payment is yet to be received from holders, the aggregate surety yet to be received is also disclosed in the contingency note (note 20).

(c) Climate risk disclosure

Whole-of-government climate-related reporting

The State of Queensland, as the ultimate parent of Treasury, has published a wide range of information and resources on climate related risks, strategies and actions accessible via <https://www.energyandclimate.qld.gov.au/climate>.

The Queensland Sustainability Report (QSR) outlines how the Queensland Government measures, monitors and manages sustainability risks and opportunities, including governance structures supporting policy oversight and implementation. To demonstrate progress, the QSR also provides time series data on key sustainability policy responses. The QSR is available via Queensland Treasury's website at <https://www.treasury.qld.gov.au/programs-and-policies/queensland-sustainability-report>.

Departmental accounting estimates and judgements – climate-related risks

Treasury considers climate-related risks when assessing material accounting judgements and estimates used in preparing its financial report. Key estimates and judgements identified include the potential changes in asset useful lives, changes in fair value of assets, impairment of assets and recognition of provisions or the possibility of contingent liabilities.

Based on our assessment, there is no direct impact on Treasury's accounts for 2023–24. No adjustments to the carrying value of assets were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate-related risks impacting Treasury.

Treasury continues to monitor the emergence of material climate-related risks that may impact the financial statements, including those arising under the Queensland Government's Queensland 2035 Clean Economy Pathway, and other Queensland Government climate-related policies or directives.

The fiscal impact of climate change on taxes and royalty revenue, will emerge over the medium to long-term, along with the implications for the state's balance sheet. As at reporting date, the effect cannot be quantified.

QTH and Queensland Hydro have not identified any material climate related risks relevant as at 30 June 2024 but will continuously monitor the emergence of such risks.

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
3 Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in the Statement of Comprehensive Income				
Original budgeted appropriation	454,969	520,311	454,969	520,311
Supplementary amounts:				
Transfer (to)/from other departments – redistribution of public business	..	4,267	..	4,267
Transfer (to)/from other headings (variation in headings)	6,511	(155,039)	6,511	(155,039)
Unforeseen expenditure	2,819	..	2,819	..
Total appropriation received (cash)	464,299	369,539	464,299	369,539
Plus: opening balance of deferred appropriation payable to Consolidated Fund	57,636	130,377	57,636	130,377
Less: closing balance of deferred appropriation payable to Consolidated Fund	(31,894)	(57,636)	(31,894)	(57,636)
Appropriation revenue recognised in Statement of Comprehensive Income	490,041	442,280	490,041	442,280
Variance between original budgeted and actual appropriation revenue	(35,072)	78,031	(35,072)	78,031
Reconciliation of payments from Consolidated Fund to appropriated equity adjustments recognised in contributed equity				
Original budgeted equity adjustment appropriation	229,239	10,486	229,239	10,486
Supplementary amounts:				
Transfer (to)/from other headings (variation in headings)	(6,511)	(82,152)	(6,511)	(82,152)
Lapsed equity adjustment	..	..	..	..
Total equity adjustment payments	222,728	(71,666)	222,728	(71,666)
Less: opening balance of equity adjustment receivable	(5,294)	(10,941)	(5,294)	(10,941)
Plus: closing balance of equity adjustment receivable	59,255	5,294	59,255	5,294
Plus: opening balance of equity adjustment payable	16,154	11,326	16,154	11,326
Less: closing balance of equity adjustment payable	(7,553)	(16,154)	(7,553)	(16,154)
Appropriated equity adjustment recognised in contributed equity	285,290	(82,141)	285,290	(82,141)
Variance between original budgeted and actual equity adjustment appropriation	(56,051)	92,627	(56,051)	92,627

Accounting policy – Appropriation revenue

Appropriations provided under the *Appropriation Act 2023* are recognised as revenue when received under AASB 1058 *Income of Not-for-Profit Entities*. In some circumstances when approval is granted, a deferred appropriation payable is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position in the Consolidated Fund for the reporting period.

Consolidated Entity		Parent Entity	
2024	2023	2024	2023
\$'000	\$'000	\$'000	\$'000

4 User charges and fees

Financial Provisioning Scheme Fund contributions	73,693	67,269	73,693	67,269
Sale of services from contracts with customers	12,969	10,957	12,969	10,957
Assessment fees	2,663	2,364	2,663	2,364
Other fees	9	11	9	11
	<u>89,334</u>	<u>80,601</u>	<u>89,334</u>	<u>80,601</u>

Accounting policy – User charges and fees

User charges and fees are recognised in accordance with the appropriate revenue accounting standard.

Treasury recognises revenue from sale of services to customers under AASB 15 *Revenue from Contracts with Customers*. Revenue is recognised when Treasury transfers control over the goods or service to the customer. Revenue from Queensland Government Statistician's Office and Queensland Revenue Office contracts with customers are recognised when the service has been provided. The contracts have specific performance obligations, and the timing of revenue recognition is when the specific performance obligation is satisfied which is at a point in time or over a period.

Revenue that is not within the scope of AASB 15 is recognised under AASB 1058 *Income of Not-for-Profit Entities* where revenue is recognised upfront or when the corresponding asset (cash or receivable) is recognised and received. Fund contributions and assessment fees from the Financial Provisioning Scheme are collected under the *MERFP Act 2018* and are recognised when an assessment is issued, and the corresponding receivable is recognised.

5 Interest revenue

Interest – Financial Provisioning Scheme	24,972	10,942	24,972	10,942
Interest – lease receivables*	6,675	6,392	1,913	1,556
Interest – loans and receivables**	1,340	1,763	..	..
Interest – QTC	5,660	3,550	..	..
Interest – others	1,198	211	..	..
	<u>39,845</u>	<u>22,858</u>	<u>26,885</u>	<u>12,498</u>

*Relates to interest recognised on lease receivable from Dalrymple Bay Coal Terminal Holdings (DBCTH) Pty Ltd and finance lease receivable (refer to note 13).

**Relates to interest recognised on the loan acquired from Brisbane Port Holdings Pty Ltd (BPH) following the long-term lease of the Port of Brisbane (refer to note 13).

Accounting policy – Interest revenue

Interest revenue is recognised using the effective interest rate and recognised on a proportional basis taking into account interest rates applicable.

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
6 Other revenue				
Forfeitures revenue – Financial Provisioning Scheme	24,475	..	24,475	..
General recoveries	1,466	985	1,466	985
Others*	17,608	2,159	17,154	1,734
	<u>43,549</u>	<u>3,144</u>	<u>43,095</u>	<u>2,719</u>

* Mainly relates to repayment received for project support payments for Gibson Island Manufacturing facility (\$12.091 million).

Accounting policy – Other revenue

Other revenue is recognised upfront or when the corresponding asset (cash/receivable) is recognised under AASB 1058 *Income for Not-for-Profit Entities*.

Forfeitures revenue is recognised when surety is forfeited arising from compliance action under the Financial Provisioning Scheme (refer to note 2(b)).

7 Employee expenses

Wages and salaries*	165,591	126,785	145,545	123,449
Annual leave levy	19,721	15,542	18,125	15,296
Employer superannuation contributions – accumulation schemes	20,558	14,647	18,075	14,286
Employer superannuation contributions – defined benefit scheme	3,076	2,739	3,076	2,739
Long service leave levy	4,185	3,625	4,072	3,545
Leave on-cost reimbursements	(2,180)	(1,880)	(2,180)	(1,880)
Other employee related expenses	6,727	3,923	2,944	3,185
Termination payments	183	438	183	438
Workers' compensation premium	473	79	106	79
	<u>218,334</u>	<u>165,898</u>	<u>189,946</u>	<u>161,137</u>

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

Number of employees:	1,541	1,325	1,385	1,271
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Accounting policy – Employee expenses

Salaries and wages

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

Sick leave

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

Annual leave and long service leave

Under the Annual Leave Central Scheme and Long Service Leave Scheme, a levy is made on Treasury 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.

7 Employee expenses (continued)

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

Superannuation

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

Under the defined contribution plans, contributions are made to eligible complying superannuation funds based on the rates specified in the relevant Enterprise Bargaining Agreement 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.

For the defined benefit plan, 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*. The amount of contributions is based upon the rates determined on the advice of the State Actuary. Contributions are paid by Treasury at the specified rate following completion of the employee's service each pay period. Treasury's obligations are limited to those contributions paid.

Key management personnel and remuneration

The Minister is identified as part of the Treasury's key management personnel (KMP), consistent with additional guidance included in AASB 124 *Related Party Disclosures*. The Minister is the Deputy Premier, Treasurer and Minister for Trade and Investment.

The Treasurer's remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. Treasury 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 are disclosed in the Queensland General Government and whole-of-government Consolidated Financial Statements, which are published as part of Treasury's Report on State Finances.

Remuneration policy for Treasury's other KMP is set by the Queensland Public Sector Commission as provided for under the *Public Sector Act 2022*. Individual remuneration and other terms of employment (including motor vehicle entitlements if applicable) are specified in employment contracts. No non-ministerial KMP remuneration packages provide for performance or bonus payments.

Remuneration expenses for those KMP comprise the following components:

Short term employee expenses, including:

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

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

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

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

There were no termination benefits paid during 2023–24.

Transactions with people/entities related to KMP

There are no related party transactions with the Treasury consolidated entity that involve KMP, close family members and/or their personal business interests.

The following table for non-ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of Treasury during the respective reporting periods. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

The amounts disclosed below reflect expenses recognised in the Statement of Comprehensive Income.

Employee expenses (continued)
7 Employee expenses – Key management personnel and remuneration (continued)
1 July 2023 – 30 June 2024

Position	Responsibilities	Dates acted in the position	Short term employee expenses Monetary expenses* \$'000	Long term employee expenses \$'000	Post-employment expenses \$'000	Total \$'000
Under Treasurer	Responsible for executive leadership, strategic direction of the department and whole-of-government financial management	2-Oct-23 to current	506	11	53	570
Acting Under Treasurer		16-Feb-23 to 1-Oct-23	158	4	26	188
Deputy Under Treasurer	Responsible for Economics and Fiscal	27-May-22 to current	285	7	37	329
Head, Strategic Policy	Responsible for Strategic Policy	1-Dec-21 to current	269	6	36	311
Acting Deputy Under Treasurer	Responsible for Social, Intergovernmental & Corporate	5-Feb-24 to current	125	3	14	142
Acting Deputy Under Treasurer		16-Feb-23 to 4-Feb-24	179	4	26	209
Deputy Under Treasurer	Responsible for Industry, Investment & Commercial	13-Feb-23 to current	299	7	39	345
Commissioner of State Revenue and Registrar of SPER	Responsible for the Queensland Revenue Office	26-Aug-23 to current	250	6	33	289
Acting Commissioner of State Revenue and Registrar of SPER		19-Jun-23 to 25-Aug-23	50	1	6	57
Total Expenses			2,121	49	270	2,440

*Treasury does not have any non-monetary benefits to disclose in relation to its KMP.

7 Employee expenses – Key management personnel and remuneration (continued)
1 July 2022 – 30 June 2023

Position	Responsibilities	Dates acted in the role	Short term employee expenses	Long term employee expenses	Post-employment expenses	Total
			Monetary expenses* \$'000	\$'000	\$'000	\$'000
Acting Under Treasurer Under Treasurer	Responsible for executive leadership, strategic direction of the department and whole-of-government financial management	16-Feb-23 to current	324	7	30	361
		9-Sep-21 to 15-Feb-23	381	10	48	439
Deputy Under Treasurer	Responsible for Economics and Fiscal	27-May-22 to current	278	7	35	320
Head, Strategic Policy	Responsible for Strategic Policy	1-Dec-21 to current	258	7	32	297
Acting Deputy Under Treasurer	Responsible for Social, Intergovernmental & Corporate	16-Feb-23 to current	161	3	16	180
Deputy Under Treasurer		27-May-22 to 15-Feb-23	133	4	19	156
Deputy Under Treasurer	Responsible for Industry, Investment & Commercial	13-Feb-23 to current	118	3	14	135
Acting Deputy Under Treasurer		7-Feb-22 to 12-Feb-23	175	4	22	201
Acting Commissioner of State Revenue and Registrar of SPER Acting Commissioner of State Revenue and Registrar of SPER Commissioner of State Revenue and Registrar of SPER	Responsible for the Queensland Revenue Office	19-Jun-23 to current & 5-Nov-22 to 10-Feb-23	99	2	11	112
		11-Feb-23 to 18-Jun-23	112	3	12	127
		1-Jul-20 to 4-Nov-22	105	3	13	121
Total Expenses			2,144	53	252	2,449

*Treasury does not have any non-monetary benefits to disclose in relation to its KMP.

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
8 Supplies and services				
Contractors and employment agency charges	167,673	90,260	57,435	57,137
Computer charges	39,354	30,923	35,259	30,923
Property charges and fees	48,798	24,950	26,722	24,892
Professional legal fees, service fees and charges	15,482	8,643	15,122	8,643
Telecommunications, advertising and other materials and equipment	15,921	14,059	13,205	12,244
Consultants	4,313	5,330	4,313	5,330
SPER call centre costs	..	4,923	..	4,923
Other supplies and services	4,613	5,877	1,886	2,261
	<u>296,154</u>	<u>184,965</u>	<u>153,942</u>	<u>146,353</u>

Accounting policy – Supplies and services

Treasury recognises expenses when incurred, usually when goods are received, or services are consumed, which may not be when the goods or services are paid for.

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office framework arise from non-lease arrangements with the Department of Housing, Local Government, Planning and Public Works, who has substantive substitution rights over the assets used within the scheme. Payments are expensed as incurred and categorised within property charges and fees.

Lease arrangements that are of low value and short term are also expensed when incurred.

9 Grants and subsidies

Private and not-for-profit entities	175,957	58,462	175,957	58,462
Queensland Government entities	27,090	1,507	27,090	1,507
	<u>203,047</u>	<u>59,969</u>	<u>203,047</u>	<u>59,969</u>

Accounting policy – Grants and subsidies

Grants and subsidies are recognised when the grant/subsidy has been paid or when the recipient incurs the right to receive the grant.

Grants to private and not-for-profit entities represent payments for major projects including the establishment of the world's first commercial-scale Fault-tolerant Quantum Computing facility in Queensland (\$75 million) and development of an investment proposal for a major road project (\$30 million). This also include payments for grant programs such as Advance Queensland Industry Attraction Fund (\$1.396 million) and Jobs and Regional Growth Fund (\$4.870 million).

Grants - Queensland Government entities relate mainly to grants paid to the Department of Environment, Science and Innovation for claims against surety under the Financial Provisioning Scheme.

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
10 Losses on assets				
Net loss on fair value movement of investments*	4,642	10,861	4,642	10,861
Loss on other assets**	62	58,667	62	58,667
Loss on licence fee receivable***	1,505	..	..	..
	<u>6,209</u>	<u>69,528</u>	<u>4,704</u>	<u>69,528</u>

*Net loss on fair value movement of investments in QIC Limited, (note 14).

**Relates to write-off of intangible assets for 2023–24 and loss on derecognition of buildings for 2022–23.

***A gain on fair value movement was recognised in 2022–23 (note 14) .

11 Other expenses

Bank charges	2,532	2,172	2,532	2,172
External audit fees*	967	794	810	748
Internal audit fees	692	984	692	984
Special payments**	135	..	..	..
Qld Government Insurance Fund – insurance premiums	58	59	58	59
Sundry expenses	5,430	1,754	3,791	239
	<u>9,814</u>	<u>5,763</u>	<u>7,883</u>	<u>4,202</u>

*Total departmental audit fee quoted by the Queensland Audit Office relating to the 2023–24 financial statements for the parent entity is \$544,250 (2023:\$497,000), which excludes the whole-of-government financial statement audit costs. The whole-of-government audit fee for 2023–24 is \$258,300 (2023:\$246,000).

** Special payments include ex-gratia payments made to Queensland Hydro's employees as part of the Deed of Separation.

12 Cash and cash equivalents

Cash at bank – Surety	276,590	290,738	276,590	290,738
QTC Cash Fund	165,811	225,282	30,068	114,826
Cash at bank – Fund	7,720	5,640	7,720	5,640
Cash at bank – other controlled accounts	18,108	97,189	5,450	96,363
	<u>468,229</u>	<u>618,849</u>	<u>319,828</u>	<u>507,567</u>

Accounting policy – Cash and cash equivalents

Cash assets include all cash and deposits at call with financial institutions. QTC Cash Fund is utilised for short-term investments that are readily convertible to cash at Treasury's option and are subject to a low risk of changes in value. Cash at bank – Surety relates to the surety received for the Financial Provisioning Scheme. Cash at bank – Fund relates to the contributions and fees received for the Financial Provisioning Scheme.

Bank accounts grouped within the whole-of-government set-off arrangement with QTC do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues in the Consolidated Fund.

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
13 Receivables				
Current				
Trade debtors	7,112	14,504	7,112	13,265
Less: allowance for impairment	(14)	..	(14)	..
	7,098	14,504	7,098	13,265
Equity injection receivable	59,254	5,294	59,254	5,294
Finance lease receivable	7,035	9,400	7,035	9,400
Loan receivable	8,712	8,228	..	..
Annual leave and long service leave reimbursements	4,160	3,655	4,160	3,655
Lease receivable	1,805	1,708	..	..
Sundry receivables	14,110	5,998	11,646	5,998
	95,076	34,283	82,095	24,347
Total current	102,174	48,787	89,193	37,612
Non-current				
Lease receivable	96,192	97,997	..	..
Finance lease receivable	38,242	39,381	38,242	39,381
Loan receivable	8,636	16,280	..	..
Total non-current	143,070	153,658	38,242	39,381

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-service delivery i.e. the agreed purchase/contract price. Settlement is generally required within 30 days from invoice date.

Loans receivable includes the Port of Brisbane loan receivable which is a non-derivative financial asset that is not quoted in an active market and are carried at amortised cost using the effective interest method. This is discounted at 6.55% and includes the rights to fixed annual payments up to 31 December 2025.

Lease receivable represents payments due from the Dalrymple Bay Coal Terminal Holdings Pty Ltd as primary lessee under the plant lease, on-shore sub-lease, offshore sub-sub-lease and road sub-sub-lease. The terms of the plant lease and on-shore sub-lease are 50 years each (27 years remaining), with options to renew for a further 49 years, while the off-shore sub-sub-lease and road sub-sub-lease terms are 99 years each. There are no guaranteed residuals for any of the leases. This does not qualify as a lease arrangement within the scope of AASB 16 *Leases*.

Accounting policy – Impairment of receivables

Loss allowance for trade debtors reflects expected credit losses and incorporates reasonable and supportable forward-looking information, including the impact of expected economic changes to Treasury's debtors, alongside with relevant industry data where applicable. The most readily identifiable loss event is where a debtor is overdue in paying a debt to Treasury and its controlled entities, according to the due date (normally terms of 30 days).

There is no allowance for impairment loss recognised for Treasury's receivables from Queensland Government agencies or Australian Government agencies based on materiality. Credit risk for these receivables is considered low.

If there is no expected credit loss event in respect of a debtor or group of debtors, no allowance for impairment loss is made with respect of that debt/group of debtors. If Treasury and its controlled entities determine that an amount owing by such a debtor does become uncollectable (after an appropriate range of debt recovery actions), that amount is recognised as a bad debt expense and written off directly against receivables.

13 Receivables (continued)

Credit risk exposure of receivables

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

Credit risk exposure refers to the situation where Treasury and its controlled entities may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation. Credit risk is managed pursuant to internal policies. These focus on the prompt collection of revenues due and payable to Treasury and follow-up of outstanding fees and charges within specified timeframes. Any write-offs require high level approval.

Treasury measures the lifetime expected credit loss on receivables using a provision matrix based on the ageing of debts. Receivables of an operating nature are assessed for probability of default or non-collection. Other factors such as payment arrangements and forward-looking information such as economic factors affecting the payment capacity and ability of debtors are also considered.

Accounting policy – Finance lease

Treasury has recognised a finance lease receivable under AASB 16 as all the risks and rewards of ownership of the property have passed on to the lessee. Treasury does not retain the rights associated with the underlying assets. The finance lease is under a 10-year lease agreement with a private entity, where lease repayments will be made to Treasury over the term of the lease. Finance lease receivables are recognised at amounts representing the net investment in the lease. The implicit interest is recognised over the term of the lease as interest income.

The following table sets out the maturity analysis of future undiscounted lease payments receivable under the finance lease.

	2024	2023
	\$'000	\$'000
Less than 1 year	8,318	9,400
1 to 5 years	33,272	37,600
More than 5 years	7,983	18,421
Total	49,573	65,421

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
14 Other financial assets				
Current				
Financial Provisioning - Cash Enhanced Fund	20,216	63,089	20,216	63,089
	20,216	63,089	20,216	63,089
Non-current				
Backing Queensland Business Investment Fund	400,122	113,272	400,122	113,272
Financial Provisioning - Diversified Fund	218,684	..	218,684	..
Licence fee receivable*	82,464	83,969	..	..
Business Development Fund	7,161	16,131	7,161	16,131
Investment in Repluca	1,617	2,797	1,617	2,797
	710,048	216,169	627,584	132,200

*The fair value is estimated based on projected trade volume and price growth taking into account the current economic conditions and is discounted at a rate of 11.4% (2023:11.5%). The discount rate is applied against expected cash flow under a revenue sharing arrangement based on a pre-tax discount rate.

Accounting policy – Other financial assets

Treasury carries equity investments and other financial assets at fair value through profit and loss (FVTPL) under AASB 9 *Financial Instruments*.

Financial Provisioning Fund – Cash Enhanced Fund

Treasury's Financial Provisioning Fund (FP Fund) invests in QIC Limited Cash Enhanced Fund in accordance with the requirements of *MERFP Act 2018*. The Fund invests in a short-term, liquid portfolio of low risk discount securities, term deposits and short-term floating rate notes. The investment is measured at FVTPL based on the net asset value of the fund as provided by QIC Limited as at reporting date. The fair value hierarchy for the FP Fund is a Level 2 input as it is based on substantially derived inputs that are observable either directly or indirectly.

Backing Queensland Business Investment Fund

Treasury has established the Backing Queensland Business Investment Fund (BQBIF) as part of Queensland Government's COVID-19 Fiscal and Economic Review.

Currently, the BQBIF is composed of four sub-funds:

- 1) Business Investment Fund (BIF) – promote increased access to growth-stage capital (gross value \$80 million; 2023: \$80 million)
- 2) Enterprise Acceleration Fund (EAF) – promote jobs growth, increase access to early stage capital (gross value \$33.787 million; 2023: \$28.518 million)
- 3) Queensland Venture Capital Development Fund (QVCDF) established in October 2023 – to build depth in venture capital market through a matched funding program for venture capital funds (gross value \$130 million)
- 4) Queensland Critical Minerals and Battery Technology Fund (QCMETF) established in October 2023 – to support businesses across the critical mineral supply chain in Queensland (gross value \$150 million)

The BQBIF is managed by QIC Limited and measured at FVTPL based on the net asset value of the fund as provided by QIC Limited as at reporting date. The fair value hierarchy for the BQBIF is a Level 2 input as it is based on substantially derived inputs that are observable either directly or indirectly.

14 Other financial assets (continued)

FP Fund – Long-term Diversified Fund

Treasury's FP Fund also invests in QIC Limited Long Term Diversified Fund in accordance with the requirements of *MERFP Act 2018*. The fund invests in global equities, global fixed interests and diverse range of alternative asset classes to optimise the risk and return over the medium and long-term with the focus in growth rather than income. The investment is measured at FVTPL based on the net asset value of the fund as provided by QIC Limited as at reporting date. The fair value hierarchy is a Level 2 input as it is based on substantially derived inputs that are observable either directly or indirectly.

Licence fee receivable

QTH carries licence fee receivable as a financial asset at FVTPL. The fair value of the licence fee receivable is based on a revenue sharing arrangement whereby Brisbane Port Holdings Pty Ltd (BPH), a controlled entity of QTH was to receive a percentage of revenue above a hurdle amount from the Port Manager, Port of Brisbane Pty Ltd (PBPL), for a period of 35 years. In 2011, QTH made an upfront payment of \$121 million to BPH for the rights to these cash flows using funds provided from QTC. The upfront payment was based on assumed volume growth for the Port of Brisbane using macroeconomic forecasts combined with analysis of local market and supply chain constraints. The licence fee which is payable up to 2050 has been valued using the present discounted value of the future expected cash flows. These cash flows are discounted at a rate which considers the risks and uncertainties which exposes QTH to volatility over future revenues and therefore the valuation of the investment. At each balance date the receivable is reviewed incorporating current projections of trade volumes and price growth. This method is used to estimate the fair value as there is no active market for a receivable of this type.

A loss on fair value movement of \$1.505 million is recognised in note 10. A gain on fair value movement was recognised in 2022–23 amounting to \$32.014 million.

Business Development Fund

The Business Development Fund (BDF) invests in emerging and innovative Queensland businesses. The BDF is managed by QIC Limited. The fair value hierarchy for the BDF is a level 2 input as it is based on substantially derived inputs that are observable either directly or indirectly. Investment in the BDF provides the co-investor with a call option (from the 2nd to 5th year of investment) and the BDF with a put option under limited circumstances (over the life of investment). The BDF treats the call and put options as embedded derivatives of the equity investment as they are closely related to the investment, and accounts for the entire investment as a single financial instrument. The fair value is determined depending on the holding period of the investment in the fund as follows:

- (a) Investments held for less than 2 years – initial cost of investment
- (b) Investments held between 2–5 years – cost plus interest (with interest calculated as QTC's 10-year bond rate plus 2%) as the call option provides a cap for any increase in fair value
- (c) Investment held for more than 5 years – based on latest equity raised.

Over the life of the investment, decrease in fair value will be assessed for each investment by identifying any indicators of fair value drop based on information provided by the investees' management teams and may include valuations attributed to the investee as a result of subsequent funding rounds, audited or unaudited financial statements, cash flow projections and other management reports.

There are no additional investments to Queensland businesses under the BDF. Any available uncommitted funds held in the BDF are transferred to the EAF.

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
15 Property, plant & equipment				
Land – at fair value	165,000	165,000	165,000	165,000
Plant and equipment – at cost	2,174	937	875	907
Less: accumulated depreciation	(505)	(264)	(395)	(264)
Net carrying amount	1,669	673	480	643
Land held for construction – at cost	54,732	6,725	..	..
Work in progress – at cost	3,220	..	3,220	..
Total property, plant & equipment	224,621	172,398	168,700	165,643

Accounting policy – Property, plant and equipment

Recognition

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

- Land \$1
- Buildings \$10,000
- Plant and equipment \$5,000

Items with a lesser value are expensed in the year of acquisition. Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for Treasury. 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.

Measurement

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

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

Land that is acquired and held for construction prior to cost being incurred for the capital project is recognised and valued at cost and will not be depreciated and revalued. Once project costs are recognised, the value of the land will be transferred to work in progress account.

Costs incurred for work in progress are valued at cost and will not be depreciated and revalued. Costs are capitalised and included in work in progress to the extent they are directly attributable to the construction of the asset. Those benefits not directly attributable are expensed.

Revaluation at fair value

Land measured at fair value is assessed on an annual basis either by appraisals undertaken by an independent professional valuer or by use of appropriate and relevant indices.

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 class.

15 Property, plant and equipment (continued)

Depreciation

Property, plant and equipment is depreciated on a straight-line basis to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life to the department. Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to Treasury.

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

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

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 Treasury'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.

Property, plant and equipment	Depreciation rate
Building	33%
Plant and equipment	20% – 33%

Impairment

All property, plant and equipment 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, Treasury determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the revaluation surplus of the relevant asset class to the extent available. Where no revaluation surplus is available for the asset class, an impairment loss is recognised in the Statement of Comprehensive Income. When the asset's carrying amount exceeds the recoverable amount, an impairment loss is recognised.

Land

Treasury acquired land and buildings at Montague Road, South Brisbane amounting to \$165 million on 16 May 2022 used as a glass manufacturing and recycling facility. The land was acquired in the 2021–22 financial year as part of the state's planning for future state developments from 2025–26.

In 2022–23, an increase in the value of the land amounting to \$88 million was recognised as a revaluation increase resulting in the total purchase price of \$165 million attributed to the land. The building was considered as having no future economic benefit to Treasury as its highest and best use is for redevelopment which will occur once the buildings are demolished. As a result, the building was derecognised in accordance with the requirements of AASB 116 *Property, Plant and Equipment* and a loss on derecognition amounting to \$58.667 million was reported as at 30 June 2023 (note 10).

Based on the comprehensive independent valuation report for 2023–24, the fair value of the land is \$165 million (2023: \$165 million) based on its highest and best use using a market approach. The fair value hierarchy for the land is a Level 2 input. A separate report prepared in 2022 at the time of sale identifies the presence of contamination consistent with the heavy industry manufacturing use on the land.

The fair value of \$165 million does not reflect the impact of contamination, however, Treasury has obtained an independent desktop valuation of the land to estimate the remediation cost for the impact of contamination. While the estimated cost does not materially impact the fair value of the land as at 30 June 2024, Treasury is committed to undertaking further work over this estimate in 2024–25. The contamination on the land was reported to the Department of Environment, Science and Innovation on 11 April 2023.

15 Property, plant and equipment (continued)

Reconciliation	Land		Buildings		Plant and equipment		Work in progress		Land held for construction		Total (Consolidated Entity)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Carrying amount at 1 July	165,000	77,000	..	83,111	673	55	..	..	6,725	..	172,398	160,166
Acquisitions	..	..	..	..	1,270	723	3,220	..	48,007	6,725	52,497	7,448
Disposals / derecognition	..	..	..	(58,667)	..	..	..	..	..	..	..	(58,667)
Revaluation increment	..	88,000	..	..	..	..	..	..	..	..	..	88,000
Depreciation	..	..	..	(24,444)	(274)	(105)	..	..	..	..	(274)	(24,549)
Carrying amount at 30 June	165,000	165,000	..	..	1,669	673	3,220	..	54,732	6,725	224,621	172,398

Consolidated Entity		Parent Entity	
2024	2023	2024	2023
\$'000	\$'000	\$'000	\$'000

16 Deferred tax asset

Attributable to temporary differences:

Investments in subsidiaries – DBCTH

Long term receivable – licence fee*

Leases and employee benefits

Accrued audit fees

Subsidiary tax loss carry forward

(178)	(178)	..	..
11,636	11,184	..	..
2,378	534	..	..
10	14	..	..
2	25	..	..
13,848	11,579	..	..

Accounting policy – Deferred tax asset

Deferred tax liabilities are recognised for all taxable temporary differences between the carrying amount of assets and the corresponding tax base which is netted off against deferred tax asset.

*QTH has recognised a deferred tax asset in relation to the difference between the purchase price of a long-term receivable and its carrying amount. This receivable was originally recognised by QTH in 2011 at \$121.2 million and is currently recognised at its fair value of \$82 million due to the timing of the related cash flows which have been forecast to 2050. The long-term receivable has been discounted at 11.40% (2023: 11.54%) based on a pre-tax discount rate. The associated deferred tax asset has not been discounted based on the requirement of AASB 112 *Income Taxes*.

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
17 Payables				
Current				
Cash surety payable	276,590	290,738	276,590	290,738
Deferred appropriation payable to Consolidated Fund	31,894	57,636	31,894	57,636
Trade creditors	46,183	25,182	16,886	17,299
Equity withdrawal payable	7,553	16,154	7,553	16,154
Other payables*	1,656	3,825	875	2,562
	<u>363,876</u>	<u>393,535</u>	<u>333,798</u>	<u>384,389</u>

*Other payables include interdepartmental payable and taxes payable.

Accounting policy – Payables

Current payables are recognised upon receipt of goods and services at the agreed purchase price. Amounts owing are paid within 20 calendar days for eligible invoices for small businesses as per the Queensland Government On-Time Payment Policy.

Cash surety for the Financial Provisioning Scheme is recognised as a liability when the cash is received. The surety is payable on demand to the environmental authority holder as the surety provided can be replaced with another form of surety approved by the Scheme Manager.

Deferred appropriation for services payable is recognised to reflect unused appropriation funding by Treasury to be returned to the Consolidated Fund. Refer to note 3 for recognition of deferred appropriation for departmental services payable.

18 Interest bearing liabilities

Current loans with QTC

Working Capital Facility*	..	54,114	..	..
Long-term lease loan**	1,805	1,708	..	..
	<u>1,805</u>	<u>55,822</u>		<u>..</u>

Non-current loans with QTC

Long-term lease loan**	96,192	97,997	..	..
	<u>96,192</u>	<u>97,997</u>	<u>..</u>	<u>..</u>

*Queensland Hydro has an approved overdraft facility with QTC with a limit of \$250 million (2023: \$175 million). The balance remaining at 30 June 2024 is \$250 million (2023: \$121 million). The current interest rate is 4.3% (2023: 4.1%).

**The Dalrymple Bay Coal Terminal long-term Lease Loan of QTH from QTC, a related party, is for a period of 50 years (27 years remaining), unless terminated earlier. Interest on the loan is fixed at 4.8% per annum, calculated on the daily balance and payable in arrears on each date rent is payable. A first ranking registered fixed and floating charge has been granted by DBCTH in favour of QTC over all the assets and undertakings of DBCTH.

Accounting policy – Interest bearing liabilities

Interest bearing liabilities are recognised initially at fair value, net of transaction costs incurred with subsequent measurement at amortised cost using the effective interest rate method. Interest and fees payable are recognised in the period in which they are incurred.

Consolidated Entity		Parent Entity	
2024	2023	2024	2023
\$'000	\$'000	\$'000	\$'000

19 Commitments

Capital expenditure commitments

Commitments for capital expenditure, inclusive of GST, contracted for but not recognised in the financial statements are payable as follows:

Not later than one year	4,623	58,915	2,056	49,689
Later than one year and not later than five years	345	16,775	345	16,775
Later than five years	..	..	..	..
Total commitments	4,968	75,690	2,401	66,464

The decrease is due to commitments for a major project recognised as per the agreed capitalisation requirements with QAO in 2023–24. Prior to this, all costs associated with this project were considered capital in nature.

20 Contingencies

Financial Provisioning Scheme

Treasury holds non-cash surety in the form of bank guarantees and insurance bonds. Non-cash surety held by the Scheme Manager at 30 June 2024 is:

- Bank guarantees \$5,817.705 million (2023: \$5,333.724 million)
- Insurance bonds \$1,699.635 million (2023: \$1,676.118 million)

As at 30 June 2024, notices to provide surety have been issued to environmental authority holders for an aggregate value of \$55.998 million (2023: \$97.720 million). The Scheme Manager is aware of potential claims estimated at \$0.568 million against surety that may occur in 2024–25. The actual value and timing of future claims will depend on the Department of Resources prioritisation of projects, the timing of the Department of Environment, Science and Innovation making a claim and the number of holders that default on their environmental authority.

Guarantees

Guarantees held include bank guarantees in relation to the Advance Queensland Industry Attraction Fund and Jobs and Regional Growth Fund for financial security against non-conformance of grant agreements. The total value of bank guarantees as at 30 June 2024 is \$52.283 million (2023: \$50.883 million).

Other bank guarantees and bonds held as at 30 June 2024 amounts to \$80 million (2023: \$31.500 million).

Queensland Hydro had guarantees on issue of \$1.443 million related to lease commitments for office premises.

Assistance Agreement

Treasury has entered into an assistance agreement with a private entity amounting to a total payment of \$30 million which is to be paid in four instalments based on the achievement of four project milestones with the last milestone expected on 30 June 2026.

In July 2024, the private entity has completed the first two milestones and is expected to submit the claim for payment estimated to be \$12.6 million subject to Treasury's review and approval.

Environmental obligations

QTH has exposure to claims made against it through its subsidiaries and associated companies in relation to any pre-existing contamination of land assets. At balance date, there have been no claims made against QTH.

Land Tax

Under the Port of Brisbane Share Sale and Purchase Agreement, the state has agreed to pay to the port lessee any portion of the port lessee's land tax liability in years the land tax assessment for the leased area exceeds the estimated land tax assessment. The obligations are subject to certain conditions, including the lessee pursuing any objection available to it in relation to an assessment, and are limited to assessment years up to and including 30 June 2025. At balance date, there have been no payments made to the port lessee.

Offers to purchase land

Queensland Hydro had issued unexpired offers to purchase land of \$22.135 million. None of these offers had been accepted at the date of signing of Queensland Hydro's financial report.

21 Controlled entities

The following entities are controlled by Treasury:

Name of Entity	Purpose & principal activities of the entity	% Interest in entity & basis of control	Total assets \$'000		Total liabilities \$'000		Total revenue \$'000		Operating result \$'000	
			2024	2023	2024	2023	2024	2023	2024	2023
Queensland Treasury Holdings Pty Ltd	Acts as corporate vehicle through which the Queensland Government invests in assets of strategic importance to the state	The Under Treasurer holds 60% of class "A" shares enabling control	302,077	330,221	98,778	100,945	10,711	42,588	4,023	25,929
Queensland Hydro Pty Ltd	State-owned proprietary limited company responsible for planning, delivering and operating Pumped Hydro Energy Storage assets	The Under Treasurer holds 100% shares enabling control	125,012	20,865	39,097	64,475	1,198	211	(177,275)	(44,475)

QTH holds 100% ownership interest in the following controlled entities:

- Brisbane Port Holdings Pty Ltd
- DBCT Holdings Pty Ltd
- Queensland Lottery Corporation Pty Ltd
- Queensland Airport Holdings (Cairns) Pty Ltd (dormant)
- Queensland Airport Holdings (Mackay) Pty Ltd (dormant)
- Network Infrastructure Company Pty Ltd (dormant)

Queensland Hydro is a state-owned proprietary limited company established on 3 August 2022 as a wholly owned subsidiary of Powerlink. On 30 September 2022, shares were transferred from Powerlink to the Under Treasurer as the Trustee for the State and has become 100% state-owned entity. The 2022–23 comparative amounts consolidated with Treasury represents balances for the period 3 August 2022 to 30 June 2023.

During the year, QTH paid dividends totalling \$30 million to the state. QTH also transferred \$25 million to its controlled entity, DBCT Holdings Pty Ltd as contributed equity.

The consolidated financial statements of Treasury comprise the transactions and balances of Treasury and the directly controlled entities listed above. The auditor for Treasury and all controlled entities is the Auditor-General of Queensland.

22 Events occurring after balance date

Subsequent to 30 June 2024, Queensland Hydro has entered into land purchase agreements, which are expected to be settled for a total of \$7.194 million.

There are no other matters or circumstances which have arisen since the end of the financial year that have significantly affected Treasury and its controlled entities except for those mentioned in note 20 above and note 39.

23 Financial instruments

(a) Accounting policy

Recognition

Financial assets and financial liabilities are recognised in the Statements of Financial Position when Treasury becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

1. Financial assets – held at amortised cost
 - Receivables including loans and advances (notes 13 and 36)
2. Financial assets – held at fair value through profit and loss (notes 14 and 37)
 - Licence fee receivable
 - Other financial assets
 - Investment in BQBIF
 - Investment in BDF
 - Investment in Repluca
 - Investment in the FP Fund (Cash Enhanced Fund and Diversified Fund)
 - Investment in the Queensland Future Fund*
3. Financial liabilities – held at amortised cost
 - Payables (note 17)
 - Interest bearing liabilities – Commonwealth borrowings, QTC borrowings and advances payable to Government-Owned Corporation (GOCs) QTH long-term lease loan, Queensland Hydro interest bearing liabilities (notes 18 and 38)

Disclosures on the administered financial instruments are included in note 40.

*Investment in the Queensland Future Fund is included as part of “Other Financial Assets” category in Note 40(a).

(b) Categorisation of financial instruments

The consolidated entity has the following categories of financial assets and financial liabilities:

Category	Note	Consolidated Entity	
		2024 \$'000	2023 \$'000
Financial assets			
Cash and cash equivalents	12	468,229	618,849
Receivables	13	245,244	202,445
Other financial assets	14		
Investment in BQBIF		400,122	113,272
Investment in FP – Diversified Fund		218,684	..
Licence fee receivable		82,464	83,969
Investment in FP – Cash Enhanced Fund		20,216	63,089
Investment in BDF		7,161	16,131
Investment in Repluca		1,617	2,797
Total		1,443,737	1,100,552
Financial liabilities			
Payables	17	363,473	392,829
Interest bearing and lease liabilities	18	97,997	153,819
Total		461,470	546,648

(c) Financial risk management

The consolidated entity's activities expose it to a variety of financial risks – credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to government and Treasury policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of Treasury.

Treasury and its controlled entities manage exposure to these financial risks through advice and consultation with QTC primarily in relation to borrowing activities and advice from QIC Limited on the investments. Risk management parameters are reviewed regularly to reflect changes in market conditions and changes to Treasury and its controlled entities' activities.

23 Financial instruments (continued)

(d) Liquidity risk

Liquidity risk refers to the situation where Treasury may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Treasury and its controlled entities manage liquidity risk by ensuring that they have 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 to match the expected duration of the various employee and supplier liabilities.

QTH and Queensland Hydro are exposed to liquidity risk through its borrowings with QTC, with QTH exposure mitigated by back-to-back arrangements on debt obligations.

The following table sets out the liquidity risk in relation to financial liabilities held by the consolidated entity. It represents the remaining contractual cash flows (principal and interest) of financial liabilities at the end of the reporting period.

		2024 payable in			Total undiscounted cash flow \$'000	Carrying amount \$'000
Consolidated	Note	< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000		
Financial liabilities						
Payables	17	363,473	..	..	363,473	363,473
Interest bearing liabilities	18	6,471	25,882	143,698	176,051	97,997
Total		369,944	25,882	143,698	539,524	461,470

		2023 payable in			Total undiscounted cash flow \$'000	Carrying amount \$'000
Consolidated	Note	< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000		
Financial liabilities						
Payables	17	392,829	..	..	392,829	392,829
Interest bearing liabilities	18	60,585	25,882	150,169	236,636	153,819
Total		453,414	25,882	150,169	629,465	546,648

(e) Credit risk

Treasury and QTH are exposed to credit risk primarily through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed (note 12).

QTH is exposed to credit risk in relation to its receivable arrangement, carried at fair value through profit and loss, with BPH. BPH has assigned its rights to QTH to receive money payable to it by the Port Manager, Port of Brisbane Pty Ltd (note 14).

Credit risk exposure of Treasury and its controlled entities from other receivables is disclosed in note 13.

(f) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange, interest rates and equity prices will affect Treasury and its controlled entities income or value of its holdings of financial instruments. The objective is to manage and control market risk exposure within acceptable parameters, while optimising return within desired frameworks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

23 Financial instruments (continued)

(f) Market risk (continued)

Treasury and its controlled entities are exposed to interest rate risk through the following:

- cash accounts (including QTC Cash Fund)
- Financial Provisioning Scheme investments (FP-Cash Enhanced Fund and FP-Diversified Fund)
- finance lease receivable
- investments still held in the QIC Limited Cash Fund for BQBIF and Repluca
- investment in BDF for investments held between 2-5 years
- Borrowings with QTC – Working Capital Facility

All other financial assets and financial liabilities have fixed interest rates in nature.

Equities risk

Treasury is exposed to equities risk from the movements in the share prices of the entities through its investments in BQBIF, Repluca, BDF, FP-Cash Enhanced Fund and FP-Diversified Fund.

Sensitivity analysis

Interest rates

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date. The following interest rate sensitivity analysis depicts the outcome on comprehensive income and equity if interest rates were to change by +/- 1.00% for 2024 (2023: +/- 1.00%) to reflect current expectations of future interest movement in the next 12 months from year-end rates applicable to Treasury's financial assets and liabilities.

Consolidated Financial instruments

Cash
Finance lease receivable
Investment in BQBIF
Investment in FP – Diversified Fund
Investment in FP – Cash Enhanced Fund
Investment in BDF**
Investment in Repluca
Potential impact

*excludes fixed rate or non-interest bearing assets

**only includes investment held between 2-5 years

Carrying amount \$'000	2024 Interest rate risk*			
	-1.00%		1.00%	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
462,779	(4,628)	(4,628)	4,628	4,628
45,277	(453)	(453)	453	453
304,482	(3,045)	(3,045)	3,045	3,045
96,221	(962)	(962)	962	962
11,174	(112)	(112)	112	112
6,860	(69)	(69)	69	69
1,617	(16)	(16)	16	16
	(9,284)	(9,284)	9,284	9,284

Consolidated Financial instruments

Cash
Finance lease receivable
Investment in BQBIF
Investment in FP Fund
Investment in BDF**
Investment in Repluca
Borrowings - Working Capital Facility
Potential impact

*excludes fixed rate or non-interest bearing assets

**only includes investment held between 2-5 years

Carrying amount \$'000	2023 Interest rate risk*			
	-1.00%		1.00%	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
522,486	(5,225)	(5,225)	5,225	5,225
48,782	(488)	(488)	488	488
43,921	(439)	(439)	439	439
38,137	(381)	(381)	381	381
15,875	(159)	(159)	159	159
1,547	(15)	(15)	15	15
(54,114)	541	541	(541)	(541)
	(6,166)	(6,166)	6,166	6,166

23 Financial instruments (continued)

Market risk (continued)

Equities

Sensitivity analysis for equity instruments is based on a reasonably possible change in equity prices which is estimated at +/- 10% (2023: +/- 10%).

Financial instruments	Carrying amount \$'000	2024 Equities			
		-10%		10%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Investment in BQBIF	95,640	(9,564)	(9,564)	9,564	9,564
Investment in FP – Diversified Fund	122,463	(12,246)	(12,246)	12,246	12,246
Investment in FP – Cash Enhanced Fund	9,043	(904)	(904)	904	904
Investment in BDF	302	(30)	(30)	30	30
Potential impact		(22,745)	(22,745)	22,745	22,745

Financial instruments	Carrying amount \$'000	2023 Equities			
		-10%		10%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Investment in BQBIF	69,350	(6,935)	(6,935)	6,935	6,935
Investment in FP Fund	24,952	(2,495)	(2,495)	2,495	2,495
Investment in Repluca	1,250	(125)	(125)	125	125
Investment in BDF	256	(26)	(26)	26	26
Potential impact		(9,581)	(9,581)	9,581	9,581

(g) Fair value

Fair value hierarchy

Financial instruments measured at fair value have been classified in accordance with the hierarchy described in AASB 13 *Fair Value Measurement*. The fair value hierarchy is categorised into three levels based on the observability of the inputs to fair valuation techniques:

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

Classification of instruments into fair value hierarchy levels is reviewed annually, and any transfers are deemed to occur at the end of the reporting period. There were no transfers between Level 1 and Level 2 and no transfers in or out of Level 3 during the year ended 30 June 2024.

23 Financial instruments (continued)

(g) Fair value (continued)

According to the above hierarchy, the fair values of each class of asset recognised at fair value are as follows:

Class	Classification according to fair value hierarchy			2024 Carrying amount Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets				
Cash and cash equivalents	302,417	165,812	..	468,229
Licence fee receivable	..	..	82,464	82,464
Investment in BQBIF	..	400,122	..	400,122
Investment in FP - Diversified Fund		218,684		218,684
Investment in FP - Cash Enhanced Fund		20,216		20,216
Investment in BDF	..	7,161	..	7,161
Investment in Repluca		1,617	..	1,617
Total	302,417	813,612	82,464	1,198,493

Class	Classification according to fair value hierarchy			2023 Carrying amount Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets				
Cash and cash equivalents	393,567	225,282	..	618,849
Licence fee receivable	..	..	83,969	83,969
Investment in BQBIF	..	113,272	..	113,272
Investment in FP Fund	..	63,089	..	63,089
Investment in BDF	..	16,131	..	16,131
Investment in Repluca	..	2,797	..	2,797
Total	393,567	420,571	83,969	898,107

The inputs used in the classification of Level 2 instruments at fair value are as follows:

- QTC Cash Fund is measured at net realisable value
- Investment in BDF is measured based on the net asset value which incorporates cost of the investment adjusted for the interest and latest equity raised (for investments more than 5 years). Fair value decreases incorporate assessment of cash flow projections and going concern for investees
- Investment in FP Fund – Cash Enhanced Fund is measured based on the fair value of the short-term investments held in the fund such as low risk discount securities, term deposits, short-term floating rate notes
- Investment in BQBIF is measured based on the net asset value of the fund
- Investment in FP Fund – Diversified Fund is measured based on the net asset value of the fund
- Investment in Repluca is measured based on the net investment in the entity and value of the remaining cash fund.

The input used in the classification of Level 3 instruments where fair value is disclosed:

- Licence fee receivable cash flows are discounted at 11.4% per annum (2023: 11.5%) using projections of trade revenue and price growth inflated at CPI.

The lease receivable and associated interest-bearing liabilities (lease loan and novation loan) are back-to-back leasing arrangements held by DBCTH. Both the other receivable and associated loan fair values are reasonably approximate to the carrying value at balance date due to the offsetting nature of these arrangements.

23 Financial instruments (continued)

(g) Fair value (continued)

The carrying amount of financial assets and liabilities measured at amortised cost approximates their fair value at reporting date except for the following financial asset:

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial asset				
Loan receivable*	17,348	17,895	24,508	25,567
Total	17,348	17,895	24,508	25,567

*This relates to QTH. The fair value is based on discounted present value using a discount rate considering the entity specific risks and using valuation techniques.

24 Budget vs actual comparison

Note – A budget vs actual comparison, and explanations of major variances, has not been included for the Statement of Changes in Equity, as major variances relating to that statement have been addressed in explanation of major variances for other statements.

Explanation of major variances for Controlled Statement of Comprehensive Income

Note 5 Interest revenue

The increase is mainly due to higher than expected interest earnings and investment returns for the Financial Provisioning (FP) Scheme (\$13.740 million).

Note 6 Other revenue

The increase mainly relates to unbudgeted revenue relating to surety forfeited arising from compliance action under the FP Scheme (\$24.475 million), and a repayment received for project support payments relating to the Gibson Island Manufacturing Facility (\$12.091 million).

Note 8 Supplies and services

The decrease is mainly due to the revision of timeframes for a number of initiatives, including the Fine Modernisation Program Foundation Phase (\$10.240 million), the replacement and modernisation of the legacy whole-of-government financial reporting and budget management enterprise systems (\$7.688 million), the mental health levy implementation (\$6.5 million) and the Gympie Road Bypass project management (\$3.349 million). Also contributing are costs budgeted for departmental emerging projects being deferred to 2024–25 to support the Queensland Revenue Office's digital and data uplift and reduced costs for a project that would aim to leverage Queensland Revenue Office's debt collection capability to assist local government to recover debts pending evaluation of a proof of concept to determine next steps (\$4.699 million). This is partially offset by costs associated with the establishment of the world's first commercial-scale Fault-Tolerant Quantum Computing facility in Queensland due to timing of the expenditure being changed from 2024–25 to 2023–24.

Note 9 Grants and subsidies

The increase is primarily due to an unbudgeted conditional Economic Development and Credit Support Facility grant payment to support the establishment of the world's first commercial-scale Fault-Tolerant Quantum Computing facility in Queensland. Also contributing is higher than anticipated grant payments associated with a major project (\$41.7 million), and grant payments made under the FP Scheme for mine rehabilitation (\$7.454 million). These are partially offset by timing differences of grant payments associated with the Invested in Queensland Program (\$17.509 million), and lower than expected grant payments under the Advance Queensland Industry Attraction Fund (\$8.691 million) and the Jobs and Regional Growth Fund (\$4.678 million).

Note 10 Losses on assets

The increase relating to the impact of fair value adjustments for investments (\$4.642 million) during 2023–24, including the BDF, QBIF, Repluca, QVCF, QCBTF and the FP Fund investments.

Note 11 Other expenses

The increase is primarily due to the unbudgeted return of cash to the Consolidated Fund for funding received in previous years for the implementation of FP Scheme (\$3.484 million).

24 Budget vs actual comparison (continued)

Explanation of major variances for Controlled Statement of Financial Position

Note 12 Cash and cash equivalents

The decrease primarily relates to the FP Scheme (\$54.882 million) as a result of lower FP Fund balance, offset by higher cash surety held under the *MERFP Act 2018*. Also contributing is additional investment in the QVCDF before receiving equity injection from the Consolidated Fund (\$55 million). These are partially offset by increased appropriation payable (\$31.894 million), and funding received but not yet invested for the BQBIF (\$20 million).

Note 13 Receivables - current

The increase mainly relates to an equity injection receivable for QVCDF (\$55 million) due to timing of investment being changed from 2024–25 to 2023–24. Also contributing is an increase in GST input tax receivable mainly relating to a grant payment (\$7.207 million), increased equity injection receivables associated with the fair value adjustment for investments (\$4.253 million) and increased trade debtors (\$4.433 million).

Note 14 Other financial assets - current

The decrease mainly relates to the transfer from the FP Cash Enhanced Fund to the FP Long-term diversified fund (\$46 million).

Other assets - current

The increase reflects increased prepayments mainly relating to Queensland Revenue Office Information Technology service contracts.

Note 14 Other financial assets - non current

The increase mainly relates to the establishment of the FP Fund Long-term diversified fund (\$218.684 million) and timing of investment for QVCDF being changed from 2024–25 to 2023–24 (\$55 million). Also contributing is the additional investment in the QCMBTF (\$50 million). These are partially offset by the fair value adjustments for a number of investments (\$15.503 million) and a delay in additional investment for the BQBIF (\$20 million).

Note 15 Property, Plant and Equipment

The increase is mainly due to the revaluation of land assets at Montague Road, South Brisbane (\$88 million), which was unknown at the time of the development of the 2023–24 Budget, partially offset by changed timeframe for capital expenditure associated with the Queensland Resources Common User Facility (\$42.272 million).

Intangibles

The increase mainly relates to unbudgeted capital expenditure associated with the FAIR system development in 2023–24 (\$1.022 million).

Note 17 Payables

The increase is mainly due to increased payables to Environmental Authority holders associated with cash surety held under the *MERFP Act 2018* (\$74.589 million). Also contributing is increased appropriation payable (\$31.894 million) as a result of funding deferred to future years for projects and funding to be returned to the Consolidated Fund for surplus project funding.

Accrued employee benefits

The increase mainly relates to higher than budgeted Annual Leave Central Scheme levy payable (\$1.359 million).

Accumulated surplus

The increase mainly relates to accumulated surpluses associated with the FP Fund.

Revaluation surplus

The increase relates to the revaluation of the land assets at Montague Road, South Brisbane.

Explanation of major variances for Controlled Statement of Cash Flows

Cash inflows from operating activities

User charges and fees

The increase is mainly reflects increased receipts of contributions and assessment fees for FP Scheme (\$17.354 million). This is partially offset by no service fee being collected for a project that would aim to leverage Queensland Revenue Office's debt collection capability to assist local government to recover debts pending evaluation of a proof of concept to determine next steps (\$3.944 million) and the amount of GST collected from customers being budgeted as user charges and fees while actual GST collected is reported as a separate inflow (\$4.823 million).

24 Budget vs actual comparison (continued)

Explanation of major variances for Controlled Statement of Cash Flows (continued)

Cash inflows from operating activities (continued)

Grants and contributions

The increase relates to an unbudgeted contribution received towards the Queensland Government Banking and Financial Services Procurement Project.

GST Input tax credits from ATO

The variance reflects the amount of input tax credits paid by the Australian Taxation Office (ATO) for supplier invoices processed which was budgeted as other inflows. The actual Input tax credits received is \$17.124 million higher than budget.

GST collected from customers

The variance reflects the amount of GST collected from customers from sale of goods and services being budgeted as user charges and fees while actual GST collected is reported as a separate inflow. The actual GST collected is \$18.618 million higher than budget.

Interest received

The increase is due to higher than expected interest earnings and investment returns for the FP Scheme.

Other inflows

The increase mainly relates to unbudgeted revenue relating to Surety forfeited arising from compliance action under the FP Scheme (\$24.475 million), and a repayment received for project support payments relating to the Gibson Island Manufacturing Facility (\$12.091 million). This is partially offset by input tax credits received from ATO being budgeted as other inflows while the actual Input tax credits received is reported as a separate inflow (\$6.204 million).

Cash outflows for operating activities

Supplies and services

The decrease is mainly due to the decrease in supplies and services expense of \$35.259 million. Also contributing is GST paid to suppliers for goods and services purchased being budgeted as supplies and services while the actual GST paid to suppliers being reported as a separate outflow (\$6.204 million).

Grants and subsidies

Refer to explanation on Note 9 under “Explanation of major variances for Controlled Statement of Comprehensive Income”.

GST remitted to ATO

The increase is mainly due to GST remitted to ATO being budgeted as other outflow while the actual GST remitted to ATO is reported as a separate outflow. The actual GST remitted to ATO is \$18.505 million higher than budget.

GST paid to suppliers

The increase is mainly due to GST paid to suppliers for goods and services purchased being budgeted as supplies and services. The actual GST paid to suppliers is \$24.469 million higher than budget.

Surety payments from Financial Provisioning Scheme

The increase relates to a decrease in the level of cash surety from the Environmental Authority holders held under the *MERFP Act 2018*.

Other outflows

The decrease is primarily due to GST remitted to ATO being budgeted as other outflow while the actual GST remitted to ATO is reported as a separate outflow (\$4.823 million). This is partially offset by the unbudgeted return of cash to the Consolidated Fund for funding received in previous years for the implementation of the FP Scheme (\$3.484 million).

24 Budget vs actual comparison (continued)

Explanation of major variances for Controlled Statement of Cash Flows (continued)

Cash flows from investing activities

Payments received from finance lease receivable

The decrease is due to lower finance lease repayments in 2023–24 resulting from an adjustment to the lease repayment schedule.

Payments for property, plant & equipment

The decrease is mainly as a result of the changed timeframe for capital expenditure associated with the Queensland Resources Common User Facility (\$42.272 million).

Payments for investments

The increase mainly relates to the establishment of the FP Long Term Diversified Fund (\$218.684 million) and timing of investment for QVCDF being changed from 2024–25 to 2023–24 (\$55 million). Also contributing is additional investment in the QCMBTF (\$50 million). These are partially offset by delay in additional investment for the BQBIF (\$20 million) and a transfer from the FP Cash Enhanced Fund to the FP Long Term Diversified Fund (\$46 million).

Payments for facility costs under finance lease

The increase is a result of the finance lease payments scheduled for 2022–23 being delayed to 2023–24.

Payments for intangibles

The increase mainly relates to unbudgeted capital expenditure associated with the FAIR System Development in 2023–24 (\$1.022 million).

Cash flows from financing activities

Equity withdrawals

The increase is mainly due to equity withdrawals associated with the fair value adjustment for investments (\$16.154 million) and the return of funding received in prior years for the implementation of the FP Scheme (\$4.409 million). This is partially offset by a decrease in equity withdrawal to return repayment received under a finance lease arrangement to the Consolidated Fund (\$4.371 million).

		2024	2024	2024	2023
		Actual	Original budget	Budget variance	Actual
	Notes	\$'000	\$'000	\$'000	\$'000
Income and expenses administered on behalf of the whole of government					
Income from operations					
Grants and other contributions	25	27,495,415	25,611,686	1,883,729	26,179,671
Taxes	26	18,932,618	18,268,825	663,793	17,021,737
Royalties	27	12,728,742	7,085,566	5,643,176	18,171,625
Appropriation revenue	28	8,157,080	7,841,741	315,339	7,474,166
Fees and other revenue	29	1,143,489	1,132,535	10,954	1,071,257
Interest revenue	30	772,255	599,947	172,308	677,677
Total revenue		69,229,599	60,540,300	8,689,299	70,596,133
Gain on fair value movement of other financial assets	37	865,824	44,540	821,284	83,528
Total income from operations		70,095,423	60,584,840	9,510,583	70,679,661
Expenses from operations					
Finance/borrowing costs	31	1,637,030	1,606,259	30,771	1,353,940
Losses on assets	32	49,396	57,844	(8,448)	139,087
Grants and subsidies	33	472,330	830,980	(358,650)	356,793
Supplies and services		140,150	133,141	7,009	170,794
Other expenses	34	5,795,701	5,271,361	524,340	5,382,011
Total expenses from operations		8,094,607	7,899,585	195,022	7,402,625
Operating result before transfers to government		62,000,816	52,685,255	9,315,561	63,277,036
Transfers of administered revenue to government		60,564,087	52,114,463	8,449,624	62,658,955
Total administered comprehensive income		1,436,729	570,792	865,937	618,081

The accompanying notes form part of these statements.

		2024	2024	2024	2023
		Actual	Original budget	Budget variance	Actual
	Notes	\$'000	\$'000	\$'000	\$'000
Assets and liabilities administered on behalf of the whole of government					
Current assets					
Cash and cash equivalents	35	(4,191,389)	1,601,546	(5,792,935)	(4,638,903)
Receivables	36	2,108,951	1,708,479	400,472	2,039,475
Other current assets		14,900	12,290	2,610	13,270
Total current assets		(2,067,538)	3,322,315	(5,389,853)	(2,586,158)
Non-current assets					
Receivables	36	23,945	253,009	(229,064)	24,515
Other financial assets	37	9,772,830	8,824,768	948,062	8,336,101
Total non-current assets		9,796,775	9,077,777	718,998	8,360,616
Total administered assets		7,729,237	12,400,092	(4,670,855)	5,774,458
Current liabilities					
Payables		308,309	3,671	304,638	251,437
Transfer to government payable**		2,105,958	3,420,800	(1,314,842)	4,730,464
Interest bearing liabilities	38	2,943,966	1,604,750	1,339,216	1,675,504
Other liabilities		49,668	119,351	(69,683)	62,227
Total current liabilities		5,407,901	5,148,572	259,329	6,719,632
Non-current liabilities					
Interest bearing liabilities	38	50,461,622	56,894,076	(6,432,454)	45,731,841
Total non-current liabilities		50,461,622	56,894,076	(6,432,454)	45,731,841
Total administered liabilities		55,869,523	62,042,648	(6,173,125)	52,451,473
Administered net assets		(48,140,286)	(49,642,556)	1,502,270	(46,677,015)

The accompanying notes form part of these statements.

**Accounting policy – Transfers to Government Payable

In accordance with the *Financial Accountability Act 2009*, all administered revenue apart from the earnings from Special Purpose Accounts, is to be transferred to the Treasurer's Consolidated Fund operating account during the year. Revenue earned but not yet transferred to the Consolidated Fund operating account is recorded as a payable at year-end. Administered revenue received is transferred to the Consolidated Fund during the year and can be found in the Statement of Comprehensive Income. The accounts are prepared on an accrual basis of accounting as outlined in note 1(b).

	Notes	2024 Actual \$'000	2023 Actual \$'000
Cash flows administered on behalf of the whole of government			
Cash flows from operating activities			
Inflows			
Administered item receipts		8,116,070	7,038,593
Grants and other contributions		27,546,714	26,525,746
Taxes		19,008,009	16,781,624
Royalties		12,670,232	18,147,506
Interest		774,550	663,184
GST input tax credits from ATO		41,532	20,068
GST collected from customers		27,562	25,709
Other		1,030,975	918,577
Outflows			
Transfers to government		(63,188,593)	(61,284,526)
Grants and subsidies		(472,441)	(333,329)
Finance/borrowing costs		(1,539,776)	(1,310,449)
Supplies and services		(139,915)	(165,780)
GST remitted to ATO		(27,546)	(25,709)
GST paid to suppliers		(40,801)	(23,132)
Other		(5,797,779)	(5,382,691)
Net cash provided by operating activities		(1,991,207)	1,595,391
Cash flows from investing activities			
Inflows			
Loans and advances received		6,268	20,048
Outflows			
Payments for investment in Debt Retirement Fund		(570,905)	(534,553)
Loans and advances made		(4,660)	(8,246)
Net cash provided by/(used in) investing activities		(569,297)	(522,751)
Cash flows from financing activities			
Inflows			
Advances received from GOCs		4,806,235	3,449,843
Borrowings		3,004,028	2,591
Transfer from redraw		1,725,000	2,415,000
Equity injections		100,000	500,000
Outflows			
Borrowing redemptions		(4,534)	(13,408)
Transfer to redraw		..	(5,215,000)
Advance redemptions to GOCs		(3,622,711)	(2,858,258)
Equity withdrawals		(3,000,000)	(2,915,000)
Net cash provided by/(used in) financing activities		3,008,018	(4,634,232)
Net increase/(decrease) in cash and cash equivalents		447,514	(3,561,592)
Administered cash and cash equivalents at beginning of financial year		(4,638,903)	(1,077,311)
Administered cash and cash equivalents at end of financial year	35	(4,191,389)	(4,638,903)

	2024 \$'000	2023 \$'000
Administered on behalf of the whole of government		
Operating result	1,436,729	618,081
(Gain)/Loss on fair value movements of investments	(865,824)	(83,528)
Non-cash finance cost adjustments	(56)	1,010
Interest expense on QTC loans	90,583	37,456
Change in assets and liabilities:		
(Increase)/decrease in receivables	(70,816)	(398,511)
(Increase)/decrease in other current assets	(1,630)	(973)
Increase/(decrease) in payables	56,872	105,214
Increase/(decrease) in transfers to government payable	(2,624,506)	1,374,429
Increase/(decrease) in other liabilities	(12,559)	(57,787)
Net cash provided by operating activities	(1,991,207)	1,595,391

Queensland Treasury
Administered Reconciliation of Changes in Liabilities Arising from Financing Activities
for the year ended 30 June 2024

		Cash flows				
	Notes	Opening balance 2023 \$'000	Interest & admin fees \$'000	Cash received \$'000	Cash repayments \$'000	Closing balance 2024 \$'000
Assets and liabilities administered on behalf of the whole of government						
Current liabilities						
Interest bearing liabilities	38	1,675,504	89,472	4,806,235	(3,627,245)	2,943,966
Non-current liabilities						
Interest bearing liabilities	38	45,731,841	753	4,729,028	..	50,461,622
Total administered liabilities		47,407,345	90,225	9,535,263	(3,627,245)	53,405,588

**Administered Reconciliation of Changes in Liabilities Arising from Financing Activities
for the year ended 30 June 2023**

		Cash flows				
	Notes	Opening balance 2022 \$'000	Interest & admin fees \$'000	Cash received \$'000	Cash repayments \$'000	Closing balance 2023 \$'000
Assets and liabilities administered on behalf of the whole of government						
Current liabilities						
Interest bearing liabilities	38	1,060,920	36,407	3,449,843	(2,871,666)	1,675,504
Non-current liabilities						
Interest bearing liabilities	38	48,527,396	1,854	2,417,591	(5,215,000)	45,731,841
Total administered liabilities		49,588,316	38,261	5,867,434	(8,086,666)	47,407,345

Queensland Treasury
Administered Statement of Comprehensive Income by Major Departmental Services
for the year ended 30 June 2024

	Economics and Fiscal		Revenue Management		Other *		Inter-service/activity eliminations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income and expenses administered on behalf of the whole of government										
Income from operations	27,495,415	26,179,671	..	17,237,709	..	..	..	..	27,495,415	26,179,671
Grants and other contributions	..	..	19,058,665	18,171,625	..	..	(126,047)	(215,972)	18,932,618	17,021,737
Taxes	..	..	12,728,742	18,171,625	..	..	..	..	12,728,742	18,171,625
Royalties	..	..	213,289	347,275	..	6,956,963	..	..	8,157,080	7,474,166
Appropriation revenue	162,568	169,928	766,691	707,960	7,781,223	9,339	(15)	..	1,143,489	1,071,257
Fees and other revenue	362,229	353,958	65,293	32,395	14,584	122,987	(22,427)	(14,826)	772,255	677,677
Interest revenue	570,905	537,121	32,832,680	36,496,964	158,484	7,089,289	(148,489)	(230,798)	69,229,599	70,596,133
Total revenue	28,591,117	27,240,678	..	..	7,954,291	7,089,289	..	..	865,824	83,528
Gain on fair value movement of other financial assets	865,824	83,528	..	..	..	..	..	..	..	..
Total income from operations	29,456,941	27,324,206	32,832,680	36,496,964	7,954,291	7,089,289	(148,489)	(230,798)	70,095,423	70,679,661
Expenses from operations	..	..	174	21	1,659,283	1,368,744	(22,427)	(14,825)	1,637,030	1,353,940
Finance/borrowing costs	..	..	49,396	139,087	..	..	..	..	49,396	139,087
Losses on assets	..	..	76,482	117,183	391,848	235,610	..	..	472,330	356,793
Grants and subsidies	4,000	4,000	9,075	12,464	2,789	23,539	..	..	140,150	170,794
Supplies and services	128,286	134,791	127,557	217,607	5,763,924	5,349,240	(126,062)	(215,973)	5,795,701	5,382,011
Other expenses	30,282	31,137	262,684	486,362	7,817,844	6,977,133	(148,489)	(230,798)	8,094,607	7,402,625
Total expenses from operations	162,568	169,928	..	..	..	..	..	..	..	..
Operating result before transfers to government	29,294,373	27,154,278	32,569,996	36,010,602	136,447	112,156	..	..	62,000,816	63,277,036
Transfers of administered revenue to government	27,857,644	26,536,197	32,569,996	36,010,602	136,447	112,156	..	..	60,564,087	62,658,955
Total administered comprehensive income	1,436,729	618,081	..	..	..	..	..	..	1,436,729	618,081

*Includes superannuation, whole-of-government offset account, central schemes (insurance, annual leave and long service leave), and other administered items.

Queensland Treasury
Administered Statement of Assets and Liabilities by Major Departmental Services
as at 30 June 2024

	Economics and Fiscal		Revenue Management		Other **		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets and liabilities administered on behalf of the whole of government *								
Current assets								
Cash and cash equivalents	19,110	2,377,727	593,101	577,924	(4,803,600)	(7,594,554)	(4,191,389)	(4,638,903)
Receivables	67,260	120,001	1,753,606	1,832,530	288,085	86,944	2,108,951	2,039,475
Other current assets	114	108	..	..	14,786	13,162	14,900	13,270
Total current assets	86,484	2,497,836	2,346,707	2,410,454	(4,500,729)	(7,494,448)	(2,067,538)	(2,586,158)
Non-current assets								
Receivables	..	..	..	..	23,945	24,515	23,945	24,515
Other financial assets	9,772,830	8,336,101	..	..	..	..	9,772,830	8,336,101
Total non-current assets	9,772,830	8,336,101	..	..	23,945	24,515	9,796,775	8,360,616
Total administered assets	9,859,314	10,833,937	2,346,707	2,410,454	(4,476,784)	(7,469,933)	7,729,237	5,774,458
Current liabilities								
Payables	269,282	217,983	13,047	7,525	25,980	25,929	308,309	251,437
Transfer to government payable	(173,801)	2,388,850	2,283,653	2,340,257	(3,894)	1,357	2,105,958	4,730,464
Interest bearing liabilities	..	..	..	..	2,943,966	1,675,504	2,943,966	1,675,504
Other liabilities	..	..	49,562	62,227	106	..	49,668	62,227
Total current liabilities	95,481	2,606,833	2,346,262	2,410,009	2,966,158	1,702,790	5,407,901	6,719,632
Non-current liabilities								
Interest bearing liabilities	..	..	..	..	50,461,622	45,731,841	50,461,622	45,731,841
Total non-current liabilities	..	..	..	..	50,461,622	45,731,841	50,461,622	45,731,841
Total administered liabilities	95,481	2,606,833	2,346,262	2,410,009	53,427,780	47,434,631	55,869,523	52,451,473
Administered net assets	9,763,833	8,227,104	445	445	(57,904,564)	(54,904,564)	(48,140,286)	(46,677,015)

*The department has systems in place to allocate assets and liabilities by major departmental services.

**Includes superannuation, whole-of-government offset account and central schemes (insurance, annual leave and long service leave), and other administered items.

2024	2023
\$'000	\$'000

25 Grants and other contributions

Administered on behalf of the whole of government		
GST revenue grant	19,283,241	18,306,016
National Partnership Payments – capital project	3,747,226	3,959,672
National Partnership Payments – recurrent project	965,576	667,376
Specific purpose - recurrent		
– Schools	2,453,381	2,234,157
– Disability services	226,565	218,903
– Skills and workforce development	389,695	331,031
– Affordable housing	354,972	344,012
Specific purpose – capital	74,759	118,504
	27,495,415	26,179,671

Accounting policy – Grants and other contributions

Grants are recognised based on the applicable revenue standard. Grants that do not meet the enforceable and sufficiently specific performance obligations under AASB 15 *Revenue from Contracts with Customers* will be recognised under AASB 1058 *Income of Not-for-Profit Entities*. Grants recognised under AASB 1058 are recognised upfront or when the corresponding asset (e.g. cash or receivable) has been recognised and received. Where the grant agreement is enforceable and does contain sufficiently specific performance obligations that will result in Treasury providing goods or services to other parties, it is recognised under AASB 15 and may qualify for deferral depending on when the specific performance obligations have been satisfied.

Commonwealth grants revenue is recognised under AASB 1058, including the grant funding received and the impact of end of year GST revenue adjustments to reflect the change in the state's share in the GST pool. Commonwealth grants revenue received is remitted to the Consolidated Fund.

26 Taxes

	2024 \$'000	2023 \$'000
Administered on behalf of the whole of government		
Taxes		
Duties	8,005,196	7,478,082
Payroll tax	6,294,690	5,708,587
Land tax	2,033,757	1,738,808
Gaming machine tax	1,054,178	996,731
Lottery tax	438,130	375,120
Betting tax	294,782	229,040
Casino tax	113,676	126,833
Keno tax	28,104	26,858
Other taxes	3,755	1,463
	18,266,268	16,681,522
Levies		
Health services levy	167,998	156,763
Mental Health Levy	498,352	183,452
	666,350	340,215
	18,932,618	17,021,737

Accounting policy – Taxes

The main revenue streams and the governing Acts which underpin them include:

- *Duties Act 2001*
- *Payroll Tax Act 1971*
- *Land Tax Act 2010*
- *Taxation Administration Act 2001*
- *Local Government Act 2009 (National Tax Equivalents Regime)*
- *Betting Tax Act 2018*
- *Gaming Machine Act 1991, Casino Control Act 1982, Keno Act 1996, Lotteries Act 1997, and Wagering Act 1998 (administered by The Office of Liquor and Gaming Regulation).*

Revenue is recognised under AASB 1058 *Income of Not-for-Profit Entities* when one or more of the following taxable events occur:

- the underlying transaction or event which gives rise to the right to collect the revenue occurs and can be measured reliably
- the assessment is raised by the self-assessor (a person who lodges transactions online), predominantly for payroll tax and duties. Additional revenue is recognised upon amended assessment
- the assessment is issued because of Commissioner-assessed transactions or following compliance activities such as reviews and audits, predominantly for land and gaming taxes
- tax penalty and interest revenue are recognised when raised, when an assessment becomes overdue or further enforcement activity commences.

When payment is received before an assessment is raised, this is recognised as unearned revenue (reported as other liabilities in the Statement of Financial Position) and recognised as revenue when the assessment is raised.

2024	2023
\$'000	\$'000

27 Royalties

Administered on behalf of the whole of government		
Royalties	12,728,742	18,171,625
	12,728,742	18,171,625

Accounting policy – Royalties

The governing Acts which underpin royalties include:

- *Mineral Resources Act 1989, Petroleum and Gas (Production and Safety Act) 2004*
- *Taxation Administration Act 2001.*

Revenue is recognised when one or more of the following events are satisfied:

- the underlying transaction or event which gives rise to the right to collect the revenue occurs and can be measured reliably. The underlying transaction or event is usually when
 - the mineral is sold, disposed of or used in a return period
 - petroleum is disposed of or the return in which the petroleum is produced
- the assessment is raised by the self-assessor (a person who lodges transactions online). Additional revenue is recognised upon amended assessment
- the assessment is issued because of Commissioner-assessed transactions or following compliance activities such as reviews and audits
- tax penalty and interest revenue are recognised when raised, when an assessment becomes overdue or further enforcement activity commences.

When payment is received before an assessment is raised, this is recognised as unearned revenue (reported as other liabilities in the Statement of Financial Position) and recognised as revenue when the assessment is raised.

2024	2023
\$'000	\$'000

28 Appropriation revenue

Administered on behalf of the whole of government		
Budgeted administered item appropriation and equity	7,941,741	7,107,300
Transfer (to)/from other headings	..	237,191
Unforeseen expenditure	274,329	194,102
Total administered item receipts including equity	8,216,070	7,538,593
Less: opening balance of administered appropriation revenue receivable	(291,167)	..
Plus: closing balance of administered appropriation revenue receivable	332,177	291,167
Plus: opening balance of administered deferred appropriation payable to the Consolidated Fund	..	144,406
Net appropriation revenue	8,257,080	7,974,166
Total administered appropriation revenue recognised in the Statement of Comprehensive Income including equity	8,257,080	7,974,166
This is represented by :		
Administered item revenue recognised in the Statement of Comprehensive Income	8,157,080	7,474,166
Appropriated equity injection	100,000	500,000
Total administered appropriation revenue recognised in the Statement of Comprehensive Income including equity	8,257,080	7,974,166

29 Fees and other revenue

Administered on behalf of the whole of government		
Fines and penalty debt revenue	706,811	650,790
Competitive neutrality fees	358,429	349,828
Regulatory fees	56,577	53,063
Miscellaneous receipts	21,672	17,576
	1,143,489	1,071,257

29 Fees and other revenue (continued)

Accounting policy – Fees and Other revenue

The State Penalties Enforcement Act 1999 largely covers administrative arrangements for the enforcement and recovery of court ordered fines, related levies and unpaid infringement notices. The *State Penalties Enforcement (Modernisation) Amendment Act 2022* implements an integrated approach to managing fines for particular offences with functions centralised to the Queensland Revenue Office. The Act also provides a framework for earlier registration of unpaid infringement notices by the State Penalties Enforcement Registry within the Queensland Revenue Office.

Fines and penalty debt revenue are recognised when the underlying transaction or event which gives rise to the right to collect the revenue occurs and can be measured reliably under AASB 1058 *Income of Not-for-Profit Entities*. This is recognised when the unpaid penalty, fine or levy (such as court, traffic offences and tolling fines) has been transferred and registered with the State Penalties Enforcement Registry or when the right to collect the fines occur such as the issuance of an infringement notice.

Regulatory fees include lodgement fees for fines and penalty debt recognised upon registration of the default certificate where the amount unpaid is increased by the amount of the registration fee. Additional income from enforcement fees on overdue fines is recognised when they are subject to further enforcement action.

Competitive neutrality fees are a requirement for government business activities to pay taxes (or tax equivalents) to remove benefits (and costs) as a result of their public ownership which accrue to government business activities when competing with the private sector. This fee also includes QIC Limited investment management fees payable by QTC and statutory bodies that have significant funds under management with QIC Limited.

2024	2023
\$'000	\$'000

30 Interest revenue

Administered on behalf of the whole of government		
Interest – Debt Retirement Fund	570,905	534,553
Interest – investments and loans	134,753	106,298
Interest – others	66,597	36,826
	<u>772,255</u>	<u>677,677</u>

31 Finance/borrowing costs

Administered on behalf of the whole of government		
Interest on loans – QTC	1,465,753	1,253,306
Administration fees	35,175	34,773
Interest – other	136,102	65,861
	<u>1,637,030</u>	<u>1,353,940</u>

31 Finance/borrowing costs (continued)

Accounting policy – Finance/borrowing costs

Finance/borrowing costs are recognised in the period in which they are incurred. These costs are incurred on the Treasury Offset Account (refer to note 35 for whole-of-government Treasury Offset Account arrangements) and whole-of-government borrowings, GOCs advances and Commonwealth borrowings (note 38). These also includes recognition of initial discount and amortisation of discounts or premiums relating to loans and borrowings.

2024	2023
\$'000	\$'000

32 Losses on assets

Administered on behalf of the whole of government		
Bad debts written off*	130,973	123,565
Impairment loss/(reversals) – fines and penalty debt	(22,995)	(19,165)
Impairment loss/(reversals) – taxation	(58,582)	34,687
	49,396	139,087

*SPER Debt Write Off Guideline enables the SPER Registrar to write off bad debts in all circumstances in which it is unlikely the debts could be recovered cost effectively. Bad debts written off for fines and penalty amounts to \$95.220 million for 2023–24 (2023:\$90.914 million).

The total bad debts written-off includes bad debts written off directly, not through provision for impairment for 2023–24 amounts to \$5.018 million (2023: \$4.541 million) (note 36).

33 Grants and subsidies

Administered on behalf of the whole of government		
Grants to Queensland Government entities*	395,847	239,609
First Home Owners Grants (FHOG)**	59,138	73,119
Commonwealth HomeBuilder Grants	4,355	39,255
Others	12,990	4,810
	472,330	356,793

*This includes payments as part of the Energy Price Relief Plan agreed by National Cabinet in December 2022 and to be funded in partnership with the Australian Government.

**This includes payments for the Regional Home Building Boost Grant.

2024	2023
\$'000	\$'000

34 Other expenses

Administered on behalf of the whole of government		
Superannuation benefit payments	2,065,887	1,994,523
Annual leave central scheme reimbursements	2,713,665	2,461,690
Long service leave central scheme reimbursements	684,081	629,867
Queensland Government Insurance Fund claims	256,969	223,712
Reinsurance expense	42,737	38,488
Special payments	31,507	23,452
Sundry	855	10,279
	5,795,701	5,382,011

Accounting policy – Other expenses

Annual Leave Central Scheme and Long Service Leave Central Scheme reimbursements

Annual leave and long service leave claims paid represent quarterly reimbursements to agencies from the Annual Leave and Long Service Leave Central Schemes administered by the Australian Retirement Trust. These are recognised as expenses in the period when they are reimbursed. The scheme is funded by annual leave and long service leave levies paid by agencies and reimbursements are sought from the scheme for actual leave payments made to employees and associated on-costs, quarterly in arrears (note 7).

Superannuation benefit payments

Superannuation benefit payments are recognised in the period when they are paid to Australian Retirement Trust. These represent proportional funding for superannuation defined benefit payments for retirement benefit liabilities held by the state for the State Public Sector Superannuation Scheme, pensions provided in accordance with the *Judges (Pensions and Long Leave) Act 1957* (Judges' Scheme) and the Energy Super Fund (a sub-fund within the Brighter Super).

Special Payments

Special payments include ex gratia expenditure and other expenditure paid by Treasury to relevant parties where there is no clear legal or contractual requirement to make a payment, unless the payment is court ordered. Special payments made during 2023–24 include the following payments over \$5,000:

- ex-gratia payments to the Gladstone Regional Council and Mount Isa City Council as part of an arrangement where a portion of the dividends and tax equivalent payments made by the Gladstone Area Water Board and Mount Isa Water Board under the National Competition Policy are returned to the councils.
- payments made to trustees of Aboriginal land which represents a portion of Royalties paid to the State from mining on Aboriginal land.

2024	2023
\$'000	\$'000

35 Cash and cash equivalents

Administered on behalf of the whole of government		
Whole-of-government Treasury Offset Arrangement*	(4,732,161)	(7,894,709)
Other administered bank accounts	540,772	3,005,806
QTC Cash fund	..	250,000
	(4,191,389)	(4,638,903)

*The whole-of-government Treasury Offset Arrangement incorporates the Treasury offset bank account which is an overdraft facility as required under section 49(1) of the *Financial Accountability Act 2009* and a QTC Working Capital Facility. This overdraft facility is part of an offset arrangement with other departmental bank accounts and is considered in determining the interest earned on the whole of government position.

In addition, Treasury has established another offset arrangement with the Commonwealth Bank of Australia to maximise interest earned on surplus cash balances held by departmental bank accounts that do not fall within the whole of government offset arrangement.

The QTC GOC advances fund is utilised to transfer GOCs surplus funds to the Treasury offset arrangement (note 38).

The QTC Working Capital Facility is used for short-term borrowings. The fair value of the borrowings in the QTC Working Capital Facility at 30 June 2024 is represented by its book value (as notified by QTC). Interest is calculated daily based on the Reserve Bank's official cash rate. Interest is charged at rates between 4.44% and 4.10% (2023: between 2.85% and 0.85%) along with an administration margin of 0.05% (2023: 0.05%).

Other administered bank accounts represent the aggregate of Treasury administered bank accounts including Queensland Revenue Office bank accounts.

The QTC Cash Fund is utilised for short-term investments but readily convertible to cash at Treasury's option when need arises. Interest is charged at rates between 5.26% and 4.49% (2023: between 4.26% and 3.14%) along with an administration margin of 0.12% (2023: 0.15%).

2024
\$'000

2023
\$'000

36 Receivables

Administered on behalf of the whole of government		
Current		
Debtors*	2,007,461	2,058,229
Less: allowance for impairment*	(338,520)	(420,097)
	1,668,941	1,638,132
Appropriation revenue receivable	332,177	291,167
Competitive neutrality fees	90,254	87,566
Other advances	4,926	6,266
Sundry receivable	12,653	16,344
	440,010	401,343
Total current	2,108,951	2,039,475
Non-current		
Other advances	23,945	24,515
Total non-current	23,945	24,515
	2,132,896	2,063,990

*The debtors balance includes receivables of \$1.161 billion (2023: \$1.145 billion) for fines and penalty debt. As at 30 June 2024, a loss allowance of \$286.638 million is recognised for the fines and penalty receivable (2023: \$309.633 million) representing 25% of the total receivables (2023:27%).
The receivables other than debtors do not have any loss allowance as they are inter-agency receivables between Treasury, other departments, GOCs and Commonwealth.

Movements in allowance for impairment of receivables		
Opening balance	420,097	404,576
Amounts written off during the year	(125,956)	(120,097)
Increase/(decrease) recognised in Statement of Comprehensive Income**	44,379	135,618
Balance at 30 June	338,520	420,097

**Does not include amounts written off directly to bad debts expense, \$5.018 million (2023: \$4.541 million), (refer note 32).

36 Receivables (continued)

Accounting policy – Receivables

Administered debtors for taxes, royalties, fines and penalty debt are recognised in line with revenue criteria, explained in notes 26–27 and note 29.

Other advances relating to the Disaster Recovery Funding Arrangements (DRFA) loans are recognised when the state provides upfront funding to the Queensland Rural and Industry Development Authority (QRIDA) for disaster recovery relief. At an undetermined time in the future the Commonwealth will provide a sum of funding, classified as a concessional loan to the state. When this occurs a corresponding Commonwealth borrowing is recognised (refer note 38). Principal repayments on advances made to QRIDA become payable within 2 years and interest repayments payable within 1 year after the Commonwealth contribution is received.

Allowance for impairment

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

A number of debt collection measures are undertaken including the exercising of legislative powers contained within the *Taxation Administration Act 2001*, *State Penalties Enforcement Act 1999* and the *State Penalties Enforcement (Modernisation) Amendment Act 2022*, prior to impairing debt.

If no expected loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If Treasury determines that an amount owing by such a debtor does become uncollectable, the amount is impaired, then subsequently recognised as a bad debt expense and written off directly against receivables. In other cases where a debt becomes uncollectable, but the uncollectable amount exceeds the amount already allowed for impairment of that debt, the excess is recognised as a bad debt expense and written off directly against receivables.

There is no impairment loss allowance recognised for Treasury's receivables from Queensland Government agencies or Australian Government agencies as credit risk for these receivables is considered low.

Credit risk exposure of receivables

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

Treasury manages credit risk using a credit management strategy. This strategy focuses on the prompt collection of revenues due and payable to Treasury and follow up of outstanding fees and charges within specified timeframes. Exposure to credit risk is monitored on an ongoing basis.

For administered taxes, royalties, fines and penalty debt receivables, risk assessments are performed upon non-payment of debt and maintained in the Queensland Revenue Office risk register with assigned risk ratings. Under this risk-based revenue management framework compliance plans are developed with reference to the debt management strategies.

Expected credit losses for taxes and royalties' receivables is calculated based on debt type using an expected credit loss percentage by age or individually assessed. For those debts where an expected credit loss percentage is used to calculate impairment, the historical credit loss experienced over a ten-year period is adjusted by current conditions and forward-looking information on macro-economic factors affecting collectability of debts. The customer groups within the Queensland Revenue Office were determined by debt type and whether it consisted of high or low volume transactions. The provision matrix methodology was applied for high volume transactions and the low volume transactions were individually assessed. Treasury has identified employment growth, housing upturn/downturn, interest rates movement and population growth to be the relevant economic factors affecting taxes. The expected credit loss percentage is the average rate across the debts. Individually assessed debts are reviewed and a percentage loss is applied to each based on collectability.

Credit risk exposure on administered receivables including taxes, royalties, fines and penalty debt receivables are set out below. The total gross receivables exclude receivables of \$550 million (2023: \$489 million) that do not have any loss allowance.

36 Receivables (continued)

Taxation debtors - assessed collectively using a provision matrix				2024			2023		
Administered on behalf of the whole of government	Gross receivables	Loss rate	Expected credit losses	Gross receivables	Loss rate	Expected credit losses	Gross receivables	Loss rate	Expected credit losses
	\$'000	%	\$'000						
Not yet due	77,838	0.3	253	86,679	0.5	466			
Less than 30 days	24,711	3.6	900	21,464	5.3	1,136			
30 to 60 days	11,683	14.8	1,731	22,427	19.4	4,347			
61 to 90 days	11,387	19.1	2,170	8,463	26.6	2,247			
Greater than 90 days	162,058	23.5	38,023	275,195	33.9	93,412			
Total	287,677		43,077	414,228		101,608			

QRO debtors - assessed individually				2024			2023		
Administered on behalf of the whole-of-government	Gross Receivables	Allowance for impairment	Carrying amount	Gross Receivables	Allowance for impairment	Carrying amount	Gross Receivables	Allowance for impairment	Carrying amount
	\$'000	\$'000	\$'000						
Not yet due	1	(1)	..	..	..	..	..	..	..
Less than 30 days	29	(29)	..	49	(49)	..			
30 to 60 days	128	(128)	..	71	(71)	..			
61 to 90 days	227	(227)	..	479	(479)	..			
Greater than 90 days	8,420	(8,420)	..	8,257	(8,257)	..			
Total	8,805	(8,805)	..	8,856	(8,856)	..			

Fines and penalty debt receivables are impaired on consideration of the best estimate of expected future credit losses and the likelihood of collectability with reference to historical activity for the specific debt types being assessed. Historical activity of the specific debt is determined based on a debt finalisation rate. Debt finalisation rate is the average rate of debt resolved through payment, non-monetary satisfaction, recalled or withdrawn by issuing agencies. Management judgement is required in assessing the debt finalisation rates.

SPER debtors - assessed collectively using a provision matrix				2024			2023		
Administered on behalf of the whole-of-government	Gross Receivable	Loss Rate	Expected credit losses	Gross Receivable	Loss Rate	Expected credit losses	Gross Receivable	Loss Rate	Expected credit losses
	\$'000	%	\$'000						
Less than 35 days*	74,722	10.4	7,756	64,377	9.6	6,169			
Greater than 35 days*	1,085,854	25.7	278,882	1,081,389	28.1	303,464			
Total	1,160,576		286,638	1,145,766		309,633			

2024	2023
\$'000	\$'000

37 Other financial assets

Administered on behalf of the whole of government		
Queensland Future Fund – Debt Retirement Fund (DRF) – FRN with QTC	9,772,830	8,336,101
Reconciliation of movements in the DRF		
Opening balance	8,336,101	7,718,020
Add: Interest Income reinvested	570,905	534,553
Add: Gain/(loss) on fair value movement of the fixed rate note	865,824	83,528
Closing balance	9,772,830	8,336,101

Accounting policy – Other financial assets

Other Financial Assets represent the Queensland Future Fund – Debt Retirement Fund (DRF) Fixed Rate Note (FRN) with QTC. The DRF was established under section 9 of the *Queensland Future Fund Act 2020 (the QFF Act)* as a sub-fund of the Queensland Future Fund for the purpose of providing funding for reducing the state's debt. Funds invested in the DRF are held for future growth to be used to offset state debt to support Queensland's credit rating.

Contributions to the DRF include investments directed by the Treasurer to be contributed to the fund under section 10 of the *QFF Act* and any amounts that must be contributed to the fund under another Act. In accordance with the *QFF Act*, payments from the DRF may only be made to reduce the state's debt or pay fees or expenses relating to the administration of the fund. No payments from the DRF were made for debt repayment within the financial year.

In 2020–21, Treasury entered into a DRF FRN agreement with QTC. Under the agreement, assets may be contributed by the state to meet the purpose of the DRF from time to time. The DRF transfers any contributed assets received to QTC and in consideration, QTC increases the value of the DRF FRN to Treasury. QTC invests the contributed assets in the DRF portfolio. No additional contributions and drawdowns were made into the DRF within the 2023–24 financial year.

The FRN is recognised at FVTPL under AASB 9 *Financial Instruments*. Under the terms of the DRF FRN agreement, interest is calculated on a daily basis on the book value of the DRF FRN with interest capitalised monthly. The interest rate on the DRF FRN is an effective rate of 6.5% per annum. The DRF FRN is valued at the fair value of the DRF asset portfolio. The fair value methodology applied to the FRN is classified as Level 3 in the fair value hierarchy as it is based on the fair value of the corresponding assets in the DRF portfolio, which utilises significant unobservable inputs.

The fair value of the FRN is payable by QTC to Treasury on the termination date and upon payment, the DRF FRN will be cancelled. Treasury may from time to time request a payment of some part of the DRF FRN. In this event, QTC will dispose part of its interest in the DRF portfolio to fund the repayment.

QTC DRF Portfolio

The DRF FRN is supported by the DRF portfolio invested in unit trust arrangements managed by QIC Limited and held on QTC's balance sheet. The DRF portfolio is overseen by the State Investment Advisory Board (SIAB), an advisory board appointed under the *Queensland Treasury Corporation Act 1988*.

QTC's SIAB determines the investment objectives, asset allocations, risk profiles and strategy for the DRF portfolio within the framework provided by Government. QIC Limited as the investment manager for the portfolio implements the investment objectives set by SIAB for the DRF portfolio.

37 Other financial assets (continued)

The actual asset allocations of the DRF portfolio invested in QIC Limited unit trusts are:

	2024 \$'000	2023 \$'000
Defensive assets		
Cash	1,272,797	1,450,236
Fixed interest	443,846	234,785
Growth assets		
Equities	3,605,133	3,128,188
Diversified alternatives	1,196,452	692,495
Unlisted assets		
Infrastructure*	896,991	746,948
Private equities	381,447	382,843
Real estate*	1,976,164	1,700,606
	9,772,830	8,336,101

*The DRF portfolio includes a 20.7% (2023: 22.26%) in direct holding of Queensland Titles Registry Pty Ltd within the infrastructure and real estate asset allocation.

Investment performance

The DRF portfolio investment return objective is to achieve CPI plus 4.5% (before fees) over a rolling 10-year horizon. The return on the DRF portfolio, for the financial year was 17.24% (2023: 8.02%). Returns from the DRF are quarantined and reinvested in the DRF asset portfolio.

38 Interest bearing liabilities

Administered on behalf of the whole of government		
Current		
Advances payable to GOCs*	2,939,988	1,670,971
Commonwealth borrowings	3,978	4,533
	2,943,966	1,675,504
Non-current		
QTC borrowings**	50,447,750	45,717,659
Commonwealth borrowings	14,697	14,646
Less concessional loan discount and unwind	(825)	(464)
	50,461,622	45,731,841

Accounting policy – Interest bearing liabilities

Borrowings are initially recognised at fair value, plus any transaction costs, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of a financial instrument to the net carrying amount of that instrument. The fair value of borrowings subsequently measured at amortised costs is set out in note 40(e). Borrowings are split between current and non-current liabilities using the principles set out in note 1(e).

38 Interest bearing liabilities (continued)

*GOCs are required to make any surplus cash available to the General Government Sector through modified set-off banking arrangements. Advances are made to the Treasury Offset Bank Account arrangement (note 35). Interest charged on advances payable to GOCs are based on QTC interest rates between 4.06% and 8.62% (2023: between 1.87% and 4.73%) along with an administration margin of 0.12% (2023:0.15%).

**Interest is charged on whole of government borrowings with QTC at rates of between 2.66% and 4.61% (2023: between 1.68% and 3.87%) along with an administration margin at the rate of 0.07% (2023:0.07%) which is accrued and paid quarterly to QTC.

39 Contingencies

Litigation in progress

As at 30 June 2024, the following number of cases were filed in the courts:

	Cases	Estimated amount \$'000
Supreme Court	18	192,753
Civil and Administrative Tribunal	58	3,302
Federal Court	1	1,500
Total	77	197,555

These cases relate to revenue collected by the Queensland Revenue Office. Treasury's legal advisers and management believe there is insufficient information available to determine the outcome of the abovementioned cases. Accordingly, no provision has been taken up in Treasury's financial statements.

In July 2024, one Supreme court case has received a favourable decision reducing the estimated amount of contingent liability by \$1.2 million.

Deed of Guarantee

On 31 July 2020, the Treasurer guaranteed the financial obligations of borrowers under the Industry Support Package loan facilities for the benefit of QTC up to maximum amount of \$200 million under a Deed of Guarantee. In 2022–23, Treasury made a payment to QTC amounting \$9.042 million. No payments were made in 2023–24.

40 Financial instruments

(a) Categorisation of financial instruments

Treasury has the following categories of financial assets and financial liabilities:

Administered on behalf of the whole of government			
Category	Notes	2024 \$'000	2023 \$'000
Financial assets			
Cash and cash equivalents	35	(4,191,389)	(4,638,903)
Receivables*	36	2,132,896	2,063,990
Other financial assets	37	9,772,830	8,336,101
Other current assets		114	108
Total		7,714,451	5,761,296
Financial liabilities			
Payables		308,309	251,437
Transfer to government payable		2,105,958	4,730,464
Advances payable to GOCs	38	2,939,988	1,670,971
QTC borrowings	38	50,447,750	45,717,659
Commonwealth borrowings held at amortised cost*	38	17,850	18,715
Other liabilities		424	395
Total		55,820,279	52,389,641

*DRFA loans are carried at amortised cost, \$27.411 million (2023: \$28.634 million) with the Commonwealth portion of \$17.85 million (2023: \$18.715 million) and state portion of \$9.561 million (2023: \$9.919 million). The book value of DRFA loans amount to \$29.976 million (2023: \$30.820 million) with the state portion of \$11.301 million (2023: \$11.640 million) and a Commonwealth portion of \$18.675 million (2023: \$19.180 million). Interest is charged on DRFA loans at a predetermined rate and recognised as an expense as it accrues. Repayments are received yearly in arrears. The Commonwealth Attorney-General's Department – Emergency Management Australia determines the annual interest rate to be applied to the loans. In 2023–24 the interest rate was 1.79% (2023: 1.69%), which was calculated as 50% of the ten-year Treasury bond rate, averaged over the three-month period between April and June 2023.

40 Financial instruments (continued)

(b) Financial risk management

Treasury's activities expose it to a variety of financial risks – credit risk, liquidity risk and market risk.

Treasury adopts a risk-based revenue management framework in conjunction with debt management strategies to manage credit risk. For more information on managing credit risk refer to note 36.

The management of financial risks is integral to Treasury's overall governance framework. Treasury has adopted various strategies for the mitigation of each risk category, including active monitoring by the Budget Strategy and Financial Reporting group of borrowings by the state on behalf of whole of government. It is assisted in the discharge of these responsibilities through the provision of professional advice and assistance by QTC for borrowings and short-term investments.

Treasury's internal financial reporting framework and oversight by the Executive Leadership Team also contribute to the effective management of financial risks.

(c) Liquidity risk

Treasury is exposed to liquidity risk in respect of its payables, Commonwealth borrowings, borrowings from QTC and Advances payable to GOCs.

The following table sets out the liquidity risk of financial liabilities held by Treasury. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that are based on amortised cost.

QTC borrowings are interest only with no fixed repayment date for the principal component. For the purposes of completing the maturity analysis, the principal component of these loans has been included in the more than five-year time band with no interest payment assumed in this time band.

Administered on behalf of the whole of government						
		2024 payable in			Total undiscounted cash flow \$'000	Carrying amount \$'000
		< 1 year	1 - 5 years	> 5 years		
Notes		\$'000	\$'000	\$'000		
Financial liabilities						
		308,309	..	..	308,309	308,309
		2,105,958	..	..	2,105,958	2,105,958
	38	3,978	12,359	2,338	18,675	18,675
	38	2,939,988	..	..	2,939,988	2,939,988
	38	1,567,804	6,263,600	50,407,267	58,238,671	50,447,750
		424	..	..	424	424
Total		6,926,461	6,275,959	50,409,605	63,612,025	55,821,104

*Carrying amount excludes amortised cost component of Commonwealth borrowings.

40 Financial instruments (continued)

(c) Liquidity risk (continued)

Administered on behalf of the whole of government						
		2023 payable in			Total undiscounted cash flow \$'000	Carrying amount \$'000
		< 1 year	1 - 5 years	> 5 years		
Notes		\$'000	\$'000	\$'000		
Financial liabilities						
Payables		251,437	..	..	251,437	251,437
Transfer to government payable		4,730,464	..	..	4,730,464	4,730,464
Commonwealth borrowings*	38	4,857	16,743	3,497	25,097	19,179
Advances payable to GOCs	38	1,670,971	..	..	1,670,971	1,670,971
QTC borrowings	38	1,310,426	5,226,576	45,682,267	52,219,269	45,717,659
Other liabilities		395	..	..	395	395
Total		7,968,550	5,243,319	45,685,764	58,897,633	52,390,105

*Carrying amount excludes amortised cost component of Commonwealth borrowings.

(d) Market risk

While Treasury administered does not trade in foreign currency, the mining industry is impacted by changes in the Australian dollar exchange rate and commodity prices, which may impact the royalty revenue received. Treasury is exposed to interest rate risk through its investments in the DRF and its borrowings, loans and advances and cash deposited in interest bearing accounts.

Interest rate sensitivity analysis

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date. The following interest rate sensitivity analysis depicts the outcome on administered net operating result and on the appropriation revenue/transfers to government expense if interest rates were to change by +/- 1.00% for 2024 (2023: +/- 1.00%) to reflect current expectations of future interest rate movement in the next 12 months from the year-end rates applicable to Treasury's financial assets and liabilities.

Administered on behalf of the whole of government					
Financial instruments	Carrying amount	2024 Interest rate risk			
		-1.00%		1.00%	
		Net operating result**	Appropriation revenue/Transfers to Gov't expense**	Net operating result**	Appropriation revenue/Transfers to Gov't expense**
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	(4,732,161)	47,322	(47,322)	(47,322)	47,322
Receivables					
Loans and advances	18,675	(187)	187	187	(187)
Interest bearing liabilities					
Commonwealth borrowings	18,675	187	(187)	(187)	187
Advances payable to GOCs	2,939,988	29,400	(29,400)	(29,400)	29,400
QTC borrowings – General Debt	47,348,671	27,592	(27,592)	(23,381)	23,381
Pool (floating rate)*					
QTC borrowings – Variable Rate	3,099,080	30,991	(30,991)	(30,991)	30,991
Loan					
Potential impact		135,304	(135,304)	(131,093)	131,093

40 Financial instruments (continued)

(d) Market risk (continued)

Administered on behalf of the whole of government					
Financial instruments	Carrying amount	2023 Interest rate risk			
		-1.00%		1.00%	
		Net operating result**	Appropriation revenue/Transfers to Gov't expense**	Net operating result**	Appropriation revenue/Transfers to Gov't expense**
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	(7,644,709)	76,447	(76,447)	(76,447)	76,447
Receivables					
Loans and advances	19,180	(192)	192	192	(192)
Interest bearing liabilities					
Commonwealth borrowings	19,180	192	(192)	(192)	192
Advances payable to GOCs	1,670,971	16,710	(16,710)	(16,710)	16,710
QTC borrowings – General Debt Pool (floating rate)*	42,619,009	24,588	(24,588)	(21,174)	21,174
QTC borrowings – Variable Rate Loan	3,098,651	30,987	(30,987)	(30,987)	30,987
Potential impact		148,732	(148,732)	(145,318)	145,318

*QTC borrowings – General debt pool is based on QTC sensitivity analysis and not based on the +/-1.00% (2023: +/-1.00%) change in interest rates.

**This reflects the impact of interest rate movements to net operating result excluding appropriation revenue and transfers to government expense. Changes in administered expenses will impact on appropriation revenue which funds administered expenses and changes in administered revenue will impact on remittance to the Consolidated Fund through the transfers to government expense account.

(e) Fair value

Fair value hierarchy

Financial instruments measured at fair value have been classified in accordance with the hierarchy described in AASB 13 *Fair Value Measurement*. The fair value hierarchy is categorised into three levels based on the observability of the inputs to fair valuation techniques.

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

According to the above hierarchy, the fair values of each class of financial instrument carried at fair value are as follows:

Class		Classification according to fair value hierarchy			2024 Total carrying amount \$'000
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets and liabilities					
Cash and cash equivalents					
Other administered bank accounts		540,772	..	..	540,772
Whole-of-government Treasury Offset Arrangement		(4,732,161)	..	..	(4,732,161)
Other financial assets		..	..	9,772,830	9,772,830
Total		(4,191,389)	..	9,772,830	5,581,441

40 Financial instruments (continued)

(e) Fair value (continued)

Class	Classification according to fair value hierarchy			2023 Total carrying amount \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets and liabilities				
Cash and cash equivalents				..
Other administered bank accounts	3,005,806	..	..	3,005,806
Whole-of-government Treasury Offset Arrangement	(7,894,709)	..	..	(7,894,709)
QTC Cash Fund	250,000	..	..	250,000
Other financial assets	..	..	8,336,101	8,336,101
Total	(4,638,903)	..	8,336,101	3,697,198

The fair value of monetary financial assets and financial liabilities, other than QTC borrowings, is based on market prices where a market exists, or is determined by discounting expected future cash flows by the current interest rate for financial assets and liabilities with similar risk profiles. The fair value of the Queensland Future Fund is affected by the fair value of the underlying investments managed in the QIC Limited trust for QTC.

The fair value of QTC borrowings is notified by QTC. The fair value of loans and borrowings is calculated using discounted cash flow analysis and the effective interest rate. The fair value of financial assets and liabilities carried at amortised cost is disclosed below.

Administered on behalf of the whole of government				
Fair value				
	2024		2023	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial assets				
Receivables				
Loans and advances*	31,513	28,871	33,121	30,654
	31,513	28,871	33,121	30,654
Financial liabilities				
Interest bearing liabilities – Commonwealth borrowings*	18,675	17,850	19,180	18,717
Interest bearing liabilities – QTC borrowings	50,447,750	44,704,198	45,717,660	39,937,849
Total	50,466,425	44,722,048	45,736,840	39,956,566

*Carrying amount excludes amortised cost component of Loans and advances and Commonwealth borrowings.

41 Budget vs actual comparison

A budget vs actual comparison, and explanations of major variances, has not been included for the Statement of Cash Flows, as major variances relating to that statement have been addressed in explanations of major variances for other statements.

Explanation of major variances for Administered Statement of Comprehensive Income

Note 25 Grants and other contributions

The increase primarily relates to unbudgeted Disaster Recovery Payments from the Commonwealth Government (\$1.388 billion) and higher National Partnership Payments for capital projects, mainly for roads and rail infrastructure projects (\$683.541 million). Also contributing is higher Specific Purpose Payments, mainly relating to Quality Schools and the new National Skills Agreement commencing 1 January 2024 (\$173.389 million). This is partially offset by reduced GST revenue (\$193.559 million) and lower National Partnership Payments for recurrent projects (\$133.596 million).

Note 27 Royalties

The increase primarily relates to higher coal royalties (\$5.176 billion) and petroleum royalties (\$429.865 million) due to coal and oil prices received by the state's producers not falling as quickly as expected.

Note 30 Interest revenue

The increase is mainly due to higher interest earned on the Treasurer's Offset Account (\$113.499 million) and interest earned on trust fund relating to the Property Occupations Act 2014 and Motor Dealers and Chattel Auctioneers Act 2014 (\$44.292 million).

Note 37 Gain on fair value movement of other financial assets

The increase relates to a net gain of \$865.824 million resulting from the increase in fair value of the Queensland Future Fund – Debt Retirement Fund. This is partially offset by a decrease of \$44.540 million due to the reversal of SPER impairments which was budgeted as gains on sale/revaluation of assets but reported as part of the losses on assets.

Note 32 Losses on assets

The decrease is associated with the movements in impairment losses and bad debts expenses in the Queensland Revenue Office, including SPER.

Note 33 Grants and subsidies

The decrease is mainly due to lower than expected payments made as part of the Energy Price Relief Plan agreed by National Cabinet in December 2022 and to be funded in partnership with the Australian Government (\$286.166 million), Commonwealth HomeBuilder Grant (\$75.645 million) and First Home Owner's Grant (\$12.883 million). This is partially offset by higher grant payments to Trade and Investment Queensland (\$9.192 million) mainly reflecting an increase in strategic planning activities and to achieve trade and investment outcomes.

Note 34 Other expenses

The increase is mainly due to higher Annual Leave Central Scheme claims (\$520.226 million), higher superannuation benefit payments (\$54.340 million) and higher than budgeted ex-gratia payments (\$24.183 million). This is partially offset by lower than expected Queensland Government Insurance Fund claims (\$79.783 million).

Transfers of administered revenue to government

Transfers of Administered Revenue to Government represent revenues collected on behalf of the Queensland Government that are transferred to the Consolidated Fund. The increase is mainly due to higher coal royalties, higher petroleum royalties and higher National Partnership Payments from the Commonwealth Government.

Total administered comprehensive income

The increase relates to the Queensland Future Fund – Debt Retirement Fund mainly due to unbudgeted fair value increment (\$865.824 million).

41 Budget vs actual comparison (continued)

Explanation of major variances for Administered Statement of Financial Position

Note 35 Cash and cash equivalents

The decrease is mostly attributable to the Treasury Offset Account (TOA) (\$4.019 billion). The purpose of TOA is to act as an offset account against departmental and consolidated fund cash balances under the whole-of-government cash offset arrangements to facilitate the management of whole-of-government cash position. As such, the balances in TOA fluctuate from year to year depending on the balances of other accounts within the whole of Government cash offset arrangements. Also contributing is decreased cash balance in Treasury Administered account (\$1.774 billion), mainly resulting from Commonwealth funding received on 30 June being budgeted to be transferred to the Consolidated Fund in July but actually transferred on 30 June.

Note 36 Receivables - current

The increase is mainly due to an increase in appropriation revenue receivable (\$332.177 million) as a result of higher than budgeted administered expenses and increased taxation revenue receivable (\$72.470 million). This is partially offset by lower royalty revenue receivable (\$38.153 million).

Other current assets

The increase is mainly due to an increase in prepaid reinsurance premiums by the Queensland Government Insurance Fund (\$2.621 million).

Note 36 Receivables – non current

The decrease primarily reflects the level of loans associated with the Natural Disaster Relief and Recovery Arrangements (\$229.052 million).

Note 37 Other financial assets

The increase relates to the Queensland Future Fund – Debt Retirement Fund as a result of gain from fair value movement, comparing to the budgeted loss from fair value movement.

Payables

The increase is primarily due to unbudgeted GST revenue adjustment payable to the Commonwealth Government (\$269.282 million).

Transfer to government payable

This reflects administered revenue earned but yet to be transferred to the Consolidated Fund at year-end. The decrease is mainly due to Commonwealth funding received on 30 June being budgeted to be transferred to the Consolidated Fund in July but actually transferred on 30 June. This is partially offset by increased revenue earned but not yet transferred to the Consolidated Fund by the Queensland Revenue Office at year-end.

Note 38 Interest-bearing liabilities – current

The increase mainly reflects the level of advances from GOCs (\$1.347 billion) under the GOCs cash management arrangements.

Other liabilities

The decrease mainly reflects the level of unearned revenue relating to transfer duty (\$62.105 million) and royalties (\$5.962 million).

Note 38 Interest-bearing liabilities – non current

The decrease mainly reflects reduced whole-of-government borrowing requirements as a result of stronger royalty and taxation revenue.

Other Note Disclosures

42 Related entity transactions with other Queensland Government controlled entities

The references to note numbers in the following disclosures may include other items to those listed below that are not classified as material or significant related entity transactions.

Controlled transactions

Note reference	Description of related entity transactions
Note 3: Appropriation revenue and Equity	Treasury's primary source of funding for the controlled books are appropriation revenue and equity injections from the State's Consolidated Fund.
Note 4: User charges and fees	Treasury received revenue from the Department of Education for provision of data for education services (\$1.597 million) and QGrants system support services (\$1.129 million); from Queensland Health for preventative health surveys (\$0.947 million); from the Department of Employment, Small Business and Training for employment related data collection (\$1.091 million) and QGrants system support services (\$0.554 million); from the Department of Justice and Attorney-General for social surveys and courts data processing services (\$0.510 million) and from the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts for provision of statistical services (\$0.508 million)
	Treasury received revenue from the Department of Housing to recover costs associated with the Independent Review of Homelessness Response (\$0.994 million) and the Housing Investment Fund (\$0.157 million) programs.
	Treasury received revenue from the Motor Accident Insurance Commission and Nominal Defendant for corporate support (\$1.157 million), for Information and Communication Technology services (\$0.418 million) and actuarial services (\$0.627 million). Revenue is also received from the National Injury Insurance Scheme Queensland for corporate support (\$1.252 million) and actuarial services (\$0.128 million).
Note 8: Supplies and services	Treasury paid the Department of Housing, Local Government, Planning and Public Works for management of accommodation leases (\$24.375 million), Queensland Shared Services for business services, technical solutions and integrated contact centre fees (\$1.882 million) and CITEC for infrastructure and network services (\$1.422 million) and confirm service fees (\$0.37 million).
	Treasury paid project delivery costs to Queensland Investment Corporation (\$6.621 million) and Queensland Treasury Corporation (\$0.994 million).
Note 9: Grants and subsidies	Treasury paid grants to the Department of Environment and Science (\$24.489 million) and Department of Resources (\$0.965 million) for the Financial Provisioning Scheme. Treasury has also paid the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and Arts for its contribution towards the Redress Scheme (\$0.275 million) and rebuild of Wujal Wujal Community Store (\$1.2 million).
Note 11: Other expenses	Treasury paid to the Queensland Audit Office audit fees relating to the 2023–24 financial statements.
	QTC provides company secretariat and accounting services to QTH. A fee of \$0.372 million was charged for these services.
Note 12: Cash and cash equivalents	Treasury invested funds held by the Financial Provisioning Scheme in QTC Cash Fund amounting to \$30.068 million and interest revenue net of management fees received during the year totalled \$7.535 million. QTH invested funds with the QTC Cash Fund as at 30 June 2024 amounting to \$92.2 million and interest revenue net of management fees received during the year totalled \$5.5 million. Queensland Hydro also invested funds in QTC Cash Fund amounting to \$43.546 million as at 30 June 2024.
Note 14: Other financial assets	Treasury holds various investments managed by QIC Limited which includes the BDF, QBIF, Repluca and FP Funds.
Note 18: Interest bearing liabilities	QTH has loan balances outstanding to QTC as at 30 June 2024 of \$98 million with interest expense and fees totalling \$4.7 million capitalised against these loans.

42 Related entity transactions with other Queensland Government controlled entities (continued)

Administered transactions

Note reference	Description of related entity transactions
Note 26: Taxes	Treasury's Queensland Revenue Office is responsible for administering local government tax equivalents under the <i>Local Government Act 2009</i> . Commercialised business units that are in scope under these administrative arrangements are subject to payroll tax, land tax, vehicle registration duty, insurance duty and transfer duty (\$358.829 million).
Note 27: Royalties	Treasury administers collection of royalties (\$19.107 million) from GOCs.
Note 28: Appropriation revenue and Statement of Comprehensive Income - Transfers of administered revenue to government	Treasury receives appropriation revenue provided in cash via the State's Consolidated Fund. State revenue collection is transferred to the Consolidated Fund. Equity withdrawal for borrowing requirements is also paid to the Consolidated Fund.
Note 29: Fees and other revenue	Treasury administers the collection of competitive neutrality fees from GOCs under the National Competition Policy.
Note 33: Grants and Subsidies	Treasury administers grant payments to statutory bodies including Trade and Investment Queensland (\$78.012 million) and Queensland Competition Authority (\$4 million).
	Treasury has made payments to CS Energy as part of the Energy Price Relief Plan agreed by National Cabinet in December 2022 and to be funded in partnership with the Australian Government.
Supplies and services	Treasury incurred land valuation fee expenses of \$5.605 million to the Department of Resources.
Note 34: Other expenses	Treasury administers the Queensland Government Insurance Fund, which receives premiums from and pays claims to member agencies relating to a full suite of insurance lines.
Note 35: Cash and cash equivalents	Treasury operates a whole-of-government offset arrangement, which includes the Treasury Offset Bank Account and a Working Capital Facility. Note 35 outlines the key terms and conditions of these arrangements which covers advances and principal repayments from the General Government Debt Pool disclosed in Note 38. This includes advances from GOCs under the GOC cash offset arrangements.
Note 36: Receivables	Treasury administers the provision of state and Commonwealth loans (\$4.66 million) for DRFA to QRIDA. Treasury paid administration fees (\$2.692 million) in relation to the loans.
Note 37: Other financial assets	Treasury holds investment in the Queensland Future Fund. The DRF, a sub-fund of the Queensland Future Fund holds FRN with QTC.
Note 38: Interest bearing liabilities	Treasury pays interest for borrowings it undertakes with QTC.

43 Transfer payments

Payments under the Intergovernmental Agreement on Federal Financial Relations are made from the Commonwealth Treasury to the state and territory treasuries. These payments represent Specific Purpose Payments, National Partnership Payments and general revenue assistance.

While most of these payments are receipted and paid out to departments via appropriation funding, some payments are passed on directly to the relevant entities. These payments occur where:

- the payment is ultimately for a third party, for example, non-government schools
- the payment is a reimbursement of expenditure incurred by the State after invoicing the Commonwealth, or
- the agreement with the Commonwealth requires the payment to be paid into an interest-bearing account held by the final recipient of the funding.

Amounts received from the Commonwealth for direct payments to the following entities in 2023–24 totalled \$4.337 billion (2023: \$3.983 billion):

- Department of Education – quality schools funding, \$4.278 billion (2023: \$3.962 billion)
- Department of Agriculture and Fisheries – pest and disease preparedness and response programs, \$58.487 million (2023: \$20.799 million)

44 Agency transactions

Treasury currently acts as an agent and processes grant payments on behalf of a number of Queensland Government departments. These transactions do not form part of Treasury's accounts and are instead reported by the various departments. For the 2023–24 financial year, the total value of grants paid was \$439.812 million (2023: \$268.515 million).

Australian Retirement Trust operates the Employers Contribution bank account on behalf of Treasury, in accordance with the *Financial Accountability Act 2009*. The account is utilised to provide for the whole-of-government Long Service and Annual Leave Central Schemes and Employer Superannuation Contributions. The account balance as at 30 June 2024 was \$0.753 million (2023: \$0.731 million), which represents money in transit to be identified as owing to either the Consolidated Fund and/or other Government Agencies.

45 Trust transactions and balances

Treasury also acts as an agent in the collection and distribution of unpaid infringement fines and court ordered monetary amounts for various external parties including local government bodies, universities and individuals.

	2024 \$'000	2023 \$'000
Opening balance	13,902	11,738
Collections	53,476	51,478
Distributions to principals	(55,191)	(49,314)
Others	211	..
Balance 30 June	12,398	13,902

As Treasury performs only a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for the information of users. While these transactions and balances are in the care of Treasury, they are subject to Treasury's normal system of internal control and external audit by the Auditor-General (notes 43–45).

These general purpose financial statements have been prepared pursuant to s.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 Queensland Treasury and the consolidated entity for the financial year ended 30 June 2024 and of the financial position of Queensland Treasury and the consolidated entity at the end of that year; and

The Under Treasurer, as the Accountable Officer of the Department, acknowledge(s) 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.



M. Carey
Under Treasurer
29 August 2024



D. Brooks
Chief Finance Officer
29 August 2024

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Queensland Treasury

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Queensland Treasury (the parent) and its controlled entities (the group).

The financial report comprises the statements of financial position and statements of assets and liabilities by major departmental service as at 30 June 2024, the statements of comprehensive income, statements of changes in equity, statements of cash flows and statements of comprehensive income by major departmental service for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2024, and their financial performance for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

Basis for opinion

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

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

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

Key audit 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.

Completeness of Tax revenue (\$18.932 billion for the year ended June 2024) and Royalties (\$12.728 billion for the year ended 30 June 2024)

Refer to notes 26 and 27 in the financial report.

Key audit matter	How my audit procedures addressed this key audit matter
<p>Taxes and royalties are material administered balances of the department. The self-assessed nature of certain taxes, including duties, (\$8.005 billion) payroll tax (\$6.295 billion), and royalties increases the risk over the completeness of amounts collected and accrued, as reported in the administered statement of comprehensive income.</p> <p>Completeness of revenue recognised is dependent on whether:</p> <ul style="list-style-type: none"> all required assessments have been lodged by self-assessors the self-assessed amounts have been calculated accurately including ensuring: <ol style="list-style-type: none"> all assessable transactions and balances are included the assessable transactions and balances are reported at appropriate amounts. <p>The department verifies taxpayer compliance using a risk-management approach.</p> <p>The department has implemented an annual compliance program to address this risk.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> testing the controls within the revenue management system to confirm the accuracy of tax and royalty calculations reviewing the design and implementation of Queensland Treasury's compliance programs for taxes and royalties and assessing the outcomes, including recoveries, to determine the impact on the overall revenue performing the following analytical review over taxes and royalties by: <ul style="list-style-type: none"> analysing and corroborating the year-on-year trends at business partner level to identify any unusual movements/ relationships comparing the trends in external data to the movement in taxes and royalties, and corroborating any unusual movements/ relationships analysing and corroborating the year-on-year trends between actual and budgeted taxes and royalties.

Impairment of State Penalties Enforcement Registry (SPER) Fines Receivable
(fines and penalty debt revenue \$706.8 million for the year ended 30 June 2024;
receivables of \$1.161 billion as at 30 June 2024)

Refer to notes 29, 32 and 36 in the financial report.

Key audit matter	How my audit procedures addressed this key audit matter
<p>SPER receivables are material administered assets of the department.</p> <p>SPER debts are impaired based on the likelihood of collectability with reference to historical activity for the specific debt types assessed.</p> <p>Management judgement is required in assessing the extent to which debts may be impaired.</p>	<p>My procedures included but were not limited to:</p> <ul style="list-style-type: none"> • assessing management's controls over SPER collection and finalisation rates of the referred debts; as these impact the determination of the long-term debt finalisation, withdrawal and recall rates • obtaining an understanding of the methodology used and assessing its design, integrity and appropriateness • recalculating the long-term debt finalisation, withdrawal and recall rates to validate the mathematical accuracy of the model • recalculating the impairment charge by applying the long-term debt finalisation, withdrawal and recall rates to the debt pool and comparing the impairment charge to the general ledger • assessing the extent to which management's assessment of impairment reflects current economic circumstances

Responsibilities of the accountable officer for the financial report

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

The accountable officer is also responsible for assessing the group'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 group or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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

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

https://www.auasb.gov.au/auditors_responsibilities/ar5.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

- 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.



Karen Johnson
as delegate of the Auditor-General

30 August 2024

Queensland Audit Office
Brisbane