

## **Part 03**

# Financial performance

---

- 26** Statement by the Chief Finance Officer
- 26** Summary of financial performance
- 27** Income
- 27** Expenses
- 28** Assets
- 28** Liabilities

# Financial performance

## Statement by the Chief Finance Officer

In accordance with the requirements of section 77(2)(b) of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement confirming the department’s financial internal controls are operating efficiently, effectively and economically in compliance with section 54 of the Financial and Performance Management Standard 2019.

The Chief Finance Officer has therefore fulfilled the responsibilities set out in section 77(1)(b) of the *Financial Accountability Act 2009*.

## Summary of financial performance

The financial summary provides an overview of the department’s financial statements for the year ended 30 June 2020, which are provided in detail in Appendix 4 of this report.

The department’s 2019–20 result was an operating deficit of \$56.8 million which is mainly attributed to the transfer of infrastructure assets to Indigenous councils for nil consideration.

**Table 1: Financial snapshot**

	2020		2019	
	\$'000		\$'000	
Controlled revenue	273,316		411,609	
Controlled expenses	(330,101)		(419,407)	
Operating results for the year	(56,785)		(7,797)	
Increase in asset revaluation reserve	-		4,389	
Total comprehensive income	(56,785)		(3,408)	
Total assets	44,215		133,493	
Total liabilities	(29,845)		(62,071)	
Net assets	14,370		71,422	

Source: Department of Local Government, Racing and Multicultural Affairs.

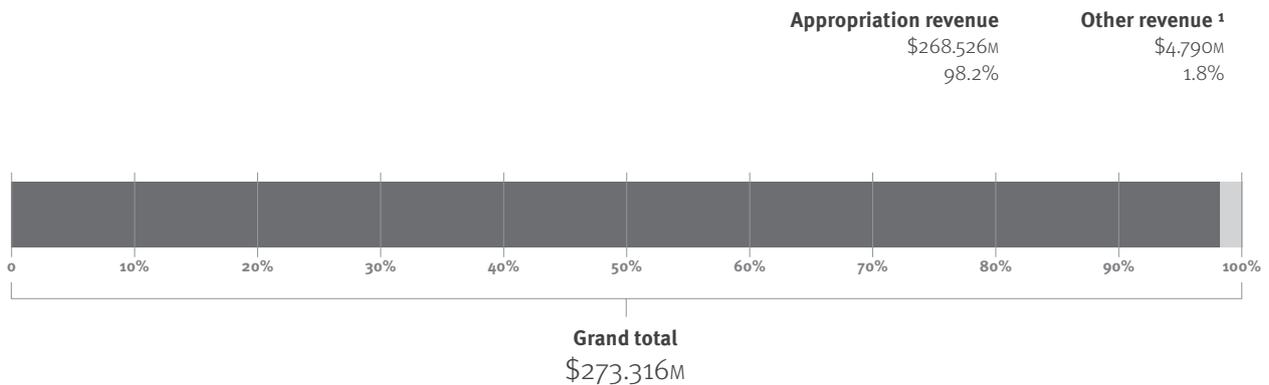
## Income

The department received \$273.3 million for its operations, a decrease of \$138.3 million from the previous year, primarily due to \$100 million for the 2019–21 round of the Works for Queensland program being brought forward to 2018–19.

The decrease is partially offset by funding brought forward to 2019–20 for the Local Government Grants and Subsidies Program and the Racing Infrastructure Fund.

Appropriation revenue is the main source of income for the department at \$268.5 million (98.2 per cent of revenue).

**Figure 3: Income by category for year ended 30 June 2020**



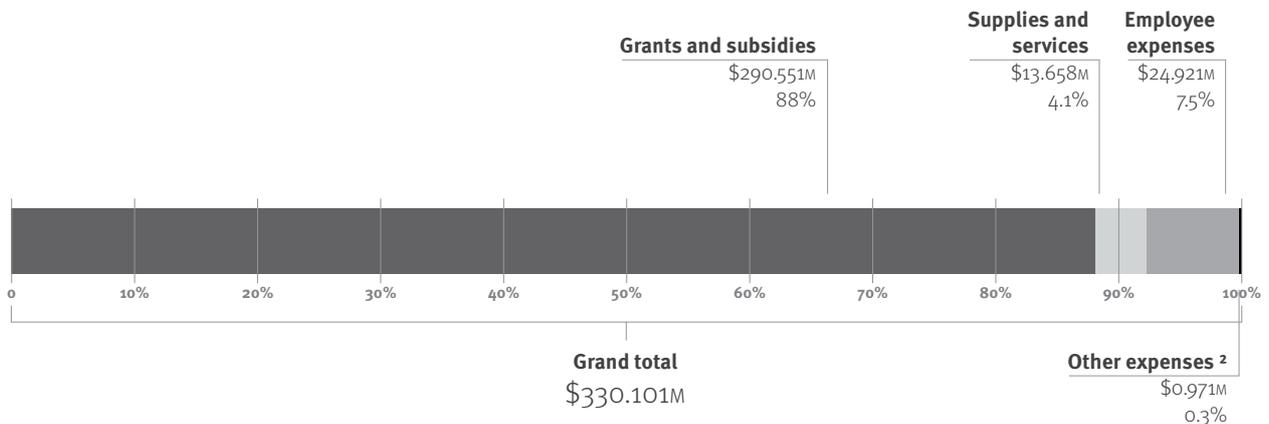
<sup>1</sup> Other revenue includes grants and other contributions, user charges and fees and interest revenue line items.

## Expenses

Expenses from continuing operations totalled \$330.1 million for 2019–20, a decrease of \$89.3 million on the previous year, mainly due to a fluctuation of payments under the major grant programs and the transfer of infrastructure assets to Indigenous councils, which resulted in a grant expense for the department.

Grants and subsidies are the department’s major expense category at \$290.6 million (88 per cent), employee expenses were \$24.9 million (7.5 per cent), followed by supplies and services which comprise \$13.7 million (4.1 per cent).

**Figure 4: Expense by category for year ended 30 June 2020**



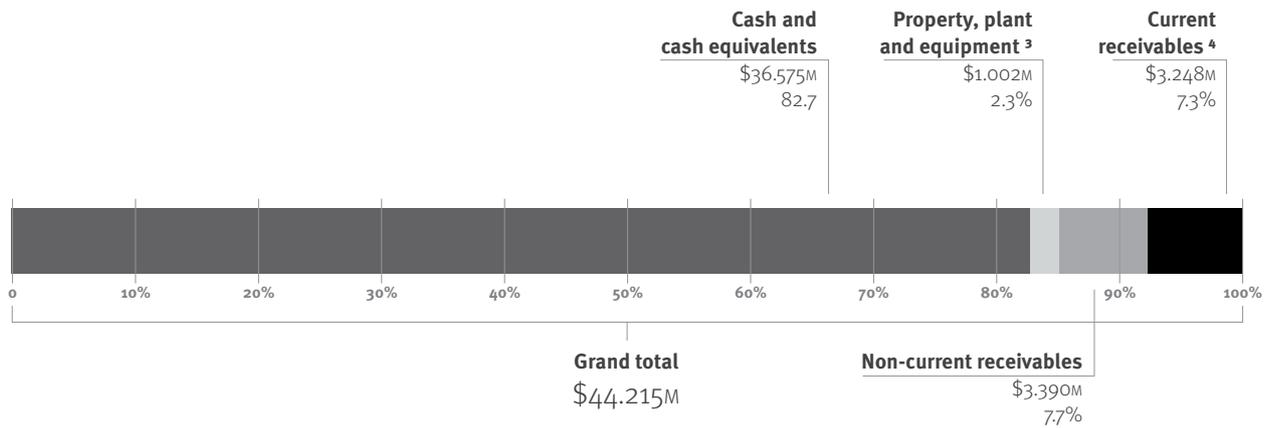
<sup>2</sup> Other expenses include the depreciation and amortisation financial statements line item.

## Assets

As at 30 June 2020, the department held assets to the value of \$44.2 million, with \$36.6 million (82.7 per cent) held as cash and cash equivalents,

\$1 million as intangible assets (2.3 per cent) and the remainder as receivables.

**Figure 5: Assets by category for year ended 30 June 2020**



<sup>3</sup> Property, plant and equipment includes the intangible assets line item.

<sup>4</sup> Current receivables includes the other current assets financial statement line item.

## Liabilities

As at 30 June 2020, the department held liabilities totalling \$29.8 million with \$29.2 million (98 per cent) relating to current payables, including \$17.1 million payable to Queensland Treasury for cash received for budgeted expenses that was unspent.