

ANNUAL REPORT 2022–23



Public Sector Commission annual report 2022–2023

The annual report provides detailed information about the Public Sector Commission's financial and non-financial performance for 2022–23. It aligns to its [strategic plan 2022–2026](#) and the [2022–23 Service Delivery Statements](#)¹.

Additional annual reporting requirements are published on the [Queensland Government Open Data portal](#)² including information about consultancies and the Queensland Language Services Policy.

There was no overseas travel expenditure in 2022–23, therefore it is not reported in this annual report.

This annual report has been prepared for the Public Sector Commissioner to submit to Queensland Parliament, and to meet the needs of stakeholders including government agencies, business and industry, members of the community, media and employees.

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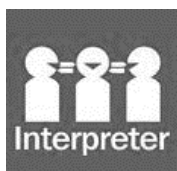
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Attribution

Content from this annual report should be attributed as: The State of Queensland (Public Sector Commission) annual report 2022–23.

Interpreter service statement



The Queensland Government is committed to providing accessible

services to Queenslanders from all culturally and linguistically diverse backgrounds.

If you have difficulty in understanding the annual report, you can contact us on 13 QGOV (13 74 68) and we will arrange an interpreter to effectively communicate the report to you.

More information

Contact the Public Sector Commission:

- PO Box 15190, City East, Brisbane QLD 4002
- (07) 3003 2800
- commission.psc@psc.qld.gov.au

An electronic version of this document is available on the [Public Sector Commission website](#)⁴.

Acknowledgement

We pay our respects to the Aboriginal peoples and Torres Strait Islander peoples of this land, their ancestors, and their legacy. The foundations laid by these ancestors—the First Australians—give strength, inspiration, and courage to current and future generations towards creating a better Queensland.

We recognise it is our collective efforts and responsibility as individuals, communities, and governments to ensure equality, recognition, and advancement of Aboriginal and Torres Strait Islander Queenslanders across all aspects of society and everyday life.

We are committed to working with, representing, advocating for and promoting the needs of Aboriginal and Torres Strait Islander Queenslanders with unwavering determination, passion and persistence.

As we reflect on the past and give hope for the future, we walk together on our shared journey of reconciliation where all Queenslanders are equal and the diversity of Aboriginal and Torres Strait Islander cultures and communities across Queensland are fully recognised, respected, and valued by all Queenslanders.

¹ https://s3.treasury.qld.gov.au/files/Budget_2022-23_SDS_Department_of_the_Premier_and_Cabinet.pdf

² <http://www.data.qld.gov.au/>

³ <https://creativecommons.org/licenses/by/4.0/>

⁴ <https://www.qld.gov.au/about/how-government-works/government-structure/public-service-commission>

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Letter of compliance

29 September 2023

The Honourable Anastacia Palaszczuk MP
Premier and Minister for the Olympics and Paralympic Games
Level 40, 1 William Street
Brisbane Qld 4000

Dear Premier

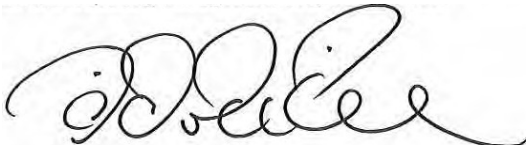
I am pleased to submit for presentation to the Parliament the annual report 2022–23 and financial statements for the Public Sector Commission.

I certify that this annual report complies with the:

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

A checklist outlining the annual reporting requirements is on page 46 of this annual report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Mackie', written in a cursive style.

David Mackie
Public Sector Commissioner
Public Sector Commission

Chairperson's message

The Public Sector Commission (the Commission) embarked on a new chapter in 2022–23 with the commencement of the *Public Sector Act 2022* (the Act), resulting in a new name, a new role and new leadership under Public Sector Commissioner David Mackie.

During this time of change the Commission has continued to provide system leadership and stewardship of Queensland's public sector workforce by guiding agencies to manage complex workforce issues in a dynamic environment.

They have supported agencies to:

- embed the new Act with supporting directives and resources
- improve flexible and hybrid working practices
- strengthen cultural capability across the sector.

The recommendations from the review of public sector employment laws - *A Fair and Responsive Public Service for All* (the Bridgman Review) and Professor Peter Coaldrake's *Review of culture and accountability in the Queensland public sector*, have served as a catalyst for the Commission to strengthen the capability and capacity of the Queensland public sector using additional funding provided by the Queensland Government over the next five years. This additional funding will help the Commission to fulfil its role under the Act and support an even better public sector for Queensland.

Working in partnership with the Department of the Premier and Cabinet (DPC), Queensland Treasury (QT) and the Chief Executive Leadership Board, the Commission has contributed significantly to implementing a modern employment framework to lift the sector's capacity and capability to effectively serve the community. A significant achievement of the employment framework this year has been the investment in workplace culture initiatives to embed contemporary recruitment and selection practices to further develop our diverse workforce.

The Queensland Government's commitment to reframing the relationship with Aboriginal and Torres Strait Islander peoples has also been embedded in the Act. This commitment will be further strengthened by the critical role the Commission has played in establishing a culturally capable public sector that ensures fairness in employment and treatment of employees.

A significant shift in the Commission's leadership and governance structure was implemented this year with the introduction of the Public Sector Governance Council, which replaces the Public Service Commission Board. The Council provides system leadership and stewardship, while overseeing public sector performance and governance. For the first time, the Council will include two community members who, once appointed, will provide an important external to government perspective on Queensland's public sector.

I look forward to working with the Commission throughout this exciting new chapter.

Rachel Hunter

Chairperson

Public Sector Governance Council

Public Sector Commissioner message

This has been a year of change for the Public Sector Commission (the Commission). The new *Public Sector Act 2022* was passed by Parliament last year and commenced on 1 March 2023. Its purpose is to provide a framework for a fair and integrated public sector that serves the people of Queensland and the state. It represents transformational change for Queensland's public sector, introducing concepts of a spirit of service to the community and shared responsibility for stewardship of the sector between the Commissioner, the new Public Sector Governance Council and Directors-General.

The Commission has also experienced a change in leadership with my arrival following the outgoing Commissioner, Rob Setter, retiring earlier this year. I extend my sincere thanks to Rob for his stewardship of the Commission since 2015 and thank the Commission team for their warm welcome.

The implementation of the Act has strengthened the Commission's role as a systems leader, steward and enabler. While our role within the public sector has grown, we continue to work hard to drive positive change across organisations and to our employee workforce with the ultimate aim of improving services and outcomes for the Queensland community.

The Commission will continue to work in collaboration with public sector unions and organisations to drive implementation of the Act, with a focus on continuous practice improvement across the sector.

Over the past 12 months we have supported sector agencies to:

- embed flexible and hybrid work practices into their organisations
- develop new targets to support employment of people from key diversity groups
- improve equity and diversity in workplaces
- use workforce data and insights to support evidence-based decisions by strengthening the Working for Queensland survey instrument
- embed and communicate new directives, practices and behaviours to assist in the implementation of the Act.

One of the most important journeys the Commission will be leading in 2023–24 is the development and implementation of a future focussed five-year strategy to create an even better public sector for Queensland. The strategy will have three focus areas – our workplace, our workforce and our work.

Being considered an employer of choice that is effective in developing and attracting high calibre people with the skills and capabilities that the Queensland public sector needs now and into the future is an essential element in being able to serve all Queenslanders. Further, ensuring that public sector employees undertake their roles as professionals in the craft of public service practice is essential to maintaining the trust and confidence of Queenslanders. These are fundamental areas of focus and priority for the Commission for the coming years and at the very heart of what our role as stewards of the public sector should be.

Creating an even better public service is an opportunity to highlight our strengths, but also to identify and prioritise areas we can improve with the aim of delivering better services and outcomes for Queenslanders. The Commission has commenced engaging with the public sector about this important work and I look forward to a continuing engagement throughout the life of the strategy.

While we have a clear future direction, I have also been reflecting upon the collective achievements of the Commission over the past 12 months and the incredible examples of teamwork, resilience and adaptability displayed.

I am excited for the coming year and sincerely thank everyone at the Commission for their diligent work and dedication to implementing programs of work that will make our workplaces, workforce and work even better.

David Mackie

Public Sector Commissioner
Public Sector Commission

About us

The Commission is a small, dynamic central agency of government established under the now repealed *Public Service Act 2008* on 1 July 2008. As of 1 March 2023, the Commission operates under the *Public Sector Act 2022* (the Act).

Our Strategic Plan 2022–26

Our vision is a high-performing, future-focused public sector for Queensland.

Our purpose

The Commission is here to advise, connect, support and partner with the public sector to deliver the best outcomes for Queenslanders.

Our objectives

- Support public sector agencies to effectively manage their workforces.
- Build a highly capable and responsive public sector workforce.
- Support the public sector to prepare for and respond to strategic workforce challenges.

Our responsibilities

- Promote the management and employment principles set out in the Act.
- Enhance and promote an ethical culture and ethical decision-making across the sector.
- Enhance the sector's leadership and management capabilities in relation to disciplinary matters.
- Conduct Commission reviews, including the handling by agencies of work performance matters.
- Develop and implement sector-wide workforce management strategies.
- Enhance the sector's human resources (HR) management and capability.
- Enable the development of mobile, highly skilled senior executives and leaders.
- Monitor and report on the sector's workforce profile.
- Promote a culture of continuous improvement and organisational performance management across the sector.
- Provide a best practice advisory role on public sector management, organisational performance management and workforce practices.

The Commission also works with the Department of the Premier and Cabinet (DPC) and Queensland Treasury (QT) to oversee continuous improvement of the sector and collaborates with all government agencies to achieve its vision.

Values

- Customers first
- Ideas into action
- Unleash potential
- Be courageous
- Empower people

Workforce reporting

Under the Act, the Commission is responsible for workforce reporting.

During 2022–23, the Commission released:

- the Queensland public sector workforce profile reports for September 2022 and March 2023
- annual reporting of information about work performance matters handled by each agency in accordance with section 88N of the now repealed *Public Service Act 2008*.

More information

Visit our [website](#)⁵ to learn more about our business areas and their functions.

⁵ psc.qld.gov.au

Office of the Special Commissioner, Equity and Diversity

The Office of the Special Commissioner, Equity and Diversity continues to progress initiatives that identify and address disparities across the sector. These initiatives aim to enhance policy, procedures and practice that improve employment outcomes for:

- women
- people with disability
- Aboriginal peoples and Torres Strait Islander peoples
- culturally and linguistically diverse people
- LGBTIQ+ people.

Key outcomes

In 2022–23, key outcomes include:

- reducing the gender pay gap in the Queensland public sector from 7.64% in June 2022 to 6.31% in June 2023⁶
- publishing the *Queensland public sector Gender pay equity dashboard*⁷, to increase the transparency of gender equity data and to contribute to legislative changes in the Act
- developing a new progressive approach to recruitment and selection
- conducting an equity and diversity audit of the public sector, which:
 - established a sector-wide evidence base
 - increased awareness of equity and diversity issues
 - promoted data driven strategies to address inequities
- supporting agencies to develop equity and diversity action plans
- designing initiatives that address the under-representation of women at senior levels
- supporting equity in enterprise bargaining agreements
- developing a nation-leading framework for preventing and responding to sexual harassment in the sector
- conducting the Queensland public sector respect in the workplace survey to understand employee experiences and perception about sexual harassment in the workplace
- reviewing employment conditions, and proposing enhancements to position the sector as an employer of choice for women and people with responsibility for children
- establishing an LGBTIQ+ project to provide better data to understand representation of this cohort and their experience in the sector
- contributing to the national agenda on gender pay equity by collaborating with other Australian public sector jurisdictions on joining the national equality reporting regime
- preliminary discussions with the Australian Retirement Trust on methods to support and improve the retirement income gap for women.

⁶ MOHRI Data March 2023

⁷ https://www.qld.gov.au/__data/assets/pdf_file/0014/313700/Queensland-public-sector-Gender-pay-equity-dashboard-2022.pdf

Financial summary

During the 2022–23 financial year, the Commission has continued with its core service delivery to:

- support public sector agencies to effectively manage their workforces
- build a highly capable and responsive public sector workforce
- support the public sector to prepare for and respond to strategic workforce challenges.

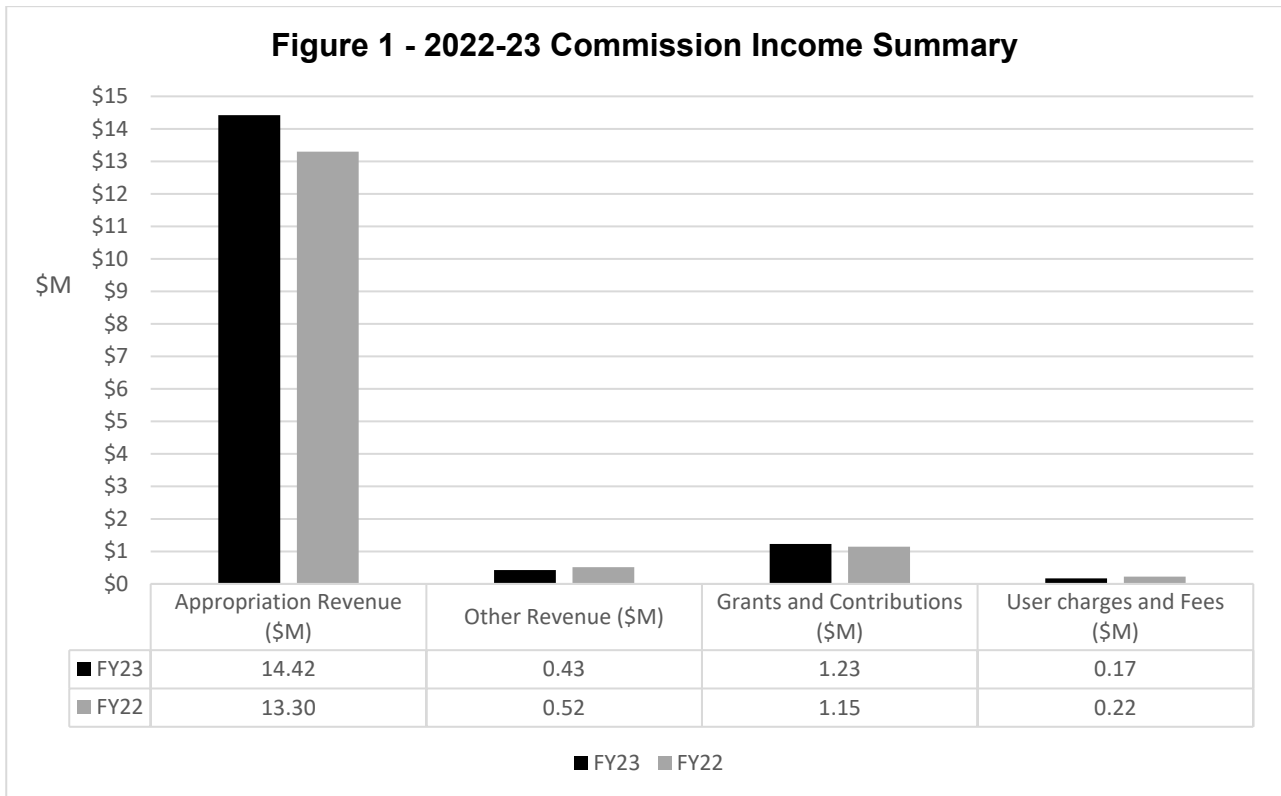
The Commission continues to deliver high quality strategies, programs and advice on public sector workforce matters to support Queensland Government agencies to deliver on their strategic vision, purpose and objectives. The Commission will also continue to support the work program of the Office of the Special Commissioner (Equity and Diversity) to support improved equity and diversity planning and reporting, and address gender-based disparities in the public sector.

Revenue

Total revenue for the Commission was \$16.25 million in 2022–23, an increase of \$1.07 million from the previous financial year. This increase was primarily due to the additional funding received for the integrity reforms and lapsed appropriation from the previous financial year.

Non-appropriated revenue, consisting of user charges, grants and contributions, and other revenue decreased by \$0.06 million compared to 2021–22 due to a decrease in cost recovery revenue services provided to other departments, such as recruitment and investigations. Additionally, the revenue collected for the contract management fees during the year was lower compared to 2021–22.

Figure 1 provides a comparison of revenue sources for the previous and current financial years as provided in the Commission’s accompanying Financial Statements.



Expenditure

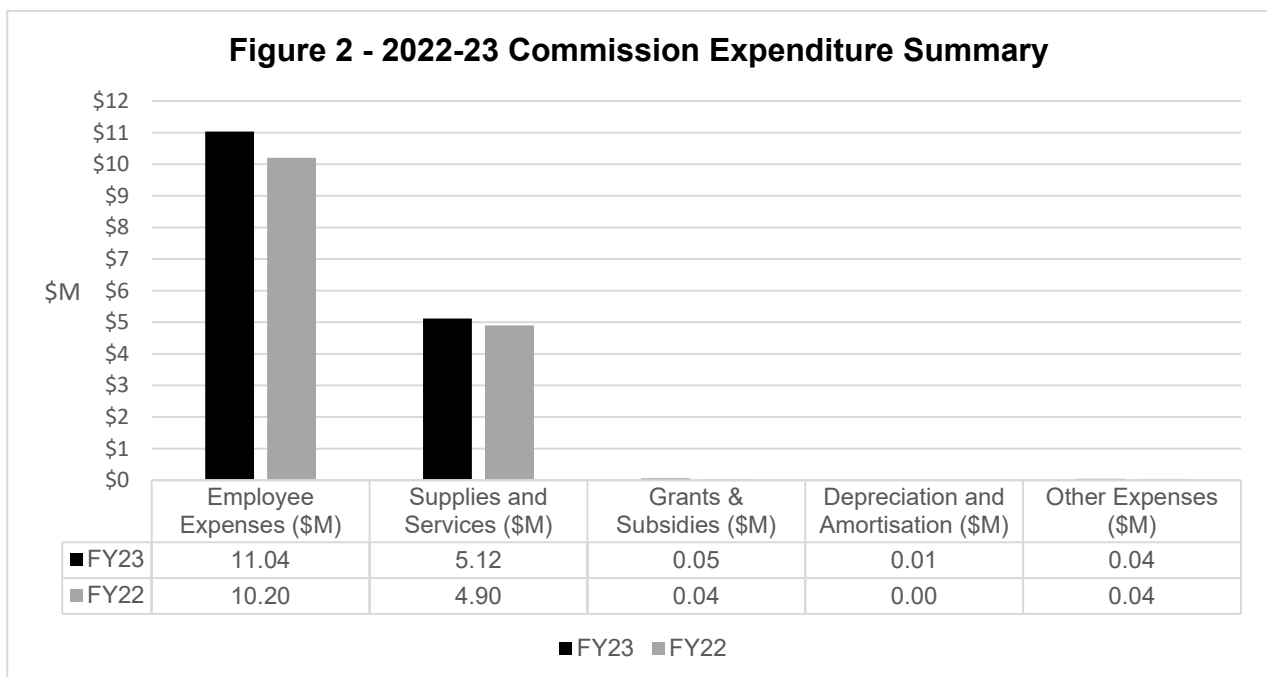
Total expenditure for the Commission was \$16.25 million in 2022–23, an increase from the previous financial year of \$1.07 million.

Employee Expenses increased by \$0.84 million from the previous financial year primarily due to an increase in full-time equivalent employees during 2022–23 to support integrity reforms and enterprise bargaining agreement.

Supplies and Services expenditure increased minimally by \$0.22 million from the previous financial year primarily due to additional spending on contractors supporting the review of workforce profile data and senior officers remuneration, offset by lower property rental and legal costs.

Other expenses remained consistent with the previous financial year.

Figure 2 provides a comparison of the Commission’s expenditure for the previous and current financial years as provided in the Commission’s accompanying Financial Statements.

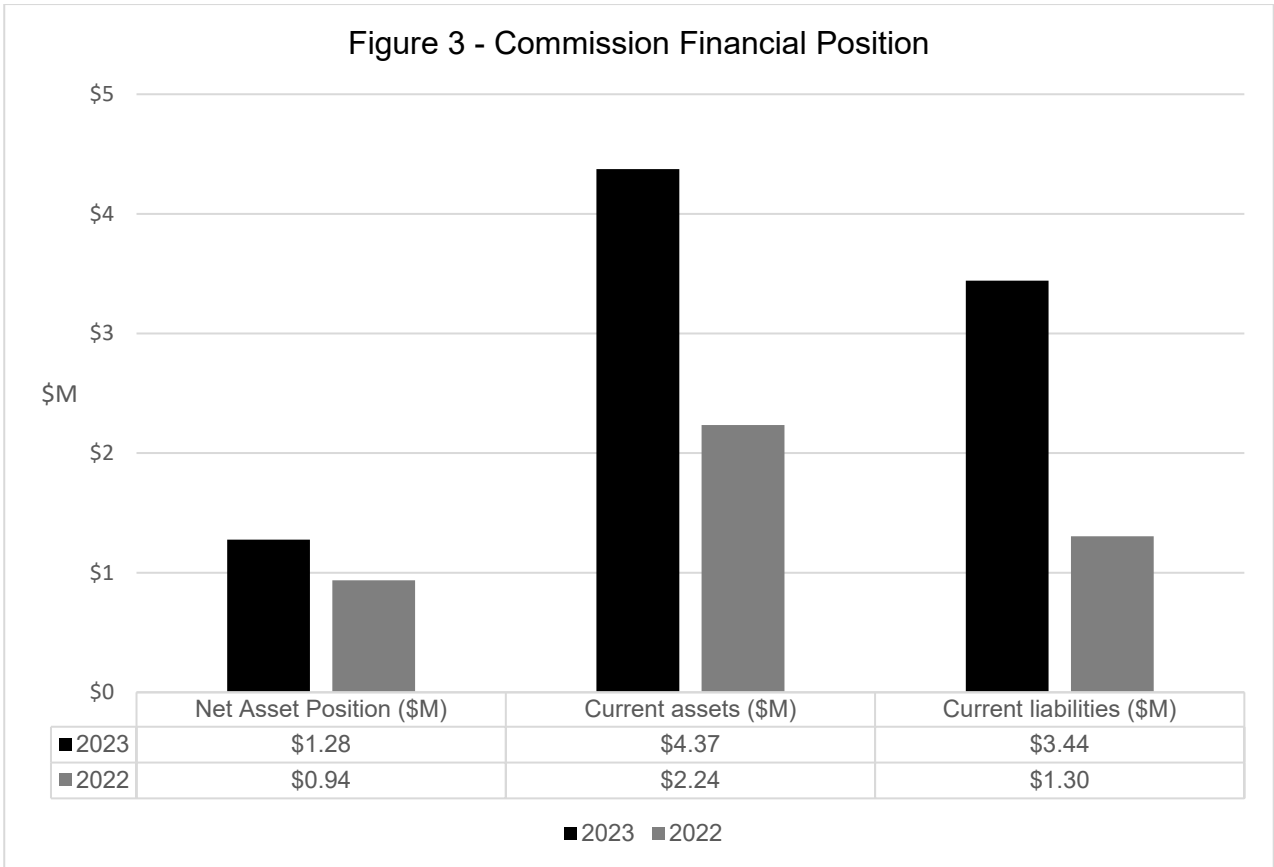


Explanations for major variances between the Commission’s financial performance and its 2022–23 budget are disclosed in the accompanying Financial Statements.

Financial position

The Commission’s net asset position increased by \$0.34 million from the previous financial year. This is primarily due to increased cash and intangible assets, offset by an increase in payables. The Commission’s assets are primarily represented by cash, receivables and prepaid assets and are offset by amounts owed for payables and employee benefits. Figure 3 demonstrates an improved liquidity position for the Commission.

Figure 3 - Commission Financial Position



Explanations for major variances between the Commission’s financial position and its 2022–23 budget are disclosed in the accompanying Financial Statements.

Chief Finance Officer Assurance

In accordance with the requirements of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Commissioner with a statement confirming, as required by section 54 of the Financial and Performance Management Standard 2019, that the financial internal controls of the department are operating efficiently, effectively, and economically.

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

Performance

Government's objectives for the community

The Commission contributed to the [Queensland Government's objectives for the community](#)⁸, by:

- preparing agencies for the future of work through workforce strategy and capability building initiatives
- building an inclusive and diverse Queensland public sector workforce
- strengthening the sector's capability in fostering safe, respectful and inclusive workplace cultures
- promoting strategies and practices to create mentally healthy workplaces
- continuing to build the sector's capability in the prevention and response to domestic and family violence (DFV).

Strategic objectives

This section reports on the Commission's performance in relation to our [strategic plan 2022–2026](#)⁹.

Strategic objective 1: Support public sector agencies to effectively manage their workforces

a. Drive improvements to the employment framework by providing expert advice to promote performance, fairness and accountability:

- Prepared and obtained Governor in Council approval of three public service departmental arrangement notices for machinery-of-government changes.
- Continued to play a critical role in ensuring the Queensland public sector is contemporary, fit-for-purpose and future-focused by delivering a once-in-a-generation reform with the commencement of the Act.
- Drafted, consulted and released seven new high priority directives made under the Act and supported their implementation to embed them across the sector.
- Developed a framework for the oversight of senior public service employee (SES 3 and above) complaints devolved by the Crime and Corruption Commission in response to Professor Coaldrake's 2022 Review of culture and accountability in the Queensland public sector: *Let the Sunshine in*.

b. Provide trusted advice to help leaders plan and manage workforce change:

- Supported the Chief Executive Service through:
 - the recruitment and selection process for three chief executive appointments
 - the transfer of one existing chief executive
 - the movement of five chief executives following machinery of government changes
 - the reappointment and extension of contracts of four directors'-general
 - the resignation or retirement of three directors-general.
- Streamlining the processes to support efficient sector recruitment while maintaining the Government's commitment to employment security.

c. Deliver practical support to practitioners to effectively manage workforce conduct and performance:

- Hosted a community of practice for ethical behaviour promoting best practice approaches and supporting members to solve issues, develop capability and model behaviour together.
- Provided targeted advice to the sector on complex performance and conduct matters.
- Conducted reviews into sensitive work performance matters to assist agencies in appropriate resolutions.
- Delivered workshops to agencies on assessing and planning for effective resolution of workplace conduct and performance matters.

d. Promote evidence-based decision-making through accurate and timely workforce data collection, information and reporting:

- Published the September 2022 and March 2023 editions of the Queensland public sector workforce profile reports.
- Refreshed and strengthened the Working for Queensland survey instrument to ensure it reflects public sector priorities and provides actionable insights.

⁸ [qld.gov.au/about/how-government-works/objectives-for-the-community](https://www.qld.gov.au/about/how-government-works/objectives-for-the-community)

⁹ https://www.qld.gov.au/_data/assets/pdf_file/0008/331001/Queensland-Public-Service-Commission-Strategic-Plan-2022-2026v2.pdf

- Delivered the 2022 annual Working for Queensland survey across 68 entities with more than 85,800 employees.
- Monitored policy implementation and informed decision-making by collecting quarterly data about the conversion to permanent employment of casual and temporary employees and employees who act at, or who are seconded to, higher classifications.
- Collected annual entity data about the implementation of Supporting employees affected by workplace change (Directive 01/22) and monitored policy implementation to inform decision-making.

Strategic objective 2: Build a highly capable and responsive public sector workforce

a. Build agencies' human resource (HR) capability to enable responsiveness to strategic workforce challenges:

- Continued to work with agencies and individual practitioners to improve understanding of the Working for Queensland survey data and how it can be used to inform workforce management and organisational development.
- Worked with agencies to solve strategic workforce challenges, including:
 - attracting and retaining critical skills
 - optimising internal talent platforms to drive mobility
 - building internal capability.
- Established a talent acquisition community of practice to support collective learning through sharing of attraction, recruitment and retention initiatives.
- Supported the development and implementation of a suite of initiatives to strengthen HR capability across the sector.
- Provided scholarships for three HR practitioners to undertake the Australia and New Zealand School of Government's (ANZSOG) Towards Strategic Leadership program.
- Provided scholarships for six HR practitioners to undertake the Public Sector Management Program.
- Developed and promoted a HR capability development series attended by more than 420 practitioners, to assist with the implementation of the psychosocial code of practice.
- Partnered with the Office of Industrial Relations (OIR) to present at the Industrial Relations, Public Sector Information Sessions, providing updates on the stage two public sector legislative reform progress and an overview of the Commission's program of work around directives and consultation processes.
- Developed and published seven high priority directives that support public sector entities to implement the Act.

b. Deliver targeted initiatives to build leadership and management capability:

- Facilitated and brokered leadership and management capability development offerings for targeted leadership cohorts, including:
 - delivered masterclasses and webinars as part of the 2022–2023 Queensland public sector leadership development series, attended by more than 4400 participants
 - provided 14 fully funded scholarships to the Public Sector Management Program for HR practitioners and Aboriginal and Torres Strait Islander employees
 - procured a new provider to deliver the People Matters and Performance Conversations programs, including new additional benefits and opportunities offered sector-wide.
- Continued provision of LEAD4QLD (leadership capability assessment and development program) and Competency Compass online tool, to strengthen sector-wide leadership capability.
- Delivered four HR community of practice meetings — embedding the Leadership competencies for Queensland framework in strategic foresight, employee value proposition, organisational culture and talent acquisition.
- Supported the Institute of Public Administration Australia (IPAA) Queensland to deliver their thought-leadership program, including:
 - the annual Chief Executives and Emerging Leaders Breakfast attended by around 600 people
 - the International Women's Day Stewards on the Couch in partnership with ANZSOG, attended by around 180 people
 - the annual Irene Longman Oration delivered by Emeritus Professor Peter Coaldrake AO attended by around 100 public purpose leaders
 - the Stewards on the Couch events series

- the Challenger series events on the topics of rethinking crises and resilience post-COVID19, and citizen engagement through complexity
- hosted the Commissioning for Outcomes Executive Roundtable
- held educational events including the new Mastercraft seminar on Royal Commissions and Public Inquiries and seminars on the national economic outlook and behavioural economics
- development of knowledge resources and online content designed to challenge and promote thinking on emerging issues and contemporary practice in public sector leadership and public policy.
- Delivered the Aboriginal and Torres Strait Islander career pathways service (the career pathways service) to improve representation of Aboriginal and Torres Strait Islander employees in leadership and decision-making roles and to strengthen the cultural capability of the sector.
- The career pathways service was delivered to 295 service users and 47 senior Aboriginal and Torres Strait Islander sector leaders were engaged to improve the cultural capability of the sector.
- The career pathways service leverages off existing investment within partner agencies enabling the service access to:
 - cross-agency job and mobility opportunities
 - cross-agency leadership and capability development opportunities
 - networking and events
 - engagement workshops
 - yarning circles
 - leadership and culturally appropriate tools and resources
 - self-assessment tools
 - online community.

c. Develop and support the senior executive service (SES) to drive sector-wide leadership, collaboration and performance:

- Managed agency requests for Public Sector Commissioner approval in accordance with Public Sector Commissioner Directives (e.g. employments, remuneration, SES profile management) through the Executive Leadership Information System
- Provided advice on the senior executive and chief executive service employee lifecycle (attraction, recruitment, onboarding, development, retention, separation) and coordination of the chief executive performance assessment and agreement process.
- Partnered with ANZSOG to continue to deliver the Queensland public sector leadership development series 2022–2023 that targets chief executives, executives and senior leaders.
- Coordinated sector-wide ANZSOG scholarships for senior executive leadership capability development including:
 - three Executive Fellows Program
 - four Executive Master of Public Administration
 - three Strategic Leadership Program.
- Provided a fortnightly SES communique promoting internal opportunities for senior executives.
- Coordinated challenge-led innovation workshop providing an immersive opportunity for executives and teams from Queensland Health, Department of Communities, Housing and Digital Economy, Department of Education and Queensland Police Service to equip teams with the capability to lead, navigate change and create meaningful societal impacts.
- Partnered with regional leadership networks, DPC and the Department of Regional Development, Manufacturing and Water to implement a collaborative governance model for enhancing system stewardship for regional delivery.

d. Support agencies to identify and develop a diverse pipeline of leaders:

- In 2022–2023 the Aboriginal and Torres Strait Islander career pathways service supported:
 - 70 mobility opportunities have been accessed, enabling participants to progress into higher duties, at-level mobility or secure permanent roles, with 14 of those temporary and permanent opportunities secured through the career pathways job pool
 - delivery of five workshops supporting the Reciprocal mentoring pilot program with nine co-mentor pairs, seven of those pairs joining the 2023 Alumni group
 - production of 23 fortnightly e-newsletters promoting service user and leader profiles, cross-sector learning, development opportunities, culturally significant information and leadership content

- 103 cross-agency learning and development opportunities made available by partner agencies, with 77 of those accessed by service users
- engagement with seven Aboriginal and Torres Strait Islander and non-Indigenous career guides and cultural advisors to support the individual networks and leadership development of Aboriginal and Torres Strait Islander employees and their supervisors
- facilitation of eight meetings with the Queensland First Nations Ambassadors for Change group supporting the sector to strengthen its cultural capability and incorporate the perspectives of First Nations peoples across policy development.

Strategic objective 3: Support the public sector to prepare for and respond to strategic workforce challenges

a. Lead sector-wide responses to emerging workforce challenges and system disruptions:

- Continued to lead a sector-wide approach to managing public sector workforce growth and ensure effective oversight and governance of reporting.
- Continued to undertake a significant review of the way the public sector manages health, safety and wellbeing to progress a government election commitment, under the guidance of a review advisory panel with representatives from the Strategic Workforce Council and OIR.
- Developed a sector-wide strategy and resources to support health and safety representatives and enable employees in the public sector to better engage in workplace health and safety.
- Continued to support the sector to create mentally healthy workplaces, including managing the risks of psychosocial hazards.
- Worked in partnership with 36 Aboriginal and Torres Strait Islander leaders across the sector to address system barriers impacting progression of Aboriginal and Torres Strait Islander employees.
- Partnered with the then Department of Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts to deliver a sector-wide co-design community of practice.

b. Provide agencies with expert advice to develop contemporary workforce strategy:

- Facilitated the development of annual strategic workforce plans by departments as part of sector-wide planning requirements.
- Developed the Flex-connect framework and resources to provide practical guidance to employees and managers that ensure flexible work continues to support better equity, diversity, wellbeing and productivity outcomes.
- Provided strategic advice to agencies on collaborative ways of working, design thinking practices, co-design and systems thinking.
- Engaged with agencies to influence the implementation of Reframing the relationship plans as required by the Act, and to learn more about chapter one, part three of the Act and consider its import to workforce capability.

c. Increase agencies' confidence and readiness to manage the workforce impacts of technology:

- Commenced research and engagement with agencies to develop and implement resources that provide practical support and guidance to the sector on workforce planning.
- Supported agencies to incorporate the 3-year human capital strategic roadmap 2022 into workforce planning.
- Supported the Strategic Workforce Council by designing and facilitating a sector-wide risk management process.
- Facilitated workshops with the Strategic Workforce Council on talent acquisition and employee value proposition, to inform future work in this area.
- **Partner with agencies to promote workforce diversity, employee wellbeing and safe work:**
- Supported the Chief Executive Leadership Board to establish the following sector-wide employment targets for diversity groups:
 - 4 per cent Aboriginal and Torres Strait Islander peoples
 - 12 per cent people with disability
 - 12 per cent culturally and linguistically diverse peoples, who speak a language other than English at home
 - 50 per cent women in leadership (to be measured at the SO, SES2, SES3, SES4 and CEO levels, with targets combining both classified and equivalent roles).

- Continued to support the *Inclusion and Diversity Strategy 2021–2025* and the Disabling the barriers to employment in the Queensland public sector implementation plan to drive improved representation and the employment experience of people with disability.
- Delivered monthly inclusion and diversity community of practice sessions to support inclusive work environments, resource sharing and promoting best practices and initiatives.
- Initiated the development of a sector-wide adjustments policy and supporting resources for people with disability to improve consistency in approach and outcomes.
- Continued to provide support and funding for the LGBTIQ+ steering committee to deliver a range of initiatives across the sector to improve outcomes.
- Evaluated the *Queensland public sector LGBTIQ+ inclusion strategy 2017–2022*, which informed the development of the LGBTIQ+ action plan 2023–2025 to ensure the sector continues to foster safe and respectful workplaces for LGBTIQ+ employees.
- Continued to lead a multi-agency group focused on implementing the public sector workplace response to domestic and family violence (DFV).
- Continued to work with Challenge DV to deliver Recognise, Respond, Refer e-learning program to ensure Queensland public sector employees have the necessary knowledge and capability to respond to employees affected by DFV.
- Promoted resources, programs and initiatives to support awareness of responsibilities in managing the risks of psychosocial hazards in the workplace.
- Strengthened relationships with OIR, Health and Wellbeing Queensland and the Queensland Mental Health Commission through communities of practice to share knowledge and resources in health, safety and wellbeing.
- Provided support and advice through the Aboriginal and Torres Strait Islander career pathways service to enable sector-wide culturally appropriate recruitment and selection processes, and to strengthen the cultural capability of the sector.
- Facilitated targeted recruitment through the Aboriginal and Torres Strait Islander career pathways job and mobility pool.
- Supported the development of culturally safe workplaces by providing culturally supportive resources and tools, leadership content and self-assessment tools to measure cultural capability.
- Engaged with the National Public Sector Commission’s cross-jurisdictional working group to support First Nations employment outcomes and cultural capability.
- Partnered with the Chief Executives Leadership Board and the Integrity Reform Steering Committee to establish the scope of a five-year program of public sector reform and commenced engagement on the development of a strategy.
- Progressed work to improve management of sexual harassment complaints by working with stakeholders to require standalone workplace sexual harassment policies that ensure avenues of complaint are clear, consistent and person-centred.

Service delivery statements

Public Sector Commission	Notes	2022–23 target/estimate	2022–23 actual
Service area: Provision of services for a high-performing public sector			
Effectiveness measure Overall participant satisfaction with Commission leadership development offerings		85%	91%
Effectiveness measure Client satisfaction with specialist workforce services advice	1	85%	53%
Effectiveness measure Overall stakeholder satisfaction with the Commission's role in providing services for a high performing public service	1	85%	71%
Efficiency measure Cost per participant at Commission leadership development offerings		\$250	\$98
Efficiency measure Cost per employee of conducting annual sector-wide employment opinion survey		\$3.00	\$2.69

Notes:

- Factors that may have contributed to the variance between the 2022–23 Target/Estimate and the 2022–23 Estimated Actual include the Public Sector Commission having an increased regulatory role with stakeholders across the sector to action policy positions associated with the response to the COVID-19 pandemic.

Future direction

In 2023–24, the Commission will work with sector agencies to:

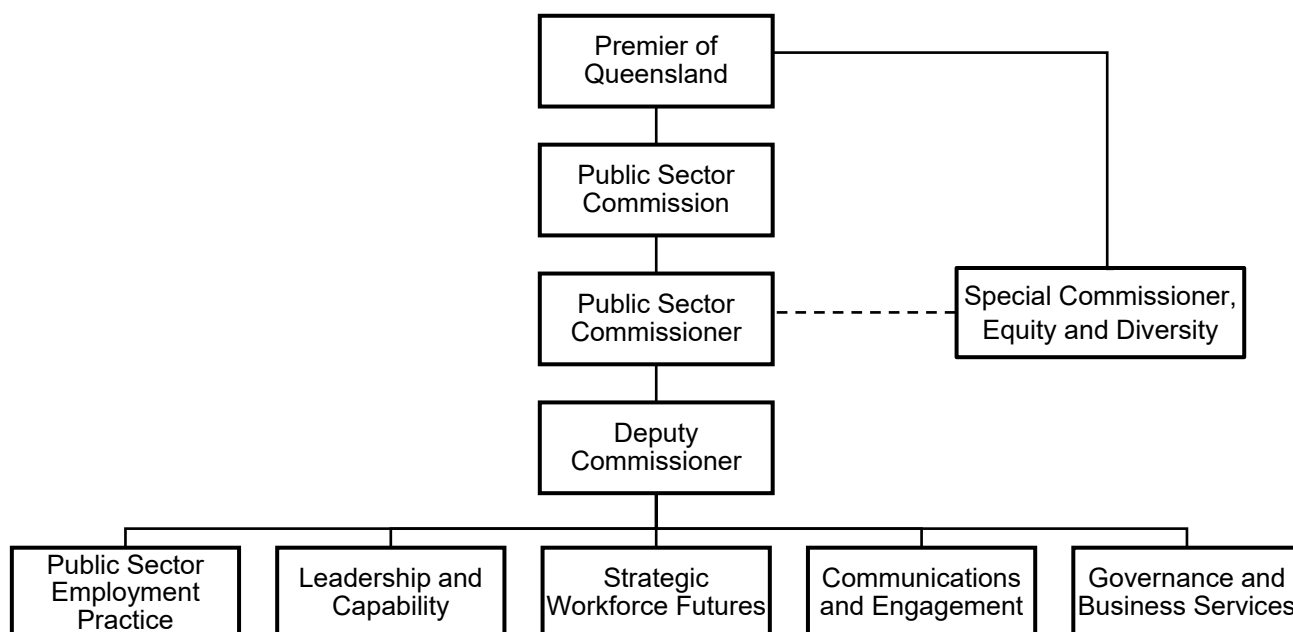
- develop and implement a 5-year strategy that will focus on our workplace, workforce and work to build an even better public sector for Queensland
- improve workforce planning to support an agile and flexible workforce
- improve flexibility for public sector workplaces, including frontline employees
- improve workplace adjustments and reduce barriers to mobility for people with disability
- implement contemporary recruitment and selection practices that support the recruitment of a diverse workforce.

The Commission will:

- Provide dedicated and focused support to the sector to implement the Act's requirements for equity, diversity, respect and inclusion, recruitment and selection, and reframing the State government's relationship with Aboriginal peoples and Torres Strait Islander peoples.
- Create an additional 12 directives (and guiding material) to support the sector to implement the Act. This includes continuing to work with the sector to implement the new recruitment and selection directive to select the person 'best suited' to the role, while taking into account equity and diversity considerations.
- Drive improved diversity and inclusion outcomes through reporting against new sector-wide targets for key diversity groups and implementing initiatives to support safe, respectful and inclusive workplace cultures.
- Engage the sector on Women in Leadership initiatives.
- Support the inclusion of the LGBTIQ+ cohort by increasing the evidence base on representation and work experiences.
- Support agencies to develop advisory services for employees who have experienced sexual harassment.
- Increase publicly available data on gender equality and the gender pay gap.
- Implement the third stage of program expansion to support more Aboriginal and Torres Strait Islander employees into management and leadership positions by providing access to capability development, support pathways and activities aimed at building the sectors cultural capability.
- Implement improved guidance and resources on strategic workforce planning to build the capability of the sector.
- Continue to provide data insights that inform sector-wide strategic workforce policy and programs and monitor performance through improved transparency of reporting.
- Work with the sector to improve approaches to strategic talent acquisition through graduate programs and positioning the Queensland public sector as an employer of choice.
- Finalise the review into sector-wide approaches to the management of health, safety and wellbeing issues, including a refresh of the sector's *Be healthy, be safe, be well* framework.
- Support HR practitioners to develop skills needed for strategic workforce planning and to address challenges.
- Continue to support the sector in meeting its workforce capability requirements under chapter one, part three of the Act to reframe the relationship with Aboriginal peoples and Torres Strait Islander peoples.
- Review the current Leadership competencies for Queensland framework to consider how to embed cultural capability competencies.
- Progress work to improve capability in delivering person-centred responses to sexual harassment complaints and ensure coordination in the sector's response to preventing and responding to sexual harassment.
- Ensure consistency in the use of senior executive service positions across the public service and ensure that all senior executives are appropriately engaged to deliver on the government's priorities.

Governance

Organisational structure



Executive management

Public Sector Commission

Under the Act, the Commission consists of:

- the Commissioner
- each Special Commissioner
- the staff of the Commission.

A Special Commissioner, Equity and Diversity, has been appointed.

Public Sector Governance Council

On 1 March 2023, with the commencement of the Act, the Public Sector Governance Council replaced the Public Service Commission Board.

In 2022–23, the Public Sector Governance Council met on three occasions and considered urgent matters out-of-session.

Key activities included monitoring:

- the performance of agencies on a quarterly basis focused on workforce, budget and capital performance
- equity and diversity activities under the guidance of the Special Commissioner, Equity and Diversity.

The Council also considered other matters such as:

- public sector diversity targets
- executive remuneration
- monitoring the number of senior executive roles
- machinery of government changes
- public sector recruitment.

Members of the Council:

- Rachel Hunter, Director General, Department of Premier and Cabinet (Chairperson)
- Maryanne Kelly, A/Under Treasurer, Queensland Treasury
- David Mackie, Public Sector Commissioner, Public Sector Commission.

Executive Leadership Team

Chaired by the Public Sector Commissioner, the Executive Leadership Team (ELT) oversees the strategic direction and management of the Commission.

ELT meets regularly to:

- provide sound corporate governance in the delivery of business operations
- provide leadership and direction on the delivery of significant projects and initiatives, and ensures strategic alignment to the Commission's vision and purpose
- share information and manage relationships across the executive leadership of the organisation.

Members

- David Mackie, Public Sector Commissioner
- Jenny Lang, Deputy Commissioner
- Dr Linda Colley, Special Commissioner
- David Reed, Executive Director, Public Sector Employment Practice
- Sandra Lerch, Executive Director, Strategic Workforce Futures
- Suzi Woodrow-Read, Executive Director, Leadership and Capability

Senior Management Group

Chaired on a rotational basis by Directors across the Commission, the Senior Management Group (SMG) meets fortnightly to:

- monitor progress towards delivering on strategic and operational objectives and significant projects
- ensure compliance with all relevant corporate governance policies, plans and legislation
- manage corporate operations, including human, financial and information resources
- share information and manage relationships across the leadership of the organisation.

Members

- David Mackie, Public Sector Commissioner
- Jenny Lang, Deputy Commissioner
- Dr Linda Colley, Special Commissioner
- David Reed, Executive Director, Public Sector Employment Practice
- Sandra Lerch, Executive Director, Strategic Workforce Futures
- Suzi Woodrow-Read, Executive Director, Leadership and Capability
- Business area team leaders

Ethics and values

The Commission actively supports and promotes an ethical workplace culture. The Code of Conduct is based on the principles outlined in the *Public Sector Ethics Act 1994* (PSE Act). It applies to all employees. The Code guides our behaviour and how we undertake our business as a public sector agency. Employees can access the Code of Conduct and supporting resources through our intranet.

New employees are required to complete the new starter induction program to understand policy requirements, employee obligations and expected workplace behaviours. Team leaders also incorporate these expectations into the ongoing cycle of employees' performance and development agreement reviews.

As custodian of the PSE Act, the Commission also has an ongoing role to enhance and promote an ethical culture and ethical decision-making across the sector. One way we meet this responsibility is through the community of practice of ethical behaviour. In the past 12 months four meetings were held and regular e-newsletters sent to members with information on key or emerging ethical issues and best practice approaches.

Human rights

The Commission continues to respect, protect and promote the inherent dignity and worth of all Queenslanders, and build a culture of human rights within our agency and across the sector.

As a public sector agency, we actively promote and implement the *Human Rights Act 2019*.

Across the sector, we continued to integrate human rights into the development of policy and programs and through our interactions with stakeholders.

The Commission did not receive any human rights complaints in relation to our actions or activities during 2022–23.

Risk management

The Commission is covered by DPC's *Risk management framework*, which is consistent with the principles set out in *AS/NZS ISO 31000:2018 Risk management – principles and guidelines*.

The Public Sector Commissioner has also established appropriate systems of internal control and risk management in accordance with *the Financial Accountability Act 2009*.

Audit and risk management committee

The Audit and Risk Management Committee (ARMC) supports the Public Sector Commissioner to meet responsibilities under the:

- *Financial Accountability Act 2009*
- Financial and Performance Management Standard 2019 (the Standard).

The ARMC is a joint committee between the Commission and DPC. The Deputy Commissioner, the Commission is a member of the ARMC.

During 2022–23, ARMC met four times with the following governance issues considered:

- Internal and external audit plans and reports
- Financial statements
- Corporate governance arrangements and activities
- Risk management and emerging areas of risk
- Cyber and information security.

The following roles were provided with a standing invitation to attend all meetings as observers:

- Director-General, DPC
- Public Sector Commissioner, the Commission
- General Manager, Corporate and Government Services, DPC
- Chief Finance Officer, DPC
- Chief Information Officer, DPC
- Director, Internal Audit and Risk Services, DPC
- Director, Corporate Governance, DPC
- Director, Governance and Business Services, the Commission
- Queensland Audit Office representative
- Internal audit service provider representative.

As required by section 30(2) of the Standard, the terms of reference outline the role of the ARMC. During 2022–23, the committee members observed the requirements of the ARMC terms of reference and had due regard to QT's *Audit Committee Guidelines – Improving Accountability and Performance 2020*.

ARMC's role is to provide independent assurance and assistance to the Public Sector Commissioner on the governance, risk, control, compliance and performance management frameworks and the Commission's external accountability responsibilities.

ARMC's responsibilities include overseeing the:

- annual financial statements including ensuring the appropriateness of accounting policies and management assumptions
- development and progress of the internal audit plan and audit findings
- external audit reports
- Risk Management Framework
- performance, monitoring and reporting activities.

Internal audit

During 2022–23, the internal audit service was provided under a Service Level Agreement with DPC and delivered by Ernst & Young Australia.

Internal audit provides independent assurance and advice to the Public Sector Commissioner, senior management and the ARMC. It aims to improve the Commission's corporate governance through an objective, systematic approach to evaluating the effectiveness and efficiency of processes, internal controls and risk management practices.

Key internal audits conducted for the Commission included:

- Core internal control processes
- Information, data retention and storage
- Workforce profile data quality review.

External scrutiny

The Commission is subject to external review. The following reports applicable to the Commission were tabled by the Queensland Auditor-General in Parliament during 2022–23.

- **QAO Report 6: 2022–23 Managing workforce agility in the Queensland public sector**

This report examined the effectiveness of the public sector's planning to support an agile and flexible workforce that can meet changing needs and government priorities.

The report contained four recommendations directed to the Commission, including:

- providing practical guidance and support to address key workforce challenges
- developing contemporary recruitment and selection practices
- providing practical and sustainable hybrid workforce models
- championing cross-sector workforce mobility programs and common job descriptions.

The Commission has made strong progress in implementing the recommendations including:

- the release of the Flex-connect framework and resources
- the release of Directive 7/23 Recruitment and Selection that supports improved talent acquisition and mobility
- commencing research and engagement with agencies to develop resources that provide practical support on workforce planning.

The Commission will continue to work with agencies to support the effective implementation of the audit's recommendations.

- **QAO Report 17: 2022–23 Implementing machinery of government changes**

This report provides insights into central agency leadership during the 2020 machinery of government changes.

The report contained seven recommendations, four of which are directed to the Commission, including:

- improving decision-making for the distribution of resources
- consistently applying principles when implementing machinery of government changes
- establishing a process for a workforce or budget review when needed
- improving documentation of processes when implementing machinery of government changes.

The Commission will work with agencies to implement these recommendations prior to the next general state election in 2024.

Information systems

Under a Shared Service Arrangement with Queensland Shared Services, the Commission used the following information systems:

- SAP (finance)
- Aurion (HR)
- HP Record Manager (records management)
- ProMaster (corporate card).

During 2022–23, the Commission provided ongoing information management, security and privacy training to employees, reiterating the importance of security and management of non-electronic information in shared workspaces and when working remotely.

The Commission ensured its information systems and workforce behaviours adhere to Information Standards (Information Security).

Recordkeeping

Electronic and physical documents are managed by individual business areas using HP Record Manager.

The Commission has policies and processes in place for recordkeeping, email management, retention and disposal of records, managing information on shared network drives and information security to help employees understand their role and responsibilities.

Our Governance and Business Services team also provides ongoing recordkeeping support to employees.

The Commission adhered to recordkeeping practices under the:

- *Public Records Act 2002*
- Information Standard (Recordkeeping)
- Information Standard (Retention and Disposal of Public Records).

Information security attestation

During the mandatory annual Information Security reporting process, the Public Sector Commissioner attested to the appropriateness of the information security risk management within the Commission to the Director-General of DPC, noting that appropriate assurance activities have been undertaken to inform this opinion and the Commission's information security risk position.

Right to Information and Information Privacy

The Commission received no Right to Information and Information Privacy applications in 2022–23 and did not collect any application or processing fees.

The Commission continued to comply with the *Right to Information Act 2009* and the *Information Privacy Act 2009*.

People

We progressed our *Strategic workforce plan 2021–2024*, which sets out our vision of building a high-performing, future-focused public sector for Queensland.

Workforce profile

Our workforce profile for 2022–23 is based on June 2023 minimum obligatory human resource information (MOHRI) data.

	FTE
Total FTE for the Commission (includes Office of the Integrity Commissioner)	69.22

- Permanent separation rate was 5.60 per cent (3FTE).
- No redundancy or retrenchment packages were paid during this period.
- No employees received an early retirement package.
- There were no conversions from temporary to permanent employment status.

Workforce profile data

Gender	Number (headcount)	Percentage of total workforce (calculated on headcount)
Woman	63	82
Man	14	18

Non-binary	-	-
Diversity groups	Number (headcount)	Percentage of total workforce (calculated on headcount)
Women	63	82
Aboriginal Peoples and Torres Strait Islander Peoples	<5	
People with disability	6	8
Culturally and Linguistically Diverse – Speak a language at home other than English [^]	<5	
	Women (Headcount)	Women as percentage of total leadership cohort (calculated on headcount)
Senior Officers (Classified and s122 equivalent combined)	9	60
Senior Executive Service and Chief Executives (Classified and s122 equivalent combined)	5	62

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

[^] This includes Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages spoken at home.

Early retirement, redundancy and retrenchment

No redundancy/early retirement/retrenchment packages were paid during the period 2022–23.

Health, safety and wellbeing

Dedicated to creating a healthy and safe workplace where employees can thrive, the Commission:

- encouraged flexible work practices to achieve a healthy work-life balance
- provided free flu vaccinations, health checks, ergonomic assessments and financial and superannuation information sessions
- promoted staff access to the Employee Assistance Program, which offers employees free, professional and confidential counselling services
- raised awareness of DFV in the workplace and key prevention initiatives, including Darkness to Daylight Challenge, White Ribbon Day and Domestic and Family Violence Prevention Month
- launched an internal cultural capability working group to improve the Commission's level of cultural awareness, and to create a culturally safe and capable workplace that has greater influence in strengthening the cultural capability across the sector
- established an employee representative group to consult and engage employees on managing the risks of psychosocial hazards
- participated in the Australian Red Cross Lifeblood, Queensland Government Blood Challenge, taking out the category of most donations as a percentage of staff for the third year in a row.

Inclusion and diversity

With a strong commitment to creating an inclusive and diverse workforce, the Commission:

- raised awareness of key initiatives, including Wear it Purple Day, Frocktober, NAIDOC Week, Disability Action Week and International Women's Day
- promoted the Queensland Government's Cultural Capability Portal, which provides employees with access to a range of resources that help build cultural capability skills and knowledge
- nurtured a culture that emphasises inclusion and diversity by offering employees cultural capability development opportunities
- actioned and supported commitments in the *Queensland multicultural action plan* and *Cultural capability action plan* towards an inclusive, diverse and culturally capable workforce.

Capability development

Our capability development framework encompasses the Leadership competencies for Queensland, which describes what highly effective, everyday leadership looks like in the sector. We provided employees with access to opportunities which align to the competencies to improve their individual capability. Opportunities included:

- masterclasses and webinars delivered as part of the 2022–2023 Queensland public sector leadership development series
- attendance at the Australia and New Zealand School of Government (ANZSOG) First Nations Public Administration Conference
- attendance at cultural awareness and cultural capability sessions including Building on the Strengths of our Stories training
- attendance at the BiiG Network Innovation Conference
- access to online collaboration tools for increased engagement across teams and agencies
- attendance in IPAA Queensland offerings including the CEO and Emerging Leaders Breakfast, and Stewards on the Couch event
- participation in accredited programs including the Executive Master of Public Administration and Public Sector Management Program.

Workforce engagement

Our employees are the backbone of our agency, and each year we ask for their feedback through the Working for Queensland survey (the survey) to help us drive positive workplace improvements.

In 2022, 95% of our employees responded to the survey, with employee engagement increasing by three percentage points to 78%. Our employees also reported a high level of trust in the integrity of organisational managers and leaders and a need for continued focus on process improvements to recruitment and selection and professional development.

In 2022–23, the Commission focused its efforts on:

- empowering employees to grow their expertise and leadership capability through development opportunities, promoted weekly in the Commission's internal email
- increasing organisational fairness, particularly relating to recruitment and selection
- helping individuals and teams to effectively manage workloads and respond to emerging priorities
- continuing to refine flexible work agreements for each employee
- implementing resources, tools and practices developed by an internal working group that assists teams to realise their full potential and create a thriving workplace.

Financial statements

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Statement of Comprehensive Income

	Note	2023 Actual \$'000	2022 Actual \$'000	2023 Original Budget \$'000	Budget Variances \$'000	Variance Note
OPERATING RESULT						
Income						
Appropriation revenue	B1-1	14,420	13,297	14,828	(408)	
User charges and fees		172	223	210	(38)	1
Grants and other contributions	B1-2	1,231	1,148	713	518	2
Other revenue		428	515	277	151	3
Total Income		16,251	15,183	16,028	223	
Expenses						
Employee expenses	B2-1	11,036	10,196	10,882	154	
Supplies and services	B2-2	5,117	4,905	5,074	43	
Grants and subsidies		46	38	28	18	4
Depreciation and amortisation expense		9	3	3	6	
Other expenses	B2-3	43	41	41	2	
Total Expenses		16,251	15,183	16,028	223	
Operating Result for the Year		-	-	-	-	
TOTAL COMPREHENSIVE INCOME		-	-	-	-	

The accompanying notes form part of these financial statements.

Explanation of major budget variances

1. The decrease is due to lower than budgeted contract management fees for capability development programs.
2. The increase is due to additional contributions received from other government departments for the Working for Queensland survey (\$0.178M) along with services received free of charge for staff seconded from other departments (\$0.315M) and archiving costs (\$0.027M) that were unable to be quantified during the budget preparation.
3. The increase is primarily due to cost recoveries of Director-General recruitment processes and appointments (\$0.132M) and reimbursement for investigations and other services on behalf of government (\$0.016M) that were unable to be quantified during the budget preparation.
4. The increase is largely due to an additional contribution to ANZSOG for a research model project (\$0.020M).

Statement of Financial Position

	Note	2023 Actual \$'000	2022 Actual \$'000	2023 Original Budget \$'000	Budget Variances \$'000	Variance Note
Current Assets						
Cash and cash equivalents	C1	3,297	767	675	2,622	5
Receivables	C2	445	875	575	(130)	6
Other current assets	C3	632	593	560	72	7
Total Current Assets		4,374	2,235	1,810	2,564	
Non-current Assets						
Intangible Assets	C4	335	-	-	335	8
Plant and equipment		10	5	6	4	
Total Non-current Assets		345	5	6	339	
Total Assets		4,719	2,240	1,816	2,903	
Current Liabilities						
Payables	C5	3,132	1,029	536	2,596	9
Accrued employee benefits	C6	310	275	344	(34)	
Total Current Liabilities		3,442	1,304	880	2,562	
Total Liabilities		3,442	1,304	880	2,562	
Net Assets		1,277	936	936	341	
Equity						
Contributed equity		1,002	661	661	341	10
Accumulated surplus		275	275	275	-	
Total Equity		1,277	936	936	341	

The accompanying notes form part of these financial statements.

Explanation of major budget variances

- For variance explanation, refer to Budget to Actual comparison in the Statement of Cash Flow on page 5.
- The decrease is primarily due to the lower than budgeted trade debtors at year end (\$0.414M) and offset by higher than anticipated annual leave (\$0.068M) and long service leave (\$0.093M) receivables and GST receivable (\$0.043M) than identified in budget estimates along with an equity injection receivable (\$0.078M) relating to the Queensland Lobbying Register.
- The increase is due to higher prepaid expenses, principally for IT services (\$0.074M) and offset by lower prepaid salaries (\$0.036M) and higher accrued revenue for contract management services (\$0.034M).
- The increase is due to the replacement of the Queensland Lobbying Register for the Office of the Queensland Integrity Commissioner which was committed post budget.
- The increase is primarily due to higher than anticipated payables, including appropriation payable for funding deferrals to 2023–24 (\$1.872M) for projects not completed prior to 30 June 2023 and support services provided by the Department of the Premier and Cabinet to the Public Sector Commission (\$0.889M).
- The increase in contributed equity is a result of the transfer of appropriation to equity to fund the capital investment of the replacement of the Queensland Lobbying Register for the Office of the Queensland Integrity Commissioner.

Statement of Change in Equity

	Note	2023 \$'000	2022 \$'000
Contributed equity			
Balance as at 1 July		661	661
Appropriated equity injections	C7	341	-
Net transactions as at 30 June		1,002	661
Accumulated surplus			
Balance as at 1 July		275	275
Operating result		-	-
Balance as at 30 June		275	275
Total		1,277	936

The accompanying notes form part of these financial statements.

Statement of Cash Flows

	Note	2023 Actual \$'000	2022 Actual \$'000	2023 Original Budget \$'000	Budget Variances \$'000	Variance Note
Cash flows from operating activities						
<i>Inflows:</i>						
Service appropriation receipts		15,756	13,460	14,828	928	11
User charges and fees		260	159	204	56	
Grants and other contributions		889	711	713	176	
GST input tax credits from ATO		534	428	355	179	
GST collected from customers		158	164	96	62	
Other		872	405	277	595	12
<i>Outflows:</i>						
Employee expenses		(10,238)	(9,989)	(10,881)	643	
Supplies and services		(5,168)	(4,838)	(4,950)	(218)	
Grants and subsidies		(46)	(38)	(28)	(18)	
GST paid to suppliers		(519)	(465)	(355)	(164)	
GST remitted to ATO		(176)	(152)	(96)	(80)	
Other		(47)	(37)	(32)	(15)	
Net cash provided by (used in) operating activities	CF1	2,275	(192)	131	2,144	
Cash flows from investing activities						
<i>Outflows:</i>						
Payments for intangibles		-	-	-	-	
Payments for plant and equipment		(8)	-	(2)	(6)	
Net cash provided by (used in) investing activities		(8)	-	(2)	(6)	
Cash flows from financing activities						
<i>Inflows:</i>						
Equity injections		263	-	-	263	13
Net cash provided by (used in) financing activities		263	-	-	263	
Net increase (decrease) in cash and cash equivalents		2,530	(192)	129	2,401	
Cash and cash equivalents - opening balance		767	958	546	221	
Cash and cash equivalents - closing balance	C1	3,297	767	675	2,622	

The accompanying notes form part of these financial statements.

Explanation of major budget variances

- The increase is due to higher appropriation receipts for the Public Sector reforms offset by the deferrals during the year.
- The increase in other inflows is due to timing of payments received for prior year revenue.
- The increase in equity injection inflows is due to the transfer of appropriation revenue to equity injection associated with the replacement of the Queensland Lobbying Register for the Office of the Queensland Integrity Commissioner.

Notes to the Financial Statements

CF1 Reconciliation of Operating Result to Net Cash Provided by Operating Activities	2023	2022
	\$'000	\$'000
Operating surplus/(deficit)	-	-
Non-cash items included in operating results:		
Depreciation and amortisation expense	9	3
Change in assets and liabilities:		
(Increase)/decrease in receivables	508	(566)
(Increase)/decrease in other current asset	(39)	293
Increase/(decrease) in payables	1,761	123
Increase/(decrease) in accrued employee benefits	36	(44)
Net cash provided by (used in) operating activities	2,275	(191)

Section A: Basis of Financial Statement Preparation

A1 Compliance with the Prescribed Requirements

The Public Sector Commission (Commission) has prepared these financial statements:

- in compliance with section 38 of the *Financial and Performance Management Standard 2019*
- in accordance with the minimum reporting requirements mentioned in the Financial Reporting Requirements for Queensland Government agencies for reporting periods beginning on or after 1 July 2022
- on an accrual basis (except for the Statement of Cash Flow which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

A1-2 Presentation

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

Comparative information reflects the audited 2021–22 financial statements.

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 Commission does not have an unconditional right to defer settlements to beyond 12 months after the reporting date.

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

A1-3 Basis of Measurement

Historical cost is used as the measurement basis in these financial statements.

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

A1-4 Authorisation of Financial Statements for Issue

The financial statements cover the Commission and are authorised for issue by the Public Sector Commissioner and Chief Finance Officer at the date of signing the management certificate.

A1-5 Accounting Estimates and Judgement

Reference should be made to the respective notes for more information on critical judgements, estimates and assumptions about the estimated uncertainty and the potential this could have to materially impact on the carrying amount of the department's assets and liabilities in the next reporting period. These are as follows:

- Note C4 Intangible assets. Amortisation expense and impairment
- Note C6 Accrued employee benefits
- Note D2 Financial risk disclosures

The value of goods and services received free or below fair value have been reflected in the department's financial results if the value of the goods and services can be reliably determined and the goods and services would have been purchased if not donated.

A2 Objectives and Principal Activities of the Commission

The Commission's vision is for a high performing, future focused public sector which will deliver the best outcomes for Queenslanders. The Commission's role is to advise, connect, support and partner with Queensland Government agencies to enable them to deliver on the Government's objectives for the community.

As a central agency, the Commission works in partnership with the Department of the Premier and Cabinet and Queensland Treasury to oversee continuous improvement of the sector and collaborates with all government agencies to achieve its vision. Its strategic objectives are to:

- support public sector agencies to effectively manage their workforces
- build a highly capable and responsive public sector workforce
- support the public sector to prepare for and respond to strategic workforce challenges.

The Commission contributes to the Government's objectives for the community by:

- leading the implementation of the new *Public Sector Act 2002* for a fair and integrated public sector
- developing and review of the Public Sector Commission directives to support consistent application of the employment framework
- leading the development and implementation of a future-focused five-year sector-wide strategy to build a public sector of excellence
- leading sector-wide approaches to strategic talent acquisition to ensure Queensland Government is an employer of choice
- improving strategic workforce planning capability to ensure the sector is responsive and prepared to meet future challenges
- driving increased cultural capability and cultural safety across the sector through policy settings and program delivery, to help reframe the Queensland Government's relationship with Aboriginal peoples and Torres Strait Islander peoples, being Australia's first peoples
- investing in programs and initiatives that build workplace cultures and practices where all employees feel safe, respected and included.

The *Public Sector Act 2022 (the Act)*, which commenced on 1 March 2023, replaced the *Public Service Act 2008 (PS Act)* to create a modern, employee focused legislative framework for the broader public sector, which consists of the public service and other public sector entities.

The Act expands the application of employment arrangements, which under the PS Act applied to public service employees, so that arrangements now apply to the broader public sector.

The Public Service Commission, established under the repealed PS Act continues as the Public Sector Commission and recognises its expanded role in relation to whole-of sector governance, accountability and performance, and is a not-for-profit entity controlled by the State of Queensland.

The head office and principal place of business is: Level 27, 1 William Street, Brisbane QLD 4000.

For information in relation to the Commission's financial report please call (07) 3003 2800, email commission.psc@psc.qld.gov.au or visit the Commission's Internet site www.psc.qld.gov.au.

These financial results also include the Office of the Queensland Integrity Commissioner. Please refer to the annual report for further information (accessible via <https://www.integrity.qld.gov.au/publications/annual-reports.aspx>).

Section B: Notes about our Financial Performance

B1 Revenue

B1-1 Appropriation Revenue

Reconciliation of Payments from Consolidated Fund to Appropriation Revenue Recognised in Operating Result

	2023	2022
	\$'000	\$'000
Original budgeted appropriation revenue	14,828	13,979
Unforeseen expenditure	928	-
Lapsed appropriation revenue	-	(519)
Total appropriation received (Cash)	15,756	13,460
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	536	373
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(1,872)	(536)
Net Appropriation Revenue	14,420	13,297
Appropriation Revenue recognised in Statement of Comprehensive Income	14,420	13,297

Appropriations provided under the *Appropriation Act 2022* are recognised as revenue when received. Where the Commission has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period.

B1-2 Grants and Other Contributions

Contributions from Queensland government departments	889	711
Services received at below fair value ⁽¹⁾	342	437
Total	1,231	1,148

Contributions revenue arise from non-exchange transactions where the Commission does not directly give approximately equal value to the grantor.

The contributions are accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the contribution funding.

Contributions from Queensland Government departments are related party transactions.

⁽¹⁾The Commission recognises goods/services received below fair value only if the services would have been purchased if they had not been donated and their value can be measured reliably. Where this is the case, an equal amount is recognised as revenue with a corresponding expense.

The Commission receives employee related support provided free of charge from:

- Queensland Health and Department of Education for the Office of the Special Commissioner, Equity and Diversity;
- Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts for the Aboriginal and Torres Strait Islander Career Pathways Service.

The Commission also receives free storage facilities from the Queensland State Archives which is an ongoing arrangement.

B2 Expenses

B2-1 Employee Expenses	2023	2022
	\$'000	\$'000
Employee benefits		
Wages and salaries	8,387	7,883
Employer superannuation contributions	1,070	966
Long service leave levy	214	184
Annual leave levy	856	799
Other employee benefits	445	300
Employee related expenses		
Workers' compensation premium	35	37
Fringe benefits tax	29	27
Total	11,036	10,196
Number of Full Time Equivalent (FTE) Employees ⁽¹⁾	70	62

⁽¹⁾This date is based upon the fortnight ending 30 June 2023.

Wages and salaries are recognised based on the period where service has been received. Sick leave is non-vesting with expenses recognised when leave is taken.

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

Defined contribution plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant 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.

Defined benefit plans - 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 for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the Commission at the specified rate following completion of the employee's service each pay period. The Commission's obligations are limited to those contributions paid.

Under the Queensland Government's Annual Leave Central Scheme (ALCS) and Long Service Leave Central Scheme (LSLCS), 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 quarterly in arrears. These schemes are administered by Queensland Treasury which is a related party.

The Commission pays premiums to WorkCover Queensland (which is a related party) in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note E1.

B2-2 Supplies and Services

Information technology bureau services	1,428	1,446
Building services	1,339	1,373
Conference, workshop & training costs	803	859
Consultancies and contractors	875	531
Outsourced corporate support	290	318
Other	382	378
Total	5,117	4,905

B2-2 Supplies and Services (cont'd)

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

B2-3 Other Expenses	2023 \$'000	2022 \$'000
External audit fees	33	32
Other	10	9
Total	43	41

Total audit fees payable to the Queensland Audit Office (QAO) relating to the 2022–23 financial year are quoted to be \$33,100 (2021–22: \$32,300). There are no non-audit services included in the amount.

Other expenses include insurance premiums paid to the Queensland Government Insurance Fund (QGIF). QGIF is an internal Queensland Treasury managed fund to oversee the State Government's self-insurance scheme. Queensland Treasury is a related party.

Section C: Notes about our Financial Position

C1 Cash and Cash Equivalents

Imprest accounts	1	1
Cash at bank	3,296	766
Total cash and cash equivalents	3,297	767

For the purposes of the statement of financial position and the statement of cash flows, cash assets include all cash and cheques receipted but not banked at 30 June 2023.

C2 Receivables

Current

Trade debtors	1	532
Long service leave reimbursements	102	122
Annual leave reimbursements	204	212
	307	866
GST receivable/(payable)	58	9
Other receivables	80	-
Total current receivables	445	875

Receivables are recognised at amortised cost.

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The Commission has assessed each debtor individually for impairment and no debtors were impaired for 2022–23 (2021–22: Nil).

Long service leave and Annual leave reimbursements represent the amounts recoverable from the LSLCS and ALCS that are claimed quarterly in arrears (Refer Note C6).

C3 Other Current Assets	2023 \$'000	2022 \$'000
Prepayments	598	512
Contract assets	34	81
Total Other Current Assets	632	593

C4 Intangibles and Amortisation Expense

Software internally generated

At cost	341	-
Less: Accumulated amortisation	(6)	-
Carrying amount at 30 June	335	-

C4-1 Recognition and Measurement

Intangible assets comprise purchased and internally developed software. Intangible assets with a historical cost equal to, or greater than, \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any preliminary research, planning phase costs, administration and training costs are expensed in the period in which it is incurred.

There is no active market for the Commission's intangible asset. As such, the intangible asset is recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

The Commission recognises SaaS or cloud computing arrangements as assets where they enhance, modify, or create additional capability to owned software. Judgement has been applied in determining whether the customisation to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*.

C4-2 Amortisation Expense and Impairment

The intangible asset of the Commission is an internally generated software and has finite useful life and is amortised on a straight-line basis over its estimated useful life. Straight line amortisation is used, reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The residual value of all the Commission's intangible asset is zero.

The amortisation rate for the current year is 20% (2021–22 Nil).

C5 Payables

Current

Trade creditors and accruals	1,260	493
Deferred appropriation refundable to Consolidated Fund	1,872	536
Total Current Payables	3,132	1,029

Trade creditors are recognised upon receipt of the goods and services ordered and are measured at the purchase contract price, net of applicable trade and other discounts. Amounts owing are unsecured and are recognised as a current liability. The Commission has adopted the Queensland Government On-Time Payment Policy where eligible invoices from small businesses are paid within 20 calendar days.

C6 Accrued Employee Benefits	2023	2022
	\$'000	\$'000
Current		
Annual leave levy payable	234	221
Long service leave levy payable	56	54
Accrued superannuation	20	-
Total Current Accrued Employee Benefits	310	275

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

Accrued salaries and wages represent due but unpaid wages and salaries. They are recognised at current salary rates as it is expected these liabilities will be wholly settled within 12 months of year end.

C7 Appropriations Recognised in Equity

Reconciliation of payments from consolidated fund to equity adjustment

Original budgeted equity adjustment appropriation	-	-
Supplementary Amounts:		
Unforeseen expenditure	263	-
Equity adjustment receipts (payment)	263	-
Plus: Closing balance of equity adjustment receivable	78	
Equity adjustment recognised in contributed Equity	341	-

Section D: Notes about our Risks and other Accounting Uncertainties

D1 Contingencies

Effective 1 July 2001, the Commission joined the Queensland Government Insurance Fund (QGIF). Under the QGIF, the Commission would be able to claim back, less a \$10,000 deduction, the amount paid to successful litigants. This includes any cases that existed as at 1 July 2001 and cases that have arisen since that date.

There are no legal actions or insurance claims that have been undertaken by or against the Commission at reporting date.

D2 Financial Risk Disclosures

D2-1 Financial Instruments Categories

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Commission becomes party to the contractual provisions of the financial instrument. No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The Commission has the following categories of financial assets and financial liabilities:

	Note	2023	2022
		\$'000	\$'000
Financial Assets			
Cash and cash equivalents	C1	3,297	767
Receivables	C2	445	875
Total financial assets		3,742	1,642
Financial Liabilities			
Payables	C5	3,132	1,029
Total financial liabilities		3,132	1,029

D2-2 Financial Risk Management

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

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

Risk Exposure	Measurement Method
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

Credit risk

Credit risk is the risk that the Commission may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

There is minimal credit risk exposure for all of the Commission's financial assets. The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of provisions for impairment.

Liquidity risk

Liquidity risk is the risk that the Commission may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Commission manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Commission has sufficient funds available to meet employee and supplier obligations as they fall due.

This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the employee and supplier liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The Commission does not trade in foreign currency, nor is it materially exposed to interest rate risk and commodity price changes or other market prices.

D3 Events After the Balance Date

There are no matters of significance to the financial statements which occurred after 30 June 2023.

Section E: Other information

E1 Key Management Personnel (KMP)

E1-1 Details of Key Management Personnel

The Commission's responsible Minister is identified as part of the Commission's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Premier and Minister for the Olympic and Paralympic Games.

The following details for non-ministerial KMP include those positions that had authority and responsibility for planning, directing, and controlling the activities of the Commission during 2022–23 and 2021–22. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities
Public Sector Governance Council Member, Chairperson Director-General, Department of the Premier and Cabinet ^{1,2}	To preside over Council meetings for the Commission to make decisions to ensure an efficient and effective workforce for the State of Queensland.
Public Sector Governance Council Member, Under Treasurer, Queensland Treasury ^{1,2}	To attend Council meetings for the Commission to make decisions to ensure an efficient and effective workforce for the State of Queensland.
Public Sector Governance Council Member, Public Sector Commissioner, Public Sector Commission ³	The Public Sector Commissioner is responsible for the system leadership and stewardship of Queensland's public sector focusing on workforce performance, integrity, capability and culture.
Deputy Commissioner	The Deputy Commissioner is responsible for the implementation of a Public Sector of Excellence, incorporating: <ul style="list-style-type: none"> • a modern employment framework providing fair treatment of all public sector employees; • public sector capacity and capability to effectively serve the community; • an equitable, diverse, inclusive and respectful public sector; • public sector governance and leadership that drives high performance, integrity and accountability.
Special Commissioner, Equity and Diversity	The Special Commissioner is responsible for implementing and supporting the Inclusion and Diversity Strategy 2021-25 and progressing the Equity and Diversity work plan approved by the Premier.
Executive Director	The Executive Director is responsible for sector-wide strategies and services in workforce futures, strategic talent acquisition and mobility, diversity and inclusion, organisational improvement and analysis of workforce data.
Executive Director	The Executive Director is responsible for delivery of sector-wide workforce legislation and policy including the implementation of public sector workforce reforms, the performance and conduct framework, and Chief and Senior Executive policy and employment.
Executive Director	The Executive Director is responsible for developing and implementing the strategies for a <i>Public Sector of Excellence</i> , supporting agencies to develop highly capable leaders, and building sector-wide capability in collaboration and place-based service delivery.

⁽¹⁾These KMP receive nil remuneration from the Commission. Remuneration for their substantive positions is disclosed in their respective agencies' financial statements.

⁽²⁾The introduction of the *Public Sector Act 2022*, which came into effect from 1 March 2023, created the Public Sector Governance Council which replaces the Public Service Commission Board.

⁽³⁾The Commission Chief Executive became the Public Sector Commissioner from the 1 March 2023.

E1-2 Remuneration Policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland Members' Remuneration Handbook. The Commission does not bear any cost of remuneration of the Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services 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 Queensland Treasury's Report on State Finances.

Remuneration policy for the Commission's KMP is provided for under the *Public Sector Act 2022*. Individual remuneration and other terms of employment (including motor vehicle entitlements and performance payments if applicable) are specified in employment contracts.

Remuneration expenses for KMP comprise the following components:

1. 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; and
 - non-monetary benefits - consisting of provision of vehicles together with fringe benefits tax applicable to the benefit.
2. Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
3. Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
4. 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 nil termination payments in 2022–23 (2021–22: nil).

The remuneration package for the Commissioner or other KMP does not provide for any performance or bonus payments.

E1-3 Non-Ministerial KMP Remuneration Expense

The following disclosures focus on the expenses incurred by the Commission that are attributable to non-ministerial key management positions during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

Current Year (1 July 2022 - 30 June 2023)	Short Term Employee Expenses		Long Term Employee Expenses	Post Employee Expenses	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000
Public Sector Commissioner 1 May 2023 - 30 June 2023	90	5	2	9	106
Public Sector Commissioner/Commission Chief Executive 1 July 2023 - 30 April 2023	499	9	13	23	544
Deputy Commissioner 27 March 2023 - 30 June 2023	63	3	2	8	76
Deputy Commissioner 21 November 2022 - 21 June 2023	148	6	4	19	177
Deputy Commissioner 1 July 2022 - 4 November 2022	119	4	3	12	138
Special Commissioner	238	11	6	25	280
Executive Director	194	11	5	21	231
Executive Director	202	11	5	22	240
Executive Director	212	11	5	23	251
Total Remuneration	1,765	71	45	162	2,043

E1-3 Non-Ministerial KMP Remuneration Expense (cont'd)

Previous Year (1 July 2021 - 30 June 2022)	Short Term Employee Expenses		Long Term Employee Expenses	Post Employee Expenses	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000
Commission Chief Executive	561	11	13	27	612
Deputy Commissioner	278	11	7	30	326
Special Commissioner 25 October 2021 to 30 June 2022	179	7	3	17	206
Executive Director	191	11	4	21	227
Executive Director	187	-	5	21	213
Executive Director	181	11	5	21	218
Total Remuneration	1,577	51	37	137	1,802

E2 Related Party Transactions

There were no transactions with related parties of the Commission's KMP during 2022–23 and 2021–22.

The Commission transacts with other Queensland Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions. Where transactions with other Queensland Government controlled entities are considered individually significant or material, these have been disclosed as related party transactions below.

Note B1-1 Appropriation Revenue

The Commission's primary ongoing source of funding from Government for its services are appropriation revenue which is provided in cash via Queensland Treasury.

User Charges and Fees

User charges and fees include related party transactions of \$0.154M received by the Commission in 2022–23. Approximately 91% are for the provision of workforce reporting data to Queensland Treasury for determining the actuarial review of employee long service leave entitlements (61% in 2021–22) and 9% are for the fees as coordinator of the Public Sector Management Program (PSMP) delivered by the Queensland University of Technology.

Note B1-2 Grants and Other Contributions

All grants and contributions received by the Commission in 2022–23 and 2021–22 are from Queensland Government departments. No transactions are individually significant to disclose.

Other Revenue

Other revenue includes related party transactions of \$0.142M received by the Commission in 2022–23 and \$0.234M in 2021–22, mainly from various Queensland Government departments for Director-General recruitment costs recoveries and recoveries for costs incurred for investigation services. No transactions are individually significant to disclose.

Note B2-1 Employee Expenses

Employee expenses include related party transactions of \$0.527M in 2022–23 and \$0.556M in 2021–22, primarily for the Department of the Premier and Cabinet's Policy Graduate Program.

Note B2-2 Supplies and Services

Supplies and services include related party transactions of \$2.12M in 2022–23 and \$2.130M in 2021–22. The material transaction below for Department of Energy and Public Works primarily relate to the property rent and utilities and the rental fees for car parks (charged at market rates). The other material transaction relates to the Service Level Agreement expenses for corporate support provided by the Department of the Premier and Cabinet.

Department Name	2022–23	2021–22
	\$'000	\$'000
Department of Energy and Public Works	1,311	1,343
Department of the Premier and Cabinet	564	490

E2 Related Party Transactions (cont'd)

Note B2-3 Other Expenses

All other expenses incurred by the Commission in 2022–23 and 2021–22 are from Queensland Government departments. No transactions are individually significant to disclose.

E3 New Accounting Standards or Change in Accounting Policy

E3-1 Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2022–23 by the Commission.

The Commission did not voluntarily change any of its accounting policies during 2022–23.

E3-2 Accounting Standards Applied for the First Time and Changes to Policies

No new accounting standards, interpretations or policies were applied to the Commission for the first time in 2022–23.

E4 Taxation

The Commission is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Commission. Any GST credits receivable from, or GST payable to the ATO, are recognised in the Statement of Financial Position (refer Note C2).

E5 Climate Risk Disclosure

Whole-of Government Climate Reporting

The State of Queensland, as the ultimate parent of the department, has published a wide range of information and resources on climate change including the following whole-of-Government publications in relation to climate risk, strategy and action:

- Climate Adaptation Strategy
- Climate Transition Strategy
- Climate Action Plan 2030
- Queensland Sustainability Report

Climate Risk Assessment

The Commission has not identified any material climate related risks relevant to the financial report at the reporting date, however, constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

Certificate of the Public Service Commission

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

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Public Sector Commission for the financial year ended 30 June 2023 and of the financial position of the Commission at the end of that year.

The Public Sector Commissioner, as the Accountable Officer of the Commission, acknowledges responsibility under section 7 and section 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.



David Mackie
Public Sector Commissioner
25 August 2023



Michael Phillips CPA
Chief Finance Officer
25 August 2023

Independent auditor's report

To the Accountable Officer of the Public Sector Commission

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Public Sector Commission.

In my opinion, the financial report:

- a. gives a true and fair view of the department's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b. complies with the Financial Accountability Act 2009, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

Basis for opinion

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

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

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

Key audit matters

I have determined that there are no key audit matters to communicate in our report.

Responsibilities of the department for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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 2023:

- 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.

28 August 2023



Melissa Fletcher
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Glossary

AASB	Australian Accounting Standards Board
AL	Annual leave
ANZSOG	Australia and New Zealand School of Government
ARMC	Audit and Risk Management Committee
ARRs	Annual report requirements for Queensland Government agencies
CE	Chief executive
CHRO	Chief human resources officer
DFV	Domestic and family violence
DPC	Department of the Premier and Cabinet
EEO	Equal employment opportunity
ELT	Executive Leadership Group
EMS	Employee mobilisation service
FAA	<i>Financial Accountability Act 2009</i>
FBT	Fringe Benefits Tax
FPMS	<i>Financial and Performance Management Standard 2019</i>
FTE	Full-time equivalent
GST	Goods and Services Tax
HR	Human resources
ICT	Information communications and technology
IPAA	Institute of Public Administration Australia
KMP	Key management personnel
LEAD4QLD	Leadership assessment and development program
LSL	Long service leave
MOHRI	Minimum Obligatory Human Resource Information
OIR	Office of Industrial Relations
PSE Act	<i>Public Sector Ethics Act 1994</i>
QAO	Queensland Audit Office
QGIF	Queensland Government Insurance Fund
QT	Queensland Treasury
QUT	Queensland University of Technology
SES	Senior executive service
SMG	Senior Management Group

SWC	Strategic Workforce Council
the Act	<i>Public Sector Act 2022</i>
the Bridgman Review	<i>the Review of public sector employment laws – A Fair and Responsive Public Service for All report</i>
Coaldrake Review	<i>the Review into Queensland public sector workforce report</i>
the Commission	Public Sector Commission
the Council	Public Sector Governance Council
the sector	Queensland public sector

Annual report compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	iii
Accessibility	Table of contents	ARRs – section 9.1	ii
	Glossary		44
	Public availability	ARRs – section 9.2	i
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	i
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	i
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	i
General information	Introductory Information	ARRs – section 10	1–4
Non-financial performance	Government’s objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	9–14
	Agency objectives and performance indicators	ARRs – section 11.2	9–14
	Agency service areas and service standards	ARRs – section 11.3	15
Financial performance	Summary of financial performance	ARRs – section 12.1	6-8
Governance – management and structure	Organisational structure	ARRs – section 13.1	16
	Executive management	ARRs – section 13.2	17
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Nil
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	17
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	18
	Queensland public service values	ARRs – section 13.6	4
Governance – risk management and accountability	Risk management	ARRs – section 14.1	18
	Audit committee	ARRs – section 14.2	18
	Internal audit	ARRs – section 14.3	19
	External scrutiny	ARRs – section 14.4	19
	Information systems and recordkeeping	ARRs – section 14.5	20

	Information Security attestation	ARRs – section 14.6	20
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	21
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	21
Open data	Statement advising publication of information	ARRs – section 16	i
	Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	Overseas travel	ARRs – section 33.2	i
	Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	40
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	41

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

