

ANNUAL REPORT 2022–23



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	2022
	\$'000	\$'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	2022
	\$'000	\$'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 \$'000	2021–22 \$'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*

