

# BUILDING QUEENSLAND

ANNUAL REPORT 2015–2016



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Content from this Annual Report should be attributed as:

Building Queensland Annual Report 2015–2016

ISSN: 2206-4435 (Print)

ISSN: 2206-4443 (Online)



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This Annual Report provides information about Building Queensland's financial and non-financial performance for 2015–2016. It has been prepared in accordance with the *Financial Accountability Act 2009*, the *Building Queensland Act 2015* and the Financial and Performance Management Standard 2009.

This report has been prepared for the Deputy Premier, Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment to submit to Parliament. It has also been prepared to meet the needs of stakeholders, including the Commonwealth and local governments, industry and business associations, community groups and the public.

Copies of this report are available in paper form and can be obtained from Building Queensland.

Additional information is available online and on the Queensland Government Open Data website

[www.qld.gov.au/data](http://www.qld.gov.au/data)

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# LETTER OF COMPLIANCE



1 September 2016

The Honourable Jackie Trad MP  
Deputy Premier  
Minister for Infrastructure, Local Government and Planning  
Minister for Trade and Investment  
PO Box 15009  
CITY EAST QLD 4002

Dear Deputy Premier,

I am pleased to present the Annual Report 2015–2016 and financial statements for Building Queensland.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2009
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies 2015–2016*, and
- section 51 of the *Building Queensland Act 2015*.

A checklist outlining the annual reporting requirements can be found at page 56 of this Annual Report.

Yours sincerely

A handwritten signature in black ink, appearing to read "Alan Millhouse".

Alan Millhouse  
Chair  
Building Queensland Board

# THE CHAIR'S STATEMENT

I am pleased to present our first Annual Report. This report outlines Building Queensland's operations as we head towards our first anniversary as an independent statutory body.



**Although Building Queensland has yet to reach its first anniversary, it has already delivered many key outputs that have the potential to change the economic and social landscape in Queensland.**

Building Queensland has finalised its first two Business Cases for the European Train Control System (ETCS)—Inner City and Cross River Rail projects, the latter of which is the Queensland Government's highest priority infrastructure project. It is encouraging that the government has accepted the ETCS—Inner City Business Case and committed \$634.3 million to developing the project over the next eight years. The Queensland Government's acceptance of the Cross River Rail Business Case and recent in principle commitment of \$800 million towards the funding of that project, in addition to the \$50 million to establish the Cross River Rail Delivery Authority, is also to be welcomed.

Building Queensland has also completed and published one of its key outputs required under the *Building Queensland Act 2015*—the *Infrastructure Pipeline Report*. This report contains a pipeline of key infrastructure proposals Building Queensland recommends the Queensland Government considers for further development or investment as priority proposals for the state. This pipeline of proposals will be updated and published every six months, ensuring that the advice Building Queensland is providing remains current, relevant and facilitates the best infrastructure outcomes for Queensland.

Building Queensland has also:

- developed, implemented and published its Business Case Development Framework to ensure that a consistent, rigorous and robust assessment is undertaken
- published proposal summaries for projects where Building Queensland has and in many cases continues to play a lead or assist role
- published cost benefit analysis summaries for its first two finalised Business Cases, ETCS—Inner City and Cross River Rail
- conducted extensive engagement and consultation with its key stakeholders, both government and industry, which will continue
- continued with its objective of establishing itself as an independent body that provides expert infrastructure advice.

These achievements support the government's stated objectives for the community, in particular creating jobs and a diverse economy, protecting the environment and building safe, caring and connected communities.

Over the next 6–12 months, Building Queensland will be focusing on continuing to help agencies conduct rigorous proposal development through the implementation of Building Queensland's Business Case Development Framework.

In particular, applying more rigour in the earliest stages of proposal development and supporting agencies to use tools such as Investment Logic Mapping will help to ensure that a full range of infrastructure options are considered.

This early planning is a critical stage where Building Queensland can influence real change in future infrastructure outcomes for the state by focusing on critical needs.

I would also like to take this opportunity to acknowledge the hard work of Building Queensland's Board Members, the Chief Executive Officer and the broader Building Queensland team in establishing and growing the organisation. I am fortunate to have such a diverse range of infrastructure experts as part of the Building Queensland team and thank them for their dedication and ongoing efforts.

I look forward to detailing Building Queensland's achievements further in the next Annual Report.



**Alan Millhouse**  
Chair,  
Building Queensland Board

# CHIEF EXECUTIVE OFFICER'S OVERVIEW



**For Building Queensland, 2015–16 marked the beginning of a transformational change in the infrastructure sector.**

A key focus for Building Queensland over the past year has been about the establishment of what is in many senses a unique body. Developing an organisation with independent processes outside of Queensland Government, recruiting experts to form Building Queensland's core staff and developing methodologies to drive our business has been both exciting and challenging but an opportunity that we have enjoyed.

The *Building Queensland Act 2015* was passed in Parliament on 3 December 2015, formally establishing the organisation as an independent statutory body. In 2016 the Queensland Government also created the State Infrastructure Fund, providing an initial investment of \$500 million to support the implementation of the State Infrastructure Plan. It is in Building Queensland's remit to provide the government with rigorous and thoroughly tested advice on how to invest this money.

We have been further encouraged by the government adding an additional \$1.5 billion to the State Infrastructure Fund in the 2016–17 State Budget, to help plan and deliver the transformational infrastructure Queensland needs to drive economic growth and jobs across the state. Access to this funding will be significantly influenced by the priority projects that Building Queensland identifies.

Building Queensland has hit the ground running to deliver real infrastructure outcomes for Queensland. We aim to gain the confidence of the state government, industry and the community on the basis that the advice Building Queensland provides is thorough, expert and independent.

We are constantly engaging with our stakeholders across government departments, government owned corporations, statutory authorities and, importantly, the private sector, to ensure we are delivering best practice throughout Queensland.

As you can see in this report, Building Queensland works across all infrastructure sectors—economic and social. The projects listed in this report are just some on the horizon that will be considered to meet the challenges of tomorrow. The map on page 9 illustrates the projects Building Queensland has been involved in for this reporting period. Projects range from concentrated locations, to regions, corridors and also statewide.

In the next six months, we will reach our first anniversary as an independent statutory body. I am extremely appreciative of the collective efforts of Building Queensland staff to get us to this stage—without their skills and support, this would not have been possible.

The Chair and the Board have also been instrumental in providing both strategic direction and oversight as we undertake our role.

We will work diligently to provide Queensland Government agencies with the best tools and advice to develop strong and robust Business Cases, prioritise projects and ultimately see better analysis and decision-making for Queensland infrastructure.



**David Quinn**  
Chief Executive Officer,  
Building Queensland

# INTRODUCTION

**Building Queensland was established as an independent statutory body on 3 December 2015 under the *Building Queensland Act 2015*. As such, the contents of this Annual Report reflect the reporting period from 3 December 2015 to 30 June 2016.**

Building Queensland's key role is to provide independent, objective and transparent advice to the Queensland Government to enable better infrastructure decisions.

We work closely with all Queensland Government agencies, government owned corporations and nominated statutory authorities, providing strategic advice and assisting with the development of infrastructure proposals. This includes early stage proposal development (including Strategic Assessment of Service Requirement and Preliminary Evaluation), leading or assisting in Business Case development, establishing and updating an Infrastructure Pipeline of priority proposals and procuring and delivering an infrastructure project if directed by the Minister.

## Our Vision

To contribute significantly to superior infrastructure decision-making for Queensland.

## Our Purpose

To provide independent expert advice to the state to optimise infrastructure outcomes.

## Our Values

The values that underpin everything we do are:

### Accountability:

- Deliver on our commitments
- Pursue opportunities to innovate and continuously improve

### Quality:

- Strive for the highest possible standards
- Deliver consistency of approach and output

### Independence:

- Actively maintain our independence
- Provide robust and objective advice

### Respect:

- Value the contribution of others
- Recognise the needs of all stakeholders
- Actively listen and constructively comment

### Teamwork:

- Have open and honest conversations
- Collaborate, support and develop the team

These values are aligned with the **Queensland public service values** of:

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




Image courtesy Queensland Rail

## ABOUT BUILDING QUEENSLAND

**Building Queensland was established out of a clear need to bring independence and rigour to infrastructure development in Queensland.**

We do this through the development and application of consistent frameworks to fully assess the costs and benefits of proposals and the development of rigorous Business Cases based on transparent analyses including consideration of innovative financing and delivery models.

The work of Building Queensland is designed to identify the most compelling proposals that boost productivity, provide the best value returns to the state and ultimately meet the needs of the community.

### Building Queensland's Core Functions

- Provide strategic advice on infrastructure matters.
- Develop best practice frameworks to guide effective consideration of the costs and benefits of infrastructure projects.
- Assist with the early stage development of proposals.
- Assist with Business Case development for proposals with a capital value of \$50–\$100 million.
- Lead the development of rigorous Business Cases, including cost benefit analyses, for proposals over \$100 million.
- Develop, publish and update an Infrastructure Pipeline of priority proposals.
- Procure and deliver infrastructure projects if directed by the Minister.

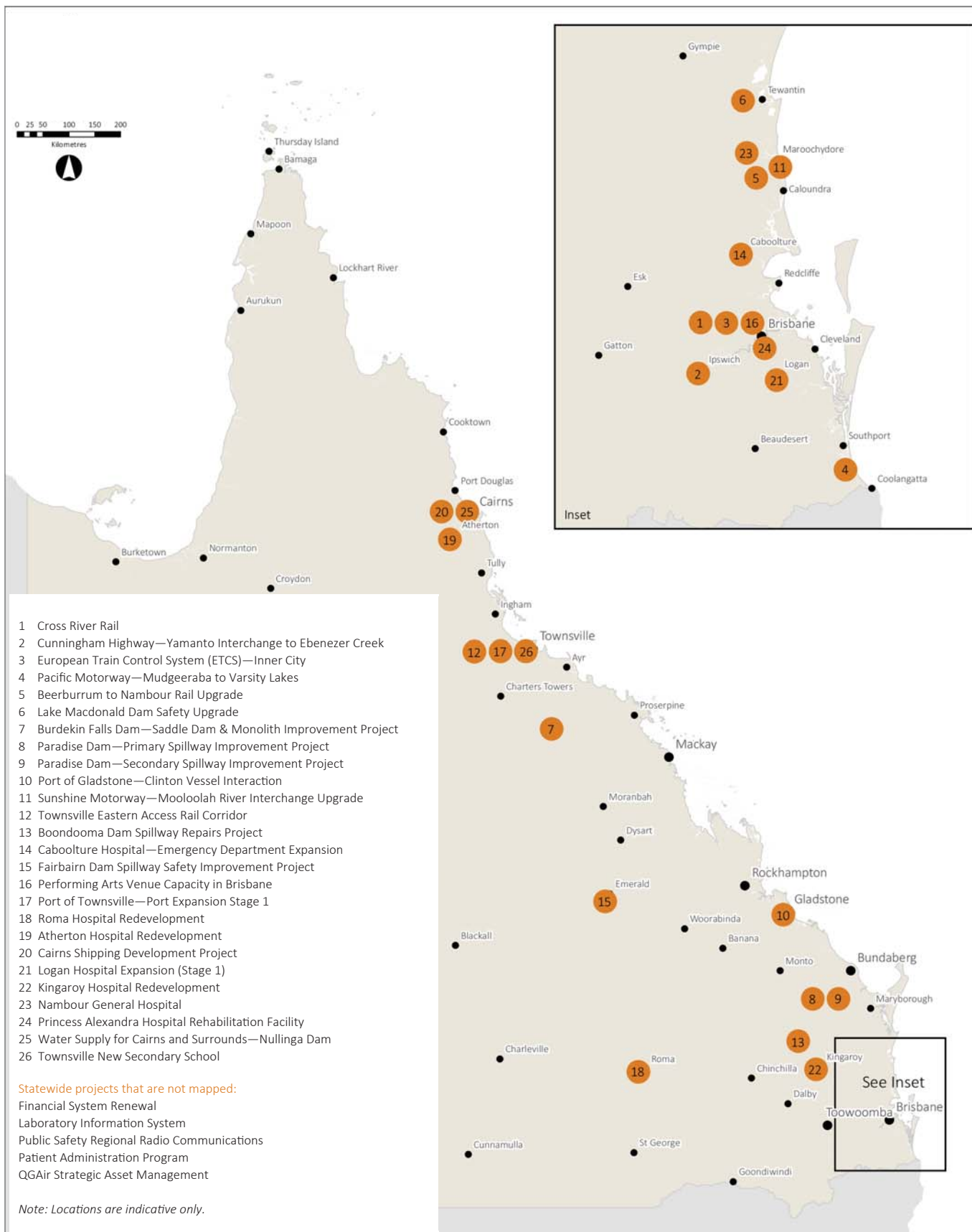
In recognition of these functions, and despite its infancy, Building Queensland has already delivered many tangible outcomes.

These outcomes include:

- establishing and operationalising an effective statutory body that is meeting or exceeding its core functions
- establishing a suite of best practice documents, collectively entitled Business Case Development Framework (see p. 16)
- implementing the frameworks across government to develop capability and facilitate robust and rigorous analysis
- finalising the ETCS—Inner City Business Case (see p. 14)
- finalising the Cross River Rail Business Case (see p. 14)
- developing a Prioritisation Framework methodology to identify priority proposals across all forms of infrastructure (see p. 15)
- publishing its first *Infrastructure Pipeline Report* of priority infrastructure proposals and delivering it to the Queensland Government for funding consideration (see p. 16)
- leading the development of multiple Business Cases with a capital investment in excess of \$100 million (see p. 11)
- assisting numerous agencies with their proposals for projects with a capital value between \$50–100 million (see p. 11)
- actively meeting our transparency obligations by publishing materials regularly on our website
- actively engaging with community groups, academia and industry.



## Infrastructure Proposals by Location



# BUILDING QUEENSLAND OBJECTIVES

The Strategic Plan 2016–2020 sets out the key objectives that drive Building Queensland’s operations. These measures of output are clear examples of how Building Queensland is delivering real outcomes for government and the community. These objectives, and examples of how these achievements are being met, are outlined below.

## Objective 1: Provision of Expert Advice

### Achievements

- The publication of the inaugural **Infrastructure Pipeline Report** (see Key Achievements p. 16). This report is a key deliverable for Building Queensland. It determined the top 16 priority proposals for Queensland Government’s immediate consideration during this reporting period, with four identified as being ready for government investment consideration.
- Building Queensland regularly provided proposal development **support** to government agencies through the delivery of expert advice on its Business Case Development Framework and continued support through quality assurance advisory services. Building Queensland further assisted agencies by **articulating** best practice financing, funding, procurement and delivery models.
- Delivering timely **expert advice** to the Queensland Government on key infrastructure proposals, programs and policy matters at both a national and state level, including:
  - providing input into the State Infrastructure Plan
  - contributing to Northern Australian development including the Queensland Government’s role in the Northern Australia Infrastructure Facility (NAIF).

## Objective 2: Development of Frameworks for Project Assessment

### Achievements

- Developed **Building Queensland Frameworks** (see Key Achievements p. 16). These frameworks have been established through the use of reference groups to ensure the consistent adoption of best practice methodology and to encourage buy-in from diverse stakeholder groups. These documents confirm Building Queensland’s commitment to ongoing review and continual improvement.

Building Queensland’s Frameworks include:

- **Prioritisation Framework:** established a rigorous methodology to identify priority infrastructure proposals for the *Infrastructure Pipeline Report*.
- **Business Case Development Framework** best practice documents: created to help agencies develop high quality Business Cases.
- **Business Internal Assurance Framework:** established a robust assurance program for all aspects of Building Queensland business services and key deliverables.
- **Project Internal Assurance Framework:** established a robust assurance program for all proposals during Business Case development.





Image courtesy Port of Townsville Ltd

### Objective 3: Business Case Preparation

#### Achievements: Assist Role

Building Queensland provided assistance with Business Case development for the below proposals with a capital value of between \$50–\$100 million.

- Atherton Hospital Redevelopment (Queensland Health)
- Boondooma Dam Spillway Repair (SunWater)
- Caboolture Hospital—Emergency Department Expansion (Queensland Health)
- Cairns Shipping Development Project (Ports North)
- Fairbairn Dam Spillway Safety Improvement Project (SunWater)
- Kingaroy Hospital Redevelopment (Queensland Health)
- Lake Macdonald Dam Safety Upgrade (Seqwater)  
Identified as an Infrastructure Pipeline priority proposal
- Logan Hospital Expansion (Stage 1) (Queensland Health)
- Nambour General Hospital (Queensland Health)
- Performing Arts Venue Capacity in Brisbane (Arts Queensland)
- Port of Gladstone—Clinton Vessel Interaction (Gladstone Ports Corporation)  
Identified as an Infrastructure Pipeline priority proposal
- Port of Townsville—Port Expansion Stage 1 (Port of Townsville Ltd)
- Princess Alexandra Hospital Rehabilitation Facility (Queensland Health)
- QGAir Strategic Asset Management (Public Safety Business Agency)

- Queensland Health Legacy Information and Communications Technology Projects (Queensland Health)  
Identified as Infrastructure Pipeline priority proposals

These projects include:

- Financial System Renewal
- Laboratory Information System
- Patient Administration Program.
- Roma Hospital Redevelopment (Queensland Health)
- Townsville Eastern Access Rail Corridor (Department of Transport and Main Roads)  
Identified as an Infrastructure Pipeline priority proposal
- Townsville New Secondary School (Department of Education and Training)
- Water Supply for Cairns and Surrounds—Nullinga Dam (Department of Energy and Water Supply)

#### Achievements: Lead Role

Building Queensland is leading the development of rigorous Business Cases and cost benefit analyses for proposals with a capital value of over \$100 million.

- Beerburrum to Nambour Rail Upgrade (Department of Transport and Main Roads)  
Identified as an Infrastructure Pipeline priority proposal
- Cross River Rail (see Key Achievements p. 14) (Department of Transport and Main Roads)  
Identified as an Infrastructure Pipeline priority proposal
- ETCS—Inner City (see Key Achievements p. 14) (Queensland Rail)  
Identified as an Infrastructure Pipeline priority proposal
- Public Safety Regional Radio Communications (Department of Science, Information Technology and Innovation)  
Identified as an Infrastructure Pipeline priority proposal

## Objective 4: Prepare and Update an Infrastructure Pipeline Document

### Achievements

- **Prioritisation Framework** (see Key Achievements p. 15)
- Established and maintained an **Infrastructure Pipeline document** of priority proposals (see Key Achievements p. 16).

In developing the Infrastructure Pipeline, Building Queensland undertook a four-step process, as outlined in Figure 1.

A scan was undertaken for all proposals under development across Queensland Government, including relevant proposals identified in the State Infrastructure Plan and Infrastructure Australia’s Infrastructure Priority List. From this scan, a list of proposals was generated that were considered for inclusion in the Infrastructure Pipeline.

The list of proposals was filtered to ensure that only proposals within scope (over \$50 million, unfunded) were considered in detail through the Prioritisation Framework. Information was sought for those proposals on the filtered list from responsible departments, statutory bodies and government owned corporations.

Following provision of proposal information, Building Queensland undertook detailed appraisals of proposals. The appraisals were subsequently moderated to ensure consistency, prior to consideration and confirmation by the Building Queensland Board.

In addition to the projects identified under Objective 3, Building Queensland also appraised the following projects for the Infrastructure Pipeline:

- Burdekin Falls Dam—Saddle Dam & Monolith Improvement Project
- Cunningham Highway—Yamanto Interchange to Ebenezer Creek
- Pacific Motorway—Mudgeeraba to Varsity Lakes
- Paradise Dam—Primary and Secondary Spillway Improvement Projects
- Sunshine Motorway—Mooloolah River Interchange Upgrade.

## Objective 5: If Directed, Procure or Deliver an Infrastructure Project

Not required as yet, however should such a direction be received Building Queensland is satisfied it can implement the necessary arrangements efficiently and cost effectively.

## Objective 6: Promote Public Awareness of Building Queensland

### Achievements

Providing visibility of and an independent lens on infrastructure proposals under development is the cornerstone of Building Queensland’s core function.

The organisation published on its website a range of materials to praise the visibility of infrastructure proposals

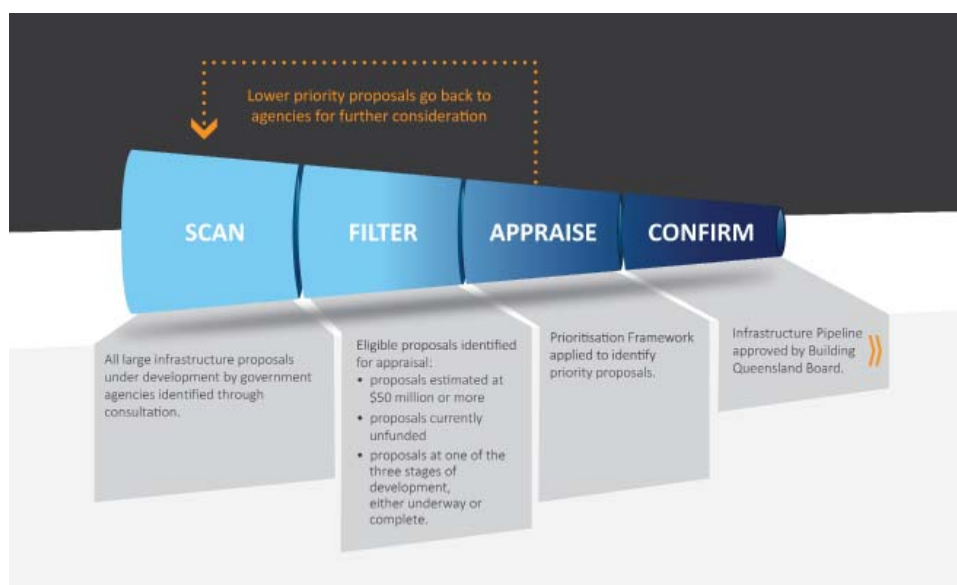


Figure 1. Four-step process to develop the Infrastructure Pipeline

under development. It also published its methodology for recommending priority proposals and guidance for improving the development of proposals. Building Queensland is committed to the timely release of information and regularly sends out updates to stakeholders via the Building Queensland electronic newsletter. The newsletter was a key source of information for the release of the first completed Business Cases and the *Infrastructure Pipeline Report*.

▪ **Evaluated stakeholder perceptions via targeted survey**

A stakeholder survey was conducted in January 2016 to seek feedback on the perceived role of Building Queensland, level of engagement and areas for improvement. Feedback was largely positive and a high level of awareness was recorded. Feedback subsequently informed the development of the Building Queensland 2016 Communication and Engagement Strategy.

▪ **Completed market research for stakeholder expectations and views on the Infrastructure Pipeline**

Government, industry and public focus groups were held to consider stakeholder expectations and views regarding the Infrastructure Pipeline. Stakeholder feedback revealed a high level of interest in the operations of Building Queensland and the Infrastructure Pipeline’s relationship to the State Infrastructure Plan. Feedback subsequently informed the inclusion of the ‘Relationship to the State Infrastructure Plan’ section in the report.

▪ **Participated in a comprehensive program of speaking engagements**

The Chair of the Board and Chief Executive Officer have been

highly sought after to present at more than 90 industry events, including major conferences (see Figure 2).

The Chief Executive Officer has addressed multiple industry organisations and events in the reporting period. Including:

- Civil Contractors Federation
- Infrastructure Partnerships Australia
- French Australian Chamber of Commerce
- Queensland Major Contractors Association
- Trade & Investment Queensland Government Roundtables
- Queensland Transport Infrastructure Conference 2016
- National Roads Summit.

The Chair of the Board also actively participated in speaking engagements to raise the profile of the organisation, addressing six industry events since 3 December 2015.

▪ **Actively participated in cross-government stakeholder relationship building**

The Board Chair, Chief Executive Officer and key Building Queensland staff undertook an extensive engagement program to build relationships across departments, government owned corporations and statutory authorities. The organisation has also worked closely with state government agencies to develop and refine the Business Case Development Framework. Consultation in respect of these documents will be ongoing.

Building Queensland is committed to improving infrastructure outcomes for Queensland and works collaboratively with all of its stakeholders.

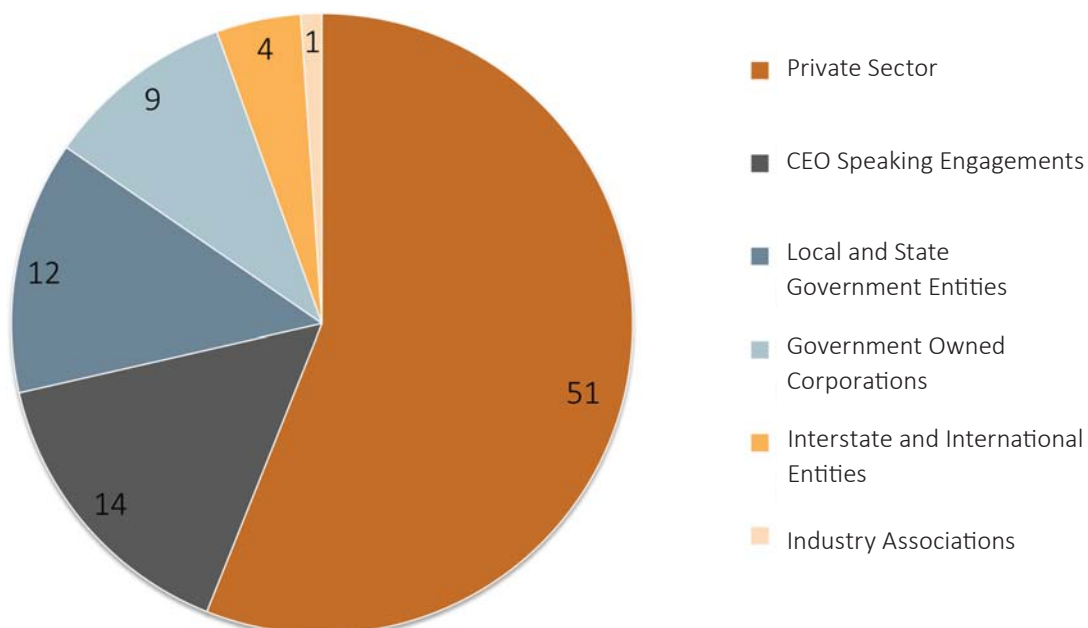


Figure 2. Building Queensland stakeholder engagement by sector 3 December 2015–30 June 2016

# 2015–16 KEY ACHIEVEMENTS

## Establishing Building Queensland

Building Queensland has been established as a unique independent infrastructure body.

As part of this process, Building Queensland has established its own business operating systems outside of government. This included recruiting expert staff to deliver Building Queensland's remit and transitioned corporate systems away from the Department of Infrastructure, Local Government and Planning.

In the six months since its establishment, Building Queensland has become a fully operational and respected organisation, continually meeting its key requirements and providing expert and independent advice to the Queensland Government.



## ETCS—Inner City

**Business Case completed. Queensland Government funding committed.**

Building Queensland finalised the Business Case for the ETCS—Inner City project, in conjunction with the Department of Transport and Main Roads and Queensland Rail in May 2016.

The Queensland Government accepted Building Queensland's Business Case and committed \$634.3 million to the project over the next eight years as part of its 2016–17 State Budget commitments. ETCS—Inner City will also benefit the government's highest priority infrastructure project—Cross River Rail.

The ETCS—Inner City project consists of an in-cab signalling control and automatic train protection system that guards against train collisions and over-speed derailment.

The initial roll out will cover the area between Northgate and Milton stations and will increase capacity of the northern and western main lines—an area that encompasses the key part of the network through which all trains must pass, including Roma Street, Fortitude Valley, Central Station and Bowen Hills stations (highlighted in yellow on Figure 3).

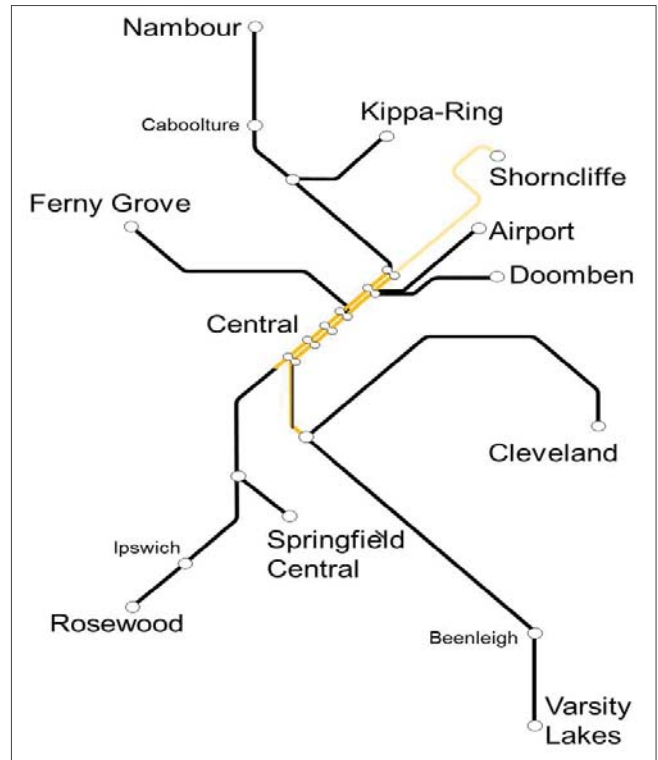


Figure 3. ETCS—Inner City proposed scope (yellow)

Bringing international best practice control systems to South East Queensland will mean a higher frequency of train services and improved reliability on the most constrained part of the network.

Building Queensland's development of the Business Case, ensured a rigorous and thorough investigation into the viability and suitability of ETCS as a new generation signalling system for South East Queensland.

The project was identified as a priority project for government investment consideration in the June 2016 *Infrastructure Pipeline Report*.

## Cross River Rail

**Business Case completed. Queensland Government partial funding commitment.**

Building Queensland led the development of the Business Case, providing rigorous and thorough investigation throughout the process, while working collaboratively with the Department of Transport and Main Roads. The finalised Business Case was presented to the Queensland Government in June 2016. Shortly thereafter, the government announced the Business Case was to be taken forward for Cabinet consideration.

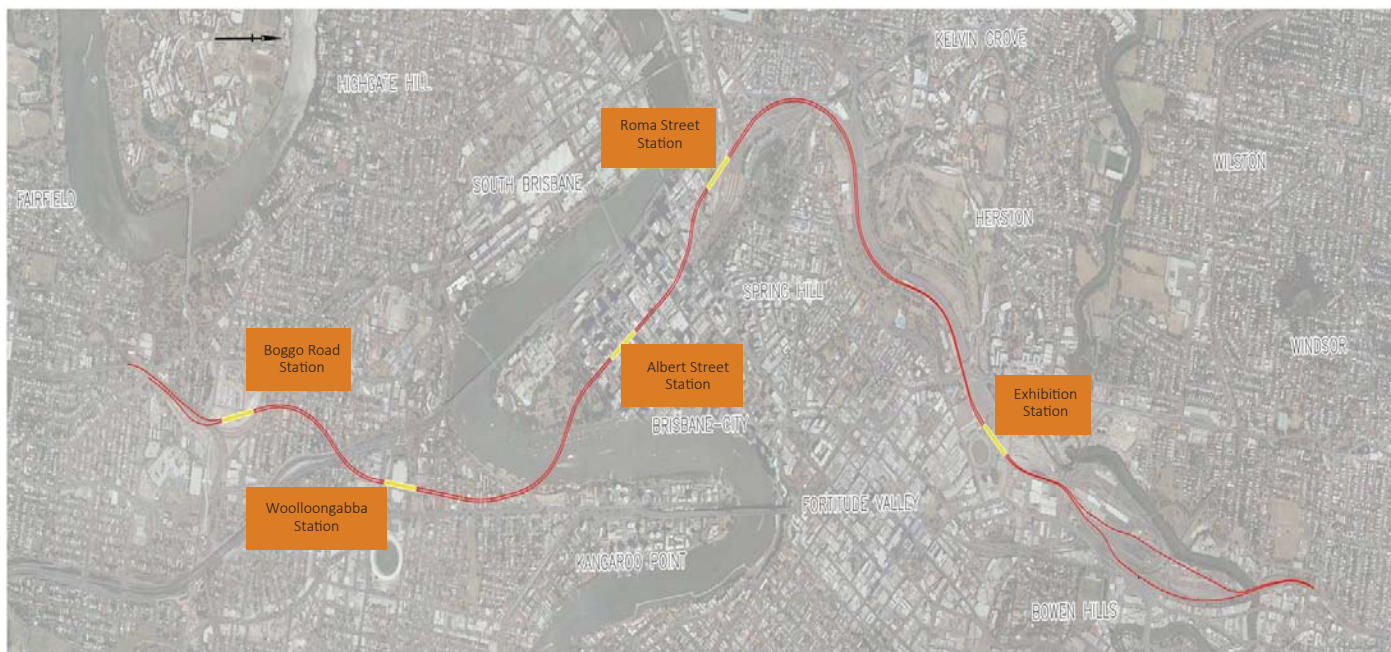


Figure 4. Proposed Cross River Rail route

Cross River Rail is a proposed new north–south rail line in Brisbane’s inner city. The project would provide a new 10.2 kilometre rail connection and a second inner-city rail river crossing.

The Cross River Rail project is the highest priority infrastructure project for the Queensland Government. Building Queensland considered it to be a priority project and as such included it in its first *Infrastructure Pipeline Report*. It has also been included on Infrastructure Australia’s Infrastructure Priority List as a high priority initiative.

It will deliver more services from the outer suburbs, Sunshine Coast and the Gold Coast to the city from day one and will provide significant benefits to commuters including delivering faster, more reliable services, shorter wait times and will reduce train overcrowding.

The major capital elements include:

- twin 5.9 kilometre tunnels, entering a southern portal north of Dutton Park station, travelling under the Brisbane River and Brisbane CBD before exiting the northern portal south of Exhibition Station
- four new underground stations at Boggo Road, Woolloongabba, Albert Street and Roma Street
- two upgraded stations at Dutton Park and Exhibition Station
- northern surface works consisting of a new track from the portal around the Exhibition loop and through to Mayne Yard
- provision for additional stabling at Mayne North Yard
- European Train Control System Level 2 (ETCS L2) installed inside the tunnels
- enabling works (including bi-directional signalling from Dutton Park to Salisbury stations and southern platform faces).

The project aligns with the State Infrastructure Plan, which stipulates that development must utilise innovative infrastructure solutions to relieve capacity constraints in the core inner city rail network to meet the expected passenger demands in South East Queensland.

### Prioritisation Framework

Building Queensland examined national and international prioritisation approaches from a diverse range of countries including Australia, New Zealand, Chile and the United Kingdom to inform the development of the Prioritisation Framework which underpins the *Infrastructure Pipeline Report*. It also considered the approach taken by interstate peer bodies in New South Wales and Victoria for long-term planning and prioritisation, while also engaging with government departments and government owned corporations.

The framework which has been developed is a methodology to identify priority proposals comprising four key criteria:

- Strategic Appraisal—examines how a proposal aligns with state and federal government goals, and considers whether a proposal has analysed present and future needs and if a full range of options has been considered.
- Economic and Financial Appraisal—considers whether a proposal’s monetised benefits outweigh its costs.
- Social and Environmental Appraisal—assesses a proposal’s impacts on the community and the environment.
- Deliverability Appraisal—evaluates whether a proposal’s delivery will realise and preserve its strategic intent and benefits during implementation and into its operational phase.

Building Queensland applied the robust Prioritisation Framework to a comprehensive list of proposals across different infrastructure sectors. The framework was published on the website in June 2016 to support the release of the inaugural *Infrastructure Pipeline Report*.

## Infrastructure Pipeline Report

The *Infrastructure Pipeline Report* is the first time that an independent, expert analysis has been used to assess all major infrastructure proposals, including economic and social infrastructure, in development across the Queensland Government.

The government's response to the *Infrastructure Pipeline Report* has been positive. Of the 16 priority proposals, four were identified as being ready for government investment consideration. Three of these proposals have now attracted funding from the government:

- ETCS—Inner City (\$634.3 million)—fully funded, pending final project approval
- Cross River Rail (\$5.4 billion)—partially funded:
  - \$50 million has been allocated to establish the new Cross River Rail Delivery Authority, progress environmental impact approvals, commence scoping of value share opportunities, early works and pre-procurement activities. The government has also committed a further \$800 million for delivery, contingent on funding contributions from the Commonwealth Government.
- Pacific Motorway between Mudgeeraba and Varsity Lakes (\$220 million)—partially funded: The state government has committed 20 per cent funding (\$44 million) for the project.

In the 2016–2017 State Budget, the Queensland Government committed an extra \$1.5 billion to be invested into the State Infrastructure Fund, bringing its value to \$2 billion, to help plan and deliver the transformational infrastructure Queensland needs.

This funding will be injected into projects identified by Building Queensland, through the Infrastructure Pipeline, as priorities for the state.



## Business Case Development Framework

In May 2016, Building Queensland developed and published the Business Case Development Framework and guidance material to support its role in providing expert advice in infrastructure development to the Queensland Government.

These framework documents reflect national and international best practice and complement state and federal processes to ensure Business Cases meet stakeholder needs.

For example, Social Impact Evaluation is an emerging area of economic and social analysis and incorporates key concepts such as impact risk assessment, social baseline study and mitigation strategies. It is built upon international best practice guidelines and includes concepts of social return on investment.

The framework uses Queensland Government's Project Assessment Framework as its foundation and provides additional assistance for Business Case development where Building Queensland is either leading or assisting.

The framework augments the Project Assessment Framework by providing guidance on a broad range of assessment techniques for Business Case development and applied examples.

The development of the framework included extensive research using primary sources and application of expert knowledge. The framework was developed in collaboration with reference groups comprised of interjurisdictional infrastructure peers, key Queensland Government stakeholders, advisors, academics and peak body user groups.

The framework consists of five key documents:

1. Strategic Business Case template and guide
2. Preliminary Business Case template and guide
3. Detailed Business Case template and guide
4. Cost Benefit Analysis supplementary guidance material
5. Social Impact Evaluation supplementary guidance material.



## Publication of Building Queensland Proposal Summaries

Building Queensland is required to regularly publish information on its website where it:

- leads the preparation of a Business Case for an infrastructure proposal
- assists a government agency in the preliminary preparation of an infrastructure proposal
- evaluates a proposal for investment in new infrastructure or enhancements to existing infrastructure.

In June 2016, Building Queensland finalised a total of 15 project summaries for publication on its website. This is in addition to the 16 proposals identified in the Infrastructure Pipeline. These summaries are the culmination of several months of collaborative effort by Building Queensland and key Queensland Government agencies, providing visibility of proposals under development across Queensland Government.

While these project summaries are not included in the June 2016 Pipeline, they can be considered for future updates to the Infrastructure Pipeline subject to the relevant agency resubmitting and/or undertaking further work on their development.

Building Queensland also published on its website cost benefit analysis summaries for the completed Business Cases it has led in accordance with its legislative requirements.

# LOOKING FORWARD

Building Queensland has a strong forward work plan for the 2016–2017 financial year.

## Business Cases

Building Queensland will continue to assist agencies with the development of Early Stage projects and Business Cases. It will also complete the Business Cases it is currently leading, including Public Safety Regional Radio Communications and Beerburrum to Nambour Rail Upgrade.

Building Queensland expects to be involved in the development of new Business Cases for a number of projects during 2016–2017 as required under the *Building Queensland Act 2015*.

## Independent Advice

Building Queensland will continue to scan and review infrastructure policy and planning, proposal development, assessment techniques and delivery practices of other infrastructure organisations within Australia and internationally. This will help ascertain whether there is opportunity to apply these developments in Queensland to influence best practice infrastructure investment outcomes.

This approach will be applied to both the frameworks and guidance material and six-monthly updates to the *Infrastructure Pipeline Report*.

## Frameworks and Guidance Material

Building Queensland is implementing strategies to ensure the Business Case Development Framework is adopted across Queensland Government and influences the development of better quality proposal planning. Building Queensland will continue to work closely with agencies to ensure rigorous examination of all proposals over \$50 million for possible inclusion in the Infrastructure Pipeline.

Building Queensland will regularly review and periodically update its Business Case Development Framework as it engages with stakeholders and responds to changes in international best practice and the economic landscape. Formal information and education sessions will continue to be delivered to inform and discuss the Business Case Development Framework.

Information sessions for whole-of-government and detailed workshops for intended users are also planned.

Case studies, workshops and lessons learned from the use of the framework and consultation with relevant stakeholders are being used to refine, enhance and augment subsequent updates of the frameworks.

The anticipated second release of the Business Case Development Framework will be published on Building Queensland’s website in December 2016. Building Queensland will also commence the application of its Annual Internal Business and Project Assurance Plan 2016–17.

## Update an Infrastructure Pipeline Document

Building Queensland will update the Infrastructure Pipeline of priority proposals under development every six months, providing the Queensland Government with an independent view of priorities for further development or investment consideration. Building Queensland has commenced the process to review and update the *Infrastructure Pipeline Report*, with the first update due for publication in December 2016.

The six-monthly development of the Infrastructure Pipeline is a collaborative process, and a six-step approach will be applied (see Figure 5).

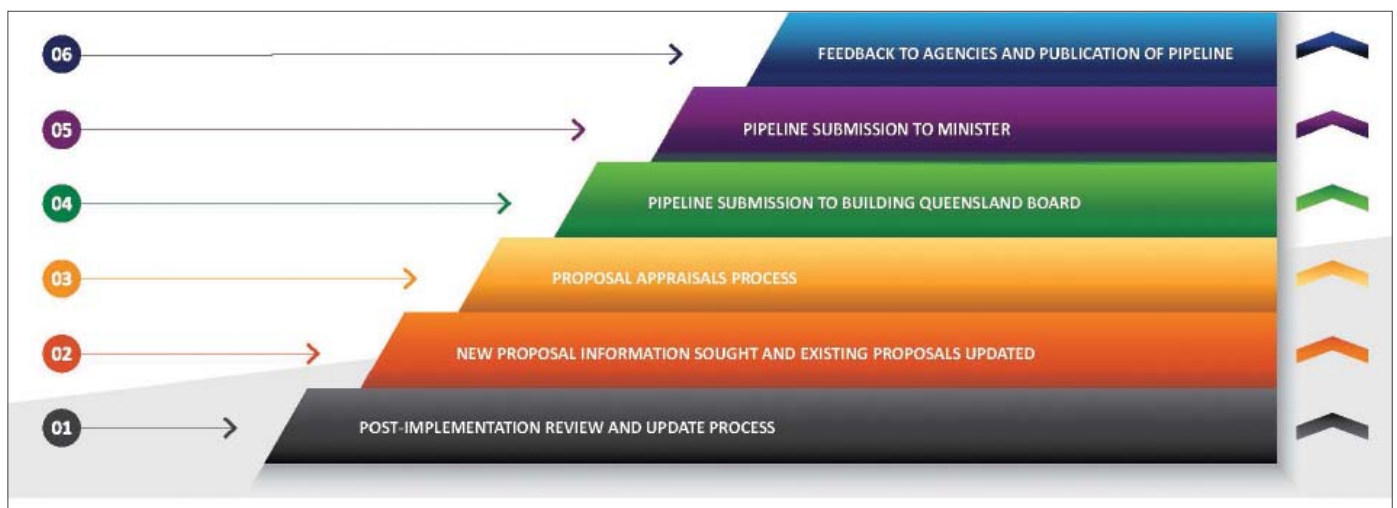


Figure 5: The six steps of the Pipeline updating process

## Communications and Stakeholder Engagement

Building Queensland will update and publish proposal summaries on its website in December 2016. The organisation will continue to develop its website as more work is undertaken and subsequently published.

Building Queensland will continue to distribute its industry newsletter as demand demonstrates it is an important source of information for stakeholders, with a steadily increasing subscriber base.

Building Queensland will conduct a follow up stakeholder survey in late 2016 to evaluate its performance for its first 12 months of operation.

# NON-FINANCIAL PERFORMANCE

## Queensland Government Objectives for the Community

As a Queensland statutory body, organisational standards are required to align with the Queensland Government objectives for the community.

Building Queensland promotes and supports the government's stated objectives:

### Creating jobs and a diverse economy

Considering as part of our infrastructure evaluation the number of jobs created and how each project promotes diversification of our economy.

### Protecting our environment

Examining infrastructure projects not only in terms of the economic cost but also the social and environmental impacts.

### Building safe, caring and connected communities

Identifying the highest priority projects that respond to the needs of our communities.

## State Infrastructure Plan

The State Infrastructure Plan informs the business of Building Queensland. It outlines the government's vision for infrastructure policy and planning and reports on a committed program of projects for the next 1–4 years across key asset classes, and future opportunities covering a 15-year timeframe.

The government uses Building Queensland's Infrastructure Pipeline (see p. 16) to inform decisions around further proposal development and, ultimately, investment in procurement and delivery. Once a funding decision is made on a proposal, this will be reflected in annual updates to the short-term program (1–4 years) within the State Infrastructure Plan and Queensland Treasury Budget Papers. Together, the Pipeline and the State Infrastructure Plan provide a holistic view of Queensland's infrastructure priorities under development and in delivery.

## Performance Indicators

To complement the objectives as outlined in its strategic plan, Building Queensland has key performance indicators to ensure it is meeting statutory and business requirements. These are outlined below.

## Provision of Independent Expert Advice

- To satisfy legislative outcomes on the provision of a broad range of advice.
- To be sought out by government and industry for independent advice on infrastructure methodology and best practice models.

## Development of Frameworks for Project Assessment

- Demonstrable and consistent use of Building Queensland's frameworks which are applied throughout Early Stage Development, Preliminary Evaluation and Business Case stages.
- An independent audit during the financial year to assess completeness and quality of outcomes.

## Business Case Preparation

- All Business Cases delivered on time, on budget, endorsed by the Building Queensland Board and subsequently by the project owner.
- Regular assessment of Business Case development consistent with Building Queensland's Project Assurance Framework.

## Prepare and Update an Infrastructure Pipeline Document

- The *Infrastructure Pipeline Report* published consistent with legislative requirements.
- Queensland Government utilises the Infrastructure Pipeline for consideration of funding projects.
- Queensland Government agencies actively seek inclusion of their projects in the Building Queensland Infrastructure Pipeline.

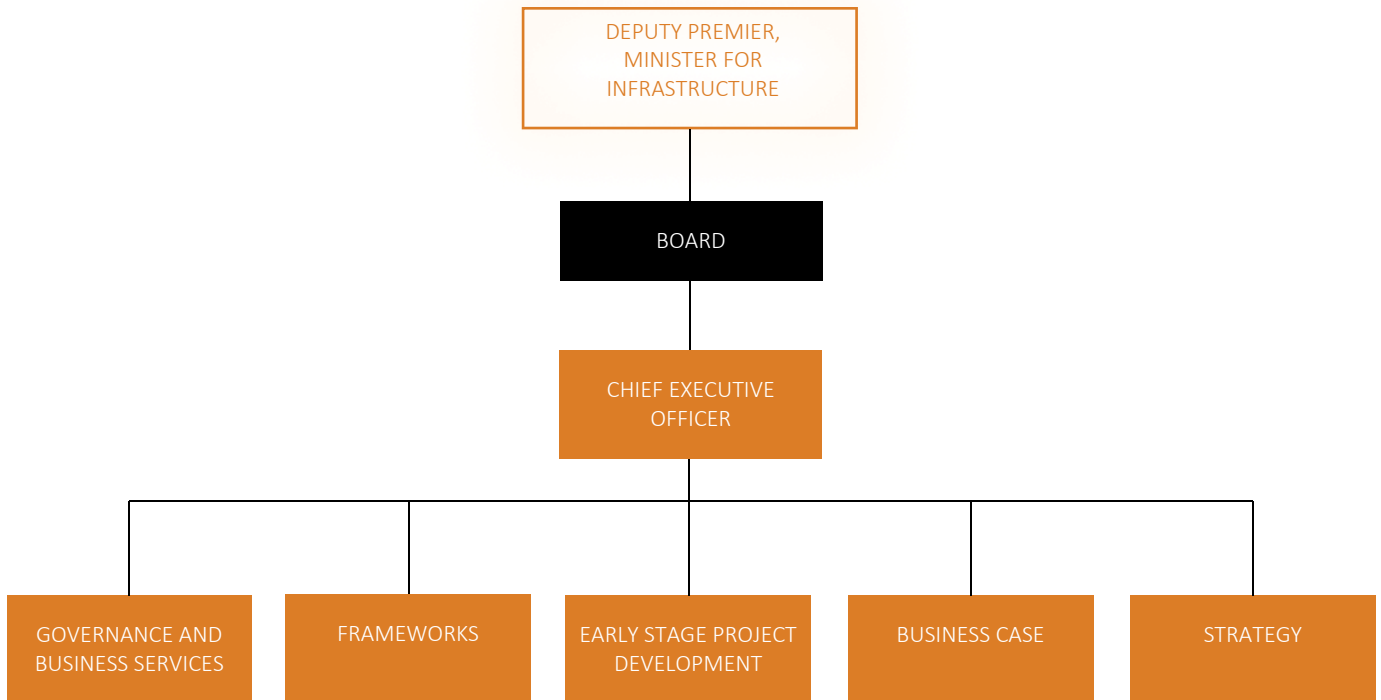
## Promote Public Awareness of Building Queensland

- A high level of recognition from interstate peer organisations of Building Queensland's role and responsibilities and its input sought on broader infrastructure issues.
- Executive management and Board Chair regularly undertaking high-profile speaking engagements.
- Publish information on the Building Queensland website on a regular basis, consistent with legislative requirements.

# GOVERNANCE—MANAGEMENT AND STRUCTURE

## Building Queensland Organisational Chart

Building Queensland is divided into five work streams that report to the Chief Executive Officer:



## Building Queensland Board

The Board is responsible for the governance and strategic direction of Building Queensland while ensuring it is responsive to stakeholder priorities.

Its responsibilities are to:

- decide the objectives, strategies and policies to be followed by Building Queensland
- ensure the proper, efficient and effective performance of Building Queensland’s functions
- undertake any other function given to the Board under the *Building Queensland Act 2015*
- monitor compliance by Building Queensland with its obligations under the *Building Queensland Act 2015*, the *Financial Accountability Act 2009* and other relevant laws.

There are eight Board Members, including the independent Chair. The five part-time Board Members were appointed on 3 December 2015 following a national call for expressions of interest.

### Appointed Board Members:

- The Chair and four part-time Members.

### Permanent Board Members:

- Chief executive of the department in which the *Auditor-General Act 2009* is administered (the Department of the Premier and Cabinet) or senior executive nominated by the chief executive.
- Chief executive of the department in which the *Financial Accountability Act 2009* is administered (Queensland Treasury) or senior executive nominated by the chief executive.
- Chief executive of the department in which the *Building Queensland Act 2015* is administered (the Department of Infrastructure, Local Government and Planning) or senior executive nominated by the chief executive.

The Board may, from time to time, establish and determine the powers and functions of Board committees to assist the Board in carrying out its responsibilities. Any such committee must have a written charter which must be approved by the Board.

## Members of the Board

### Alan Millhouse (Chair)



Alan was a partner of Allens for three decades until he retired on 30 June 2009, where he practised in the commercial, infrastructure and finance areas and was a member of the Allens Board. He was also head of the firm's infrastructure practice.

During the past two decades, he has been a key legal advisor to the State of Queensland and has advised other Australian and Asian governments on a range of issues.

Alan has written and published extensively. He has co-authored two legal texts on foreign investment law and joint ventures law. He has been President of the Queensland Japan Chamber of Commerce and Industry and, while in that role, co-led various Australian trade missions to Japan with government ministers and worked closely with the Australia Japan Business Co-operation Committee to promote trade and commerce between Australia and Japan.

He was President of the Banking and Financial Services Association of Australia, President of the Infrastructure Association of Queensland and an executive committee member of the Australian Council of Infrastructure Development and Infrastructure Partnerships Australia.

Alan is also the Queensland Chairman and serves on the national Board of the Australian British Chamber of Commerce.

He is an Adjunct Professor in Law at the University of Queensland. He has also lectured at Harvard University, Queensland University of Technology, Bond University and Keio University in Tokyo. Alan is a member of The University of Queensland's Law School Advisory Board.

He has also served as a director of various companies, including SunWater Limited and Queensland Motorways Limited. Alan is a Fellow of the Australian Institute of Company Directors.

In 2011, Alan was awarded a Doctor of Laws honoris causa by The University of Queensland in recognition of his distinguished career, his service to Queensland and Australia and his contribution to the university.

### Dr Catherin Bull



Catherin is Emeritus Professor of Landscape Architecture at the University of Melbourne and an Adjunct Professor at QUT. She has led national and international consultancies in landscape architecture and urban design.

She has been a Commissioner in the Land and Environment Court of NSW for more than two decades, an academic teaching, researching and advising government and industry on development and design, and most recently as the Elisabeth Murdoch Professor of Landscape Architecture (-2010).

She has published 2 books and more than 50 papers internationally, including the award-winning *New Conversations with an Old Landscape. Landscape Architecture in Contemporary Australia* (Images Publishing 2002) and with co-editors and -authors *Cross-cultural Urban Design. Local or Global Practice?* (Routledge 2007). In 2011 she chaired and co-authored the OECD Global Science Forum report *Effective Modelling of Urban Systems to Address the Challenges of Climate Change and Sustainability*. As an advocate for better quality planning and design nationally she has chaired and served on boards, juries, planning and design review panels across Australia. These include the National Capital Authority, the Planning and Land Authority and Capital Metro in the ACT, in NSW UrbanGrowth NSW and Sydney Olympic Park Authority, in Queensland, the Board for Urban Places and Brisbane City Council's Independent Design Advisory Panel, in Victoria, Phillip Island Nature Parks and the Capital City Commission in SA. She was awarded membership of the Order of Australia in 2009 in recognition of her contribution to landscape architecture and urban design.

### Frankie Carroll



Frankie was appointed Director-General of the Department of Infrastructure, Local Government and Planning in November 2015. His previous role was as Chief Executive Officer of the Queensland Reconstruction Authority, where he was responsible for delivering a disaster reconstruction program

worth more than \$13 billion. Prior to being appointed CEO, Frankie held the position of Deputy Chief Executive and Chief Financial Officer since the Authority's inception in the wake of the Queensland Floods and Severe Tropical Cyclone Yasi in 2010–11. Frankie also previously held the role of CEO of Queensland Water Infrastructure, delivering major water storage facilities in South East Queensland.

He has substantial experience across the private and public sectors, and a thorough understanding of Queensland's infrastructure needs, having held senior executive roles in multiple industry disciplines spanning construction, finance and service organisations.

### Graham Hooper



Graham is an independent consultant, based in Australia, providing advisory services in infrastructure. He was formerly Global Managing Director for AECOM's Transportation Infrastructure business in all modes. In this role he served on AECOM's Corporate Development Group

and Global Operations Committee. He was also a member of AECOM's Global Major Projects Risk Review Committee.

In the course of his 26-year career with AECOM, Mr. Hooper held a number of senior positions including: Chair of the Africa Leadership Team, Global Leader of AECOM's Ports business and Market Sector Director for AECOM's business in Australia, South East Asia and Middle East.

A Chartered Civil Engineer, Mr. Hooper has advised governments, financial institutions and private sector infrastructure owners and operators on transport policy, planning and major project implementation, and has been responsible for delivery of major transportation infrastructure around the world. He has also served as Global Vice-Chairman of the Washington Program of the International Roads Federation.

### James MacKenzie



James is a leading Australian company director; having chaired three ASX listed companies and brings vast experience in the financial services sector and Victorian Public Sector to VFMC. Mr Mackenzie was Director and Chair of Mirvac Group, a leading Australian listed diversified property group,

Co-Vice Chair of Yancoal Australia, one of Australia's largest listed mining companies and Chairman of Gloucester Coal Ltd and Pacific Brands Limited. He currently serves as a Director of Melco Crown Entertainment Ltd, Melco Crown (Philippines) Resorts Corporation, Maurice Blackburn. He is also Chairman of accounting firm Shine Wing Australia and Victorian Funds Management Corporation as well as President of the Victorian Arts Centre Trust.

Mr MacKenzie was previously Chairman of the Transport Accident Commission (TAC) and Worksafe Victoria, Managing Director of Funds Management and Insurance at the ANZ Banking Group, Chief Executive Officer of Norwich Union Australia, and TAC Chief Executive Officer. Mr MacKenzie was also a member of the COAG Business Advisory Forum. He was also previously a Director of VFMC.

On a pro-bono basis James has been a member of the School Council of St. Catherine's School (2002–06), a director of the Victorian Major Events Company (2001–11) and a founding director of Monivae College Foundation Ltd (1998–2005). He is currently Chair of the Advisory Board of the Centre for Contemporary Chinese Studies at The University of Melbourne. In 2001 he was awarded the Centenary Medal for services to Public Administration.

### Jim Murphy



Jim commenced as Queensland's Under Treasurer on 1 June 2015. Formerly a senior executive with the ANZ Bank, Mr Murphy is an outstanding senior policy executive and respected government leader. Before his role with the ANZ Bank, Mr Murphy was Deputy Secretary in the Federal Treasury for more than

a decade and also held a number of senior executive positions in the Commonwealth Departments of Treasury, Attorney-General and Finance. His distinguished career also includes a role as an advisor with the International Monetary Fund in Washington DC, and for a short period he worked as Chief of Staff in the Office of the Prime Minister. Mr Murphy was also awarded a Public Service Medal for his strategic economic advice that formed the government's response to the global financial crisis.

### Dave Stewart



Dave was appointed Director-General of the Department of the Premier and Cabinet in February 2015.

Prior to this role, he was the Secretary for Transport for New South Wales, where he led around 27,000 people shaping planning,

policy and delivery of public transport, roads and freight across NSW.

After a long career in local government and engineering construction in Australia and the United Kingdom, Dave joined

the Queensland Government in 2006 as Deputy Coordinator-General within the Department of Infrastructure and Planning, where he was responsible for delivering major water and road projects.

From June 2008, he was the Director-General of Queensland Transport and then the Department of Transport and Main Roads, overseeing the integration of organisations to a new customer-focused model. His primary responsibility was transport leadership including strategic policy and planning, system stewardship, infrastructure delivery and service delivery.

He is a civil engineer and holds Masters Degrees in Business and Engineering Science. He completed an executive program at Harvard University looking at private sector involvement in infrastructure delivery. He is a Fellow of Engineers Australia and an Honorary Fellow, Chartered Institute of Transport and Logistics.

#### Jacqui Walters



Jacqui is a Partner of Era Innovation, an advisory firm enabling long-term resilience in Australian organisations by creating systematic, disciplined innovation capability. Clients include universities, large privately owned and publicly listed companies, professional services firms, and research institutions. She is also

an Advisory Board Member of Australia’s first music and dance teacher cooperative. Jacqui has held senior roles with advisory firms in Australia and internationally. As a Principal and Group Strategy Lead for an Asia-Pacific infrastructure advisory firm, she advised local, state and federal government clients on improving major capital project performance and infrastructure outcomes.

She has provided strategy design and execution services to a diverse range of multi-national public and private sector clients including Lego, Cathay Pacific, Indian Railways, Carlsberg Tetley, Royal Bank of Scotland, JP Morgan, Hewlett Packard and local, state and federal government organisations.

Jacqui holds a Bachelor of Commerce (BCom), Accounting and Finance, is a Graduate of the Australian Institute of Company Directors (GAICD) and a Trustee of Committee for Economic Development of Australia the (CEDA). Jacqui held a Certified Practising Accountant (CPA) qualification for 12 years.

## Board Meetings and Attendance for 2015–16

There have been five Ordinary Board Meetings between 3 December 2015 and 30 June 2016 and two Extraordinary Board Meetings.

Number of Board Meetings	Attended
Alan Millhouse (Chair)	7
Catherin Bull	7
Frankie Carroll	6
Graham Hooper	7
James MacKenzie	6
Jim Murphy	7
Dave Stewart	6
Jacqui Walters	7

## Chief Executive Officer

### David Quinn



David Quinn was appointed Chief Executive Officer of Building Queensland in April 2015. Prior to this he led the Queensland Government’s commercial advisory and procurement arm—Projects Queensland. David has gained over 20 years’ private sector experience across a range of industries including

infrastructure, transport and logistics, energy, manufacturing, fast-moving consumer goods and mining. He has held senior human resources, operational and general management positions with the Asciano Group, the APA Group, BHP Billiton and Kraft Foods International, and was also a major projects lawyer for Herbert Smith Freehills.

David holds a Bachelor of Laws with Honours from the University of Melbourne and Bachelor of Economics from the University of Queensland.



## Public Sector Ethics Act 1994

Building Queensland follows the Queensland Public Service Code of Conduct which is aligned to the principles and values outlined in the *Public Sector Ethics Act 1994*:

- Commitment to the system of government
- Integrity and impartiality
- Promoting the public good
- Accountability and transparency.

The Code of Conduct gives staff a framework to ensure the organisation maintains its professional standards. The Code outlines the expectations of all staff and provides information on the ethical values and behaviour required in Building Queensland's daily business activities. Adherence to these values is fundamental in building a relationship of trust between industry, government and the community.

The Code applies to all staff as well as to the Building Queensland Board. Information on the Code of Conduct is provided to all new employees during their induction and electronic copies are available for ongoing reference.

Employees and their managers must confirm that the employee has adhered to the Code of Conduct and has met performance expectations regarding their conduct.

## Operating Environment

As a statutory body tasked with improving proposal development and prioritisation across the state, Building Queensland considers a full range of economic, financial, environmental and social factors in the development of Business Cases.

Building Queensland also remains cognisant at all times of policy developments and initiatives being pursued by both the federal and state governments, such as the Smart Cities Plan, City Deals, Principles of Innovative Financing and Value Sharing.

# GOVERNANCE—RISK MANAGEMENT AND ACCOUNTABILITY

Building Queensland has established a risk management framework which defines the identification, analysis, evaluation and treatment of business risks.

The framework is comprised of a Business Risk Management Policy, a Plan, a Risk Register and selected documentation that gives effect to the mitigation of risk.

Regular risk workshops are held with the Chief Executive Officer and Leadership Team to monitor and review the appropriateness of risk management activities.

Building Queensland faces a number of key strategic risks which, if not managed, could adversely impact upon its ability to achieve its vision and purpose.

These areas of key strategic risks as identified by the Board are:

**Independence:** Building Queensland will need to maintain a respected independence from government and its various agencies.

**Reputation:** Building Queensland will need to develop and maintain acknowledged expertise to support and protect its reputation.

**Efficiency and Prioritisation:** In a challenging fiscal environment, Building Queensland will need to undertake its functions efficiently and cost-effectively while ensuring effective prioritisation initiatives.

**Stakeholders:** Building Queensland has many stakeholders with diverse expectations and meeting these expectations will be critical to its success.

These risk areas form a particular focus of the Risk and Audit Committee.

## Risk and Audit Committee

The Building Queensland Board has established a Risk and Audit Committee in accordance with the Financial and Performance Management Standard 2009.

This committee comprises four Board Members, with the Board Chair attending meetings as an observer. The Chief Executive Officer attends by invitation. This ensures appropriate separation between the committee, as a body responsible for oversight and monitoring of corporate governance within Building Queensland and the managers responsible for the administration of Building Queensland.

The audit committee has observed the terms of its charter and has due regard to the Audit Committee Guidelines. As such,

the committee focuses on reviewing the policies, procedures and processes developed by the business for effectively managing business risk. It provides advice on the control mechanisms identified to mitigate the identified risks, protect Building Queensland’s people, reputation and assets, and promote efficient and effective work practices.

## Internal Audit

Building Queensland has established an internal assurance function to monitor the business’ adherence to its policies and procedures and assess the effectiveness and efficiency of its operations. A risk-based approach has been adopted in relation to Building Queensland’s assurance activities to ensure they are an effective tool to assist its Board in discharging its responsibilities under the *Building Queensland Act 2015*.

If Building Queensland considers it necessary to undertake an internal audit, the service level agreement with the Corporate Administration Agency will enable such an audit to be completed.

## External Scrutiny

During the 2015–16 financial year, no external audits or reviews were conducted of Building Queensland other than an annual audit of financial statements.

## Committee Meetings for 2015–16

There have been two Risk and Audit Committee meetings held between 3 December 2015 and 30 June 2016.

Number of Meetings	Attended
Jacqui Walters (Chair)	2
James MacKenzie	2
Dave Stewart	1
Frankie Carroll	2

## Compliance Management

Building Queensland developed a Compliance Management System to inform a compliance assessment plan for the organisation.

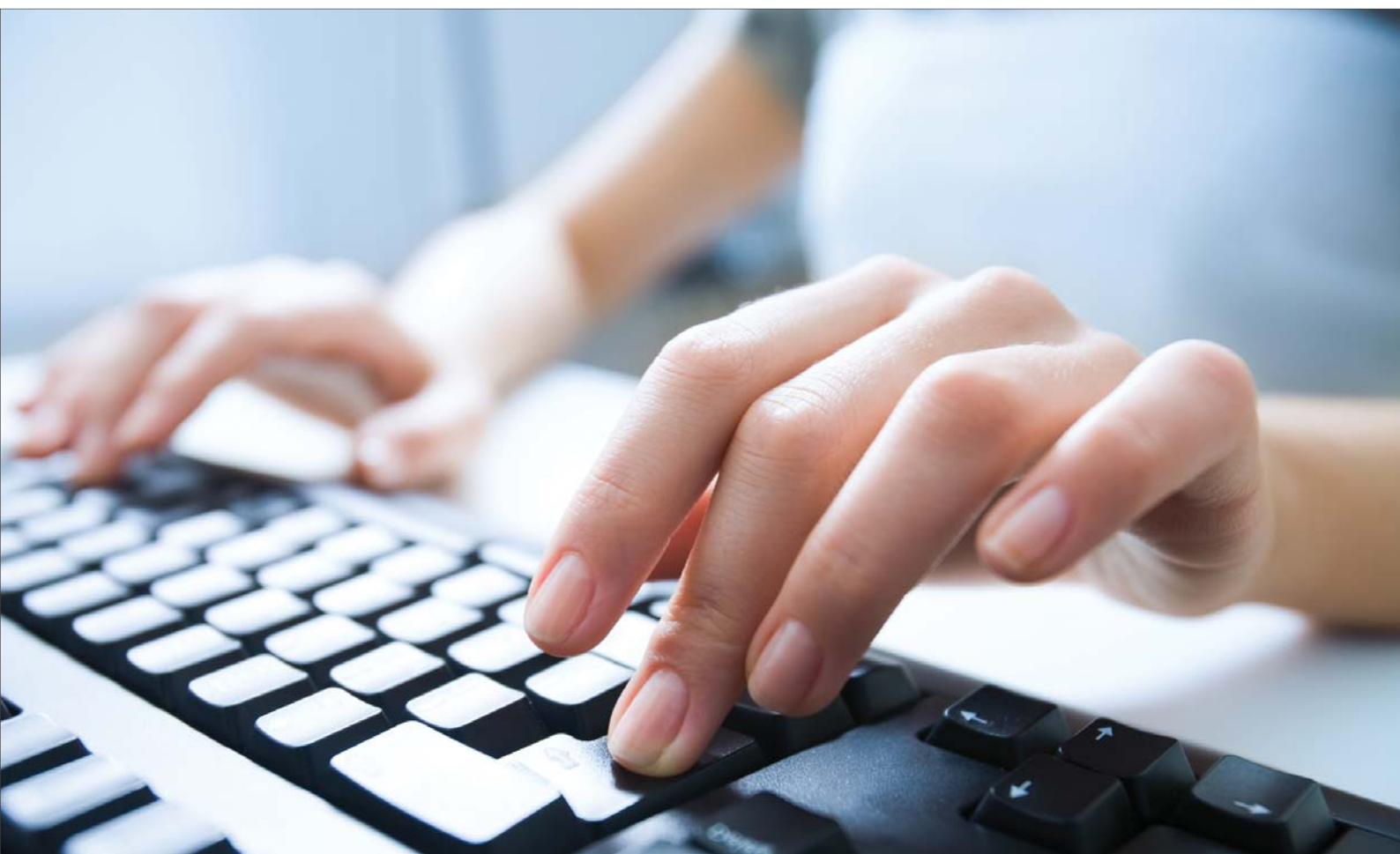
The system was developed to ensure a structured approach to measuring and reporting on Building Queensland’s compliance activities and support Building Queensland’s remit to performing its activities to the highest level of consistency, integrity and transparency.

# INFORMATION SYSTEMS AND RECORD KEEPING

Building Queensland's electronic records management TRIM system is maintained in compliance with the *Public Records Act 2001* and the *Right to Information Act 2009*. Staff with core responsibilities in this area have a high level of skill in TRIM, data security and information retention and disposal.

Throughout the first half of 2015, Building Queensland commenced the process of moving its corporate functions away from the Queensland Government to an independent provider consistent with its role of being an independent statutory body. The transition included movement of email service provision, followed by payroll, finance and human resources corporate functions. The transition of a Building Queensland dedicated records management system and some information and communications technology functions completed the update.

During and following the transition, an audit of all records was undertaken to ensure the integrity of transferred data.



# GOVERNANCE—OUR PEOPLE

## Workforce Planning and Performance

Building Queensland's workforce is comprised of 29 FTE (full-time equivalent) positions. This total is made up of:

Secondees	5
Temporary	2
Permanent	22

**FTE (total) 29**

Building Queensland's staffing levels are based on the annual operational plan and budget. Candidates for permanent employment undergo merit-based selection. Building Queensland also engages contractors for specialist advice and project work.

## Early Retirement, Redundancy and Retrenchment

Building Queensland has had no retrenchments or voluntary redundancies for this reporting period.

## Organisational Efficiency

Building Queensland is aligning its workforce strategies to its business plans. The strategic plan reinforces the linkage between Building Queensland's strategic and operational goals. By using these goals, Building Queensland has developed operational plans for each work stream (see organisational chart p. 21).

Operational plans for the streams are focused around Building Queensland objectives. Personal development plans for Building Queensland staff are created under each work stream operational plan. Personal development plans aim to foster a high-performing and accountable workforce, while ensuring each employee has a clear role in the achievement of Building Queensland's strategic vision.

## Employee Performance Management Framework

Building Queensland has adopted whole-of-government policies, procedures, directives and standards. All new staff members undergo a corporate induction program that includes orientation to Building Queensland's role and functions, policies and procedures, and information technology and records management systems.

## Employee Engagement Survey

Building Queensland staff participated in the Queensland Government's Working for Queensland survey, conducted from mid-April to early May 2016. A participation rate of 100 per cent was achieved with positive feedback recorded across the organisation.

In relation to the key strategic priorities in the survey, Building Queensland's performance compared favourably to the whole-of-government results, rating first for Innovation, second for Agency Engagement and third for Organisational Leadership.

The feedback provided by Building Queensland staff is highly valued and will be used to further improve our operations.

## Health, Safety and Wellness

Building Queensland has an active Workplace Health and Safety Committee that undertakes regular meetings, identifies and rectifies hazards and monitors incident reporting, while ensuring actions are undertaken to rectify.

Building Queensland complies with the *Work Health and Safety Act 2011*.

Building Queensland supports the principles underlying equal employment opportunities and actively ensures that its work environment adheres to these principles, the principles of anti-discrimination and the avoidance of sexual harassment and bullying.

To the extent practicable, Building Queensland supports part-time work and flexible working hours. Furthermore, Building Queensland supports a healthy work-life balance.

## Open Data

### Staff Overseas Travel

No Building Queensland staff travelled overseas for the reporting period.

### Consultancies

Information regarding Building Queensland's engagement of consultancies is available on the Queensland Government Open Data website [www.data.qld.gov.au](http://www.data.qld.gov.au)

# FINANCIAL PERFORMANCE

The financial statements included in this Annual Report provide specific information about Building Queensland's activities for the period 3 December 2015–30 June 2016 and Building Queensland's financial position at the end of that period.

## Operating Result

Building Queensland's operating result for the reporting period was a surplus of \$1.37 million. The surplus was a result of the staged recruitment prior to the formal establishment of Building Queensland as a statutory body.

## Revenues

Revenue predominantly relates to funding from the Queensland Government for operations of Building Queensland.

## Expenses

Expenses predominantly relate to employee expenses.

## Liabilities

Liabilities mainly relate to creditors, accrued employee benefits and other payables due by Building Queensland relating to operational activities.

Statement of Comprehensive Income	3 December 2015 to 30 June 2016
Grants	\$6,256,000
Other income	\$1,141,000
<b>Total income</b>	<b>\$7,397,000</b>
Employee expenses	\$2,346,000
Supplies and services	\$3,651,000
Other expenses	\$30,000
<b>Total expenses</b>	<b>\$6,027,000</b>
<b>Total comprehensive income</b>	<b>\$1,370,000</b>

Statement of Financial Position	3 December 2015 to 30 June 2016
Cash and cash equivalents	\$1,579,000
Receivables	\$1,096,000
Other assets	\$11,000
<b>Total assets</b>	<b>\$2,686,000</b>
Payables	\$1,229,000
Other liabilities	\$94,000
<b>Total liabilities</b>	<b>\$1,323,000</b>
<b>Equity</b>	<b>\$1,370,000</b>

# FINANCIAL STATEMENTS

## Building Queensland Financial Statements

for the period 3 December 2015 to 30 June 2016

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**Building Queensland  
Financial Statements**  
for the period 3 December 2015 to 30 June 2016

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Statement of Changes in Equity	34
Statement of Cash Flows	35
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## Building Queensland

### Statement of Comprehensive Income for the period 3 December 2015 to 30 June 2016

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		2016
	Notes	\$'000
<b>Income from Continuing Operations</b>		
Grants and other contributions	2	6,256
User charges and fees	3	1,133
Interest		8
<b>Total Income from Continuing Operations</b>		<b>7,397</b>
<b>Expenses from Continuing Operations</b>		
Employee expenses	4	2,346
Supplies and services	5	3,651
Other expenses	6	30
<b>Total Expenses from Continuing Operations</b>		<b>6,027</b>
<b>Operating Result from Continuing Operations</b>		<b>1,370</b>
<b>Total Comprehensive Income</b>		<b>1,370</b>

*The accompanying notes form part of these financial statements.*



# Building Queensland

## Statement of Financial Position

as at 30 June 2016

	Notes	2016 \$'000
<b>Current Assets</b>		
Cash and cash equivalents	7	1,579
Receivables	8	1,096
Other current assets		11
<b>Total Current Assets</b>		<b>2,686</b>
<b>Non Current Assets</b>		
Plant and equipment	9	7
<b>Total Non Current Assets</b>		<b>7</b>
<b>Total Assets</b>		<b>2,693</b>
<b>Current Liabilities</b>		
Payables	10	1,229
Accrued employee benefits	11	94
<b>Total Current Liabilities</b>		<b>1,323</b>
<b>Total Liabilities</b>		<b>1,323</b>
<b>Net Assets</b>		<b>1,370</b>
<b>Equity</b>		
Accumulated surplus		1,370
<b>Total Equity</b>		<b>1,370</b>

*The accompanying notes form part of these financial statements.*

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## Building Queensland

### Statement of Changes in Equity for the period 3 December 2015 to 30 June 2016

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	2016 \$'000
<b>Contributed Equity</b>	
<b>Balance as at 3 December 2015</b>	-
Transactions with owners as owners	
• Equity Injections	
• Equity Withdrawal	-
Net assets transferred via machinery-of-government changes	
<b>Balance as at 30 June 2016</b>	-
<b>Accumulated Surplus</b>	
<b>Balance as at 3 December 2015</b>	
Operating Result from Continuing Operations	1,370
<b>Balance as at 30 June 2016</b>	<b>1,370</b>

*The accompanying notes form part of these financial statements.*

# Building Queensland

## Statement of Cash Flows

for the period 3 December 2015 to 30 June 2016

	Notes	2016 \$'000
<b>Cash flows from operating activities</b>		
<i>Inflows:</i>		
Grants and other contributions		6,256
User charges and fees		140
GST collected from customers		130
GST input tax credits from ATO		43
Interest received		8
<i>Outflows:</i>		
Employee expenses		(2,283)
Supplies and services		(2,433)
GST paid to suppliers		(146)
GST remitted to ATO		(99)
Other		(30)
<b>Net cash provided by (used in) operating activities</b>		<b>1,586</b>
<b>Cash flows from investing activities</b>		
<i>Outflows:</i>		
Payments for plant and equipment		(7)
<b>Net cash provided by (used in) investing activities</b>		<b>(7)</b>
Net increase (decrease) in cash held		1,579
<b>Cash and cash equivalents at end of financial year</b>		<b>1,579</b>

*The accompanying notes form part of these financial statements.*

### NOTES TO THE STATEMENT OF CASH FLOW

#### Reconciliation of Operating Result to Net Cash from Operating Activities

Operating surplus/(deficit)	1,370
Changes in assets and liabilities:	
(Increase)/decrease in receivables	(1,096)
(Increase)/decrease in prepayments	(11)
Increase/(decrease) payables	1,229
Increase/(decrease) in accrued employee benefits	94
<b>Net cash provided by/(used in) operating activities</b>	<b>1,586</b>

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# Building Queensland

Notes to and forming part of the financial statements  
for the period 3 December 2015 to 30 June 2016

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## General Information

Note 1:	Objectives and principal activities of Building Queensland
Note 2:	Grants and contributions
Note 3:	User charges and fees
Note 4:	Employee expense
Note 5:	Supplies and services
Note 6:	Other expenses
Note 7:	Cash and cash equivalents
Note 8:	Receivables
Note 9:	Plant and equipment and related depreciation expense
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Note 13:	Financial risk
Note 14:	Contingencies
Note 15:	Commitments
Note 16:	Economic dependency
Note 17:	Key management personnel disclosures
Note 18:	First year application of new accounting standards of change in policy
Note 19:	Taxation
Note 20:	Accounting estimates and judgements
Note 21:	Future impact of accounting standards not yet effective

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# Building Queensland

## Notes to and forming part of the financial statements for the period 3 December 2015 to 30 June 2016

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### General Information

Building Queensland is a statutory body and was established on 3 December 2015 by the *Building Queensland Act 2015* to provide the Queensland Government with independent, expert advice on major infrastructure. Building Queensland works with all departments, government owned corporations and statutory authorities to guide better infrastructure decision making.

The head office and principal place of business of Building Queensland is Level 30, 12 Creek Street, Brisbane, Queensland, 4000.

### Statement of Compliance

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. Building Queensland is a not-for-profit entity and the financial statements comply with the requirements of Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

These financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2015, and other authoritative pronouncements.

### The Reporting Entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of Building Queensland. Building Queensland does not have any controlled entities.

### Measurement

The historical cost convention is used unless fair value is stated as the measurement basis. New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 18.

### Presentation

#### Currency and Rounding

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

#### Comparatives

No comparative information has been provided as this is Building Queensland's first year of operation.

#### Current/Non-Current Classification

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

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

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

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# Building Queensland

Notes to and forming part of the financial statements  
for the period 3 December 2015 to 30 June 2016

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## Budgetary Reporting

Queensland Treasury have determined that Building Queensland is not required to publish budgetary reporting disclosures under *AASB1055* and the Queensland Treasury Financial Reporting Requirements.

Building Queensland's annual budget was not published within the State's service delivery statements and the balances reported therein do not constitute a set of budgeted statements.

## Implementation of the Shared Services Initiative

The Corporate Administration Agency (CAA) provides Building Queensland with corporate services under the "Shared Services Provider" model. The fees and terms of the services are agreed through a Service Level Agreement, negotiated annually and include:

- Financial services
- Human resources recruitment and payroll
- Information systems and support

## Authorisation of financial statements for issue

The financial statements are authorised for issue by the Chief Executive Officer and Acting Group Director Governance and Business Services at the date of signing the Management Certificate.

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# Building Queensland

Notes to and forming part of the financial statements  
for the period 3 December 2015 to 30 June 2016

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## 1 Objectives and principal activities of Building Queensland

Building Queensland has been formed to provide objective and transparent advice to the Queensland Government to enable better infrastructure decisions.

We work with all Queensland Government departments, government owned corporations and statutory authorities providing strategic advice and assisting with early stage development of projects.

One of our key functions is to develop rigorous business cases for projects. Using transparent and disciplined frameworks, including cost benefit analysis, our team of experts assist with business cases on projects where potential government investment is between \$50-\$100 million and lead the preparation of business cases where investment exceeds \$100 million. We will also lead the procurement or delivery of projects if directed.

Infrastructure projects that we believe should be prioritised to meet the state's needs will be identified in our pipeline of priority projects. This pipeline, based on rigorous analysis and assessment of projects, will underpin future state infrastructure plans.

We are committed to sharing our expertise because we believe infrastructure decision-making should be based on transparent analysis. We will regularly publish our work, including project summaries and cost benefit analysis summaries, on our website.

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# Building Queensland

## Notes to and forming part of the financial statements for the period 3 December 2015 to 30 June 2016

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2016  
\$'000

### 2 Grants and contributions

#### Accounting policy

These grants have been provided by the Department of Infrastructure, Local Government and Planning for the purpose of supporting the operations and strategic objectives of Building Queensland. The grants are non-reciprocal in nature and recognised as operating revenue on receipt or when an entitlement is established, whichever is the sooner. The accumulated surplus of \$1.370m shown in the Statement of Financial Position represents funds which have not yet been spent in 2015-16 and reflects the gradual establishment of the operations of Building Queensland as a statutory body and will be used to continue to drive delivery of Building Queensland's strategies in future years.

### 3 User charges and fees

#### Accounting policy

User charges and fees controlled by the entity are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges are invoiced for the preparation of business cases and advice provided to government entities.

### 4 Employee expense

#### *Employee benefits*

Wages and salaries	1,827
Allowances	56
Employer superannuation contributions	202
Annual leave levy	133
Long service leave levy	39
Other employee benefits	6

#### *Employee related expenses*

Workers' compensation premium	12
Payroll tax	28
Other employee related expenses	43

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<b>Total</b>	<b>2,346</b>
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The number of employees as at 30 June 2016, including both full-time and part-time employees measured on a full-time equivalent basis reflecting Minimum Obligatory Human Resource Information (MOHRI) is:

	2016
Full-time equivalent employees	29

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# Building Queensland

## Notes to and forming part of the financial statements for the period 3 December 2015 to 30 June 2016

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### 4 Employee expense (contd)

#### Accounting policy - Wages, salaries and sick leave

Wages, salaries and recreation leave due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are also classified as current liabilities and recognised at their present value.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

#### Accounting policy - Annual leave and long service leave

Under the Queensland Government's long service leave scheme, a levy is made on Building Queensland to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable.

No provision for annual leave and long service leave is recognised in Building Queensland's financial statements, the liability being 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*.

#### Accounting policy - Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees. Contribution rates are determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. Building Queensland's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

#### Accounting policy - Key Management personnel

Key Management personnel and remuneration disclosures are detailed in Note 17.

# Building Queensland

## Notes to and forming part of the financial statements for the period 3 December 2015 to 30 June 2016

	2016
	\$'000
<b>5 Supplies and services</b>	
Contractors	2,629
Property lease rental	430
Administration costs	162
Information technology	87
Corporate service charges	243
Motor vehicle	26
Other	74
<b>Total</b>	<b>3,651</b>
<b>6 Other expenses</b>	
External audit fees	* 15
Sponsorships	15
<b>Total</b>	<b>30</b>
* Total audit fees payable to the Queensland Audit Office relating to the 2015-16 financial statements are quoted to be \$30,000. There are no non-audit services included in this amount.	
<b>7 Cash and cash equivalents</b>	
Cash at bank	1,579
<b>Total</b>	<b>1,579</b>
<b>Accounting policy</b>	
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 2016 as well as deposits at call with financial institutions.	
<b>8 Receivables</b>	
Accounts receivable	993
	993
GST receivable	103
GST payable	(31)
	72
Long service leave reimbursements	10
Annual leave reimbursements	21
	31
<b>Total</b>	<b>1,096</b>

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# Building Queensland

Notes to and forming part of the financial statements  
for the period 3 December 2015 to 30 June 2016

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## 8 Receivables (contd)

### Accounting policy

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 collectability of receivables is assessed periodically with allowance made for impairment. There were no bad debts as at 30 June 2016.

## 9 Plant and equipment and related depreciation expense

### Accounting policy - property plant and equipment

#### Recognition thresholds for property plant and equipment

Items of plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Plant and Equipment	\$5,000
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Items with a lesser value are expensed in the year of acquisition.

#### Acquisition of assets

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

#### Measurement of plant and equipment using cost

Plant and equipment, that is not classified as major plant and equipment, is measured at cost in accordance with the Non-current asset policies for the Queensland Public Sector. The carrying amounts for such plant and equipment at cost is not materially different from their fair value.

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## Building Queensland

Notes to and forming part of the financial statements  
for the period 3 December 2015 to 30 June 2016

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### 9 Plant and equipment and related depreciation expense (contd)

#### Depreciation of plant and equipment

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost of each asset, less its estimated residual value, progressively over its estimated useful life to Building Queensland.

For each class of depreciable assets, the following depreciation rates were used:

<i>Class</i>	<i>Rate</i>
Plant and equipment	20%

#### Plant and equipment - balances and reconciliations of carrying amount

##### Plant and equipment reconciliation 30 June 2016

	<i>Plant and Equipment</i>
	<u>2016 \$'000</u>
Gross	7
Less: accumulated depreciation plant and equipment	-
<b>Carrying amount at 30 June 2016</b>	<u><b>7</b></u>
<i>Represented by movements in carrying amount</i>	
Carrying amount at 1 July	-
Acquisitions	7
Depreciation for period	-
<b>Carrying amount at 30 June 2016</b>	<u><b>7</b></u>

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# Building Queensland

## Notes to and forming part of the financial statements for the period 3 December 2015 to 30 June 2016

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	2016 \$'000
<b>10 Payables</b>	
Accrued expenses	761
Trade creditors	414
Corporate card	38
Payroll tax	16
<b>Total</b>	<b>1,229</b>

### Accounting Policy

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

### 11 Accrued employee benefits

#### Current

Salary and wage related	41
Annual leave levy payable	32
Long service leave levy payable	15
Superannuation	6

<b>Total</b>	<b>94</b>
<i>Non-current</i>	-

<b>Total</b>	<b>94</b>
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### Accounting policy

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

### 12 Lease liabilities

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership, and operating leases under which the lessor effectively retains substantially all risks and benefits.

Building Queensland is not party to any finance leases as at 30 June 2016.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

# Building Queensland

## Notes to and forming part of the financial statements for the year ended 30 June 2016

### 13 Financial risk

#### Financial instrument categories

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the statutory body becomes party to the contractual provisions of the financial instrument. The statutory body has the following categories of financial assets and financial liabilities:

Category	Note	2016 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	7	1,579
Receivables	8	1,096
<b>Total Financial assets</b>		<b>2,675</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost:		
Payables	10	1,229
<b>Total Financial liabilities at amortised cost</b>		<b>1,229</b>

No financial assets and financial liabilities have been offset and presented gross in the Statement of Financial Position.

No financial assets were past due or impaired as at 30 June 2016.

#### Financial risk management

##### (a) Risk exposure

Building Queensland's activities expose it to a variety of financial risks as set out in the following table:

Risk Exposure	Definition	Measurement method
Credit Risk	Credit risk exposure refers to the situation where Building Queensland may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	Building Queensland is exposed to credit risk in respect of its receivables (Note 8).
Liquidity Risk	Liquidity risk refers to the situation where Building Queensland may encounter difficulty in meeting its financial obligations that are settled by delivering cash or another financial asset.	Building Queensland is exposed to liquidity risk in respect of its payables (Note 10).
Market Risk	The risk that the fair value of 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. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.	Building Queensland does not trade in foreign currency and is not materially exposed to commodity price changes or other market changes. They are exposed to interest rate risk through its cash deposited in interest bearing accounts.

# Building Queensland

Notes to and forming part of the financial statements  
for the period 3 December 2015 to 30 June 2016

## Financial Risk Management (contd)

### (b) Risk Measurement and Management Strategies

Building Queensland measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement method	Risk Management Strategy
Credit Risk	Ageing analysis, earnings at risk.	Building Queensland manages credit risk through monitoring the collectability of receivables and takes action on ageing receivables. Exposure to credit risk is monitored on an ongoing basis.
Liquidity Risk	Sensitivity analysis.	Building Queensland manages liquidity risk through the monitoring of payables. This strategy aims to reduce the exposure to liquidity risk by ensuring they have sufficient funds available to meet employee and supplier obligations as they fall due.  The liquidity risk of the financial liabilities held by the agency is limited to obligations with a maturity of less than one year and value of \$1.207m. The maturity has been calculated using undiscounted cash flows relating to the liabilities as at reporting date.
Market Risk	Interest rate sensitivity analysis.	Building Queensland is not materially sensitive to interest rate risk.

### 14 Contingencies

There are no material legal or any other contingencies that are known to Building Queensland at 30 June 2016.

### 15 Commitments

#### Non-cancellable operating lease commitments

Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2016 \$'000
Not later than 1 year	883
Later than 1 year but not later than 5 years	918
	<hr/> 1,801 <hr/>

### 16 Economic dependency

Building Queensland is dependent on a State grant of \$8.054m to ensure its continued existence and ability to carry out its normal activities.

# Building Queensland

## Notes to and forming part of the financial statements for the period 3 December 2015 to 30 June 2016

### 17 Key management personnel disclosures

#### Details of key management personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of Building Queensland during 2015-16. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities under the <i>Building Queensland Act 2015</i>	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position
Chief Executive Officer (CEO)	Responsible for the day-to-day administration of Building Queensland and is accountable to the Board.	CEO Appointed by <i>Building Queensland Board</i>	Current CEO engaged under an Officer Interchange arrangement from Queensland Treasury from 03/12/2015
Chair	Leading and directing the activities of the Board to ensure the Board performs its functions appropriately	Appointed by <i>Governor in Council</i>	Appointed 03/12/2015
Board members	Responsible for the governance and strategic direction of Building Queensland while ensuring it is responsive to stakeholder priorities	Appointed by <i>Governor in Council</i>	Appointed 03/12/2015

#### Remuneration

The remuneration of the Chair and Board members are set by the Governor in Council. The CEO, Chair and Board Members are engaged directly by Building Queensland.

The Chair and Board members were remunerated in 2015-16 in accordance with the whole of Government policy *Remuneration Procedures for part-time chairs and members of Queensland government board, committees and statutory authorities*.

Remuneration packages for key executive management personnel comprise the following components:

Short term employee expenses which include:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee was a key management person;
- performance payments recognised as an expense during the year; and
- non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

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

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

Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

#### Performance payments

No performance payments were made to the key management personnel of Building Queensland during the period.



# Building Queensland

Notes to and forming part of the financial statements  
for the period 3 December 2015 to 30 June 2016

## 17 Key management personnel disclosures (contd)

### KMP remuneration expenses

The following disclosures focus on the expenses incurred by Building Queensland that is attributable to key management positions during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

3 December 2015– 30 June 2016  Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses  \$'000	Post- Employment Expenses  \$'000	Termination Benefits  \$'000	Total Expenses  \$'000
	Monetary Expenses \$'000	Non-monetary Benefits \$'000				
Chief Executive Officer	232	-	4	25	-	261
Chair	28	-	-	-	-	28
Board Member	17	-	-	-	-	17
Board Member	16	-	-	-	-	16
Board Member	15	-	-	-	-	15
Board Member	15	-	-	-	-	15
<b>Total Remuneration</b>	<b>323</b>	<b>-</b>	<b>4</b>	<b>25</b>	<b>-</b>	<b>352</b>

\* Three Board members are not remunerated as they are public sector employees.

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# Building Queensland

## Notes to and forming part of the financial statements for the period 3 December 2015 to 30 June 2016

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### 18 First year application of new accounting standards of change in policy

#### Changes in accounting policy

The statutory body did not voluntarily change any of its accounting policies during 2015-16.

#### Accounting standards early adopted for 2015-16

The following Australian Accounting Standard has been early adopted for the 2015-16 year as required by Queensland Treasury.

*AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]*

The amendments arising from this standard seek to improve financial reporting by providing flexibility as to the ordering of notes, the identification and location of significant accounting policies and the presentation of sub-totals, and provides clarity on aggregating line items. It also emphasises only including material disclosures in the notes. Building Queensland has applied this flexibility in preparing the 2015-16 financial statements, including co-locating significant accounting policies with the related breakdowns of financial statement figures in the notes.

#### Accounting standards applied for the first time in 2015-16

No new Australian Accounting Standards effective for the first time in 2015-16 had any material impact on this financial report.

### 19 Taxation

The Authority 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 Building Queensland. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note 8).

### 20 Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

### 21 Future impact of accounting standards not yet effective

#### *AASB 124 Related Party Disclosures*

From reporting periods beginning on or after 1 July 2016, Building Queensland will need to comply with the requirements of AASB 124 Related Party Disclosures. The standard requires a range of disclosures in relation to the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities. Building Queensland already discloses information regarding the remuneration expenses for key management personnel (refer to Note 17) in compliance with the requirements from Queensland Treasury. Therefore the most significant implications of AASB 124 for Building Queensland's financial statements will be the disclosures to be made about transactions with related parties, including transactions with key management personnel or close members of their families.

#### *AASB 15 Revenue from Contracts with Customers*

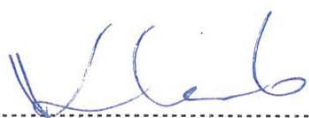
This standard will become effective from reporting periods beginning on or after 1 January 2018 and contains much more detailed requirements for the accounting for certain types of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from sales of the statutory body's goods and services, such that some revenue may need to be deferred to a later reporting period to the extent that the statutory body has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). Building Queensland is yet to complete its analysis of current arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.

# MANAGEMENT CERTIFICATE OF BUILDING QUEENSLAND

## Management Certificate for Building Queensland

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* 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 Building Queensland for the period 3 December 2015 to 30 June 2016 and of the financial position of the entity at the end of that period; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Kerry Kulesho  
Acting Group Director Governance  
and Business Services

Date: 19/AUG/2016



David Quinn  
Chief Executive Officer

Date: 19 August 2016

# CORPORATE ADMINISTRATION AGENCY CERTIFICATE

## **To: The Management of Building Queensland**

Certificate of the Management of the Corporate Administration Agency (CAA)

In relation to the period 3 December 2015 to 30 June 2016 and the Financial Statements prepared on behalf of Building Queensland for that period.

Pursuant to the CAA's obligations to Building Queensland in respect of representations in regard to activities conducted by the CAA on Building Queensland's behalf, the following is provided:

### **General**

1. We acknowledge our responsibility under the current Service Level Agreement to assist Building Queensland in the preparation of its financial statements in accordance with the Financial Accountability Act, applicable accounting standards and other mandatory professional reporting requirements.
2. The Statement of Comprehensive Income; Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows of Building Queensland have been prepared from and in accordance with the accounting records maintained by the CAA on behalf of Building Queensland and with additional information supplied by Building Queensland.

### **Financial records and transactions**

3. All transactions have been recorded in Building Queensland accounting records in accordance with the directions provided by Building Queensland.
4. All the financial records held by CAA are made available for the purpose of the audit, and all the transactions undertaken have been properly reflected and recorded in the financial records.

### **Assets**

5. Depreciable non-current assets are measured at cost and have been depreciated on bases and rates calculated to allocate the depreciable amount of each asset over its estimated total useful life.

### **Liabilities**

6. Material contractual commitments have been disclosed in the financial statements and the notes thereto in accordance with advice from Building Queensland.
7. Contingent liabilities have been disclosed in accordance with advice from Building Queensland.

### **Consolidation**

8. There are no controlled entities that require a determination for consolidation into Building Queensland's financial statements.

### **Goods and Services Tax**

9. Adequate systems and procedures exist at the CAA to account for and report on the GST.
10. All information included in the monthly Business Activity Statements (BASs) and Building Queensland's financial statements are materially correct.

### **Fraud Control and Related Issues**

11. The CAA acknowledges its responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error. No matters of this nature affecting Building Queensland are known or reported for the year in review.

**After Balance Date Events**

12. No additional matters or occurrences have come to our attention up to the present time, which would materially affect the financial report of Building Queensland or disclosures therein, or which are likely to materially affect the future results or operations of Building Queensland.

**Other**

- 13. There are appropriate procedures and controls over processing performed by the CAA on behalf of Building Queensland and have been complied with in all material respects during the year. The Queensland Audit Office (QAO) has undertaken testing of CAA's systems and controls, in order to assist external audit teams in verifying CAA's compliance in these matters.
- 14. The CAA has appropriate risk management systems and procedures in place so as to properly identify and manage significant risks associated with the CAA's operations.
- 15. The CAA has undertaken payroll related activities on behalf of Building Queensland which includes compliance with obligations relating to superannuation, payment of contributions to superannuation and other payroll related obligations in accordance with advice provided by Building Queensland.



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Peter Mifsud  
Executive Director  
Corporate Administration Agency



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Rachael Barabas  
Director, Financial Services  
Corporate Administration Agency

Dated: 11 July 2016

# INDEPENDENT AUDITOR'S REPORT

To the Board of Building Queensland

## Report on the Financial Report

I have audited the accompanying financial report of Building Queensland, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chief Executive Officer and Acting Group Director, Governance and Business Services.

### *The Board's Responsibility for the Financial Report*

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### *Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Building Queensland for the financial period 3 December 2015 to 30 June 2016 and of the financial position as at the end of that year; and

### **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



D R ADAMS FCPA  
Director  
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office  
Brisbane

# 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 8 p. 4
Accessibility	Table of contents	ARRs—section 10.1
	Glossary	N/A
	Public availability	ARRs—section 10.2
	Interpreter service statement	Queensland Government Language Services Policy ARRs—section 10.3
	Copyright notice	<i>Copyright Act 1968</i> ARRs—section 10.4
Information licensing	<i>QGEA—Information Licensing</i> ARRs—section 10.5	
General Information	Introductory information	ARRs—section 11.1
	Agency role and main functions	ARRs—section 11.2
	Operating environment	ARRs—section 11.3
Non-Financial Performance	Government’s objectives for the community	ARRs—section 12.1
	Other whole-of-government plans/ specific initiatives	ARRs—section 12.2
	Agency objectives and performance indicators	ARRs—section 12.3
	Agency service areas and service standards	ARRs—section 12.4
Financial Performance	Summary of financial performance	ARRs—section 13.1
Governance—Management and Structure	Organisational structure	ARRs—section 14.1
	Executive management	ARRs—section 14.2
	Government bodies (statutory bodies and other entities)	ARRs—section 14.3
	<i>Public Sector Ethics Act 1994</i>	ARRs—section 14.4
	Queensland public service values	ARRs—section 14.5
Governance—Risk Management and Accountability	Risk management	ARRs—section 15.1
	Audit committee	ARRs—section 15.2
	Internal audit	ARRs—section 15.3
	External scrutiny	ARRs—section 15.4
	Information systems and record keeping	ARRs—section 15.5

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Summary of Requirement		Basis for Requirement	Annual Report Reference
Governance—Human Resources	Workforce planning and performance	ARRs—section 16.1	p. 28
	Early retirement, redundancy and retrenchment	Directive No. 11/12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs—section 16.2	p. 28
Open Data	Consultancies	ARRs—section 17 ARRs—section 34.1	p. 28
	Overseas travel	ARRs—section 17 ARRs—section 34.2	p. 28
	Queensland Language Services Policy	ARRs—section 17 ARRs—section 34.3	N/A
	Government bodies	ARRs—section 17 ARRs—section 34.4	N/A
Financial Statements	Certification of financial statements	FAA—section 62 FPMS—sections 42, 43 and 50 ARRs—section 18.1	p. 51
	Independent auditors report	FAA—section 62 FPMS—section 50 ARRs—section 18.2	p. 54

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs *Annual report requirements for Queensland Government Agencies*



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