



IPSWICH GRAMMAR SCHOOL ANNUAL REPORT 2020

Letter of compliance

26 February 2021

The Honourable Grace Grace MP

Minister for Education and Minister for Industrial Relations and Minister for Racing

PO Box 15033

CITY EAST QLD 4002

Dear Minister

I am pleased to present the Annual Report 2020 and Financial Statements for Ipswich Grammar School. I certify that this Annual Report complies with:

- The prescribed requirements of the *Financial Accountability Act 2009 (FAA)* and the *Financial and Performance Management Standard 2019 (FPMS)*; and
- The detailed requirements set out in the *Annual Reporting Requirements for Queensland Government Agencies (ARP)*.

A checklist outlining the School's compliance with the Department of the Premier and Cabinet annual reporting requirements can be found at page 61 and 62 of this report.

Yours sincerely



Mr David Edwards

Chair of the Board of Trustees



Mr Richard Morrison

Headmaster/CEO

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Accessibility

Public availability

This Annual Report can be located at www.ipswichgrammar.com.

Copies of the Annual Report are also available in paper form and can be obtained from the Business Manager, Mr Matt McLoughlin.

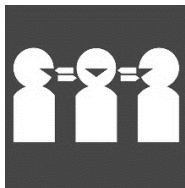
The contact details of the Business Manager are Mr Matt McLoughlin at:

- Telephone: (07) 3813 9621
- Email: mmcloughlin@ipswichgrammar.com

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Interpreter services

Ipswich Grammar School is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding this Annual Report, you can contact us on (07) 3813 9600 and we will arrange an interpreter to effectively communicate the report to you.



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From the Chair

Like many organisations around the state and country, Ipswich Grammar School started the year with hope and optimism. Little did we know what was ahead of us.

Looking back on our 157-year history, Ipswich Grammar School has been confronted by and overcome many challenges, including World Wars, floods, the Great Depression and economic downturns.

These events have created hardship, loss of life and distress for the school and the school community. We have always however, endured these difficult times and indeed often emerged stronger and more resilient. This was not because we were any better equipped to cope with these events than others, but because as a school community we endured it together. It is the Ipswich Grammar School community that marks this school as special. Not just the boys wearing their blazers and the teachers in the classrooms – it is our families, past and present, our Old Boys, our volunteers and community leaders.

Every member of the Ipswich Grammar School community rose to the challenge this year and has gone above and beyond anything asked of them. Through their words and actions, they have modelled calmness, compassion and authenticity, and our boys saw first-hand how true leaders behave, regardless of one's title or position.

We promised at the beginning of this year that we would get through this together – and that we did.

Our Board, the Leadership Team and our staff, worked tirelessly throughout this time to ensure we maintained our focus on our core purpose – educating boys. I offer my personal thanks to these individuals and teams for their hard work and dedication.

Although COVID-19 was always front of mind for the Board this year, the Trustees also remain focussed on those strategic risks and opportunities that may impact on the school in the future, so we can continue to go from strength to strength.

As an Old Boy of Ipswich Grammar School and Chair of the Board of Trustees, I am proud to present the 2020 Annual Report.



David Edwards

Chair of the Board

From the Headmaster

I am delighted to present the 2020 Annual Report for Ipswich Grammar School to our school community and the wider Queensland community.

Our school is proudly the first secondary school in Queensland, our state's first Grammar School and a school which our growing enrolment indicates has managed to maintain relevance and purpose since 1863.

As the global pandemic created havoc all over the world it also brought issues and problems to Ipswich Grammar School, but I am pleased to report that the school community and our magnificent staff rallied around our boys and Ipswich Grammar School was still able to deliver wonderful opportunities in the Arts, Sports and Academics.

In 2020, the school completed the fifth and final year of its current 2016-2020 Strategic Plan and as we mapped a new course with a refined 2021-2025 Strategic Plan, we were able to reflect on and celebrate 5 years of consistent enrolment growth, financial improvement and a general trend of strong academic improvement.

We were also very proud to complete the first new building in the secondary school at Ipswich Grammar School for 35 years with our new STEM Centre hosting lessons from the beginning of 2021. This project represents 4½ years of collective effort and engagement by a large team of Board Members, staff and community volunteers. The project also represents a strong statement of the ambition and optimism which is part of the fabric of Ipswich Grammar School.

In conclusion, I would like to thank both the Board of Trustees for the continued commitment to the School and the outstanding academic and support staff of our school who have also made a massive contribution to the School and our boys in 2020.



Richard Morrison

Headmaster/CEO

General Information

Introduction

Ipswich Grammar School is the oldest grammar school in Queensland and a Prep to Year 12 independent day and boarding school. Our boys live and breathe our motto – *Labore Et Honore* – to work hard with honour and we challenge our staff and our boys to be exceptional performers every day.

Founded in 1863, Ipswich Grammar School has a proud history of educating boys in a supportive and encouraging environment. Over this time, we have developed and implemented innovative approaches to address the specific learning needs of boys with focused curriculum, specialist teachers and a unique approach to teaching called 'Explicit Teaching'.

Every day for our boys is stimulating, unique and exciting. We tap into their sense of wonder and curiosity about the world around them. By tailoring programs and activities to meet our students' specific needs, we ensure every boy has the opportunity to reach his full academic, cultural and social potential.

We foster an encouraging environment that delivers more than exceptional academic results. Whether it is sport, debating, the arts, literacy, or the sciences, our boys are given the opportunity to excel and network in any field. They are supported by staff from various backgrounds that bring world-class knowledge and experience to the classroom, playing field and laboratories.

School role and main functions

Ipswich Grammar School is a statutory body that was established in 1863 under the *Grammar Schools Act 1860* and is now constituted under the *Grammar Schools Act 2016*.

The *Grammar Schools Act 2016* came into effect on 1 January 2017 and replaced the *Grammar Schools Act 1975* with modern legislation that aims to meet the contemporary needs of the School. The *Grammar Schools Act 2016* provides for the establishment and regulation of the School including the constitution of the Board of Trustees and the functions of the Board. The *Grammar Schools Act 2016* did not alter the status or functions of the Board of Trustees or the Board's responsibility for the governance of the School.

Planning and reporting for the statutory bodies is legislated under the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*.

The Minister for Education and Minister for Industrial Relations and Minister for Racing is responsible for the administration of the *Grammar Schools Act 2016*.

Ipswich Grammar School principal location is Grammar School Hill, Darling Street, Ipswich QLD 4305. The Grammar Sporting Fields are located at Pearse Drive, Brassall QLD 4305.

Telephone: (07) 3813 9600

Email: info@ipswichgrammar.com

Website: www.ipswichgrammar.com

CRICOS: 0004998

Ipswich Grammar School's role and main functions are articulated through its strategic priorities which are linked to the fundamental values of the School. The values for each year will remain constant but the priorities will vary from year to year and this is further emphasised in the School's Motto and Vision Statement as follows:

School Motto

"Labore et Honore" – Work and Honour

Vision Statement

Exceptional Performance – We will challenge ourselves and our boys to be exceptional performers. This is a statement of intent, an aspiration, and a call to action. We understand that we may falter at times but we are compelled to commit to this standard. In doing so we will generate the energy and purpose that are fundamental to great schools.

Operating Environment

The Strategic Plan for Ipswich Grammar School was reviewed and renewed through an extensive process involving a range of stakeholders including many community members during 2016. This resulted in the release of an exciting Strategic Plan for the period 2016 – 2020. The School's Vision is expressed through four strategic focus priority areas that form the basis of the School's governance operations. The Strategic Plan priority areas are:

Our Boys

Ipswich Grammar School strives to develop the whole boy. His wellbeing is our core focus and our support processes demonstrate this. We create pathways where every boy is able to choose learning to best match his interests, skills and aspirations. In his endeavours we will help him perform to his full potential.

Every IGS boy will be nurtured, supported and challenged to achieve and develop at IGS. This will be achieved through a highly individualised support process for each boy, programs that will develop each boy towards manhood, advanced tracking of each boy's social, emotional and academic wellbeing, celebrating individual and collective successes and innovative uses of data to continuously improve practices and outcomes.

Our Teachers

Ipswich Grammar School is committed to providing every boy with an exceptional education through outstanding curriculum, learning and teaching experiences. We want every boy to commit to creative, open-minded, lifelong learning and to develop an inquiring mind. We strive for every boy to be responsible for his own learning. He will be creative, able to discuss issues and to solve problems. Our teachers will work with every boy to enable him to meet his full potential. We will also build on the combined potential of the digital age, the latest education practices and an engaging curriculum that is designed to prepare our boys for a rapidly changing world.

Teachers at IGS are inspiring, innovative and responsive to our boy's needs and emerging best practice. Since the early work on implementing a whole of school approach to teaching by the introduction of "The Art and Science of Teaching" by Robert Marzano, the School has further enhanced the program especially targeting Literacy and Numeracy, through the introduction of the Explicit Teaching model by John Fleming. Teachers are also involved in the extra-curricular program of IGS.

Our School

Ipswich Grammar School's strategic priority is to create a sustainable organisation that can then reinvest in top quality resources, facilities and assets.

IGS is continually working towards vibrant and innovative business plans that create positive financial outcomes. These plans are developed in accordance with supporting the continual development and sustainability of the School. The School will continue to do this by:

- Investing in growth strategies;
- Developing an entrepreneurial approach; and
- Implement major projects of strategic importance to improve infrastructure and the physical environment.

Our Community

Ipswich Grammar School seeks to create a strong Community by fostering relationships and establishing productive partnerships.

Ipswich Grammar School will seek to have a vital and empowered Community forged through effective communication and shared commitment by:

- Engaging the Old Boys of Ipswich Grammar School;
- Being an active participant in the life of Ipswich and Brisbane;
- Streamlining internal and external communication;
- Adopting effective marketing strategies;
- Communicating the direction and achievements of the School with the broader community;
- Growing and fostering a culture of philanthropy; and
- Enriching and enhancing our Boarding community.

Strategic Risks, Opportunities and Challenges

Ipswich Grammar School faces the same risk that applies to all independent schools which relates to receiving adequate funding from Governments and maintaining satisfactory enrolments in the current challenging economic and competitive conditions. These challenges have been recognized in the development of the Strategic Plan whereby the School recognises the focus areas necessary to see Ipswich Grammar School as the School of choice in our region for boys-only education.

Board Meetings

The Board of Trustees of Ipswich Grammar School met for 11 monthly ordinary Board Meetings in 2020 between January and November.

Non-Financial Performance

Government objectives for the community

The Queensland Government has issued a statement of objectives for the community as follows:

- Safeguarding our health;
- Supporting jobs;
- Backing small business;
- Making it for Queensland;
- Building Queensland;
- Growing our regions;
- Investing in skills;
- Backing our frontline services; and
- Protecting the environment.

Ipswich Grammar School contributes to these Government policies, strategies and objectives as follows:

- Building capacity in our employees via performance management and review systems and regular appraisal;
- Maintain safe, supportive professional work and learning practices and environments;
- Continuing with the 2016-2020 Strategic Vision Statement of 'Exceptional Performance' for all employees and students;
- Delivering updated infrastructure and development with refurbishment of facilities which provide employment to the local industries and are delivered on time and within budget;
- Maintaining Explicit Teaching curriculum;
- Continued commitment to outstanding academic excellence by establishing professional learning programs designed to enhance teaching and learning practices for improving student literacy and numeracy results;
- Supporting apprentice skills Vocational Education training thereby opening up career pathways to students;
- Promoting an educational environment where every student has the opportunity and right to achieve their very best across all dimensions of their schooling thereby enhancing their personal and career development for adult integration into the workforce and society;
- Encouraging awareness and participation in community services and events;
- Maintaining strong relationships with the entire community including staff, Old Boys, parents, corporate parents and Parents and Friends; and
- Promoting international tourism with the undertaking of Study Tours from Asia.

School Objectives and Performance Indicators

The 100 Day Strategic Plan is an ongoing tool to see the School through to the year 2020. Results achieved to date are as follows:

Our Boys:

- Prep to Year 12 Adventure Program implemented;
- Short-term program implemented to connect with boys during online learning;

- 98% of Year 12 leavers reported they were proud to attend IGS (Year 12 Satisfaction Survey); and
- 96.5% of Year 12 leavers agreed that IGS promotes mateship and brotherhood which leads to strong friendships (Year 12 Satisfaction Survey).

Our Teachers:

- 97% of our Preps exceed the National PM Benchmark of 5;
- The average reading level in Prep at the end of 2020 was Benchmark 14.3;
- 35% of ATAR-eligible Year 12s achieved over 90.00 (of the ATAR results we are aware of); and
- The highest ATAR achieved (99.90) which placed that student in the top 60 in QLD.

Our School:

- Operating profit of \$1.85M;
- \$10.2M investment in new equipment and infrastructure in 2020;
- Enrolments in 2020 exceeded 1,000;
- Positive continuous enrolment growth over the past five years; and
- Completion of construction on a state of the art STEM teaching facility costing \$10.9m.

Our Community:

- Fundraising over \$1.1M to support the construction of the new STEM Centre;
- 100% of Parents surveyed were satisfied with the School's communication throughout the COVID-19 pandemic; and
- Increased online engagement with Old Boys

Academic Results

In 2020, The Department of Education rolled out the New ATAR system for assessing the academic standings of all Year 12 students. As such, the previous QCS results are not a sufficient basis for comparison and are not included in these reports. The results from ATAR testing will not be released until after the publication of this report.

Destinations of the Year 12 Cohort in 2020

In 2019, 64.7% of young people who completed Year 12 at Ipswich Grammar School continued in some recognised form of education and training in the year after they left school, by way of Bachelor degree, VET Certificate or apprenticeship.

Main destination 2020

| | | |
|----------------------|-----------|---------------|
| Bachelor Degree | 45 | 52.9% |
| VET Certificate | 2 | 2.4% |
| Apprenticeship | 8 | 9.4% |
| Traineeship | 0 | 0.0% |
| Full-time employment | 2 | 2.4% |
| Part-time employment | 9 | 10.6% |
| Seeking work | 16 | 18.8% |
| NILFET | 3 | 3.5% |
| Total | 85 | 100.0% |

The students study field of Bachelor Degrees in 2020 was as follows:

Study field of Bachelor Degrees

| | | |
|--------------------------------------|-------------|---------------|
| Engineering and Related Technologies | 13 | 23.6% |
| Management and Commerce | 13 | 23.6% |
| Society and Culture | 10 | 18.2% |
| Natural and Physical Sciences | 9 | 16.4% |
| Health | 6 | 10.9% |
| Architecture and Building | 5 | 9.1% |
| Creative Arts | 4 | 7.3% |
| Information Technology | 1 | 1.8% |
| Total | * 55 | 100.0% |

* 6 students studying Bachelor Degrees enrolled in double degrees.

School Service Areas and Service Standards

Ipswich Grammar School has been a specialist in boys' education since 1863. Adopting current research in the teaching of boys and by employing a specialist program, boys become responsible, effective, creative, enterprising, happy and healthy members of society. The School adopts well researched, innovative and resourced practices to achieve its goals.

The aim of Ipswich Grammar School is to create an open, happy, stimulating, mutually respectful community where young men develop the full range of their talents and abilities in a balanced, integrated and generous way. The Ipswich Grammar School staff ensure that the learning experience for each and every student encompasses a balanced approach to the mind, body and spirit which develops a lifelong desire for learning and moral reasoning and action.

In 2016 Ipswich Grammar School joined a select group of Australian and international schools who work closely with John Fleming and his team to improve the educational outcomes of their student's. The School has a strong literacy and numeracy program from Prep to Year 9. A significant educational "event" was the decision by the then Queensland Education Minister Hon Kate Jones to finally end the Overall Position or OP system, which had been part of senior schooling in Queensland since 1974. The change, effective from 2020, would see Queensland fall into line with all other Australian states in adopting the ATAR or Australian Tertiary Admission Rank. Furthermore, it heralded a return to external examinations comprising twenty-five percentage weight for most subjects and a fifty-percentage weight in the mathematics and sciences. In 2018, Ipswich Grammar School offered Year 10 students senior school electives that were introductory courses for the new generation of senior syllabuses being developed by the QCAA (Queensland Curriculum and Assessment Authority). Our dedicated and hardworking teaching staff also volunteered to be trial markers, syllabus writers and advisors so that we as a school were on the ground floor of the considerable changes occurring across the secondary schools' sector. Ipswich Grammar School has a holistic approach to education which focuses on exceptional performance in academics, the arts and sport, as well as, developing a set of core values in our students. With dedicated heads of years, a full-time counsellor and staff in student services areas, programs are in place to support students of all ages and abilities based on their individual needs.

Our Prep to Year 12 Student Wellbeing program ensures each student is known personally, and opportunities are offered for boys to grow and learn in ways that are responsive to their individual needs. Through our programs we encompass age-related issues confronting boys as they move through childhood to early adolescence and manhood. Ipswich Grammar School has been aligned with the Round Square program as our wellbeing framework from the beginning of 2018.

What is Round Square?

Round Square is a network of over 150 schools that share a holistic approach to learning based on the 6 ideals of renowned educationalist Kurt Hahn - Internationalism, Democracy, Environmentalism, Adventure, Leadership and Service. Hahn's philosophy was based on the belief that young people should be given an opportunity in leadership and service to help others and that they could learn and make a difference in the real world.

Ipswich Grammar School serves as a foundation for partnerships that are beneficial to students, families, businesses and government agencies. It is a school that actively fosters the value of community. In working in conjunction with families, the school provides opportunities to develop young men capable of making a positive contribution to the wider Ipswich region, Queensland and international communities. Ipswich Grammar School has performed well in achieving its service standards in 2020 including:

Community programs

Due to restrictions in place from COVID-19 for the majority of the 2020 year, all external community programs were cancelled. There were minor limited events taking place within the school grounds.

Study tours

In February 2020 we had a study tour from Japan join us at Ipswich Grammar School for a week.

Shortly after this, international borders were closed and caused all study tours to be cancelled for the remainder of the school year.

Financial Performance

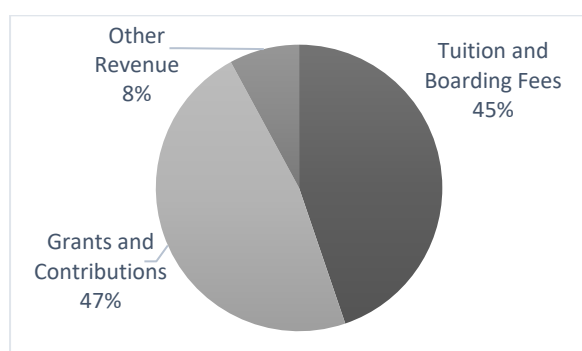
For the year ended 31 December 2020

This summary provides an overview of Ipswich Grammar School's financial performance for the year of 2020.

A comprehensive set of financial statements is provided in this report.

Income

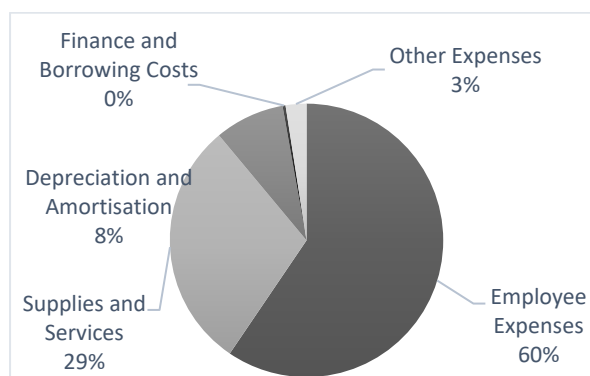
Total operating income for the year as \$29.7 million. This included \$13.3 million of revenue for tuition and boarding fees and \$14.0 million from government grants and contributions.



Expenses

Total operating expenses were \$27.8 million, including:

| | |
|-------------------------------|----------------|
| Employee expenses | \$16.5 million |
| Supplies and services | \$8.2 million |
| Depreciation and amortisation | \$2.3 million |
| Other expenses | \$0.8 million |



Operating results from continuing operations as increased in 2020, by \$1.45 million.

| Operating results | 2020 | 2019 |
|--------------------------------------|--------------|------------|
| | \$ '000 | \$ '000 |
| Total operating income | 29,655 | 26,654 |
| Total operating expenses | 27,809 | 26,251 |
| Operating result for the year | 1,846 | 403 |

The School maintains a positive cashflow from operating activities and can pay all debts as and when they fall payable. Current ratio has increased by 0.33 from 2019 to 2020.

| Current ratio | 2020 | 2019 |
|----------------------|-------------|-------------|
| | \$ '000 | \$ '000 |
| Current assets | 9,670 | 6,276 |
| Current liabilities | 4,565 | 3,519 |
| Current ratio | 2.12 | 1.78 |

Governance – Management and Structure

Organisational Structure

Ipswich Grammar School is governed by a Board of Trustees which delegates directly to the Headmaster/CEO for all aspects of the day-to-day management of the School operations. In turn, the Headmaster/CEO oversees a number of sub-committees and working teams established within the School to assist in the management of all educational, pastoral and financial matters. All operational decisions are made by the Headmaster/CEO, however, all strategic decisions are ratified by the Board of Trustees for the Headmaster/CEO to implement and report progress.

The Board of Trustees of the Ipswich Grammar School consists of at least seven, but no more than nine members appointed by the Governor in Council for a term of four years, of whom:

- Four are persons nominated by the Minister;
- Three are persons elected as prescribed under the Grammar Schools Act 2016; and
- Up to two additional members are chosen by the Board and nominated by the Minister.

The Executive is chaired by the Headmaster/CEO and consists of key executives who assist in the leadership and management of various aspects of the School's operations.

Executive Management

The Executive

This team meets on a regular basis and is chaired by the Headmaster/CEO. The function of this Committee is to manage the day-to-day activities of the School in all areas of curriculum, academic, pastoral care, finance, administration and maintenance. The team is responsible for ensuring that the School is performing positively in relation to the strategic goals laid out in the IGS Strategic Plan 2016 – 2020.

The Executive Team for 2020 consisted of four key executive positions as follows:

Mr Richard Morrison Headmaster/CEO

Mr Tony Dosen Deputy Headmaster

Mr Matt McLoughlin Business Manager/Secretary to the Board

Mr Ben Gates Head of Junior School

100-day plan Working Teams

Each of the four areas outlined in the strategic plan for IGS is managed by a working team. Each team is chaired by a member of the Executive. These plans are formulated and reviewed regularly, and they have a direct focus on achieving outcomes linked directly to each of the strategic areas.

Boarding Committee

This Committee meets monthly and is chaired by the Director of Boarding. The function of this Committee is to address all aspects of managing the Boarding House and the pastoral care of the Boarders.

Related entities

The Board of Trustees of the Ipswich Grammar School established a Building Fund (Ipswich Boys Grammar School Centenary Building Fund) managed by the Board of Trustees and was established to assist the School (via tax deductible donations) in raising funds for capital expenditure programs for the School. Strategic decisions in relation to the undertaking of any building or maintenance enhancement at the School are ratified by the Board of Trustees. The financial performance of the Building Fund is monitored monthly by inclusion of the financial reporting in the monthly Board of Trustees meeting papers.

Government bodies

The School is governed by the Board of Trustees of the Ipswich Grammar School in accordance with the *Grammar Schools Act 2016*. Refer to Government Bodies table accessible on website.

The membership of the Board of Trustees of the Ipswich Grammar School for 2020 was:

Ministerial nominees

| | |
|---------------------------------|-------------------------------|
| Mr David Edwards (Chair) | Projects Chief Executive |
| Mr Michael Glover | Accountant |
| Ms Karen Renton-Vedelago | Solicitor |
| Mrs Christine Went | CEO |
| Ms Kellie McKenzie | Partner |
| Dr Meg Hooper | Director/Principal Consultant |

Ministerial members of the Board perform this role in a voluntarily capacity and receive no remuneration for this position.

Elected members

| | |
|--|--------------------|
| Dr Michael Fanshawe | Anaesthetist |
| Mrs Sharon Carvolth | Consultant |
| Mr Desmond Whybird (Deputy chair) | Engineer (retired) |

Elected members of the Board perform this role in a voluntary capacity and receive no remuneration for this position.

Headmaster/CEO

| | |
|----------------------------|----------------|
| Mr Richard Morrison | Headmaster/CEO |
|----------------------------|----------------|

Secretary to the Board of Trustees

| | |
|---------------------------|---|
| Mr Matt McLoughlin | Business Manager/Secretary to the Board |
|---------------------------|---|

The Board of Trustees conducted 11 meetings during 2020. The number of Board Meetings attended by each trustee is listed below:

| Trustee | No. of Board Meetings attended |
|-----------------------------------|---------------------------------------|
| Mr David Edwards (Chair) | 11 |
| Mr Desmond Whybird (Deputy Chair) | 10 |
| Mrs Sharon Carvolth | 11 |
| Dr Michael Fanshawe | 10 |
| Mr Michael Glover | 10 |
| Ms Karen Renton-Vedelago | 10 |
| Mrs Christine Went | 10 |
| Ms Kellie McKenzie | 11 |
| Dr Meg Hooper | 11 |

Achievements of the Board of Trustees 2020

Throughout 2020 the Board of Trustees were proactive in the IGS community and outlined is a summary of key actions and achievements in 2020:

- Monitoring, reviewing and supporting progress with the IGS Strategic Plan 2016-2020;
- Design of the new 2021 – 2025 IGS Strategic Plan;
- Conducted a preliminary assessment of a new boarding IGS house;
- Financial oversight, support and quality assurance for the School;
- Overseeing of continual improvement in enrolments;
- Continuation of the Board review and planning process;
- Oversight of the extensive risk management processes for the School;
- Oversight of the design, funding and development approvals process for the construction of the new STEM facility with the building completed successfully in December 2020;
- Oversight of the construction of a major embankment retaining structure on the corner of Darling and Waghorn Streets;
- Effective implementation of sub-committees to support the strategic direction of the School – Building Sub-Committee/ Fundraising Sub-Committee/Audit, Finance and Risk Sub-Committee/Remuneration and Nominations of Sub-Committee; and
- Creation of six strategic development groups to create a series of long-range strategic plans for the School in marketing, finance and facilities.

Public Sector Ethics Act 1994

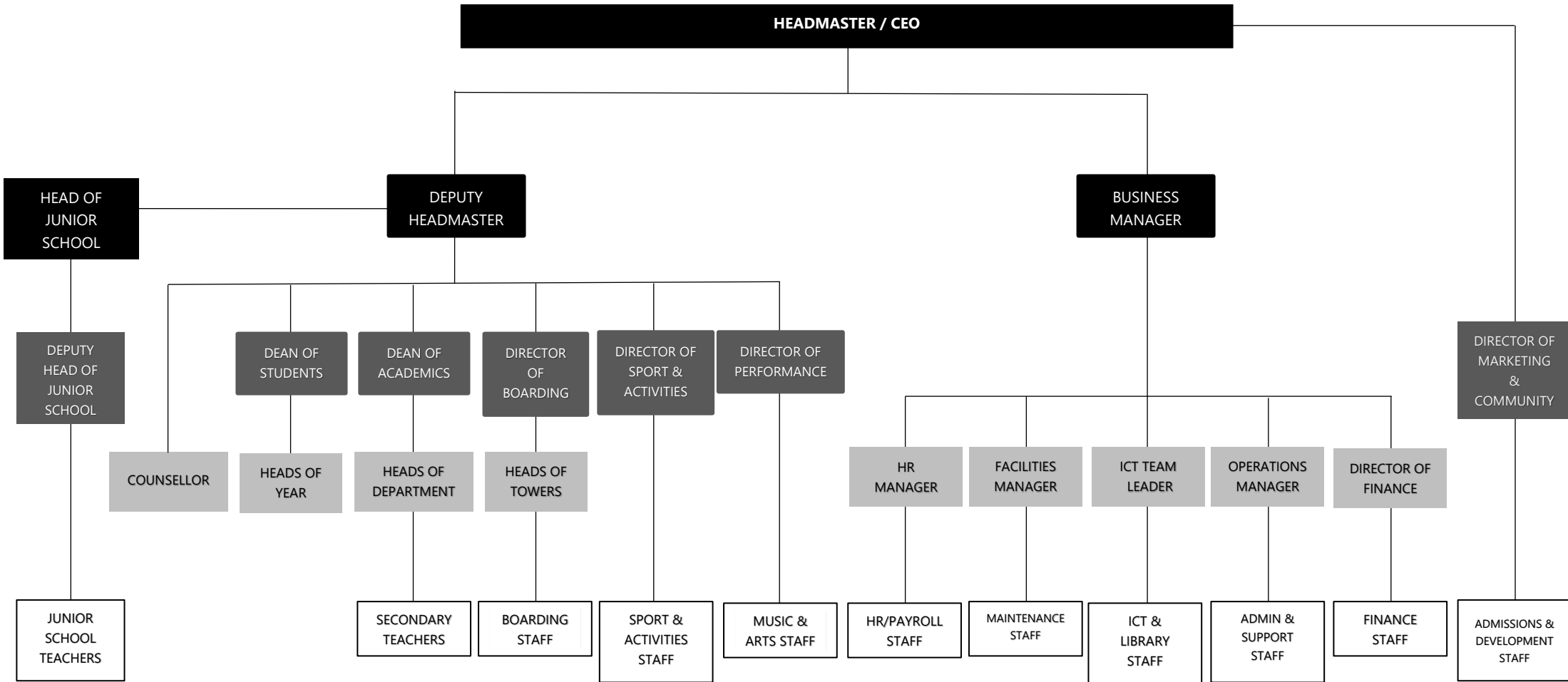
The *Public-Sector Ethics Act 1994* ('the Act') defines ethical principles, and obligations arising from those principles, that staff must observe. The administrative procedures and management practices of Ipswich Grammar School have proper regard to the ethics principles and values, the approved Code of Conduct and the standard of practice as it applies to the School. All staff are bound by the Code of Ethics for Teachers in Queensland and are annually reminded of the Code at Professional Development days at the commencement of the School year and at induction for new staff. The Code of Conduct is formulated around the four key ethical principles contained in the Act being:

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

Human rights

The *Human Rights Act 2019* defines human rights protections and freedoms for individuals in Queensland, that staff must understand and observe. It defines what is a human right, who has human rights, the protections of those rights and how to apply those human rights in Queensland.

Organisational Chart



Governance – Risk management and accountability

Risk Management

Ipswich Grammar School operates within its formal Risk Management System. The School has developed and reviewed a number of policies and procedures during the year, including:

- Workplace Health and Safety Policy;
- Child Protection Policy;
- Child Risk Management Policy;
- Workplace Bullying Policy;
- Privacy Policy;
- Complaints Handling Policy; and
- Evacuation Policy.

These policies are designed to minimise day-to-day risk and manage the risk exposure of the School environment.

Procedures continue to be implemented with regular workplace health and safety meetings being conducted, hazard reporting being utilised, and safety audits being conducted at required intervals. The School has maintained the School's risk policy, register, process and structure.

Ipswich Grammar School regularly reviews its comprehensive Financial Management Practice Manual as required by S61 of the *Financial Accountability Act 2009*. The purpose of this manual is to provide detailed policy guidelines by which the School can operate effectively while providing a high level of accountability. The Board regularly reviews this manual and policies of the School which are tracked in a document control register.

Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee has observed the terms of its charter and has due regard to the Committee's guidelines. The Audit, Finance and Risk Committee assess risk management and compliance responsibilities to assist and enable the Board of Trustees to fulfil its responsibilities to the School by reporting and monitoring on all risks across the School with particular focus on matters relating to:

- Financial Risk – minimise potential adverse effects on financial performance, including but not limited to financial policies, budgets, financial performance compared with budgets and strategic goals, assessing major transactions and programs;
- Credit Risk – adopts a credit management strategy;
- Liquidity Risk – adopts a liquidity management strategy closely monitoring available cash;
- Interest Risk – limited exposure due to borrowings from QTC; and
- Data Risk – back up servers in place with yearly review of policy.

The achievements of the Audit, Finance and Risk Committee during 2020 were as follows:

- Preparation and approval of the budget for 2021;
- The maintenance of the Schools risk infrastructure;
- Successful construction of the embankment and STEM building; and
- Strengthened internal controls over debtors.

Committee Members

The Board of Trustees established a sub-committee of the following members, to represent the Audit, Finance and Risk Committee:

| | |
|----------------------------------|---|
| Mr Michael Glover (Chair) | Board Member |
| Mrs Sharon Carvolth | Board Member |
| Dr Michael Fanshawe | Board Member |
| Ms Kellie McKenzie | Board Member |
| Mr Richard Morrison | Headmaster/CEO |
| Mr Matt McLoughlin | Business Manager/Secretary to the Board |

The members of the Audit, Finance and Risk Committee perform this role voluntarily and are not remunerated for this position.

Building Committee

The Building Committee is responsible for all capital works and maintenance at the School. All material matters are reported to the Board of Trustees at the monthly Board meetings.

Committee Members

The Board of Trustees established a sub-committee of the following members, to represent the Building Committee:

| | |
|-------------------------------|---|
| Mr Des Whybird (Chair) | Deputy Board Chair |
| Mrs Chris Went | Board Member |
| Mr Richard Morrison | Headmaster/CEO |
| Mr Matt McLoughlin | Business Manager/Secretary to the Board |
| Mr Tony Dosen | Deputy Headmaster |
| Mr Scott Davis | Facilities Manager |
| Mr Brendan Madders | Consultant Project Manager |
| Mr Brett McKenzie | Parent |
| Mr James Long | Parent |

The Building Committee meet as required based on activity the School is currently undertaking.

Governance, Remuneration and Nominations Committee

The Governance, Remuneration and Nominations Committee is responsible for appointment, remuneration and performance review of the Headmaster/CEO and Secretary to the Board. The Committee included Governance to its mandate during 2020.

Committee Members

The Board of Trustees established a sub-committee of the following members, to represent the Remuneration and Nominations Committee:

| | |
|---------------------------------|--------------|
| Mr David Edwards (Chair) | Board Chair |
| Mr Michael Glover | Board Member |
| Ms Kellie McKenzie | Board Member |
| Mrs Chris Went | Board Member |
| Ms Meg Hooper* | Board Member |

** Joined the committee November 2020*

The Remuneration and Nominations Committee meets as required, and at least annually in November.

Fundraising Committee

The Fundraising Committee is responsible for overseeing all sponsorship and fundraising activity within the School. All material matters of are reported to the Board of Trustees at the monthly Board meetings.

Committee Members

The Board of Trustees established a sub-committee of the following members, to represent the Fundraising Committee:

| | |
|----------------------------------|---|
| Mr Paul Casos (Chair)* | Old Boy |
| Ms Karen Renton-Vedelago* | Board Member |
| Dr Michael Fanshawe | Board Member |
| Mr Richard Morrison | Headmaster/CEO |
| Mr Matt McLoughlin | Business Manager/Secretary to the Board |
| Mr Greg Jensen | Consultant |
| Mrs Erin Sorrensen | Director of Marketing and Community |

** Karen Renton-Vedelago resigned as Chair and Paul Casos appointed.*

The Fundraising Committee meets periodically throughout the year depending on activity.

Internal audit

There is no formal internal audit function established aside from the Audit, Finance and Risk Committee. Ipswich Grammar School has not established a formal internal audit function due to its size. The School has in place a number of practices that help it to confirm the appropriateness of its operations such as:

- Every five (5) years Queensland Non-State schools are required to participate in the Non-State Schools Accreditation Board's (NSSAB) cyclical review program to ensure they are giving appropriate attention to meeting their legislated requirements for accreditation, through their organisational structure, policies and procedures. The School undertook this process in 2017; and

- The School's financial benchmarks are monitored and reviewed yearly by an independent external organisation.

External Scrutiny

The Board of Trustees is constituted and has powers to operate and function in accordance with the *Grammar Schools Act 2016*. Ipswich Grammar School accounts are audited annually by the Auditor-General or a firm authorised by the Auditor-General. The firm authorised for the 2020 year were Pitcher Partners.

All Grants received by the State and Federal Government are verified and an annual acquittal form forwarded to ISQ and the appropriate Government department for acquittal of grants received.

The Department of Education regularly meet with the School to discuss its financial performance and conduct a Financial Health Check on a yearly basis.

The audited annual financial statements for the year ended 31 December 2020 of the Board of Trustees of the Ipswich Grammar School are included at the end of this report.

Information Systems and Record Keeping

Ipswich Grammar School continually implements and improves record management procedures and processes to ensure compliance with the *Public Records Act 2002*.

The School maintains an integrated computerised Financial/Administrative Reporting System, TASS, which has been designed specifically for the management of schools financial accounting and administrative operations. Ipswich Grammar School's records are managed until they have completed their lifecycle where they are archived and disposed of in accordance with the Queensland State Archives General Retention and Disposal schedule.

Staff training of record management is ongoing, ensuring that the School is reliably maintaining appropriate records of its activities. We are transitioning to digital and paperless records where feasible and are reviewing this periodically to increase efficiencies across the School.

Ipswich Grammar School's recordkeeping practices ensure our recordkeeping policy aligns with the following standards:

- Information Standard 40: Recordkeeping; and
- Information Standard 31: Retention and Disposal of Public Records

The practices aim to ensure our records management practices are compliant with current legislation and best practice recordkeeping standards.

Governance – Human Resources

Workforce Planning, Attraction, Retention and Performance

One of the School's strategic plan focus areas is 'Our Teachers' whereby we strive to develop and employ teachers who are inspiring, innovative and responsive to our boys' needs and emerging best practice. The recruitment policies and procedures for Ipswich Grammar School have been developed to ensure the attraction of high quality, high performing, and passionate staff. Reference checks are undertaken in order to achieve the School's strategic goal to appoint high performing individuals with extensive experience in their field of expertise and with character attributes which contribute to the employment expectations at Ipswich Grammar School being professionalism, hard work and dedication to achieving the School's Strategic Goals.

The School has implemented policies and procedures to manage and develop the skills of all staff. Performance reviews are undertaken annually by Department Heads and managers, under the direction of the Headmaster/CEO, for both academic and non-academic staff. Where performance improvements are identified as necessary, the School encourages and assists staff members to attend professional development seminars and workshops appropriate to their specialised area of teaching or, for non-teaching staff, their profession. Further to this, internal staff training and professional development is undertaken in classroom teaching techniques and information technology skills.

The School is a continual learning community for all staff and accordingly, a leadership and management development framework exist where vacancies which create a promotional opportunity are offered to existing staff members to apply. The Leadership Development Program has supported our succession planning strategy and provides staff with opportunities to expand their experience and credentials in undertaking a leadership role that encompasses duties that stretch their existing talent.

Ipswich Grammar School supports flexible workplace and family-friendly arrangements whilst endeavouring to assist staff to achieve work-life balances through:

- The availability of job-share, part-time and term-time employment arrangements where possible;
- Flexibility in working hours for support staff during school vacation periods; and
- Greater access to personal, carers, emergent and special leave to cater for family situations.

The School's Enterprise Agreement was renewed in 2020 and ratified by the Fair Work Commission for the years 2021-2023. The School also has a consultative committee to address issues such as workplace intensification.

The staffing summary for 2020 is as follows and clearly shows a high staff retention rate indicating Ipswich Grammar School is a preferred employer.

| Teaching staff | Full time (FTE) | Part time casual (FTE) | Total (FTE) |
|---------------------|-----------------|------------------------|-------------|
| Teachers | 67.0 | 1.1 | 68.1 |
| Student counsellors | 1.0 | 0.0 | 1.0 |
| Resource teachers | 0.0 | 0.0 | 0.0 |
| TOTAL | 68.0 | 1.1 | 69.1 |

| Ancillary staff | Full time (FTE) | Part time casual (FTE) | Total (FTE) |
|----------------------------------|-----------------|------------------------|-------------|
| Senior executives | 8.0 | 0.0 | 8.0 |
| Admin and clerical | 19.0 | 7.1 | 26.1 |
| Buildings, grounds and transport | 9.0 | 3.0 | 12.0 |
| TOTAL | 36.0 | 10.1 | 46.1 |

TOTAL FTE **115.2**

Early retirement, redundancy and retrenchment

| Retention/separation | Full time (FTE) | Part time casual (FTE) | Total (FTE) | Retention % | Separation % |
|----------------------|-----------------|------------------------|-------------|---------------|---------------|
| Regular | 16.0 | 1.0 | 17.0 | | 14.76% |
| Retired | 3.0 | 1.0 | 4.0 | | 3.47% |
| Redundancy | 0.0 | 0.0 | 0.0 | | 0.00% |
| Total | 19.0 | 2.0 | 21.0 | 81.77% | 18.23% |

| | | | | | |
|--------------|------|-----|------|--------|--------|
| Teaching | 14.0 | 0.0 | 14.0 | 87.85% | 12.15% |
| Non-teaching | 5.0 | 2.0 | 7.0 | 93.92% | 6.08% |

Open data

This disclosure of the following additional information is available on the School's website at www.ipswichgrammar.com and the Queensland Government's Open Data website at <https://data.qld.gov.au>

- Consultancies; and
- Overseas Travel.

Financial statements

For the year ended 31 December 2020

| | |
|---|-----------|
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General Information

These financial statements cover Ipswich Grammar School, the Ipswich Boys Grammar School Centenary Building Fund, the Ipswich Grammar School Scholarship and Bursary Fund and the Ipswich Grammar School Library Fund.

Ipswich Grammar School is a Statutory Body established under the *Grammar Schools Act 2016*.

The School is controlled by the State of Queensland which is the ultimate parent.

The principal location is Grammar School Hill, Darling Street, Ipswich QLD 4305.

The principal activity of Ipswich Grammar School is to provide specialised education to male students.

For information in relation to Ipswich Grammar School's Financial Statements, please call Mr Matt McLoughlin on 3813 9621 or email mmcloughlin@ipswichgrammar.com or visit www.ipswichgrammar.com.

Statement of comprehensive income

For the year ended 31 December 2020

| | Notes | 2020 \$ '000 | 2019 \$ '000 |
|---|-------|-----------------|-----------------|
| Income from continuing operations | | | |
| Revenue from contracts with customers | | | |
| Tuition and Boarding fees | 2 | 13,278 | 13,865 |
| Clothing store sales | | 491 | 440 |
| Chartered bus and ancillary fees | | 446 | 481 |
| Other revenue and other income | | | |
| Grants and contributions | 3 | 14,031 | 9,781 |
| Gain on disposal of assets | | 4 | - |
| Donations | | 598 | 208 |
| Interest revenue | | 123 | 134 |
| Other revenue | 4 | 684 | 1,745 |
| Total income from continuing operations | | 29,655 | 26,654 |
| Expenses from continuing operations | | | |
| Employee expenses | 5 | 16,543 | 15,557 |
| Supplies and services | 7 | 8,190 | 7,843 |
| Depreciation and amortisation | 8 | 2,293 | 2,329 |
| Finance and borrowing costs | 9 | 99 | 52 |
| Other expenses | 10 | 684 | 470 |
| Total expenses from continuing operations | | 27,809 | 26,251 |
| Operating results from continuing operations | | 1,846 | 403 |
| Other comprehensive income | | | |
| Increase in asset revaluation surplus | 22 | - | 1,336 |
| Total other comprehensive income | | - | 1,336 |
| Total comprehensive income | | 1,846 | 1,739 |

The accompanying Notes form part of these Financial Statements

Statement of financial position

For the year ended 31 December 2020

| | Notes | 2020 \$ '000 | 2019 \$ '000 |
|----------------------------------|-------|-----------------|-----------------|
| Current assets | | | |
| Cash and cash equivalents | 11 | 8,281 | 3,985 |
| Receivables | 12 | 543 | 677 |
| Inventories | | 493 | 493 |
| Other current assets | 14 | 353 | 703 |
| Non-current assets held for sale | 15 | - | 418 |
| Total current assets | | 9,670 | 6,276 |
| Non-current assets | | | |
| Other non-current assets | | 9 | 9 |
| Property, plant and equipment | 16 | 66,194 | 58,278 |
| Total non-current assets | | 66,203 | 58,287 |
| TOTAL ASSETS | | 75,873 | 64,563 |
| Current liabilities | | | |
| Payables | 17 | 1,118 | 631 |
| Lease liabilities | 18 | 16 | 200 |
| Accrued employee benefits | 19 | 1,800 | 1,696 |
| Other current liabilities | 20 | 1,219 | 969 |
| Current loan | 21 | 412 | 23 |
| Total current liabilities | | 4,565 | 3,519 |
| Non-current liabilities | | | |
| Lease liabilities | 18 | 33 | 40 |
| Accrued employee benefits | 19 | 258 | 177 |
| Non-current loan | 21 | 8,868 | 524 |
| Total non-current liabilities | | 9,159 | 741 |
| TOTAL LIABILITIES | | 13,724 | 4,260 |
| NET ASSETS | | 62,149 | 60,303 |
| Equity | | | |
| Accumulated surplus | | 16,403 | 14,557 |
| Asset revaluation surplus | 22 | 45,746 | 45,746 |
| TOTAL EQUITY | | 62,149 | 60,303 |

The accompanying Notes form part of these Financial Statements

Statement of changes in equity

For the year ended 31 December 2020

| | Accumulated surplus | Asset revaluation surplus (Note 22) | Total |
|--|---------------------|-------------------------------------|---------------|
| | \$ '000 | \$ '000 | \$ '000 |
| Balance as at 31 December 2018 | 14,495 | 44,410 | 58,905 |
| Restatement of initial application of AASB 115 Revenue from Contracts with Customers | (325) | - | (325) |
| Restatement of initial application of AASB 16 Leases | (16) | - | (16) |
| Restated balance as at 1 January 2019 | 14,154 | 44,410 | 58,564 |
| Operating result from continuing operations | 403 | - | 403 |
| <i>Total other comprehensive income</i> | | | |
| - Increase in asset revaluation surplus | - | 1,336 | 1,336 |
| Balance as at 31 December 2019 | 14,557 | 45,746 | 60,303 |
| Balance as at 1 January 2020 | 14,557 | 45,746 | 60,303 |
| Operating result from continuing operations | 1,846 | - | 1,846 |
| <i>Total other comprehensive income</i> | | | |
| - Increase in asset revaluation surplus | - | - | - |
| Balance as at 31 December 2020 | 16,403 | 45,746 | 62,149 |

The accompanying Notes form part of these Financial Statements

Statement of cash flows

For the year ended 31 December 2020

| | Notes | 2020 \$ '000 | 2019 \$ '000 |
|---|-----------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Inflows: | | | |
| Tuition and Boarding fees | | 13,662 | 14,180 |
| Grants and contributions | | 11,222 | 9,781 |
| Jobkeeper | | 2,809 | - |
| GST input tax credit from ATO | | 1,638 | 1,012 |
| GST collected from parents | | 1,023 | 855 |
| Interest income | | 123 | 134 |
| Other | | 2,219 | 2,874 |
| Outflows: | | | |
| Employee expenses | | (16,358) | (15,536) |
| Supplies and services | | (7,889) | (9,175) |
| Finance and borrowing costs | | (99) | (52) |
| GST paid to suppliers | | (1,786) | (987) |
| GST remitted to ATO | | (1,023) | (856) |
| Net cash provided by operating activities | | 5,541 | 2,230 |
| Cash flows from investing activities | | | |
| Inflows: | | | |
| Sales of property, plant and equipment | | 455 | 21 |
| Outflows: | | | |
| Payments for property, plant and equipment | | (10,214) | (1,999) |
| Net cash used in investing activities | | (9,759) | (1,978) |
| Cash flows from financing activities | | | |
| Inflows: | | | |
| Borrowings | 21 | 8,950 | 550 |
| Outflows: | | | |
| Borrowings | 21 | (217) | (3) |
| Finance lease payments | 18 | (219) | (292) |
| Net cash provided by financing activities | | 8,514 | 255 |
| Net Increase in cash and cash equivalents | | 4,296 | 507 |
| Cash at the beginning of the year | | 3,985 | 3,478 |
| Cash and cash equivalents at end of financial year | 11 | 8,281 | 3,985 |

The accompanying Notes form part of these Financial Statements

Notes to and forming part of the Financial Statements 2020

Objectives and principal activities

The objective of Ipswich Grammar School is to provide specialised education to male students.

| | |
|---------|---|
| Note 1 | Summary of significant accounting policies |
| Note 2 | Tuition and Boarding fees |
| Note 3 | Grants and contributions |
| Note 4 | Other revenue |
| Note 5 | Employee expenses |
| Note 6 | Key management personnel and remuneration |
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| Note 14 | Other current assets |
| Note 15 | Non-current assets held for sale |
| Note 16 | Property, plant and equipment |
| Note 17 | Payables |
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| Note 19 | Accrued employee benefits |
| Note 20 | Other current liabilities |
| Note 21 | Loan |
| Note 22 | Asset revaluation surplus |
| Note 23 | Related party transactions |
| Note 24 | Contingencies |
| Note 25 | Events occurring after balance sheet |
| Note 26 | Trust transactions and balances |
| Note 27 | Commitments for expenditure |
| Note 28 | Impact of COVID-19 pandemic |

Note 1: Summary of significant accounting policies

(a) Statement of compliance

The Financial Statements have been prepared in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*.

These Financial Statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations.

With respect to compliance with Australian Accounting Standards and Interpretations, Ipswich Grammar School (“the School”) has applied those requirements applicable to not-for-profit entities as Ipswich Grammar School is a not-for-profit organisation. Except where stated, the historical cost convention is used.

(b) The reporting entity

The Financial Statements include the value of all revenues, expenses, assets, liabilities and equity of Ipswich Grammar School.

Ipswich Grammar School consists of the School together with Ipswich Boys Grammar School Centenary Building Fund, the Ipswich Grammar School Scholarship and Bursary Fund, the Ipswich Grammar School Library Fund, the Clothing Store operations and the Before and after School activities.

All transactions and balances internal to the School and the above-mentioned funds have been eliminated in full.

(c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

The fair value of assets and liabilities must be measured for recognition and disclosure purposes. Fair value measurement of non-financial assets is based on the ‘highest and best use’ of the asset. [Refer note 16]

Ipswich Grammar School considers market participant’s ability to generate economic benefits by using the assets in their highest and best use. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

(d) Financial instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when Ipswich Grammar School becomes a party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and Cash Equivalents
- Receivables – held at amortised cost
- Payables – held at amortised cost

- Borrowings – held at amortised cost

Borrowings are initially recognised at fair value, plus any transactions costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, when appropriate, a shorter period) to the net carrying amount of that instrument.

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise. Borrowings are classified as non-current liabilities to the extent that Ipswich Grammar School has an unconditional right to defer settlement until at least 12 months after reporting date.

The carrying amounts of trade receivables and payables approximate their fair value.

No financial assets and financial liabilities have been offset and presented on a net basis in the Statement of Financial Position.

Ipswich Grammar School does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, Ipswich Grammar School holds no financial assets classified at fair value through profit or loss.

(e) Taxation

Ipswich Grammar School 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 Ipswich Grammar School. GST credits receivable and GST payable to the ATO are recognised in the Statement of Financial Position.

(f) Issuance of financial statements

The Financial Statements are authorised for issue by the Chair and Headmaster/CEO on behalf of the Board of Trustees at the date of signing the Management Certificate.

(g) Accounting estimates and judgements

The preparation of Financial Statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgement that have that 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.

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

- Valuation of Property, Plant and Equipment – Note 16
- Accrued Employee Benefits – Note 19
- Allowance for Expected Credit Losses – Note 12 and 13

(h) Other presentation matters

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.

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 School 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.

Note 2: Tuition and Boarding Fees

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| Tuition fees | 10,313 | 10,319 |
| Boarding fees | 2,043 | 2,559 |
| Full fee-paying overseas students | 553 | 698 |
| Enrolment fees | 22 | 25 |
| Confirmation fees | 134 | 95 |
| Capital levy | 213 | 169 |
| Total Tuition and Boarding fees | 13,278 | 13,865 |

Accounting policy

Fee revenue

Fee revenue, with the exception of enrolment fees, is recognised over time as the related services (provision of tuition and boarding facilities) are provided. Fees are typically raised in advance of each term and are due for payment within 30 days of invoice. Where applicable, fees are recognised net of allowances, discounts, bursaries and scholarships. Estimates of these elements of variable consideration are not constrained as the amount of these items is known as of the conclusion of each school year.

Where funds are received in advance of services being provided, the School recognises a contract liability, representing the School's obligation to transfer services to the customer in future periods. Refer to Note 20: Other Current Liabilities.

Confirmation fees are raised to a student once their application to the School has been deemed successful. AASB 15 requires an assessment of whether an upfront fee represents an advance payment for future goods or services, or a separate performance obligation. As confirmation fees are highly interrelated with tuition fees, these fees have been considered as an advance payment for future tuition services, and therefore are initially recognised as contract liability and are released to revenue as future services are provided.

Note 3: Grants and Contributions

| | 2020 \$'000 | 2019 \$'000 |
|---------------------------------------|----------------|----------------|
| State | 2,193 | 2,030 |
| Commonwealth | 8,162 | 7,603 |
| Endowment | 22 | 22 |
| JobKeeper * | 2,809 | - |
| Special purposes | 845 | 126 |
| Total grants and contributions | 14,031 | 9,781 |

* Includes amounts received under the Federal Government's JobKeeper Payment Scheme, which provided a temporary subsidy to eligible businesses significantly affected by coronavirus (COVID-19). IGS was not eligible under revised conditions effective 1 October 2020.

Accounting policy

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the school to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by the school. Special purpose capital grants are recognised as a contract liability when received, and subsequently recognised progressively as revenue as the school satisfies its obligations under the grant through construction of the asset.

Note 4: Other Revenue

| | 2020 \$'000 | 2019 \$'000 |
|----------------------------|----------------|----------------|
| Other revenue | 586 | 1,210 |
| Study tours | 15 | 244 |
| BASC income | 21 | 166 |
| Hire of school facilities | 22 | 55 |
| Music tuition | 19 | 29 |
| Tuckshop commission | 21 | 41 |
| Total other revenue | 684 | 1,745 |

Note 5: Employee expenses

| | 2020 \$'000 | 2019 \$'000 |
|--------------------------------------|----------------|----------------|
| Employee benefits | | |
| Wages and salaries | 13,962 | 13,183 |
| Annual leave and long service leave | 819 | 670 |
| Employer superannuation contribution | 1,555 | 1,493 |
| Other employee benefits | 85 | 88 |
| Employee related expenses | | |
| Workers' compensation premium | 122 | 123 |
| Total employee expenses | 16,543 | 15,557 |
| Number of FTE employees | 115 | 118 |

Accounting policy

Employee benefits

Employer superannuation contributions, annual leave and long service leave are regarded as employee benefits.

Worker's compensation insurance is a consequence of employing employees but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as employee related expenses.

Wages, salaries and sick leave

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

As the School expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at their undiscounted values.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

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

Superannuation

Employer superannuation contributions are expensed in the period in which they are paid or payable.

Note 6: Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Ipswich Grammar School has defined its key management personnel (KMP) in context of the School being constituted under the *Grammar Schools Act 2016*.

In prior years, the school's KMP included both the board of trustees and the members of the Senior Leadership Team (SLT), as this collective group has historically been responsible for planning, directing and controlling the activities of the school.

The Board of trustees has increasingly taken on a more active role in the strategic and operational control and oversight of the school in recent years, through the board itself, the four subcommittee of the board, and the six specific working parties established. The Board of Trustees delegates authorities to the Headmaster/CEO for all operating decisions, as well as the oversight of the aforementioned working parties. All strategic decisions are ratified at a board level. As a result, the role of the SLT in planning, directing and controlling the school's activities has significantly reduced.

In recognition of this evolution, an Executive Team (the Executive) was created from 1 January 2020. The role of the executive is to support the Headmaster/CEO in implementation of the School's strategic plan in in making other decisions regarding the operations of the School. The executive is comprised of four members, each of which take ownership of one of the 100 day plans aligned with the four pillars of the School's strategic plans. While the SLT has been retained as a senior management group and continues to meet on a regular basis, since the establishment of the Executive it now operates primarily as a forum for communication and reiteration of decisions taken by the board and the Executive.

KMP for the current year ended 31 December 2020 therefore comprises the members of the board and the Executive. KMP for the comparative year ended 31 December 2019 comprises the members of the board and the members of the Senior Leadership Team.

KMP Positions and Responsibilities – Year ended 31 December 2020

| Position | Responsibilities | Contract classification and appointment authority | Date appointed to the position/(Date resigned from the position) |
|------------------------------|---|---|--|
| Elected Trustee | To supervise, maintain and control the conduct of the School. To make rules with regards to the management and control of the School. | Elected positions through roll of electors and appointed by Governor in Council | 19/10/2017 |
| Government Appointed Trustee | | Appointed by the Governor in Council | 19/10/2017 |
| Headmaster/CEO | The Headmaster/CEO is responsible for the implementation of plans and strategies as approved by the Board of Trustees. | Five-year contract - appointed | 1/01/2016 |
| Deputy Headmaster | The Deputy Headmaster supports the Headmaster/CEO in the implementation of plans and strategies as delegated by the Headmaster/CEO in the areas of curriculum, student welfare and pastoral care. | Five-year contract | 1/01/2019 |
| Business Manager | The Business Manager supports the Headmaster/CEO in the implementation of plans and strategies in relation to finance, administration, facilities, operations and human resources. Additionally, manages government reporting and Board secretarial duties. | Five-year contract | 27/08/2018 |
| Head of Junior School | The Head of Junior School supports the Headmaster/CEO in the implementation of plans and strategies in relation to the Junior School. | Five-year contract | 1/01/2019 |

KMP Positions and Responsibilities – Year ended 31 December 2019

| Position | Responsibilities | Contract classification and appointment authority | Date appointed to the position/(Date resigned from the position) |
|-------------------------------|---|---|--|
| Elected Trustee | To supervise, maintain and control the conduct of the School. To make rules with regards to the management and control of the School. | Elected positions through roll of electors and appointed by Governor in Council | 19/10/2017 |
| Government Appointed Trustee | | Appointed by the Governor in Council | 19/10/2017 |
| Headmaster/CEO | The Headmaster/CEO is responsible for the implementation of plans and strategies as approved by the Board of Trustees. | Five-year contract - appointed | 1/01/2016 |
| Deputy Headmaster | The Deputy Headmaster supports the Headmaster/CEO in the implementation of plans and strategies as delegated by the Headmaster/CEO in the areas of curriculum, students and operations. | Five-year contract | 01/01/2014 |
| Business Manager | The Business Manager supports the Headmaster/CEO in the implementation of plans and strategies in relation to finance, administration and government reporting. | Five-year contract | 27/08/2018 |
| Dean of Students | The Dean of Students supports the Headmaster/CEO in the implementation of plans and strategies in relation to the student welfare and pastoral care. | Five-year contract | 01/01/2012 |
| Head of Junior School | The Head of Junior School supports the Headmaster/CEO in the implementation of plans and strategies in relation to the Junior School. | Five-year contract | 1/01/2019 |
| Deputy Head of Junior School | The Deputy Head of Junior School supports the Headmaster/CEO in the implementation of plans and strategies in relation to the Junior School. | Three-year contract | 01/01/2019 |
| Dean of Teaching and Learning | The Dean of Teaching and Learning supports the Headmaster/CEO in the | Five-year contract | 13/06/2016 to 31/12/2019 |

| | | |
|--|--|--|
| implementation of plans and strategies in relation to teaching and learning. | | |
|--|--|--|

The remuneration and other terms of employment for key executive management personnel are specified in their individual employment contracts and comprise of the following components:

- Short term employee benefits which include:
 - Base: consisting of base salary, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income;
 - Non-monetary Benefits: consisting of provision of school fees and rent together with the FBT applicable to the benefit;
- Long term employee benefits – mainly long service leave entitlements earned and expensed;
- Post-employment benefits – mainly superannuation contributions;
- Termination payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payments in lieu of notice on termination, regardless of the reason for termination; and
- No performance bonuses were paid.

| 2020 | | | | | | |
|--------------------------------|------------------------------|---------------------|--|-------------------------------|-----------------------------|-----------------------|
| Position | Short term employee benefits | | Total long-term employee benefits \$'000 | Post employee benefits \$'000 | Termination benefits \$'000 | Total expenses \$'000 |
| | Monetary expenses \$'000 | Non-monetary \$'000 | | | | |
| Elected Trustees | - | - | - | - | - | - |
| Ministerial Appointed Trustees | - | - | - | - | - | - |
| Headmaster/ CEO | 466 | 23 | 23 | 53 | - | 565 |
| Deputy Headmaster | 219 | - | 11 | 19 | - | 249 |
| Business Manager | 232 | 58 | 2 | 26 | - | 318 |
| Head of Junior School | 149 | 30 | 2 | 14 | - | 195 |
| Total | 1,066 | 111 | 38 | 112 | - | 1,327 |

| 2019 | | | | | | |
|--------------------------------|------------------------------|---------------------|--|-------------------------------|-----------------------------|-----------------------|
| Position | Short term employee benefits | | Total long-term employee benefits \$'000 | Post employee benefits \$'000 | Termination benefits \$'000 | Total expenses \$'000 |
| | Monetary expenses \$'000 | Non-monetary \$'000 | | | | |
| Elected Trustees | - | - | - | - | - | - |
| Ministerial Appointed Trustees | - | - | - | - | - | - |
| Headmaster/ CEO | 452 | 23 | 9 | 55 | - | 539 |
| Deputy Headmaster | 190 | - | 8 | 20 | - | 218 |
| Business Manager | 217 | 10 | 1 | 25 | - | 253 |
| Dean of Students | 148 | 22 | 4 | 18 | - | 192 |
| Head of Junior School | 148 | 27 | 1 | 13 | - | 189 |
| Deputy Head of Junior School | 119 | - | 6 | 15 | - | 140 |
| Dean of Teaching and Learning | 143 | - | 3 | 18 | - | 164 |
| Total | 1,417 | 82 | 32 | 164 | - | 1,695 |

Footnote: Head of Junior School contract ended on 31.12.2018 and new contract commenced on 01.01.2019.

Note 7: Supplies and Services

| | 2020 \$'000 | 2019 \$'000 |
|---|----------------|----------------|
| Advertising and promotional | 325 | 333 |
| Boarding house food provisions | 642 | 655 |
| Computer expenses | 124 | 167 |
| Consultants and contractors | 649 | 116 |
| Motor vehicle expenses | 1,108 | 1,273 |
| Electricity and gas | 345 | 414 |
| Rates | 291 | 271 |
| Repairs and maintenance and cleaning expenses | 1,905 | 1,211 |
| Cost of clothing store goods sold | 364 | 437 |
| Other expenses * | 2,437 | 2,966 |
| Total supplies and services | 8,190 | 7,843 |

* As disclosed in Note 24, during the year ended 31 December 2020, the School has made or agreed to make payments in settlement of a number of matters, or otherwise accrued for payments where the outcome of matters is presently uncertain but payment is considered probable amounting to \$300,000, (2019: \$562,500). Expenditure in relation to settlements is only recognised when it can be measured reliably.

Note 8: Depreciation and Amortisation

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| Buildings | 1,800 | 1,770 |
| Land improvements | 46 | 28 |
| Motor vehicles | 18 | 4 |
| Leased assets | 197 | 309 |
| Plant and equipment | 232 | 218 |
| Total depreciation and amortisation | 2,293 | 2,329 |

Accounting policy

Depreciation

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

Buildings and Plant and Equipment are depreciated on a straight-line basis so as to allocate the net costs or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to Ipswich Grammar School. Residual value reflects consideration receivable for an asset at the end of its useful life to the School and does not include potential savings from the re-use of in-situ material.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity when construction is complete, and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within Property, Plant and Equipment.

Where assets have separately identifiable components that are subject to regular replacements, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the School.

For each class of depreciable asset, the following depreciation rates are used:

| Class | Rate % |
|--|-----------|
| Buildings and building improvement (including heritage assets) | 1.5%-25% |
| Land improvements | 1.25%-20% |
| Plant and equipment | 10%-40% |
| Leased assets | 25%-33% |

Note 9: Finance and Borrowing Costs

| | 2020 \$'000 | 2019 \$'000 |
|---|----------------|----------------|
| Interest paid (net of administration costs) | 99 | 52 |
| Total finance and borrowing costs | 99 | 52 |

Note 10: Other Expenses

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| Audit fees * | 38 | 31 |
| Insurance premiums | 235 | 180 |
| Impairment losses on trade receivables | 411 | 259 |
| Total other expenses | 684 | 470 |

* Fees quoted in the external audit plan were \$35,000 (2019: 37,539). There are no non-audit related services included in this amount.

Note 11: Cash and Cash Equivalents

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| Imprest accounts | 2 | 2 |
| Clothing store cash | 3 | 3 |
| Cash at bank | 8,276 | 3,980 |
| Total cash and cash equivalents | 8,281 | 3,985 |

An unsecured bank overdraft facility with the Queensland Treasury Corporation was extended with a limit of \$1,500,000, expiring on 31 December 2020. This facility was not utilised at 31 December 2020. The undrawn balance has expired and is no longer available.

Accounting policy

Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received at 31 December as well as deposits at call with financial institutions.

Note 12: Receivables

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| Trade debtors | 753 | 1,162 |
| Less: Allowance for expected credit loss | (662) | (603) |
| | 91 | 559 |
| Other debtors | 452 | 118 |
| Total receivables | 543 | 677 |

Accounting policy

Receivables

Trade debtors are recognised at the amounts due at the commencement of each term based on student enrolments at pre-determined fees per the fee structure as ratified by the Board of Trustees. Settlement of these amounts is required by the end of each Term.

The School applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. For the purposes of determining the allowance for expected credit losses, the School uses a provision matrix which calculates and applies historical default rates based on the type of debtor and the age of the outstanding receivable. This reflects the increasing probability of default occurring the longer trade receivables remain outstanding.

Other debtors generally arise from transactions outside the usual operating activities of Ipswich Grammar School and are recognised at their assessed values. The terms of payment are 30 days from date of invoice, no interest is charged and no security is obtained.

The School has identified contractual payments more than 90 days past due as default events for the purposes of measuring expected credit losses. The gross carrying amount of a receivable is written off (i.e. reduced directly) when the counterparty is in severe financial difficulty and the School has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the School. Recoveries if any, are recognised in profit or loss.

In recognition of the financial hardship many families have been put under due to the COVID-19 pandemic, expected loss rates used are determined the allowance for expected credit losses have increased from those adopted in the comparative financial year.

Note 13: Movements in the allowance for expected credit losses

| | 2020 \$'000 | 2019 \$'000 |
|---------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 603 | 402 |
| Amounts written off during the year | (352) | (59) |
| Amounts recovered during the year | - | - |
| Increase in allowance | 411 | 260 |
| Balance at the end of the year | 662 | 603 |

Note 14: Other current assets

| | 2020 \$'000 | 2019 \$'000 |
|-----------------------------------|----------------|----------------|
| Prepayments | 353 | 703 |
| Total other current assets | 353 | 703 |

Note 15: Non-current assets held for sale

| | 2020 \$'000 | 2019 \$'000 |
|-----------------------------------|----------------|----------------|
| Land and buildings | - | 418 |
| Total other current assets | - | 418 |

In 2019, the Board resolved that 4 Cribb Street, Sadliers Crossing would be sold if the current tenants were willing to purchase the property. The sale price of the asset was \$420,000. The contract for the sale of the property was signed in December 2019 and settlement occurred in January 2020.

The school recognised a loss of \$74,787 on revaluation of these assets to their fair value less costs to sell at 31 December 2019. Fair value less costs to sell reflects the contracted sale price net of estimated selling costs.

Accounting policy

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months.

In accordance with AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*, when an asset is classified as held for sale, its value is measured at the lower of the asset's carrying amount and fair value less costs to sell. Any restatement of the asset's value to fair value less costs to sell (in compliance with AASB 5) is a non-recurring valuation. Such assets are no longer amortised or depreciated upon being classified as held for sale.

Note 16: Property, plant and equipment

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| Land | | |
| Land - At fair value | 8,515 | 8,515 |
| Land - Accumulated depreciation | - | - |
| | 8,515 | 8,515 |
| Buildings | | |
| Buildings - At fair value | 93,515 | 93,434 |
| Buildings - Accumulated depreciation | (48,305) | (46,505) |
| | 45,210 | 46,929 |
| Land Improvements | | |
| Land improvements - At fair value | 2,742 | 1,280 |
| Land improvements - Accumulated depreciation | (715) | (669) |
| | 2,027 | 611 |
| Work in progress at cost | | |
| STEM | 9,275 | 888 |
| Embankment | - | 88 |
| WIP – Other | 34 | 5 |
| | 9,309 | 981 |
| Motor vehicles | | |
| Motor vehicles - At cost | 79 | 50 |
| Motor vehicles - Accumulated depreciation | (55) | (31) |
| | 24 | 19 |
| Leased assets | | |
| Leased assets | 1,392 | 1,415 |
| Leased assets - Accumulated depreciation | (1,318) | (1,143) |
| | 74 | 272 |
| Plant and equipment | | |
| School site - At cost | 5,367 | 5,140 |
| Brassall sporting complex - At cost | 306 | 271 |
| Plant and equipment - Accumulated depreciation | (4,638) | (4,460) |
| | 1,035 | 951 |
| Total property plant and equipment | 66,194 | 58,278 |

Accounting policy

Property, plant and equipment

Items of property, 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:

| | |
|---------------------|---------|
| Land | \$1 |
| Buildings | \$1,000 |
| Plant and equipment | \$1,000 |

Items with a lesser value are expensed in the year of acquisition.

Expenditure is only capitalised if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear etc.) is expensed.

Acquisitions 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, including architects' fees and engineering design fees. Any training costs are expensed as incurred.

Revaluations of non-current physical assets

Land, buildings and infrastructure are measured at their fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury Non-Current Asset Policies for Queensland Public Sector. In respect of these asset classes, the cost of items acquired during the financial year has been judged by management of Ipswich Grammar School to materially represent their fair value at the end of the reporting period.

All other items of Property, Plant and Equipment are measured at cost in accordance with the Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector.

At each balance date the School assesses whether the carrying value of land, buildings and infrastructure assets materially differs from its carrying value. Materiality concepts (according to the Framework for the Preparation and Presentation of Financial Statements) are considered in determining whether the difference between the carrying amount and the fair value of an asset is material. Changes in value of less than 3% are considered immaterial.

Revaluations based on comprehensive valuations prepared by an independent professional valuer are undertaken at least once every five years. However, if a class of asset experiences significant and volatile changes in fair value (ie: where indicators suggest that the value of the class of asset may have changed by 20% or more from one reporting period to the next), it is subject to such revaluations in the reporting period, where practicable, regardless of the timing of previous such methods of revaluation.

Where indices are used in the revaluation process, Ipswich Grammar School ensures that the application of such indices would result in a valid estimation of the asset's fair value of reporting date.

Any revaluation increment arising on the revaluation of an asset is credited to the Asset Revaluation Surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as

an expense, to the extent it exceeds the balance, if any, in the Asset Revaluation Surplus relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Impairment of non-current assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, Ipswich Grammar School determines the recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the assets fair value less cost to sell and current replacement cost.

An impairment loss is recognised immediately in profit and loss, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the Asset Revaluation Surplus of the relevant class to the extent available.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.

Asset values as at 31 December 2020

The School undertook an assessment at 31 December 2020, having regard to indices provided by AssetVal (as summarised below), to determine whether the fair value of land and buildings at 31 December 2020 different materially from their fair value.

| | |
|---------------------------------|--------|
| LAND | 1.00% |
| BUILDINGS AND SITE IMPROVEMENTS | |
| - Replacement costs | 1.11% |
| - Fair value | -2.60% |
| TOTAL FAIR VALUE | -2.04% |

As these indices were less than 3%, no adjustments were made to the fair value of asset categories at 31 December 2020.

Asset values as at 31 December 2019

As at 31 December 2019, land, land improvements and buildings were revalued based on independent comprehensive valuations of land and buildings completed by AssetVal Pty Ltd using 'fair value' principles. The valuation of land and residential buildings was based on publicly available data on sales of similar land/buildings in nearby localities in the 12 months prior to 31 December 2019. School buildings and site improvements were valued applying replacement cost, due to the specialised

nature and lack of an active market for these assets. Replacement costs for components of buildings and site improvements was determined using published indicative unit construction costs as well as information from AssetVal's internal data base. Replacement cost was then adjusted by an accumulated depreciation determined based on factors such as the age, internal features and physical condition of the assets.

Additional disclosures

Ipswich Grammar School has been granted a Deed of Grant pursuant to the *Alienation of Crown Lands Act 1860* over Crown land reserves 832 and 833. The land is retained by the Crown; however, the economic benefits of this land accrue to Ipswich Grammar School and is administered by the School. The fair value of this land is \$2,130,000 as at 31 December 2020 (2019: \$2,130,000).

In assessing land held under a DOGIT structure, the highest and best use must be taken into account, however this does not mean that the land is valued without having regard to current restrictions, as typically DOGIT land brings with it restriction upon the free use of the land which are not encountered on other fee simple lands.

The valuer has applied their experience in valuing DOGIT land, research regarding adjustments for restrictions, and applicable historical case law in deriving the valuation of the DOGIT land.

| PROPERTY, PLANT AND EQUIPMENT RECONCILIATION | Land \$'000 | Buildings \$'000 | Land improv's. \$'000 | Work in progress \$'000 | Motor vehicles \$'000 | Lease assets \$'000 | Plant / equipment \$'000 | Total \$'000 |
|---|--------------------|-------------------------|------------------------------|--------------------------------|------------------------------|----------------------------|---------------------------------|---------------------|
| Carrying amount as at 1 Jan 2020 | 8,515 | 46,929 | 611 | 981 | 19 | 272 | 951 | 58,278 |
| Acquisitions | - | 15 | - | 10,129 | - | - | 70 | 10,214 |
| Disposals | - | - | - | - | - | (6) | (27) | (33) |
| Transfer between asset classes | - | 66 | 1,462 | (1,801) | 5 | (5) | 273 | - |
| Remeasurement of lease liabilities | - | - | - | - | 18 | 10 | - | 28 |
| Depreciation | - | (1,800) | (46) | - | (18) | (197) | (232) | (2,293) |
| Carrying amount as at 31 Dec 2020 | 8,515 | 45,210 | 2,027 | 9,309 | 24 | 74 | 1,035 | 66,194 |

Note 17: Payables

| | 2020 \$'000 | 2019 \$'000 |
|-----------------------------|----------------|----------------|
| Trade payables | 579 | 398 |
| Other payables and accruals | 539 | 233 |
| Total payables | 1,118 | 631 |

Accounting policy

Payables

Payables Trade creditors and other payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on a 30-day term.

Note 18: Lease liabilities

| | 2020 \$'000 | 2019 \$'000 |
|---|----------------|----------------|
| Current | | |
| Opening balance | 200 | 46 |
| Adjustment on initial application of AASB 16: Leases (non-cash) | - | 429 |
| Additions to lease liabilities (non-cash) | - | 42 |
| Remeasurement of lease liabilities (non-cash) | 28 | - |
| Less principal repayments (non-cash) | (212) | (317) |
| Total current lease liabilities | 16 | 200 |
| Non-current | | |
| Opening balance | 40 | 15 |
| Less principal repayments (cash) | (7) | 25 |
| Total non-current lease liabilities | 33 | 40 |
| Total lease liabilities | 49 | 240 |

Lease liabilities are effectively secured as the right to leased assets revert to the lessor in the event of default (refer to Note 16: Property, Plant and Equipment). The remaining leases are for motor vehicles. The average lease term is 4 years and implicit interest rates range from 1.80% to 4.63% (2019: 4.02% to 4.63%).

The School as a lessee

For any new contracts entered into, the School considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the School assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the School;
- The School has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- The School has the right to direct use of the identified asset throughout the period of use. The School assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the School recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the School, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

On the statement of financial position, right-of-use assets have been included in property, plant and equipment (Refer to Note 16: Property, plant and equipment). The School depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The School also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the School measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the School's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The School has elected to account for short-term leases (lease term less than 12 months) and leases of low-value assets (\$10,000 threshold) using practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit and loss on a straight-line basis over the lease term.

Note 19: Accrued Employee Benefits

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| Current | | |
| Current annual leave | 493 | 323 |
| Current long service leave | 1,307 | 1,373 |
| Total current accrued employee benefits | 1,800 | 1,696 |
| Non-current | | |
| Non-current long service leave | 258 | 177 |
| Total non-current accrued employee benefits | 258 | 177 |
| Total employee benefits | 2,058 | 1,873 |

Accounting policy

Annual leave and long service leave

Annual Leave and Long Service Leave are accounted for as short-term employee benefits and disclosed as current liabilities to the extent that Ipswich Grammar School does not have an unconditional right to defer settlement of the liability beyond twelve months of balance date.

In accounting for leave provisions, the School applies both AASB 119 *Employee Benefits* and Queensland Treasury's Financial Reporting Requirements (FRRs).

Entitlements expected to be paid within the 12 months following balance date are recognised at their undiscounted values.

Entitlements expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on government bonds, with terms to maturity that match the expected timing of cash flows. Changes in the measurements of the liability are recognised in the surplus or deficit.

Long service leave liabilities are estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years of qualifying service, the probability that they will reach the required minimum period of service has been taken into consideration in estimating the long service leave liability.

All directly associated on-costs (e.g. employer superannuation contributions and workers' compensation insurance) are also recognised as liabilities, where these on-costs are material

Note 20: Other current liabilities

| | 2020 \$'000 | 2019 \$'000 |
|-------------------------------|----------------|----------------|
| Opening balance | 969 | 667 |
| Initial impact of AASB 15 | - | 325 |
| New contract liabilities | 967 | 541 |
| Released to revenue in period | (717) | (564) |
| Closing balance | 1,219 | 969 |

Note 21: Loans

| | 2020 \$'000 | 2019 \$'000 |
|------------------------|----------------|----------------|
| Opening balance | 547 | - |
| Drawdowns | 8,950 | 550 |
| Less: Repayments | (217) | (3) |
| Closing balance | 9,280 | 547 |
| Current | 412 | 23 |
| Non-current | 8,868 | 524 |

Ipswich Grammar School was approved for borrowings of \$9.5 million from Queensland Treasury Corporation (QTC) for the construction of a new STEM building. The term of the loan is 20 years and was drawn down in full throughout 2020.

Note 22: Asset revaluation surplus

| | 2020 \$'000 | 2019 \$'000 |
|----------------------------|----------------|----------------|
| Balance 1 January | 45,746 | 44,410 |
| Revaluation increments | - | 1,336 |
| Balance 31 December | 45,746 | 45,746 |

Note 23: Related party transactions

There were no other related party transactions in the current or previous financial years.

Note 24: Contingencies

In the ordinary course of Ipswich Grammar School activities, issues arise which may involve the entity in commercial negotiation. At the date of this report, the School is aware of a number of matters that

have not yet reached a stage where management considers that it is possible to reliably estimate the outcome of the matters or the amount of any potential settlement. Further information in relation to these is not disclosed on the basis that it may unreasonably prejudice the School in its dealings with these ongoing matters and any future matters of a similar nature which may arise. The total value of claims settled or in the process of being settled as at 31 December 2020 and 31 December 2019 are noted at Note 7.

Note 25: Events occurring after balance sheet

There has been no matter or circumstance which has arisen since 31 December 2020 that has significantly affected or may significantly affect the operations of the School, the results of those operations, or the state of affairs of the School.

Note 26: Trust transactions and balances

The School acts as trustee for and manages a number of trusts established by benefactors.

As the School performs only a custodial role in respect of these transactions and balances, they are not recognised in the Financial Statements but are disclosed in these notes for the information of users.

| | 2020 \$'000 | 2019 \$'000 |
|-----------------------------------|----------------|----------------|
| Current assets | | |
| Cash * | 254 | 482 |
| Total | 254 | 482 |
| Trust revenue and expenses | | |
| Revenues | | |
| Interest and prizes | 2 | 11 |
| Deposits received | 11 | 18 |
| Received from School | - | - |
| Total | 13 | 29 |
| Expenses | | |
| Prizes | 0 | 2 |
| Deposit refunds | 24 | 33 |
| Donated to School | 217 | 38 |
| Total | 241 | 73 |

* Cash represents the following:

- Prizes Trust Fund consisting of funds pledged for prize recipients at the School awards night and includes interest earned;
- Deposits Held in Trust are funds received for confirmation of enrolment of students; and

- The Funds Owed to School consist of deposits made into the trust account for school fees paid in advance. These fees are payable to the School.

Accounting policy

Trust transactions and balances

The School undertakes certain trustee transactions. As the School acts only in a custodial role in respect of these transactions and balances, they are not recognised in the Financial Statements.

Note 27: Commitments for expenditure

During 2019, the School entered a contract with Rohrig (QLD) Ltd for the construction of the STEM building. Construction costs as at 31 December 2020 was \$9.3M. This construction is expected to be completed in January 2021 at a cost of \$10.1M leaving \$0.8M to be spent early 2021.

Note 28: Impact of COVID-19 pandemic

The impact of the Coronavirus (COVID-19) pandemic is ongoing and has impacted the School's financial results for the year ending 31 December 2020. The impacts of COVID-19 are as follows:

- An increase in the school's credit risk due to reduced parent ability to pay school fees in full and on time, which has resulted in an increase in the allowance for expected credit losses recognised at 31 December 2020 (refer note 12)
- An increase in the value of financial hardship bursaries granted
- Challenges in obtaining new and retaining existing international students for 2020 and future years due to government border and travel restrictions
- Increased cleaning costs to adhere to quarantine, social distance and cleaning measures imposed by the Government
- Initial set up costs of remote learning/working equipment to allow continuance of curriculum delivery during periods of lockdown
- Increased government funding through the school's qualification for the JobKeeper wage subsidy scheme (refer note 3)

The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Management Certificate

For the year ended 31 December 2020

Certificate of the Board of Trustees of The Ipswich Grammar School

These general purpose financial statements have been prepared pursuant to Section 62(1) of the *Financial Accountability Act 2009* (the Act), Section 39 of the *Financial and Performance Management Standard 2019*, *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Regulations 2013 and other prescribed requirements. In accordance with Section 62(1)(b) of the Act we certify that in our opinion:

- a) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Board of Trustees of The Ipswich Grammar School for the financial year ended 31 December 2020 and of the financial position of the School at the end of that year; and

We acknowledge responsibility under Section 7 and Section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

In accordance with Section 60.15 of the Australian Charities and Not-for-profits Regulations 2013, we certify that, in our opinion:

- i. There are reasonable grounds to believe the registered entity is able to pay all of its debts, as and when they become due and payable; and
- ii. The financial statements and notes satisfy the requirements of the Australian Charities and not-for-profits Commission Act.

Signed in accordance with a resolution of the Board of Trustees on 26 February 2021.



Mr David Edwards

Chair of the Board of Trustees



Mr Richard Morrison

Headmaster/CEO

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the Ipswich Grammar School

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of The Board of Trustees of the Ipswich Grammar School.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 31 December 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report comprises the balance sheet as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

I am independent of the entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the entity 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 the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 31 December 2020:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Melissa Fletcher
as delegate of the Auditor-General

26 February 2021

Queensland Audit Office
Brisbane

Glossary

| | |
|--------|---|
| ACT | The Grammar Schools Act 2016 |
| ARR | Annual Report Requirements for Queensland Government Agencies |
| ATAR | Australian Tertiary Admission Rank |
| CRICOS | Commonwealth Register of Institutions and Courses for Overseas Students |
| DET | Department of Education and Training |
| EBITDA | Earnings before Interest, Taxes, Depreciation and Amortisation |
| EOWA | Equal Opportunity for Women Association |
| FAA | Financial Accountability Act 2009 |
| FTE | Full Time Equivalent |
| FRR's | Financial Reporting Requirements |
| FMF | Queensland Government Financial Management Framework |
| FPMS | Financial and Performance Management Standard 2019 |
| GPA | Grade Point Average |
| HOD | Head of Department |
| ICT | Information and Communication Technology |
| ISQ | Independent Schools Queensland |
| ISSN | International Standard Serial Number |
| KPI | Key Performance Indicators |
| KMP | Key Management Personnel |
| NILFET | Not In Labour Force, Education or Training |
| OP | Overall Position |
| PI | Pastoral Indicators |
| QAO | Queensland Audit Office |
| QCST | Queensland Core Skills Test |
| QCT | Queensland College of Teachers |
| QTC | Queensland Treasury Corporation |
| TASS | The Alpha School System |

Compliance Checklist 2020

| Summary of requirement | Basis for requirement | Annual report reference |
|---------------------------------------|--|--|
| Letter of compliance | <ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s | ARRs – section 7 p.2 |
| Accessibility | <ul style="list-style-type: none"> Table of contents | ARRs – section 9.1 p.3 |
| | <ul style="list-style-type: none"> Glossary | p.60 |
| | <ul style="list-style-type: none"> Public availability | ARRs – section 9.2 p.4 |
| | <ul style="list-style-type: none"> Interpreter service statement | <i>Queensland Government Language Services Policy</i> ARRs – Section 9.3 p.4 |
| | <ul style="list-style-type: none"> Copyright notice | <i>Copyright Act 1968</i> ASSs – section 9.4 p.4 |
| General Information | <ul style="list-style-type: none"> Information Licensing | <i>QGEA – Information Licensing</i> ARRs – section 9.5 Not applicable |
| | <ul style="list-style-type: none"> Introductory Information | ARRs – section 10.1 p.7 |
| | <ul style="list-style-type: none"> Machinery of Government changes | ARRs – section 10.2, 31 and 32 Not applicable |
| | <ul style="list-style-type: none"> Agency role and main functions | ARRs – section 10.2 p.7 |
| Non-financial performance | <ul style="list-style-type: none"> Operating environment | ARRs – section 10.3 p.8 |
| | <ul style="list-style-type: none"> Government's objectives for the community | ARRs – section 11.1 p.10 |
| | <ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives | ARRs – section 11.2 p.10 |
| | <ul style="list-style-type: none"> Agency objectives and performance indicators | ARRs – section 11.3 p.10 |
| Financial performance | <ul style="list-style-type: none"> Agency service areas and service standards | ARRs – section 11.4 p.12 |
| | <ul style="list-style-type: none"> Summary of financial performance | ARRs – section 12.1 p.14 |
| Governance – management and structure | <ul style="list-style-type: none"> Organisational structure | ARRs – section 13.1 p.15 |
| | <ul style="list-style-type: none"> Executive management | ARRs – section 13.2 p.15 |
| | <ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) | ARRs – section 13.3 p.16 |
| | <ul style="list-style-type: none"> Public Sector Ethics | <i>Public Sector Ethics Act 1994</i> ARRs – section 13.5 p.17 |
| | <ul style="list-style-type: none"> Human Rights | <i>Human Rights Act 2019</i> ARRs – Section 13.6 p.18 |
| | <ul style="list-style-type: none"> Queensland public service values | ARRs – section 13.6 Not applicable |

| Summary of requirement | Basis for requirement | Annual report reference | |
|---|---|---|------|
| Governance – risk management and accountability | • Risk management | ARRs – section 14.1 | p.20 |
| | • Audit Committee | ARRs – section 14.2 | p.20 |
| | • Internal audit | ARRs – section 14.3 | p.22 |
| | • External scrutiny | ARRs – section 14.4 | p.23 |
| | • Information systems and recordkeeping | ARRs – section 14.5 | p.23 |
| Governance – human resources | • Strategic workforce planning and performance | ARRs – section 15.1 | p.24 |
| | • Early retirement, redundancy and retrenchment | Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2 | p.25 |
| Open Data | • Statement advising publication of information | ARRs – section 16 | p.25 |
| | • Consultancies | ARRs – section 33.1 | p.25 |
| | • Overseas travel | ARRs – section 33.2 | p.25 |
| | • Queensland Language Services Policy | ARRs – section 33.3 | |
| Financial statements | • Certification of financial statements | FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1 | p.56 |
| | • Independent Auditor’s Report | FAA – section 62 FPMS – section 46 ARRs – section 17.2 | p.57 |

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*