

2018–2019
ANNUAL
REPORT



Public Service Commission annual report 2018–19

The annual report provides detailed information about the Public Service Commission's financial and non-financial performance for 2018–19.

It has been prepared in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009*, and the *Annual report requirements for Queensland Government agencies*.

The report aligns to the *Public Service Commission strategic plan 2018–2022* and the 2018–19 Service Delivery Statements.

The report has been prepared for the Commission Chief Executive to submit to Parliament. It has also been prepared to meet the needs of stakeholders, including government agencies, business and industry, members of the community, media and employees.

Additional annual reporting requirements have been published on the Queensland Government Open Data portal at data.qld.gov.au. This includes information about consultancies and overseas travel.

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Letter of compliance

26 September 2019

The Honourable Annastacia Palaszczuk MP
Premier and Minister for Trade

Level 40, 1 William Street
Brisbane Qld 4000

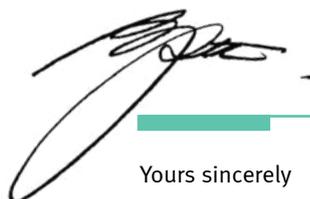
Dear Premier

I am pleased to submit for presentation to the Parliament the annual report 2018–19 and financial statements for the Public Service Commission.

I certify that this annual report complies with the:

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

A checklist outlining the annual reporting requirements is on page 45 of this annual report.



Yours sincerely

Robert Setter
Commission Chief Executive
Public Service Commission

Chairperson's message

I am pleased to present the *Public Service Commission annual report 2018–19*.

The Public Service Commission (the Commission) undertakes the vital work of supporting the Queensland public sector to foster a professional, high-performing workforce, with capable and inspiring leaders who guide continuously improving, future-focused organisations.

This sector-wide leadership assists every employee to contribute to *Our Future State: Advancing Queensland's Priorities* and underpins our service delivery to Queenslanders.

Throughout 2018–19, the Commission's work with agencies and the Chief Executive Leadership Board has further propelled the delivery of the *Advancing Queensland's Priorities* by building collaborative governance capability.

The Commission has contributed to increased organisation performance across the public sector by monitoring strategic workforce metrics and converting data into insights, while its role in thought leadership has further enabled a culture of continuous improvement within our agencies.

I commend the Commission for the momentum it has again achieved in providing strategic leadership in areas of organisational and workforce performance, policy, inclusion and diversity, leadership capability development and the future of work.

Together with the Chief Executive Leadership Board, Department of the Premier and Cabinet and Queensland Treasury, I look forward to seeing the strides made by the Commission in 2019–20 towards the implementation of recommendations from the *Review into Queensland Public Sector Workforce* (Coaldrake review).

Dave Stewart
Chairperson
Public Service Commission



Commission Chief Executive's message

In a rapidly changing and increasingly complex environment, it's absolutely vital that the Queensland public sector is equipped to deliver for our community, both now and into the future.

The role of the Public Service Commission (the Commission) is to both lead and collaborate. We work to ensure the public sector has the talent, skills and capabilities needed to succeed in service delivery. We help foster high performing, inclusive workplaces with employees who reflect the diversity of lived experiences of the people of Queensland.

In a state as vast and varied as Queensland, this is no small task.

The Commission's annual report details our achievements in meeting our strategic objectives, which are guided by *Our Future State: Advancing Queensland's Priorities*, the *10 year strategic human capital outlook*, and the *3 year strategic roadmap*.

Some of the highlights of our numerous outcomes delivered during 2018–19 included:

- releasing the *Leadership competencies for Queensland* framework and LEAD4QLD capability and assessment initiative
- implementing the Veterans' employment pathway program
- launching the Aboriginal and Torres Strait Islander career pathways service
- developing the Young people employment pathways initiative
- publishing the *Empowered and confident: disabling the barriers implementation plan 2018–2022* and commencing its delivery

- facilitating multiple cross-agency collaborative design projects in regional Queensland
- supporting the incorporation of the Institute of Public Administration Australia (IPAA) Queensland.

The Commission will continue our work to develop and build the Queensland public sector's capability in 2019–20. We are also energised to be leading the implementation of 10 recommendations from the *Review into Queensland Public Sector Workforce* (Coaldrake review), as well as supporting recommendations adopted by the Queensland Government once they consider Mr Peter Bridgman's review of public employment laws.

To support the public sector to be agile and responsive in applying these review recommendations, the Commission's commitment to accountability, integrity, transparency, ingenuity and partnerships will be critical.

As Chief Executive, I look forward to continuing to work closely with our strategic partners, including the Chief Executive Leadership Board, the Strategic Workforce Council and public sector agencies, to implement these sector-wide priorities.

I thank the Commission team for another year of hard work and professionalism in delivering positive outcomes for the Queensland public sector workforce and the wider community. You truly embody what it means to **#BeHere4Qld**.

Robert Setter
Commission Chief Executive
Public Service Commission



About us

The Public Service Commission (the Commission) was established under the *Public Service Act 2008* on 1 July 2008.

Vision

A high performing, future-focused public sector for Queensland.

Purpose

To provide sector-wide leadership and expertise that builds and fosters:

- a professional, high-performing workforce
- highly capable and inspiring leaders
- continuously improving, future-focused organisations.

Strategic objectives

- Provide effective stewardship of the public sector
- Develop public sector capability
- Enable an agile, future-focused public sector
- Optimise our capability and performance

Role and function

The Commission is an independent central agency of government with key responsibilities for workforce policy, strategy, leadership and organisational performance across the Queensland public sector (the public sector).

Its role and main functions are to:

- enhance the public sector's leadership and management capabilities
- promote the management and employment principles set out in the *Public Service Act 2008*
- enhance and promote an ethical culture and ethical decision-making across the public sector
- develop and implement sector-wide workforce management strategies
- conduct Commission reviews, including the handling by agencies of work performance matters
- enable the development of mobile, highly skilled senior executives and leaders
- monitor and report on the public sector's workforce profile

- promote a culture of continuous improvement and organisational performance management across the public sector
- provide a best practice advisory role on public sector management, organisational performance management and workforce practices.

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

The Commission administers the *Public Sector Ethics Act 1994* and the *Public Service Act 2008*.

In accordance with stated obligations under the *Public Service 2008*, the Commission is responsible for Queensland public sector workforce reporting.

During 2018–19, the Commission released:

- quarterly Queensland public sector workforce profile reports, in accordance with section 46 of the *Public Service Act 2008*
- annual reporting of information about work performance matters handled by each agency in accordance with section 88N of the *Public Service Act 2008*.

The Commission fulfills its other functions under the *Public Service Act 2008* in a number of ways, including:

- reporting regularly to the Public Service Commission Board on the resource management of public sector departments
- championing through the Chief Executive Leadership Board and Strategic Workforce Council best practice human resource management, inclusion and diversity, collaboration and continuous performance improvement.

Values

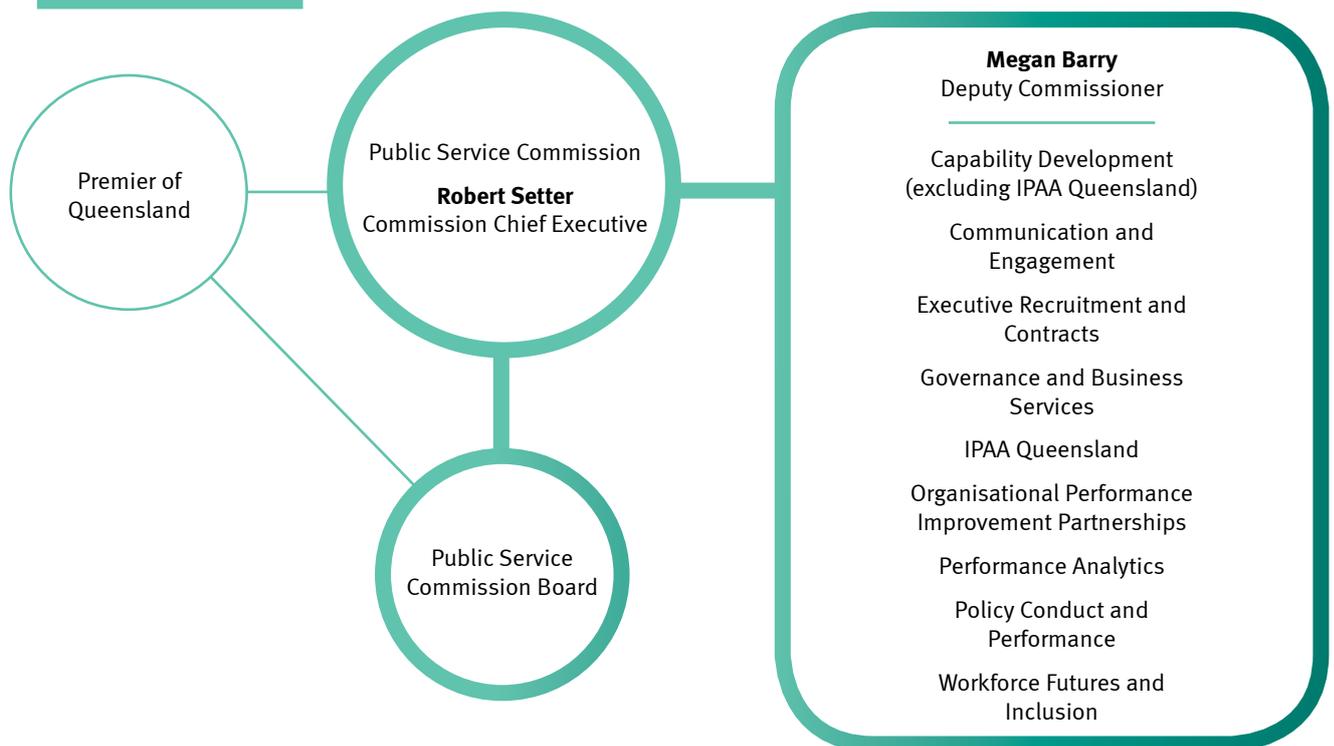
The Commission's business and practice is guided by the Queensland public sector's five values: customers first, ideas into action, unleash potential, be courageous, and empower people.

Location

Level 27, 1 William Street, Brisbane, Queensland.



Operating environment



Business areas

Capability Development builds leadership capability across the sector by brokering leadership development programs and events focused on current and future leadership challenges; coordinates leadership capability assessment and development initiatives to build a pipeline of future leaders; provides advisory services to help government agencies better connect with Queensland communities, understand their needs in a service delivery context, and design better ways to meet those needs; advances the capability, integrity and professionalism of the public sector through the Institute of Public Administration Australia (IPAA) Queensland.

Communications and Engagement delivers marketing and engagement activities including organisational brand management; #BeHere4Qld Queensland Government employer brand and employee value proposition management; social media; media monitoring and issues management; content development and copywriting support; digital and print design services, including video, photography, animation; and website creation, management and governance.

Executive Recruitment and Contracts supports executives by providing strategic advisory and operational services, covering recruitment, remuneration, contract management, appointment and induction, and performance management; administers machinery-of-government changes.

Governance and Business Services manages corporate governance functions and provides executive, business and administrative support, including human, physical and financial resources management; procurement, risk and audit, accommodation and facilities; and Cabinet liaison.

Organisational Performance Improvement Partnerships

partners with agencies to support organisational performance improvement across the public sector; manages the annual Working for Queensland (WfQ) survey, including assisting agencies to understand and convert data into actionable insights for improvement; coordinates the Capability Blueprint program and the National Redress Secondment Program on behalf of the Chief Executive Leadership Board.

Performance Analytics manages the collation and validation of public sector workforce profile information to inform workforce planning and management; manages the PL27 workforce data tool used by public sector agencies to provide workforce data; develops reports and data visualisations of strategic workforce metrics.

Policy, Conduct and Performance manages the public sector employment framework, including legislation, directives, policies, guidelines and the Code of Conduct; develops resources to build capability and understanding of the employment framework; manages the Conduct and Performance Excellence (CaPE) and HR (human resources) Assist service to support agencies to better manage conduct and performance matters; collects data from agencies on conduct and performance, and reports data annually; works with the Crime and Corruption Commission to ensure matters are handled by the appropriate organisation.

Workforce Futures and Inclusion partners with agencies to research, co-design and embed sector-wide workforce strategies and initiatives; coordinates sector-wide diversity and inclusion initiatives; leads worker health and wellbeing initiatives and coordinates sector-wide reporting; leads workplace reform initiatives to support employees affected by domestic and family violence; leads the sector's approach to strategic talent acquisition including through the Talent Now mobility platform and graduate recruitment portal; manages the sector-wide approach to supporting employees affected by workplace change.

Customers and partners

The Commission's customers are Queensland Government agencies and the whole-of-sector workforce.

To help build a high-performing, agile workforce and to influence planning and policy, the Commission partners with a range of stakeholders. These include:

- Chief Executive Leadership Board
- Strategic Workforce Council
- human resource practitioners
- other state and Commonwealth government agencies
- IPAA National
- The Australia and New Zealand School of Government
- White Ribbon Australia
- unions
- tertiary education sector
- business and industry
- non-government sectors.

Strategic risks and challenges

The Commission operates in an environment of increasing complexity, and is faced with many challenges which may affect the ability to deliver the vision. These challenges include:

- the public sector's ability to respond to global trends and address complex issues that require collaborative solutions
- the agility and capability of the public sector workforce to respond to and reflect a rapidly changing external environment
- the Commission's capability to deliver strategies and provide value to customers
- the Commission's ability to build trusted, effective relationships with customers, built on a clear value proposition
- the Commission's ability to effectively manage and align resources to deliver on priorities
- effective internal governance arrangements to support good decision-making, compliance with legislated responsibilities and employee conduct.

The Commission is influenced and impacted by broader societal and environmental factors, including:

- changing employment landscape
- fiscal and budget constraints
- increasing digitisation of service delivery.

To ensure these challenges are effectively addressed and strategic objectives are achieved, the Commission mitigates risks by:

- serving as thought leaders to support the sector in planning for future workforce challenges

- optimising its role in linking and connecting the sector
- championing the importance of strategic HR solutions and building capability to enable the workforce and leadership to operate in this environment
- providing stewardship of an agile employment framework that enables flexible responses to change
- co-designing solutions with customers to build capability and ensure relevant, responsive human-centred program design
- lifting strategic HR capability across the sector
- applying capability-building strategies internally, to lead by example.

New focus in 2018–19 and beyond

On 20 July 2018, the Premier announced that Professor Peter Coaldrake would conduct a two-stage *Review into Queensland Public Sector Workforce* (Coaldrake review). The first stage considered workforce reporting, and the second explored the future public sector workforce.

On 7 June 2019, the government released its response to the Coaldrake review, accepting eight recommendations in full and five recommendations in principle. The Commission is responsible for the implementation of 10 of these recommendations.

In 2019–20, the Commission's priorities will shift toward implementing the recommendations of the Coaldrake review.

Specifically, the Commission will be focused on:

- improvements to public sector workforce data collection and reporting
- increasing capacity in strategic workforce planning and capability building in data analytics and horizon scanning
- rejuvenating approaches to recruitment, reskilling and mobility, and strengthen sector-wide approaches to graduate recruitment
- clarifying the employment security policy to better support employees affected by workplace change.

On 2 September 2018, the Premier announced a wide-ranging review of public employment laws would be undertaken by Mr Peter Bridgman. This review would consider the laws, policies and procedures of employment in the Queensland public sector, and seek to make recommendations to ensure the Queensland public sector is fair and responsive, an employer of choice, and a leader in public administration.

The Commission is preparing to support the implementation of the Government's response to this review in 2019–20.

The Aboriginal and Torres Strait Islander career pathways service has connected employees from seven partnering agencies.



Performance

Contributing to government objectives

The Commission contributes to the Queensland Government's objectives for the community, *Our Future State: Advancing Queensland's Priorities* by:

- leading public sector employee participation and engagement strategies
- connecting agencies to support collaborative responses to current and future challenges
- supporting agencies to continuously improve their performance
- co-designing community-focused solutions
- building leadership capability and development
- fostering a diverse and inclusive public sector.

Strategic objectives

This section reports on the Commission's strategic objectives and how the main functions were delivered, including the application of the management and employment principles outlined in section 25 of the *Public Service Act 2008*.

Strategic objective 1

Provide effective stewardship of the public sector

- Continued the management of the employment framework.
 - Provided advice to the sector on complex human resources, employee relations, performance and conduct matters.
 - Developed *Managing workplace investigations: a practical guide for the Queensland public sector* to better support agency practitioners.
 - Completed a revised guideline and other resources to support agencies and employees undertaking independent medical examinations.
 - Supported the recruitment, appointment and induction of three chief executives.
 - Provided advice on the senior executive and chief executive service employee life cycle, including coordination of the chief executive performance assessment and agreement process.
 - Implemented the Executive leadership information system to improve monitoring and reporting of the senior executive cohort.
 - Updated the Fixed term contracts of employment – executive employees directive to provide further detail around eligibility for entitlements.
 - Supported the conciliation process for the State Government Entities Certified Agreement.
- Continued to promote and facilitate sector-wide cultural change in order to support and strengthen the sector's workplace response to domestic and family violence (DFV).
 - Coordinated a multi-agency approach for White Ribbon Australia (WRA) workplace accreditation, with all Queensland Government departments achieving accreditation by May 2019.
 - Supported the first WRA re-accreditation for a Queensland Government agency, with the successful re-accreditation of the Department of Aboriginal and Torres Strait Islander Partnerships.
 - Facilitated an independent evaluation of the Queensland Government's workplace response to DFV which found good progress has been achieved, and made 21 recommendations for continued improvement.
 - Led multi-agency collaboration to design and implement actions addressing the recommendations from the evaluation report, including:
 - strengthening the approach to promoting awareness of DFV
 - supporting affected employees
 - driving and embedding further change to build a positive culture of respect, gender equity and inclusion.

Veterans' Virtual Career Fair

The Premier announced the Veterans' employment pathway program in July 2018, to help 100 veterans find suitable, sustainable and meaningful employment in the Queensland public sector.

Australian Defence Force (ADF) members possess some of the most well-regarded, diverse and sought-after skills and experiences in the labour market today.

To deliver on the government's commitment, the Commission coordinated a virtual careers fair, held on 21 November 2018. The event enabled veterans in regional and remote locations to learn about the Queensland Government as an employer, discover new career opportunities, and chat with agency leaders and HR professionals.

23 Queensland Government agencies and three private organisations were represented at the fair, and the Commission partnered with ex-service organisations to promote the event to the veteran and former ADF community. More than 450 veterans registered to participate and 94 job opportunities were identified during the one-day event.

The veterans' employment pathway program has continued this momentum with more than 240 veterans gaining employment in the sector across the state.





The Commission facilitated numerous multi-agency collaborative strategic planning programs across Queensland throughout 2018–19.

- Partnered on a research project with DPC to inform the development of an awareness campaign targeting domestic and family violence in LGBTIQ+ communities.
- Continued to promote and monitor sector-wide workforce diversity targets ensuring that the public sector workforce more closely reflects the diversity of the Queensland community.
- Continued to progress initiatives to increase the representation of people with a disability in the public sector.
 - Launched the different faces of impairment communications campaign to raise greater awareness of people with disability.
 - Published *Empowered and confident: disabling the barriers implementation plan 2018–2022* and commenced delivery of the associated actions.
 - Developed an online knowledge centre to provide resources and tools to help foster more inclusive workplaces for people with disability.
 - Delivered a think tank in partnership with Queensland University of Technology, University of New South Wales (NSW) and the NSW Public Service Commission, exploring issues around disability and disclosure.
 - Partnered with the Department of Communities, Disability Services and Seniors to co-facilitate the All Abilities Queensland workshop to improve the employment experience and career pathways of people with disability in the public sector.
- Continued to support the sector's initiatives to foster greater inclusion for LGBTIQ+ employees.
 - Sponsored the Queensland Public Sector LGBTIQ+ Steering Committee, on behalf of the Chief Executive Leadership Board, building visibility of the sector-wide *LGBTIQ+ Inclusion Strategy* among senior leaders, offering greater support for LGBTIQ+ employees and allies, and increasing membership of the LGBTIQ+ employee network.
 - Supported the committee, in partnership with private industry, to host an LGBTIQ+ employee networking event for more than 100 attendees.
- Continued to support the implementation of the *Be healthy, be safe, be well* framework across the public sector.
 - Collated health and wellbeing indicator reporting to support agencies in monitoring and improving workforce health and wellbeing.
 - Collaborated with the Office of Industrial Relations (OIR) to develop strategies to promote mentally-healthy workplaces.
 - Continued operation of the Gov2Gov recovery at work pilot, with almost 20 per cent of eligible employees being placed across the public sector.
- Delivered the 2018 Working for Queensland (WfQ) employee opinion survey, with more than 78,000 participants from 65 agencies, and successfully implemented a new technology platform for the WfQ survey to provide faster and better access to survey results and advanced analytics.
- Produced Queensland public sector workforce profile quarterly reports to support ongoing management of the public sector workforce.
- Commenced implementation of recommendations from the Coaldrake review that relate to the implementation of a single, authoritative workforce database and resultant reporting enhancements.

Strategic objective 2

Develop public sector capability

- Continued to develop and deliver programs to attract and engage a talented, contemporary workforce to the public sector.
 - Developed and launched the Young people employment pathways initiative to improve sector-wide employment pathways for young people.
 - Continued to facilitate the sector's graduate portal, receiving 9108 graduate registrations and 1008 student registrations for public sector employment.
 - Continued to manage the **#BeHere4Qld** Queensland Government employer brand across multiple social media platforms to attract a diverse, high performing workforce.
 - Conducted research to better understand the candidate experience when seeking employment in the public sector.
- Successfully implemented the Veterans' employment pathway program (see page 7), identifying more than 240 suitable placements and appointments for veterans in the public sector.
- Developed the Aboriginal and Torres Strait Islander career pathways service (see page 10) to address the under-representation of Aboriginal and Torres Strait Islander employees in public sector leadership and decision-making positions.
- Continued promotion of the *Flexible by design* framework to create a more inclusive workforce and enable workers at all life stages, lifestyles and backgrounds to be valued contributors; partnered with private industry and the Australian public service to deliver a roundtable on the future of flexible work.
- Continued to implement Talent Now, the sector's solution to improve the visibility of internal talent and support increased workforce mobility.
- Continued to work in partnership with the Strategic Workforce Council to deliver quarterly capability development workshops (and ad-hoc development initiatives) to build the relationships, knowledge, and skills of HR professionals.
- Supported the induction of all agency chief executives as inclusion and diversity champions.
- Continued to build capability in better decision-making about conduct and performance matters.
 - Developed resources and held 10 workshops with agency HR professionals to support better decision-making about conduct and performance matters.
 - Established the Community of Practice for Ethical Behaviour (CoPEB, see page 11) to share best practice approaches to ethics, enabling members to work together to solve issues, develop capability and model behaviour.
 - Provided support to agencies developing resources on ethics for executives in the public sector.
- Supported the Queensland Family and Child Commission to build the public sector's procurement capability to engage Aboriginal and Torres Strait Islander human services providers.
- Continued to develop the public sector's leadership capability in health, safety and wellbeing, specifically in suicide prevention awareness and building mentally health workplaces.
- Developed and promoted a capability program for executive leaders to enhance skills in collaborative governance and collective leadership; delivered three masterclasses attended by 34 executive leaders, and five workshops attended by 280 people.
- Launched the LEAD4QLD leadership capability assessment and development initiative; between October 2018 and June 2019, more than 1400 public sector employees from 26 agencies were actively involved in the assessment process.
- Released the *Leadership competencies for Queensland* framework to describe what highly effective, everyday leadership looks like, and provide a common understanding of the foundations for success.
- Redesigned leadership and capability development online resources into a Leadership and learning hub based on customer-centred design.
- Continued to build leadership capability by facilitating:
 - 29 masterclasses, thought leader seminars and leader-led discussions as part of the Commission's calendar of leadership development to 1120 leaders at various levels
 - 38 People matters programs across the state to 729 aspiring and current team leaders
 - 25 People matters: performance conversations programs to 549 leaders at various locations across the state
 - 44 employees' participation in the Public Sector Management Program.

- Enabled individuals to build their leadership capability through sector-wide scholarships that supported:
 - 37 employees to attend the People matters: performance conversations program in Brisbane, Gold Coast, Rockhampton, Ipswich and Townsville.
 - Six Aboriginal and Torres Strait Islander employees to attend the Public Sector Management Program.
 - Four senior leaders to commence the two-year ANZSOG Executive Masters in Public Administration program.
 - Three senior executives to participate in the three-week intensive ANZSOG Executive Fellows Program.
- Continued to partner with and support IPAA Queensland to deliver thought leadership events and activities to promote and enhance the professionalism, capability and integrity of public administration.
 - Delivered six events focused on public purpose, attracting more than 850 leaders and emerging leaders from government across all levels, not-for-profits, professional services firms, and universities.
 - Developed digital content showcasing leadership and best practice relevant to the public purpose sectors, distributed through a new IPAA Queensland website and 11 editions of a fortnightly digital newsletter, IPAA Insights.
- Facilitated executive placements through Leader Connect, including embedding public sector employees with QUT research teams to experience an academic perspective, in content areas relevant to their agencies.
- Continued to facilitate the GradConnect mentor program, which links Queensland Government graduate mentors with young refugee mentees and clients of Multicultural Development Australia.
- Continued to roll out the Capability Blueprint program to assess and build organisational capability to meet future challenges.
 - Completed Capability Blueprints with the Department of Transport and Main Roads, Department of Health including the Queensland Ambulance Service, Queensland Treasury and the Department of Local Government, Racing and Multicultural Affairs.
 - Commenced a Capability Blueprint at the Department of Innovation, Tourism Industry Development and the Commonwealth Games.

Aboriginal and Torres Strait Islander career pathways service

The Commission is leading the staged rollout of the Aboriginal and Torres Strait Islander career pathways service in partnership with the Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP).

The career pathways service has been developed to address the under-representation of Aboriginal and Torres Strait Islander employees in leadership and decision-making positions across the public sector.

The project is focused at both the individual and system levels, supporting the learning and development of Aboriginal and Torres Strait Islander employees, and also fostering working environments that are more empowering, enabling and culturally safe. The service offers participants development opportunities in technical and leadership skills, coaching and reflective practice.

The service has been designed in partnership with employees from a number of agencies and is informed by insights from past and present Aboriginal and Torres Strait Islander employees.

It launched in May 2019 with seven participating agencies: Department of Natural Resources Mines and Energy, Department of Child Safety Youth and Women, Department of Housing and Public Works, Department of Transport and Main Roads, Department of the Premier and Cabinet, DATSIP and the Commission.



Strategic objective 3

Enable an agile, future-focused public sector

- Worked with agencies to address complex problems using contemporary design approaches.
 - Partnered with the Queensland Children’s Hospital to build human-centred design capability through a project exploring the underlying motivations and decision-making processes of hospital staff in relation to the Hospital in the Home service.
 - Supported the development of an evaluation approach to measure the effectiveness of innovative government collaboration in Mackay.
- Provided coaching and support to develop and improve place-based initiatives.
 - Designed and facilitated strategic planning workshops to support the future direction of the Townsville Stronger Communities Executive Committee and Operational Group.
 - Designed and facilitated strategic planning and alignment of current place-based initiatives and priorities to address youth and adult criminal justice issues and enable ongoing sharing and learning across crime-reduction initiatives.
 - Designed and facilitated strategic planning workshops in Mount Isa to support the development of a coordinated, multi-government agency approach to assist high-risk youth and families.
- Partnered with agencies impacted by workforce change to support their employees within the framework for continuing public sector employment; continued to partner with the Department of Communities, Disability Services and Seniors to support the transition of employees affected by implementation of the National Disability Insurance Scheme.
- Coordinated a secondment program on behalf of the Chief Executive Leadership Board to mobilise the public service workforce and facilitate Queensland’s participation in the National Redress Scheme.
- Continued to lead the public sector in ensuring awareness, understanding and readiness for the impacts of automation, digitisation and other forces that are changing the nature of public service work.
 - Continued to implement strategic initiatives in the *10 year strategic human capital outlook*, and the *3 year strategic roadmap* to promote contemporary workforce planning and management.
 - Commenced the sector’s response to recommendations from the Coaldrake review, on the implications of the rapidly changing nature of public sector work.
 - Commissioned research to explore the possible impacts of automation on the Queensland public sector workforce.
 - Continued to focus on worker longevity, liaising with subject matter experts and analysing workforce data and trends, to develop strategic recommendations for the public sector.

Community of Practice for Ethical Behaviour (CoPEB)

The Commission’s role under the *Public Service Act 2008* includes enhancing and promoting an ethical culture and ethical decision making across the sector.

To meet this responsibility, the Commission formed CoPEB in September 2018 to connect ethics and HR officers to learn and share best practice approaches.

CoPEB members collaborate to solve issues, develop capability and model behaviour and have held four meetings. Participants have reported high levels of satisfaction with the sessions and overwhelming support to continue the group.

In a recent survey of the group, feedback included that participants found CoPEB to be “very useful”, “an excellent initiative”, “essential for small agencies that have limited ER/IR resources” and a “worthwhile forum to discuss ethical issues and increase capability across the sector”.

The Commission will continue to support CoPEB meetings to build ethical decision-making capability across the public sector.





The first phase of the Leadership and learning hub consolidated resources and development opportunities on the ForGov website.

Strategic objective 4

Optimise our capability and performance

- Continued to focus on building organisational governance strength and capability to ensure delivery of strategic objectives.
- Continued to embed a deliberative, collaborative approach to corporate governance based on networked decision-making, planning and risk management; established working groups to consider issues of resource management, performance measurement and risk management.
- Supported all Commission employees to participate in the LEAD4QLD assessment process, to identify individual capabilities to inform future development; 47 staff accepted this opportunity in 2018–19.
- Supported employees, including senior executives, to participate in secondment opportunities across the sector to build their skills and capabilities.
- Supported all Commission staff to maximise flexible work options; accessed by 91 per cent of all staff, including a high take-up by male employees (87 per cent).
- Provided a range of health and wellbeing services including flu shots, skin checks, ergonomic assessments and employee assistance to support healthy, productive workplaces.
- Recognised staff achievement and commitment through annual DPC/PSC Achievement Awards and the Commission Chief Executive's Pineapple Awards.
- Continued to support a local domestic violence shelter through employee fundraising and donations, facilitated by staff volunteers.

Service Delivery Statements

Public Service Commission	Notes	2018–19 Target/estimate	2018–19 Actual
Service area: Provision of services for a high-performing public sector			
Effectiveness measure Overall participant satisfaction with Commission leadership development offerings	1	87%	91%
Effectiveness measure Client satisfaction with specialist workforce services advice	2	85%	78%
Efficiency measure Cost per participant at Commission leadership development offerings	3	\$300	\$232
Efficiency measure Cost per employee of conducting annual WfQ survey	4	\$1.40	\$1.14

Notes:

1. Overall satisfaction is measured across leadership development calendar offerings (using a 5-point Likert scale ranging from strongly agree to strongly disagree) covering three dimensions: The offering has given me a good understanding of the topic; I will use or adapt the ideas from the offering in my work; and I would recommend the offering to my colleagues.

2. The service standard measures overall client satisfaction with both CaPE and HR Assist where clients indicated they were either satisfied or highly satisfied with the service based on client survey results. The Commission implemented systemic changes to the way it delivers and seeks advice in 2018–19. The 2018–19 actual results are lower than the 2018–19 target/estimate, which may be due to these changes and/or revisions made to the survey mechanism from a 4-point scale to a 5-point scale to now include a “neither satisfied or dissatisfied” option. It should be noted that as a result of the change in calculation methodology, past performance data for this measure is no longer comparable.

3. Value for money is measured on the total number of attendees against the total cost of holding the leadership development calendar offerings. Total cost includes venue hire, catering, facilities, facilitator related costs such as travel and/or accommodation, and video production costs. The 2018–19 actual is lower than the target due to changes to the mix of offerings.

4. The cost per employee of the annual WfQ survey is based on the cost of the core elements of the survey (i.e. survey services that are funded by the Commission and provided to all participating agencies). Core costs are divided by the number of employees that are eligible to complete the survey. Eligibility to complete the survey is based primarily on an agency’s participation in the Minimum Obligatory Human Resource Information (MOHRI) workforce data collection. The 2018–19 target/estimate was based on anticipated increased costs of shifting to a new survey provider which did not transpire.



The Commission met with graduates looking to enter the Queensland public sector at events such as the Big Meet in 2018–19.



Future direction

In accordance with the 2019–20 Service Delivery Statements, the Commission's priorities for the coming year are to:

- implement government decisions emerging from reviews of the public sector workforce
- collaborate with chief human resources officers to build expertise in the future of work identified in the *10 year strategic human capital outlook*, and support agencies to implement workforce initiatives in the *3 year strategic roadmap*
- improve talent acquisition and mobility through increased use of the **#BeHere4QLD** Queensland Government employer brand for graduate marketing, and by implementing a shared platform to facilitate internal talent mobility
- continue to implement the sector-wide workplace reform package, in partnership with agencies, to build capability in the prevention and response to domestic and family violence
- continue to advance improvements in gender pay equity in the Queensland public sector
- support agencies to transition to the renewed *Leadership competencies for Queensland* framework by developing communities of practice to deliver critical human resource process changes
- promote sector and internal participation in LEAD4QLD to support more targeted leadership development
- support IPAA Queensland's strategies for a sustainable professional association through membership growth, building partnerships across levels of government and sectors, growing regional engagement and ensuring appropriate governance
- continue to provide support to Deputy Directors-General to build capability in collaboration and responsiveness through targeted masterclasses, coaching and workshops to support the delivery of *Our Future State: Advancing Queensland's Priorities*
- provide advisory services to support agencies to develop integrated services and programs, and build their capability in community-centred service design methods
- partner with departments to increase organisational performance across government through the Capability Blueprint program
- provide advice to departments on the management of complex conduct and performance matters and the application of the Commission policies and instruments in difficult scenarios
- refine the collation and reporting of workforce data to enable evidence-based decision making in the management of the sector's workforce
- grow leadership and management capability to manage conduct and performance across the public sector by developing practical resources and tools for managers and HR practitioners, and providing an advisory service supported by an updated website.

Financial summary

The Commission has continued with its core service delivery to provide leadership and expertise to build and foster a professional high-performing workforce, highly capable, collaborative and inspiring leaders, and continuously improving, future-focused organisations. During the 2018–19 financial year, the Commission focused upon implementing a new leadership capability assessment and development solution to support the development of leaders at all levels across the sector and support the Institute of Public Administration Australia (IPAA) Queensland in building partnerships across government jurisdictions, growing regional engagement and fostering strong governance practice.

Revenue

Total revenue for the Commission was \$15.30 million, a 6 per cent decrease from the previous financial year. The decrease is primarily due to less appropriation revenue of \$0.86M or 6 per cent from the previous year for the absorption of the Community Insights function within the core service delivery function and completion of limited life projects deferred from 2017–18 such as the workplace response to the whole-of-government Domestic and Family Violence Evaluation framework.

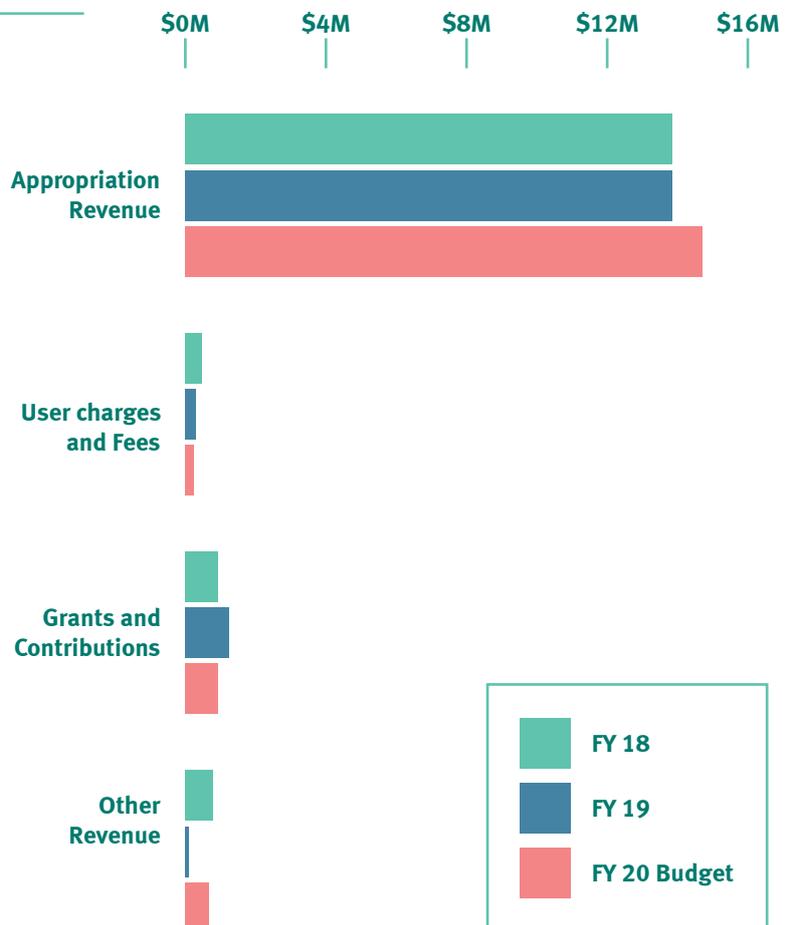
Non-appropriated revenue, consisting of user charges, grants and other contributions and other revenue decreased by \$0.18M or 11 per cent primarily due to lower recovery of recruitment costs for Directors-General across the sector, partly offset by additional support of the Australian and New Zealand School of Government development programs.

Revenue forecast to decrease by \$0.22M or 16 per cent primarily due to Australian and New Zealand School of Government development programs and completion of one-off funding projects that occurred in 2018–19.

Figure 1 provides a comparison of revenue sources for the previous year, current year and the 2019–20 as provided in the Commission’s Service Delivery Statement.

Explanations for major variances between the Commission’s financial performance and its 2018–19 budget is disclosed in the accompanying Financial Statements.

Figure 1: Commission Income Summary 2018–19



Expenditure

Total expenditure for the Commission was \$15.30 million, a 6 per cent decrease from the prior financial year. The expenditure decrease is primarily related to the reasons explained above in respect to decreased revenue.

Employee expenditure decreased by \$1.02M or 10 per cent primarily achieved through short-term vacancies across the Commission, namely the Commission’s external chair position and Deputy Commissioner role for part of the year and external secondment opportunities across the Commission.

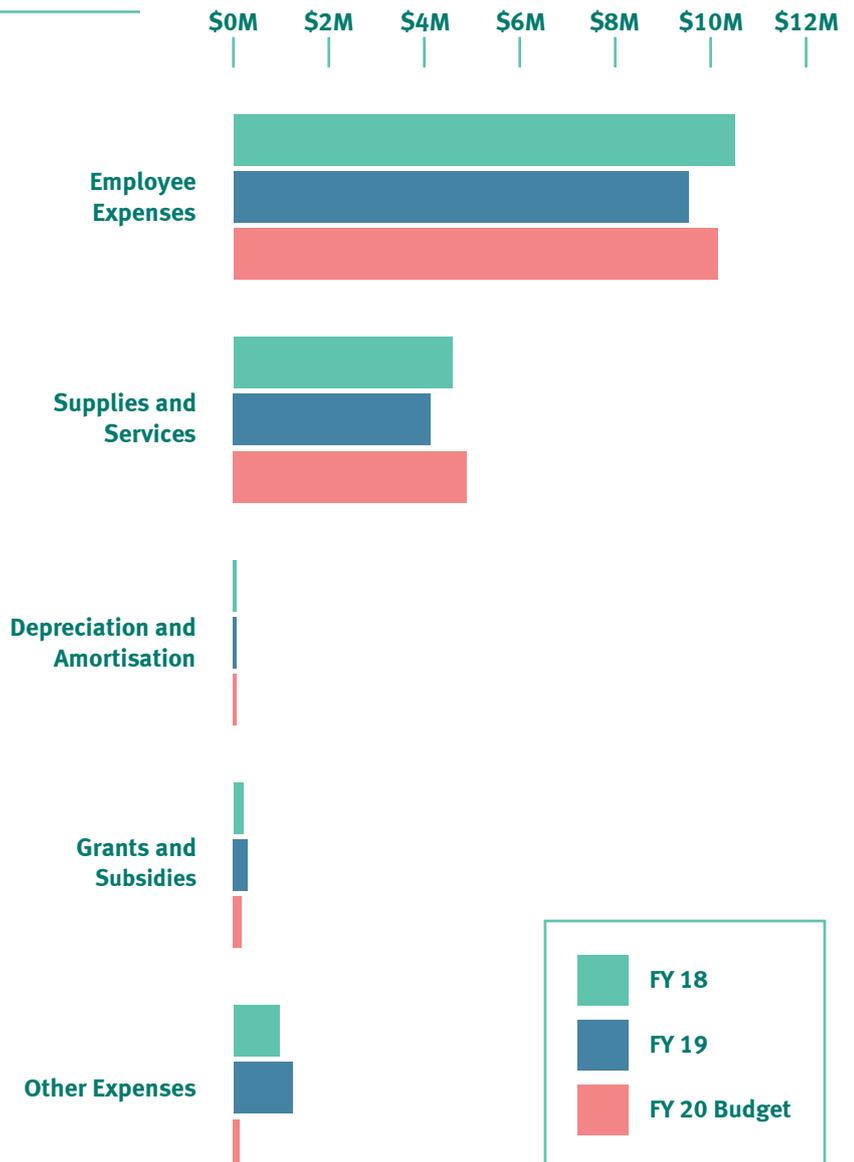
Supplies and Services expenditure decreased by \$0.22M or 5 per cent primarily due to lower contractor and consultancy costs in 2018–19 and a reduction in general costs such as travel, advertising and legal fees.

Other expenses increased by \$0.19M or 20 per cent due to the end of year deferrals to recognise unspent appropriation for delays in programs such as Talent Now, enhancement to Conduct and Performance Excellence Reporting and Leadership Talent and Performance activities which are to be delivered in 2019–20. The decrease in the other expenses forecast is due to deferrals not being budgeted for.

Expenditure is forecast to remain relatively consistent with a small decrease of \$0.22M or 1 per cent.

An expenditure summary comparing the previous year, current year and next year’s budgeted financial position is provided in Figure 2.

Figure 2: Expenditure summary 2018–19



Financial position

The Commission's financial position remained consistent with the prior year, with the net asset position remaining identical at \$0.936 million. The current ratio has improved and demonstrates a sound liquidity position. Refer to Figure 3 for Financial Indicators.

The financial position forecast anticipates a further improvement of current ratio, sitting in at 1.60.

Explanations for major variances between the Commission's financial performance and its 2018–19 budget is disclosed in the accompanying Financial Statements.

Figure 3. Financial Indicators

	FY 19\$M	FY 18\$M
Net Asset Position	0.936	0.936
Current Assets	2.995	3.218
Current Liabilities	2.065	2.282
Current Ratio	1.45	1.41

Chief Finance Officer statement

Section 77 (2)(b) of the *Financial Accountability Act 2009* requires the Chief Finance Officer of the Commission to provide the accountable officer with a statement as to whether the department's financial internal controls are operating efficiently, effectively and economically. Assurance has been provided that:

- the financial records of the Commission have been properly maintained in accordance with prescribed requirements;
- the internal compliance and control systems of the Commission relating to financial management have been operating efficiently, effectively and economically; and
- since balance date, there have been no material changes that may affect the risk management and internal compliance and control systems of the Commission.

For the financial year ended 30 June 2019, a statement assessing the Commission's financial internal controls has been provided by the Chief Finance Officer to the Commission Chief Executive and the Commission's Audit and Risk Committee.

The statement was prepared in accordance with Section 57 of the *Financial and Performance Management Standard 2009*.



Governance

Leadership and management

Public Service Commission Board

The Public Service Commission Board (the Board) is responsible to the Premier of Queensland and informed by commissioners who provide independent advice on the delivery of the Commission's main functions. The Board is responsible for the governance of the Commission described in the *Public Service Act 2008*.

In 2018–19, the Board met on four occasions.

Members

- Dave Stewart, Director-General, DPC (1 July 2018 to 12 February 2019)
- Jim Murphy, Under Treasurer, Queensland Treasury (1 July 2018 to 14 September 2018)
- Mary-Ann Curtis, Acting Under Treasurer, Queensland Treasury (15 September 2018 to 10 February 2019)
- Frankie Carroll, Under Treasurer, Queensland Treasury (11 February 2019 to 30 June 2019)
- Rachel Hunter, Acting Director-General, DPC (Acting Chairperson) (13 February 2019 to 30 June 2019)
- Robert Setter, Commission Chief Executive, Public Service Commission (1 July 2018 to 30 August 2018 and 2 October 2018 to 30 June 2019)
- Sonia Cooper, Acting Commission Chief Executive, Public Service Commission (31 August 2018 to 1 October 2018)

Key activities

In 2018–19, the Board:

- monitored performance of all departments and agencies in workforce, finance, contingent workforce, and capital budget management
- considered the impact on the Commission of Government-endorsed recommendations arising from reviews into workforce reporting and the future of work
- endorsed the Commission's activities and noted developments in initiatives including talent mobility, veterans' employment, Aboriginal and Torres Strait Islander career pathways, and leadership development including capability development of the Deputy Director-General cohort to support collaborative governance.

Executive Leadership Team

The Commission's Executive Leadership Team (ELT) is the senior executive forum for corporate governance and decision-making, and:

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

Members

- Robert Setter, Commission Chief Executive (Chair)
- Peter McKay Deputy Commissioner (1 July 2018 to 3 September 2018)
- Sonia Cooper, Deputy Commissioner (1 July 2018 to 25 March 2019)
- Megan Barry, Deputy Commissioner (3 September 2018 to 30 June 2019)
- Sandra Lerch, Executive Director (31 May 2019 to 30 June 2019)

Senior Management Group

The Commission's Senior Management Group (SMG) is the leadership forum that operationalises corporate governance, performance monitoring and program management, and:

- monitor's progress towards delivering on strategic objectives and significant projects
- ensures compliance with all relevant corporate governance policies, plans and legislation
- manages corporate operations including human, financial and information resources
- acts as a forum to share information and manage relationships across the leadership of the organisation.

Members

- Commission Chief Executive
- Deputy Commissioner/s
- Business area team leaders

Government bodies

Queensland Integrity Commissioner

(part of the Commission for administrative purposes)

Legislation

Integrity Act 2009

Role and function

The Queensland Integrity Commissioner is responsible for providing advice on integrity and ethics issues, and maintaining the Queensland Register of Lobbyists. The Commissioner is an independent officer of the Queensland Parliament and reports at least twice a year to the Finance and Administration Committee.

Reporting arrangements

The Queensland Integrity Commissioner produces its own annual report.



The Commission collaborated with agencies to foster healthy workplaces and further inclusion and diversity initiatives.

Ethics and accountability

Public sector ethics

The Commission considers the conduct and performance of employees central to achieving its deliverables and objectives. Employees are required to adhere to the Code of Conduct (the Code), as required by the *Public Sector Ethics Act 1994*, and can access the Code and a range of supporting resources through the Commission's intranet.

New employees are required to complete the New starter induction program to ensure they are aware of expected obligations and workplace behaviours, and that their performance and behaviour must comply with the Code. Team leaders incorporate these expectations into the ongoing cycle of employees' performance and development.

The Commission also has an ongoing role to enhance and promote an ethical culture and ethical decision-making across the public service. One way in which we meet this responsibility is through the CoPEB.

As custodian of the *Public Sector Ethics Act 1994*, the Commission is charged with considering requests from agencies to apply additional standards of conduct and behaviour to people working for them. During 2018–19, the Commission issued no new standards, and continued to endorse and apply the Code to ensure information about its application was readily available.

Risk management

In accordance with the *Financial Accountability Act 2009*, the Commission Chief Executive has established appropriate systems of internal control and risk management.

The Commission is covered by DPC's Risk management framework—oversighted by Audit and Risk Management Committee—which aligns with the Australian Standard AS/NZ ISO 31000:2018 on risk management principles and guidelines, and includes appropriate governance arrangements and risk reporting and analysis.

The Commission is committed to a philosophy and culture that ensures risk management is an integral part of all activities, minimising vulnerability to internal and external events, and influences that could impact on the achievement of its strategic objectives and priorities. The Commission continued to embed risk management through proactive executive involvement, assessment and treatment of risk, including fraud and corruption risks.

While all employees are encouraged to contribute to the effective identification and mitigation of risks, SMG is responsible for leading risk management activity.

In 2018–19 SMG members:

- established a risk working group to drive culture and continuous improvement
- participated in the DPC Risk Champions network.

Audit and Risk Management Committee

The Commission applies DPC's audit and risk management frameworks and is supported by the joint DPC and Commission Audit and Risk Management Committee (ARMC). ARMC was established by the Director-General in accordance with section 35(1) of the Financial and Performance Management Standard 2009 (the Standard).

As required by section 35(2) of the Standard, the terms of reference outlines ARMC's role, which is to provide independent advice and assurance to the Commission Chief Executive on the Commission's risk, control and compliance frameworks, and external accountability responsibilities imposed under the:

- *Financial Accountability Act 2009*
- Financial Accountability Regulation 2009
- the Standard.

During 2018–19, ARMC observed its terms of charter, having due regard to the *Audit committee guidelines improving accountability and performance*, issued by Queensland Treasury in 2012.

ARMC met four times during 2018–19, and comprised the following membership:

- Jenny Parker, chair (retired 31 August 2018)
- Neil Jackson, independent member (appointed Chair 1 November 2018)
- Bronwyn Morris AM, independent member
- Susan Rix AM, independent member (appointed 1 November 2018)
- Megan Barry, Deputy Commissioner, Public Service Commission, member (first meeting 26 November 2018)
- Filly Morgan, Deputy Director-General, Corporate and Government Services, DPC, member.

During 2018–19, ARMC's chair and independent members received a combined total remuneration of \$14,503.50 (including GST).

ARMC issued a standing invitation to the following roles to attend all meetings as observers:

- Chief Financial Officer, DPC
- Director, Internal Audit and Risk Services, DPC
- Queensland Audit Office representative
- Internal audit service provider representative.

During 2018–19, ARMC:

- approved and monitored four internal audits across the Commission
- monitored progress of the implementation status of internal audit recommendations
- reviewed and considered external audit reports and monitored the progress of agreed actions against recommendations
- endorsed the financial statements for 2017–18 and considered the ongoing financial position of the Commission
- monitored the Commission's ongoing corporate governance and risk management activities.

Internal audit

Internal audit provides independent assurance and advice to the Commission Chief Executive (CCE) and ARMC, and improves the Commission's corporate governance through an objective, systematic approach to evaluating the effectiveness and efficiency of processes, internal controls and risk management practices.

During 2018–19 the internal audit service was provided to the CCE under a Service Level Agreement (SLA). The SLA is managed by DPC's Director, Internal Audit and Risk Services with delivery of the program by KPMG (a third-party provider) in a co-sourced partnership arrangement. KPMG operated in accordance with an approved Internal Audit Charter that incorporated professional standards of Queensland Treasury's *Audit committee guidelines: improving accountability and performance*.

Key achievements for 2018–19:

- developed an internal audit plan based on identified strategic and operational risks, and presented the plan to ARMC for approval
- successfully executed the internal audit plan and provided finalised reports to ARMC
- monitored and reported on the status of implementation of internal audit recommendations
- supported management by providing advice on corporate governance and related issues, including recruitment and selection, core financial processes, general computer controls and cyber security.

External scrutiny

External audits and reviews add value to the public sector by identifying opportunities to improve business operations.

Queensland Audit Office (QAO) undertakes financial and performance audits within the public sector. In 2018–19, the following reports were published by the QAO that were relevant to the Commission:

- *QAO Report 3: 2018–19: Delivering shared corporate services in Queensland*

This report examined whether the Queensland Government's shared service providers are delivering value for money now and are positioned to successfully deliver in the future. The report recommended that the Commission works with all government agencies to ensure they effectively collaborate to plan, support, and manage those corporate services employees affected by automation.

- *QAO Report 14: 2018–19 – 2017–18: Results of financial audits*

This report summarised QAO's financial audit results for all entities owned or controlled by the Queensland Government, analysing the financial position, performance and sustainability of the Queensland Government as reported in the consolidated state government financial statements. It also summarised the timeliness and quality of financial reporting by public sector entities. The Auditor-General has certified without qualification that the Commission has complied with financial management requirements, the financial statements are accurate and fair and that the Commission met the statutory timeframes for the preparation of the financial reports for 2017–18.

Information systems and recordkeeping

The Commission continued to use information systems for corporate functions (e.g. finance, HR, information technology and information management services) under a shared service arrangement with Queensland Shared Services – a third-party corporate information and communications technology provider.

Information systems include:

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

During 2018–19, the Commission provided new employees with information management, security and privacy training, and during new employee induction and at regular intervals, we reiterated the importance of security and management of non-electronic information in shared workspaces. The Commission ensures its systems and workforce behaviours adhere to Information Standards (Information Security).

The Commission's recordkeeping practices adhere to Information Standard (Recordkeeping), Information Standard (Retention and Disposal of Public Records) and the *Public Records Act 2002*. The Commission uses HP Record Manager to manage electronic and physical documents, and has policies and processes in place for recordkeeping, email management, retention and disposal of records, managing information on shared network drives and information security.

Right to information and information privacy

The Commission received two Right to Information applications and one Information Privacy application in 2018–19, collecting a total of \$99.40 in application fees and \$0.00 in processing charges.

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

People

Workforce profile

At 30 June 2019, the Commission (including the Office of the Integrity Commissioner) employed a total of 70 full-time equivalent (FTE) employees, and the permanent separation rate was 9.5 per cent.

No redundancy, early retirement or retrenchment packages were paid during the period.

Workforce planning

The Commission continued to progress its five-year *Strategic workforce plan 2015–2020* towards building an inclusive, agile and capable workforce, to ensure we are well positioned to achieve objectives, meet future business needs and the expectations of customers.

During 2018–19, the Commission:

- activated a Resource Management Committee to assess and consider applications for vacancy recruitment, extensions to temporary arrangements and higher duties arrangements, and capability development investment
- continued to involve employees with diverse backgrounds and lived experiences in the co-design of inclusion and diversity strategies
- advertised vacant roles using the new flexible options on the Smart Jobs website to attract job applicants from diverse backgrounds
- supported secondment and interchange arrangements for senior executives to gain broader leadership experience within the sector
- demonstrated a commitment to gender equity in the Commission leadership, with women in more than 50 per cent of senior officer (and above) roles
- communicated the 2018 WfQ results to staff and actively discussed outcomes through staff forums
- actioned and supported commitments in the *Queensland multicultural action plan* and *Cultural capability action plan* towards an inclusive, diverse and culturally capable workforce
- participated in LGBTIQ+ events and initiatives to show support for LGBTIQ+ employees
- empowered employees to participate in domestic and family violence prevention events and initiatives, including the Australian CEO Challenge's 2019 Darkness to Daylight event (with participation from almost 25 per cent of the Commission's workforce), White Ribbon Day and Domestic and Family Violence Prevention Month

LGBTIQ+ employees and allies from the Commission participated in events such as the Brisbane Pride March in 2018–19.



- supported and encouraged worker flexibility, as a driver of workforce performance, capability and adaptability.
 - 91 per cent of all staff accessed flexible work options
 - 2018 WfQ survey results indicated a strong positive response to flexible working arrangements, and a working culture that supported its application.
- continued to build managerial capability in the effective balance of flexible work arrangements and agency deliverables.

Workforce performance and development

The Commission actively supports employees through the employment life cycle, from providing relevant induction and orientation, opportunities for training and development based on regular, active performance and development conversations, through to exit interviews for departing staff.

All employees are supported to access opportunities to improve their individual capability, including participation in the LEAD4QLD assessment process to inform future development.

In 2018–19 these opportunities also included participation in:

- post-graduate tertiary education (e.g. Public Sector Management Program and Graduate Certificate in Policy Analysis)
- on the job learning (e.g. communities of practice, networks and committees, secondments and interchanges)
- focused training (e.g. cultural awareness and disability awareness training)
- short courses and seminars (e.g. Women in Leadership course, leadership development forums)
- occupational, industry and interjurisdictional seminars and conferences.

Working for Queensland survey

Commission employees participated in the 2018 WfQ survey and maintained a response rate of 100 per cent.

Overall, the Commission's results were extremely positive compared with the rest of the sector across a majority of metrics, including:

- organisational leadership: 67 per cent positive (18 percentage points higher than the sector average)
- innovation: 82 per cent positive (22 percentage points higher than the sector average)
- my workgroup: 93 per cent positive (17 percentage points higher than the sector average)
- my workload and health: 59 per cent positive (19 percentage points higher than the sector average).

These strengths will provide a strong foundation to address areas where there are opportunities for improvement. The Commission leadership enabled ongoing discussion of organisational culture through all-staff forums and workshops to engage employees in ways the organisation can deliver an improved working experience.



The Commission collaborated with agency and industry partners to deliver a calendar of leadership development programs.

Financial statements

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**Public Service Commission
Statement of Comprehensive Income
for the year ended 30 June 2019**

	Note	2019 Actual \$'000	2018 Actual \$'000	2019 Original Budget \$'000	Budget Variances \$'000	Variance Note
OPERATING RESULT						
Income from Continuing Operations						
Appropriation revenue	A1-1	13,889	14,744	13,675	214	
User charges and fees		203	363	203	-	
Grants and other contributions	A1-2	1,151	943	720	431	1
Other revenue		58	285	-	58	2
Total Income from Continuing Operations		15,301	16,335	14,598	703	
Expenses from Continuing Operations						
Employee expenses	A2-1	9,520	10,544	9,804	(284)	
Supplies and services	A2-2	4,507	4,724	4,729	(222)	
Grants and subsidies		100	86	20	80	3
Depreciation and amortisation		-	1	2	(2)	
Other expenses	A2-3	1,174	980	43	1,131	4
Total Expenses from Continuing Operations		15,301	16,335	14,598	703	
Operating Result for the Year		-	-	-	-	
OTHER COMPREHENSIVE INCOME		-	-	-	-	
TOTAL COMPREHENSIVE INCOME		-	-	-	-	

The accompanying notes form part of these financial statements.

Explanation of budget variances

1. The increase is due to unbudgeted goods and services received below fair value for Public Service Commission priorities and projects (\$0.232M), contributions for Australian and New Zealand School of Government for additional professional development activities in 2018-19 (\$0.149M) and a contribution towards the Career Pathways project (\$0.050M).
2. The increase is due to unbudgeted cost recoveries of Directors-General recruitment processes (\$0.057M).
3. The increase is due to unbudgeted payments for the Griffith Policy Innovation Hub (\$0.050M), One Gov Central Qld Leadership Group (\$0.026M) and the review of Public Sector Employment Laws (\$0.020M). This is partly offset by a reallocation of a budgeted grant and other contribution to LGBTIQ+ (\$0.015M) towards meeting supplies and services to support the initiative.
4. The increase is primarily due to the appropriation payable to Queensland Treasury to recognise unspent appropriation (\$1.074M) for delays in programs such as Talent Now (\$0.253M), enhancements to Conduct and Performance Excellence Reporting (\$0.062M) and Leadership Talent and Performance activities (\$0.195M) to be delivered in 2019-20 and an unbudgeted ex-gratia payment to a staff member for medical retirement (\$0.060M).

**Public Service Commission
Statement of Financial Position
as at 30 June 2019**

		2019	2018	2019	Budget	Variance
	Note	Actual	Actual	Original	Variations	Note
		\$'000	\$'000	Budget	\$'000	
				\$'000		
Current Assets						
Cash and cash equivalents	B1	2,452	2,179	1,536	916	5
Receivables	B2	349	849	185	164	6
Other		194	190	189	5	
Total Current Assets		2,995	3,218	1,910	1,085	
Non-current Assets						
Receivables	B2	515	357	-	515	7
Property, plant and equipment	B3	6	-	-	6	
Total Non-current Assets		521	357	-	521	
Total Assets		3,516	3,575	1,910	1,606	
Current Liabilities						
Payables	B4	1,680	1,710	359	1,321	8
Accrued employee benefits	B5	385	423	479	(94)	9
Unearned revenue		-	149	-	-	
Total Current Liabilities		2,065	2,282	838	1,227	
Non-current Liabilities						
Payables	B4	515	357	136	379	7
Total Non-current Liabilities		515	357	136	379	
Total Liabilities		2,580	2,639	974	1,606	
Net Assets		936	936	936	-	
Equity						
Contributed equity		661	661	661	-	
Accumulated surplus/deficit		275	275	275	-	
Total Equity		936	936	936	-	

The accompanying notes form part of these financial statements.

Explanation of budget variances

- The increase is primarily due to the end of year deferral of appropriation received (\$1.074M).
- The increase is primarily due to the recovery of unbudgeted cost recoveries associated with Directors-General recruitment costs (\$0.057M), higher than anticipated contract management fees from Australian Institute of Management (\$0.036M) and higher than budgeted GST receivable (\$0.058M).
- The increase is due to adopting straight-line amortisation on the Public Service Commission lease agreements (\$0.515M).
- The increase is primarily due to an appropriation payable for the end of year deferral of appropriation received (\$1.074M).
- The decrease is due to external secondment opportunities and short-term vacancies during the financial year which resulted in lower accumulation of employee entitlements.

**Public Service Commission
Statement of Changes in Equity
for the year ended 30 June 2019**

	Accumulated Surplus \$'000	Contributed Equity \$'000	Total \$'000
Balance as at 1 July 2017	275	661	936
Total Comprehensive Income for the Year	-	-	-
Balance at 30 June 2018	275	661	936
Balance at 1 July 2018	275	661	936
Total Comprehensive Income for the Year	-	-	-
Balance at 30 June 2019	275	661	936

The accompanying notes form part of these financial statements.

**Public Service Commission
Statement of Cash Flows
for the year ended 30 June 2019**

		2019	2018	2019	Budget	Variance
	Note	Actual	Actual	Original	Variances	Note
		\$'000	\$'000	Budget	\$'000	
				\$'000		
Cash Flows from operating activities						
<i>Inflows:</i>						
Service appropriation receipts		12,790	14,047	13,675	(885)	
User charges and fees		189	490	236	(47)	10
Grants and other contributions		770	1,050	720	50	
GST input tax credits from ATO		416	457	356	60	11
GST collected from customers		83	173	77	6	11
Other		243	50	-	243	
<i>Outflows:</i>						
Employee expenses		(9,270)	(10,422)	(9,788)	518	
Supplies and services		(4,229)	(4,529)	(4,779)	550	12
Grants and subsidies		(100)	(86)	(20)	(80)	13
GST paid to suppliers		(404)	(449)	(342)	(62)	11
GST remitted to ATO		(114)	(122)	(77)	(37)	11
Advances to other agencies		-	20	-	-	
Other		(95)	(59)	(158)	63	
Net cash provided by operating activities	CF1	279	620	(100)	379	
Cash flows from investing activities						
<i>Outflows:</i>						
Payments for property, plant and equipment		(6)	-	(2)	(4)	14
Net cash used in investing activities		(6)	-	(2)	(4)	
Net increase (decrease) in cash and cash equivalents		273	620	(102)	375	
Cash and cash equivalents - opening balance		2,179	1,559	1,638	541	
Cash and cash equivalents at end of financial year		2,452	2,179	1,536	916	

The accompanying notes form part of these financial statements.

Explanation of budget variances

- The decrease in inflows is due to lower receipts for user charges at 30 June 2019 due to an end of year accrual for contract management fees from Australian Institute of Management (\$0.036M).
- The increase in outflows is due to timing of payment of prior year accruals and offset by additional inflows from the claiming of GST input tax credits.
- The decrease in outflows is due to delays in programs for Talent Now (\$0.253M), enhancements to Conduct and Performance Excellence Reporting (\$0.062M) and Leadership Talent and Performance activities (\$0.195M) to be delivered in 2019-20.
- The increase in outflows is due to unbudgeted payments for the Griffith Policy Innovation Hub (\$0.050M), One Gov Central Qld Leadership Group (\$0.026M) and the review of Public Sector Employment Laws (\$0.020M). This is partly offset by a reallocation of a budgeted grant and other contribution to LGBTIQ+ (\$0.015M) towards meeting supplies and services to support the initiative.
- The increase in outflows is due to the purchase of office equipment (\$0.006M).

**Public Service Commission
Notes to the Financial Statements
for the year ended 30 June 2019**

CF1 Reconciliation of Operating Result to Net Cash Provided by Operating Activities	2019 \$'000	2018 \$'000
Operating surplus/(deficit)	-	-
Non-cash items included in operating results:		
Depreciation and amortisation expense	-	1
Change in assets and liabilities:		
(Increase)/decrease in receivables	342	(149)
(Increase)/decrease in other current asset	(4)	(25)
Increase/(decrease) in accounts payable	128	627
Increase/(decrease) in unearned revenue	(149)	149
Increase/(decrease) in accrued employee benefits	(38)	17
Net cash provided by operating activities	279	620

Section A: Notes about our Financial Performance

A1 Revenue

A1-1 Appropriation Revenue

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

Budgeted appropriation revenue	13,675	14,871
Lapsed appropriation revenue	(885)	(824)
Total appropriation receipts (Cash)	12,790	14,047
Less: Opening balance of commission's services appropriation receivable	(357)	(136)
Plus: Commission's services appropriation - non-current receivable from Consolidated Fund (Refer Note B2)	515	357
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	941	476
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(1,074)	(941)
Net Appropriation Revenue	12,815	13,803
Plus: Deferred appropriation refundable to Consolidated Fund (expenses) (Refer to Note B4)	1,074	941
Appropriation Revenue recognised in the Statement of Comprehensive Income	13,889	14,744

Appropriations provided under the *Appropriation Act 2018* are recognised as revenue when received. A deferred appropriation payable representing the unspent appropriation has been recorded in the financial statements as at 30 June 2019. This has been approved by Queensland Treasury.

A1-2 Grants and Other Contributions

Contributions from Queensland Government departments	919	783
Services received at below fair value	232	160
Total	1,151	943

Grants and other contributions revenue are non-reciprocal in nature so do not require any goods or services to be provided in return. Corresponding revenue is recognised in the year in which the Commission obtains control or the right to receive the grant or contribution (control is generally obtained at the time of receipt or when the Commission has an enforceable right to receive the grant or contribution).

**Public Service Commission
Notes to the Financial Statements
for the year ended 30 June 2019**

A2 Expenses

A2-1 Employee Expenses	2019	2018
	\$'000	\$'000
Employee Benefits		
Wages and salaries	7,462	7,983
Employer superannuation contributions	937	1,034
Long service leave levy	132	169
Annual leave levy	714	798
Termination benefits	-	35
Other employee benefits	185	406
Employee Related Expenses		
Workers' compensation premium	38	42
Fringe benefits tax	52	77
Total	9,520	10,544
Number of Full Time Equivalent (FTE) Employees	70	73

Wages and salaries are recognised based on the period where service has been received.

Sick leave is non-vesting with expenses recognised when leave is taken.

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

Defined contribution plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant enterprise bargaining agreement or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plans - The liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the Commission at the specified rate following completion of the employee's service each pay period. The Commission's obligations are limited to those contributions paid.

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

Key management personnel and remuneration disclosures are detailed in Note D2.

FTE employees as at 30 June 2019 is calculated using the Minimum Obligatory Human Resources Information (MOHRI) method.

A2-2 Supplies and Services

Building services	1,484	1,531
Conference, workshop & training costs	659	695
Consultancies and contracts	527	701
Corporate services	452	524
External computer charges	963	713
Other	422	560
Total	4,507	4,724

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

**Public Service Commission
Notes to the Financial Statements
for the year ended 30 June 2019**

A2-3 Other Expenses	2019	2018
	\$'000	\$'000
Deferred appropriation payable to Consolidated Fund	1,074	941
QAO external audit fees for the audit of the financial statements	32	30
Ex-gratia payment	60	-
Other	8	9
Total	1,174	980

Appropriation of \$1.074M has been deferred until the 2019-20 financial year due to delays in various programs as mentioned in variance Note 12.

Total audit fees payable to the Queensland Audit Office (QAO) relating to the 2018-19 financial year are quoted to be \$0.032M (2017-18: \$0.031M). There are no non-audit services included in the amount.

An ex-gratia payment was made to an employee for medical retirement.

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

Section B: Notes about our Financial Position

B1 Cash and Cash Equivalents

Imprest accounts	1	1
Cash at bank and on hand	2,451	2,178
Total cash and cash equivalents	2,452	2,179

For the purposes of the statement of financial position and the statement of cash flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

B2 Receivables

Current

Trade Debtors	53	392
Long service leave reimbursements	42	22
Annual leave reimbursements	139	111
	234	525
GST input tax credits receivable	58	44
GST payable	-	(30)
Net GST receivable	58	14
Other receivables	57	310
Total current receivables	349	849

Non-current

Appropriation receivable	515	357
Total non-current receivables	515	357

All current receivables are recognised at amortised cost. Settlements of trade debtors is generally required within 30 days from the invoice date.

The Commission has not adopted the simplified approach under AASB 9 *Financial Instruments* and measure lifetime expected credit losses on all trade receivables using a provision matrix approach as a practical expedient to measure the impairment provision (Refer Note D4-5). The Commission has assessed each debtor individually for impairment and no debtors were impaired for 2018-19.

Long service leave (LSL) and Annual leave (AL) reimbursements represent the amounts recoverable from the LSL and AL central schemes where employees have taken leave in the June 2019 quarter, amounts paid to employees for annual leave and long service leave are claimed quarterly in arrears (Refer Note B5).

Non-current appropriation receivable relates to a future amount owed to the Commission from the Consolidated Fund to offset the non-current payable recognised for the straight-line amortisation of 1 William Street (Refer Note B4).

**Public Service Commission
Notes to the Financial Statements
for the year ended 30 June 2019**

B3 Property Plant and Equipment	2019	2018
	\$'000	\$'000
Plant and equipment:		
At cost	19	13
Less: Accumulated depreciation	(13)	(13)
Total property plant and equipment	6	-

B3-1 Property Plant and Equipment Reconciliation

Plant and equipment:		
Carrying amount at 1 July	-	-
Acquisitions	6	-
Depreciation	-	-
Total carrying amount at 30 June 2019	6	-

B4 Payables

Current

Trade creditors and accruals	606	769
Deferred appropriation refundable to Consolidated Fund	1,074	941
Total Current Payables	1,680	1,710

Non-Current

Deferred liability for operating leases	515	357
Total Non-Current Payables	515	357

Trade creditors are recognised upon receipt of the goods and services ordered and are measured at the purchase contract price, net of applicable trade and other discounts. Amounts owing are unsecured.

Deferred liability for operating lease relates to a future amount owed by the Commission to the Consolidated Fund for the straight-line amortisation of 1 William Street (Refer Note B2).

B5 Accrued Employee Benefits

Current

Annual leave levy payable	199	210
Long service leave levy payable	39	44
Accrued salaries and wages	147	169
Total Current	385	423

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

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

**Public Service Commission
Notes to the Financial Statements
for the year ended 30 June 2019**

Section C: Notes about our Risks and other Accounting Uncertainties

C1 Contingencies

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

C2 Commitments

Non-Cancellable Operating Lease Commitments	Note	2019	2018
		\$'000	\$'000
Commitments under operating leases at reporting date are payable:			
Not later than one year		1,034	1,202
Later than one year and not later than five years		4,663	5,520
Later than five years		5,885	8,057
Total Non-Cancellable Operating Leases		11,582	14,779

Lease commitments mainly relate to non-cancellable operating lease of 1 William Street.

C3 Financial Risk Disclosures

C3-1 Financial Instruments Categories

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

The Commission has no financial assets/liabilities recognised at fair value. The following categories of financial assets and financial liabilities are reported at amortised cost:

Financial Assets			
Cash and cash equivalents		2,452	2,179
Receivables	B2	864	1,206
Total Financial Assets		3,316	3,385
Financial Liabilities			
Payables	B4	2,195	2,067
Total Financial Liabilities		2,195	2,067

C3-2 Financial Risk Management

The activities undertaken by the Commission do not expose it to any material credit, liquidity or market risk.

C4 Events Occurring After the Reporting Date

There are no matters of significance to the financial statements which occurred after 30 June 2019.

**Public Service Commission
Notes to the Financial Statements
for the year ended 30 June 2019**

Section D: Other Information

D1 Objectives and Principal Activities of the Commission

The Public Service Commission (PSC) provides leadership and expertise to build and foster a professional high-performing workforce, highly capable, collaborative and inspiring leaders, and continuously improving, future-focused organisations. As the Commission has the one departmental service delivery, it prepares financial statements based upon the provision of this service.

As a central agency, PSC provides independent advice to government and collaborates across the public sector to achieve its vision of a high-performing, future focused public sector for Queensland. Its strategic objectives are to:

- provide effective stewardship of the public sector
- develop public sector capability
- enable an agile, future-focused public sector
- optimise our capability and performance

PSC contributes to the Government's objectives for the community *Our Future State: Advancing Queensland's Priorities* by:

- leading public sector employee participation and engagement strategies
- connecting agencies to support collaborative responses to current and future challenges
- supporting agencies to continuously improve their performance
- co-designing community-focused solutions
- building leadership capability and development
- fostering a diverse and inclusive public sector.

PSC was established on 1 July 2008 under the *Public Service Act 2008* and is a not-for-profit entity. PSC is controlled by the State of Queensland which is the ultimate parent. The head office and principal place of business is: Level 27, 1 William Street, Brisbane QLD 4000.

These financial statements cover PSC and are authorised for issue by the Commission Chief Executive and the Acting Chief Finance Officer at the date of signing the Management Certificate.

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

**Public Service Commission
Notes to the Financial Statements
for the year ended 30 June 2019**

D2 Key Management Personnel (KMP)

D2-1 Details of Key Management Personnel

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

The following details for non-ministerial KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of the Commission during 2018-19 and 2017-18. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities
Commission Chairperson (Acting) Director-General, Department Premier and Cabinet#	To preside over board meetings of the Commission to undertake those functions as mentioned at section 46(1) of the <i>Public Service Act 2008</i>
Commissioner, Under Treasurer, Queensland Treasury#	To attend board meetings for the Commission to undertake those functions as mentioned at section 46(1) of the <i>Public Service Act 2008</i>
Commissioner, Commission Chief Executive	The Commission Chief Executive is responsible for the efficient, effective and economic administration of the Public Service Commission
Deputy Commissioner	The Deputy Commissioner is responsible for leading strategies and services in workforce futures and inclusion, capability development and the establishment of the Institute of Public Administration Australia Queensland
Deputy Commissioner	The Deputy Commissioner is responsible for leading strategies and services in workforce policy conduct and performance, communications and engagement, organisational partnerships, executive recruitment and contracts, performance analytics and governance and business services
Executive Director	The Executive Director is responsible for workforce strategy on inclusion and diversity, health and wellbeing, domestic and family violence, strategic talent acquisition, mobility recruitment and graduate programs

Commissioners receive nil remuneration from the Commission. Remuneration for their substantive positions is disclosed in their respective agencies' financial statements.

D2-2 Remuneration Policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Commission does not bear any cost of remuneration of the Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the Commission's KMP is provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment (including motor vehicle entitlements and performance payments if applicable) are specified in employment contracts.

Remuneration expenses for KMP comprise the following components:

1. Short term employee expenses, including:
 - salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position; and
 - non-monetary benefits - consisting of provision of minor benefits together with fringe benefits tax applicable to the benefit.
2. Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
3. Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
4. Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

There were nil performance payments in 2018-19 (2017-18: nil).

**Public Service Commission
Notes to the Financial Statements
for the year ended 30 June 2019**

D2-3 Non-ministerial KMP Remuneration Expense

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

Current Year (1 July 2018 - 30 June 2019)	Short Term Employee Expenses		Long Term Employee Expenses	Post Employee Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$'000	\$'000				
Commission Chief Executive (CEO) 1 July 2018 to 31 August 2018 and 1 October 2018 to 30 June 2019	506	12	11	49	-	578
Acting Commission Chief Executive (CEO) 31 August 2018 to 1 October 2018	34	-	1	2	-	37
Deputy Commissioner (SES4) 1 July 2018 to 30 August 2018 and 2 October 2018 to 22 March 2019	166	8	3	18	-	195
Deputy Commissioner (SES4) 1 July 2018 to 31 August 2018	47	16	1	5	-	69
Deputy Commissioner (SES4) 3 September 2018 to 30 June 2019	200	9	4	17	-	230
Executive Director (SES2) 31 May 2019 to 30 June 2019	15	1	-	2	-	18
Total Remuneration	968	46	20	93	-	1,127

Comparison Year (1 July 2017 - 30 June 2018)	Short Term Employee Expenses		Long Term Employee Expenses	Post Employee Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$'000	\$'000				
Commission Chief Executive (CEO)	490	12	10	62	-	574
Deputy Commissioner (SES4)	266	11	5	28	-	310
Deputy Commissioner (SES4)	230	11	5	26	-	272
Total Remuneration	986	34	20	116	-	1,156

**Public Service Commission
Notes to the Financial Statements
for the year ended 30 June 2019**

D3 Related Party Transactions

There were no transactions with related parties of the Commission's KMP during 2018-19 and 2017-18.

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

Note A1-1 Appropriation Revenue

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

User Charges and Fees

Approximately 59% of the user charges received by the Commission in 2018-19 are for the provision of workforce reporting data to Queensland Treasury for determining actuarial review of employee long service leave entitlements (32% in 2017-18).

Note A1-2 Grants and Other Contributions

All grants and contributions received by the Commission in 2018-19 and 2017-18 are from Queensland Government departments. No transactions are individually significant to disclose.

Other Revenue

All other revenue received by the Commission in 2018-19 and 2017-18 are from Queensland Government departments. No transactions are individually significant to disclose.

Note A2-1 Employee Expenses

Employee expenses include related party transactions of \$0.424M in 2018-19 and \$0.256M in 2017-18, primarily for the Department of the Premier and Cabinet's Policy Graduate Program and secondment recoveries.

Note A2-2 Supplies and Services

Supplies and services include related party transactions of \$2.167M in 2018-19 and \$2.322M in 2017-18. The material transaction below for Department of Housing and Public Works primarily relate to the property rent (charged at market rates). The other material transaction relates to the Service Level Agreement expenses for Corporate support provided by the Department of the Premier and Cabinet.

Department Name	2018-19 \$'000	2017-18 \$'000
Department of Housing and Public Works	\$1,584	\$1,597
Department of the Premier and Cabinet	\$459	\$522

Note A2-3 Other Expenses

All other expenses in 2018-19 and 2017-18 are with Queensland Government departments. The material transaction below relates to the year-end appropriation deferral approved by Queensland Treasury.

Queensland Treasury	\$1,074	\$941
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Public Service Commission Notes to the Financial Statements as at 30 June 2019

D4 Basis of Financial Statement Preparation

D4-1 Compliance with the Prescribed Requirements

The Commission has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2018.

The Commission is a not-for-profit (NFP) entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flow which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to NFP entities.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note D4-5.

D4-2 Presentation

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required. Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

Comparative information reflects the audited 2017-18 financial statements.

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 department does not have an unconditional right to defer settlements to beyond 12 months after the reporting date. All other assets and liabilities are classified as 'non-current'.

D4-3 Basis of Measurement

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

D4-4 Taxation

The Commission is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Commission. Any GST credits receivable from, or GST payable to the ATO, are recognised in the Statement of Financial Position (refer Note B2).

The Commission is exempt from Queensland payroll tax. This exemption applies to Queensland Government Departments (excluding commercialised business units) effective from 1 July 2014.

D4-5 First Year Application of New Accounting Standards or Change in Accounting Policy

The Commission did not voluntarily change any of its accounting policies during 2018-19.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2018-19.

Accounting Standards Applied for the First Time

AASB 9 *Financial Instruments* become applicable for the first time in 2018-19.

AASB 9 addresses recognition, classification, and measurement and de-recognition of financial assets and financial liabilities, impairment of financial assets, hybrid contracts, and hedging.

The following summarises the impact of AASB 9 on the Commission:

- There is no change to either the classification or valuation of the cash and cash equivalent item.
- Trade receivables continues to be classified and measured at amortised cost.
- The Commission have not adopted the simplified approach under AASB 9 and measure lifetime expected credit losses on all trade receivables and contract assets using a provision matrix approach as a practical expedient to measure the impairment provision.
- The Commission's assessment has identified that a significant percentage of the debtors are from other government agencies. Due to the high credit rating and low level of credit risk exposure of government agencies, the Commission has assessed each debtor individually for impairment (Refer Note B2). Non-government debtors are long term partners who collaborate with the Commission in delivering leadership development programs to the sector.
- All financial liabilities listed in Note C3-1 have been measured at amortised cost.

**Public Service Commission
Notes to the Financial Statements
for the year ended 30 June 2019**

D4-6 Future Impact of Accounting Standards Not Yet Effective

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

AASB 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers*

The transition date for both AASB 15 and AASB 1058 is 1 July 2019. Consequently, these standards will first apply to the Commission when preparing the financial statements for 2019-20.

The objective of AASB 1058 is to establish principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives and the receipt of volunteer services. Additionally, the objective of AASB 15 is to establish the principles that an entity should apply to report useful information to users of financial statements about nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

AASB 15 introduces a five-step revenue recognition model:

1. Identify the contract;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue progressively as individual performance.

The model specifies that revenue should be recognised when an entity transfers control of goods/services to a customer, at the amount to which the entity expects to be entitled.

The Commission has analysed the new revenue recognition requirements under these standards and does not currently have any revenue agreements with a material impact for the period after 1 July 2019.

The Commission will monitor the impact of such contracts subsequently entered into.

AASB 16 *Leases*

This standard will first apply to the Commission from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases – Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Impact for Lessees

Unlike AASB 117 *Leases*, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.

Outcome of review as lessee

The Commission has completed its review of the impact of adoption of AASB 16 on the statement of financial position and statement of comprehensive income and has identified the following impacts which are outlined below:

- During the 2018-19 financial year, the Commission held operating leases under AASB 117 from the Department of Housing and Public Works (DHPW) for non-specialised, commercial office accommodation through the Queensland Government Accommodation Office (QGAO). The Commission has been advised by Queensland Treasury and DHPW that, effective 1 July 2019, amendments to the framework agreements that govern QGAO will result in the above arrangements being exempt from lease accounting under AASB 16. This is due to DHPW having substantive substitution rights over the non-specialised, commercial office accommodation and residential premises assets used within these arrangements. From 2019-20 onwards, costs for these services will continue to be expensed as supplies and services expense when incurred.
- The associated office equipment is also exempted from balance sheet recognition under AASB 16 as substantive substitution rights are met.

The Commission will continue to assess the impact of any contracts subsequently entered into before the new standard take effect.

**Public Service Commission
Notes to the Financial Statements
for the year ended 30 June 2019**

AASB 1059 Service Concession Arrangements: Grantors

The Commission does not currently have any arrangements that would fall within the scope of AASB 1059.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Commission's activities, or have no material impact on the Commission.

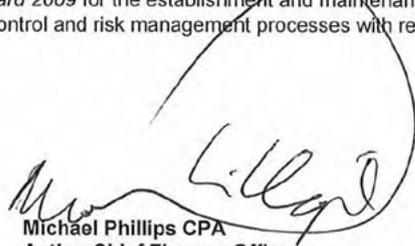
Certificate of the Public Service Commission

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Public Service Commission for the financial year ended 30 June 2019 and of the financial position of the Commission at the end of that year; and

The Commission Chief Executive, as the Accountable Officer of the Commission, acknowledges responsibility under section 8 and section 15 of the *Financial and Performance Management Standard 2009* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal control and risk management processes with respect to financial reporting throughout the reporting period.


Robert Setter
Commission Chief Executive
20 August 2019


Michael Phillips CPA
Acting Chief Finance Officer
20 August 2019

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Public Service Commission

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2019, 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 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, 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 of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

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

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

Key audit matters

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

Responsibilities of the department for the financial report

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



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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

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



21 August 2019

Paul Christensen
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Glossary

ADF	Australian Defence Force
ANZSOG	Australia and New Zealand School of Government
ARMC	Audit and Risk Management Committee
CaPE	Conduct and Performance Excellence
CCE	Commission Chief Executive
CEO	Chief executive officer
Code of Conduct	Code of Conduct for the Queensland public sector
CoPEB	Community of Practice for Ethical Behaviour
DATSIP	Department of Aboriginal and Torres Strait Islander Partnerships
DPC	Department of the Premier and Cabinet
ELT	Executive Leadership Team
FTE	full-time equivalent
HR	Human resources
IPAA	Institute of Public Administration Australia
LGBTIQ+	Lesbian, gay, bisexual, transgender, intersex, queer
MOHRI	Minimum Obligatory Human Resource Information
NDIS	National Disability Insurance Scheme
QAO	Queensland Audit Office
SLA	Service Level Agreement
SMG	Senior Management Group
the Board	Public Service Commission Board
the Code	Code of Conduct
the Commission	Public Service Commission
the public sector	Queensland public sector
the standard	Financial and Performance Management Standard 2009
WfQ	Working for Queensland survey
WRA	White Ribbon Australia

Annual report compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	i
Accessibility	Table of contents	ARRs – section 9.1	i
	Glossary		44
	Public availability	ARRs – section 9.2	Inside front cover
	Interpreter service statement	Queensland Government Language Services Policy ARRs – section 9.3	Inside front cover
	Copyright notice	Copyright Act 1968 ARRs – section 9.4	Inside front cover
	Information Licensing	QGEA – Information Licensing ARRs – section 9.5	Inside front cover
General information	Introductory Information	ARRs – section 10.1	1
	Machinery of Government changes	ARRs – section 31 and 32	nil
	Agency role and main functions	ARRs – section 10.2	3
	Operating environment	ARRs – section 10.3	4
Non-financial performance	Government’s objectives for the community	ARRs – section 11.1	6
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	nil
	Agency objectives and performance indicators	ARRs – section 11.3	7
	Agency service areas and service standards	ARRs – section 11.4	13
Financial performance	Summary of financial performance	ARRs – section 12.1	15
Governance – management and structure	Organisational structure	ARRs – section 13.1	4
	Executive management	ARRs – section 13.2	18
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	19
	Public Sector Ethics Act 1994	Public Sector Ethics Act 1994 ARRs – section 13.4	19
	Queensland public service values	ARRs – section 13.5	3



Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 14.1	19
	Audit committee	ARRs – section 14.2	20
	Internal audit	ARRs – section 14.3	20
	External scrutiny	ARRs – section 14.4	21
	Information systems and recordkeeping	ARRs – section 14.5	21
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	22
	Early retirement, redundancy and retrenchment	Directive No.11/12 Early Retirement, Redundancy and Retrenchment Directive No.16/16 Early Retirement, Redundancy and Retrenchment (from 20 May 2016) ARRs – section 15.2	22
Open Data	Statement advising publication of information	ARRs – section 16	Inside front cover
	Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	40
		FAA – section 62 FPMS – section 50 ARRs – section 17.2	41

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2009

ARRs Annual report requirements for Queensland Government agencies

