

ANNUAL REPORT 2023–2024

Department of Energy and Climate



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Communication objective

This annual report provides information about the Department of Energy and Climate's financial and non-financial performance for 2023–24. It has been prepared in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and the *Annual report requirements for Queensland Government agencies*.

The report records the significant achievements against the strategies detailed in the department's *Strategic Plan 2023–2027* and the *2023–24 Service Delivery Statements*.

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty understanding the annual report, you can contact us on 13 QGOV (13 74 68) and we will arrange an interpreter to communicate the report to you.



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Department of Energy and Climate Annual Report 2023–24

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Published by the Queensland Government, September 2024, 1 William Street, Brisbane Qld 4000.

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Email: SPP@DEC.qld.gov.au

ISSN 2653-2247



Online open data reporting

Content for the following annual reporting requirements can also be accessed on the department's website www.energyandclimate.qld.gov.au and the Queensland Government data website at <https://data.qld.gov.au/>:

- consultancies
- overseas travel
- Queensland Language Services Policy.



Letter of compliance

03 September 2024



Department of
Energy and Climate

The Honourable Mick de Brenni MP
Minister for Energy and Clean Economy Jobs
Level 36, 1 William Street
BRISBANE QLD 4000

Dear Minister

I am pleased to submit for presentation to the Parliament, the Annual Report 2023–2024 and financial statements for the Department of Energy and Climate.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be found at pages 60–61 of this annual report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Martyn', written over a light grey rectangular background.

Paul Martyn PSM
Director-General

1 William Street
Brisbane Queensland
GPO Box 2457 Brisbane
Queensland 4001 Australia
Telephone +617 3008 2934



Message from the Director-General

The newly formed Department of Energy and Climate (DEC) is addressing a set of public policy issues that are of vital significance to the future of Queensland. The work on the transformation of the energy system, the role of future fuels and hydrogen in that transformation, and how government procurement can achieve greater value for the state is now combined with the broader question of how to successfully reduce emissions whilst maintaining economic growth.

For DEC, the whole is truly greater than the sum of the parts. Integrating these agendas provides a broader opportunity to achieve our mission of new energy, less carbon, and more jobs. It also allows us to work in a more holistic way with key stakeholders and partner agencies, drawing together drivers around the interaction of a changing energy mix with emissions reduction and what this means for industries and communities across the state.

I also acknowledge the work of the previous Department of Energy and Public Works, who laid some important foundations for DEC to build upon.

In the short time since the department has been created, major steps forward have been taken in delivering certainty for industry, investors and communities. In April 2024, the Queensland Parliament passed two landmark pieces of legislation that will deliver direct action on climate change and increase economic opportunity across the state, and beyond.

The *Clean Economy Jobs Act 2024* and *Energy (Renewable Transformation and Jobs) Act 2024* create robust frameworks for change that have been carefully designed with stakeholder input and a review of contemporary best practice.

The legislation provides the infrastructure frameworks needed to build out an energy system that is clean, reliable, and affordable. It also establishes the Queensland Energy System Advisory Board, the Energy Industry Council, and the Queensland Renewable Energy Jobs Advocate. These bodies ensure independent expertise contributes to decision-making.

Communities are at the heart of Queensland's future clean energy system. The legislated Renewable Energy Zone framework is critical to ensure communities benefit from the growth of renewable energy and that the interaction between the renewables sector and local stakeholders is constructive. DEC has been working closely on the first Renewable Energy Zone Readiness Assessment with communities in central Queensland and has received positive feedback for this engagement. The mandatory code for renewable developers is nation-leading and will be built with stakeholder input.

The state's new emissions reduction targets have been legislated. What is critical is how these targets are achieved. The legislation sets up a structured process – the 'how' of emissions reduction – that involves a focus on practical solutions, strong engagement with key sectors, independent expert advice, and regular reviews.

This year, the state also ushered in new legislation to enable hydrogen and other renewable gases to be transported in pipelines. Hydrogen will be important for hard-to-abate sectors to reduce their emissions and we are working closely around key hydrogen hubs along the coast to plan for what a larger scale hydrogen industry will look like. In addition, new forms of fuel like sustainable aviation fuel and renewable diesel are solutions that will help the transport sector decarbonise, and we are partnering with other agencies and industries to develop approaches to advance these important opportunities.

Our approach is working. Queensland is now home to one of Australia's largest solar farms, the world's largest hydrogen electrolyser manufacturing facility, the largest battery blitz in Australia and, very soon, one of the largest onshore wind farms in the Southern Hemisphere.

Work is underway on the Central Queensland Hydrogen Project in Gladstone, forecast to create more than \$14 billion in exports, and the CopperString 2032 transmission line which will unlock the next resources boom.



Queenslanders are leading the way at home too, with more than 850,000 households and businesses having installed more than 5,200 megawatts of small-scale solar capacity. That's nearly two-thirds the capacity of Queensland's eight coal-fired power stations combined, and three times more than the state's largest at Gladstone.

Cost of living is a major issue for Queensland households and DEC has supported the administration of cost of living rebates for Queenslanders. The department has also worked to enable tens of thousands of households and businesses to reduce their power bills (and emissions too) through initiatives like the Battery Booster, QBEST and Climate Smart Energy Savers programs.

Queensland is leading Australia in its approach to government procurement and the new *Buy Queensland* strategy embeds and builds on that approach. Already, our *Buy Queensland* approach has injected almost \$80 billion into 85,800 local businesses – 37,100 of which are in our regions. The work we do is around encouraging more suppliers – including small business, regional businesses, indigenous businesses – to do work with the Queensland Government, creating opportunities and jobs across the state. Often a small contract can make a big difference. We are working to capture better data around how the state procures to help make even better decisions around how to create value from our spend.

Queenslanders spend a lot of time on the road and QFleet's ongoing leadership continues to support the transition to electric vehicles (EVs). Overall, the number of battery EVs registered in Queensland has more than tripled in 20 months to 46,200.

As you can see, 2023–24 has been a big year, with a lot done and a lot more to do.

While the department has changed this year, our approach has not. People are at the heart of everything we do – our own talented and passionate team and the connections we make with stakeholders right across Queensland. We constantly keep in mind why we do this work – to help Queenslanders navigate a changing world successfully.

I would like to acknowledge my Executive Leadership Team and the more than 400 people in DEC for their hard work, expertise and passion. It is a privilege to work with them and for the people of Queensland.

We play a critical role for Queensland, now and for generations to come. I'm immensely proud of how we have formed as a new department with a clear focus on what is important and I am looking forward to how we will continue to work together to deliver a strong future for Queensland.

Paul Martyn PSM
Director-General



About us

Formed as a result of machinery-of-government changes effective 18 December 2023, the Department of Energy and Climate works together to grow Queensland by powering today, securing tomorrow, protecting existing jobs and creating new job opportunities – particularly in regional communities. This annual report outlines the progress the department has already made in leveraging innovative policy development and programs in energy, hydrogen and sustainable liquid fuels, climate, and procurement to contribute to Queensland's future and the government's objectives for the community. It recognises the ongoing work and key achievements across the department throughout the past year.

The Department of Energy and Climate was established on 18 December 2023 under the *Public Service Act 2022* sections 197 and 198.

Our vision

Powering today, securing tomorrow.

Our purpose

New Energy. Less Carbon. More Jobs. A Clean Economy – Together.

Our operating environment

We are playing a significant role in Queensland's future by driving affordable, reliable and clean energy, emissions reduction and delivering our nation-leading government procurement approach that maximises value to Queenslanders.

We are leading efforts to ensure reliable, sustainable energy services are delivered to Queenslanders through the *Queensland Energy and Jobs Plan (QEJP)* and supporting the growth of a competitive hydrogen industry through the Hydrogen Hubs program and developing policy to promote sustainable fuels.

Our work continues in enabling the whole-of-government action to reduce emissions and meet our 2035 and 2050 emissions reduction targets through the *Clean Economy Jobs Act 2024*. As the Queensland Government fleet manager, QFleet is leading the government's transition to electric vehicles ensuring a low emissions future through the *Queensland Government Zero Emission Vehicle Strategy 2022–2032*.

The department's leading-edge procurement practices support the development of strong Queensland industries, build supplier capacity to do business with government, support jobs and grow our regions.

Our workforce is highly capable, and we strive to ensure that our systems are fit-for-purpose and that we are an employer of choice through our culture, our recruitment and training, and our governance practices.



Strategic opportunities, challenges and risks

In 2023–24, the department’s strategic opportunities and challenges included:

- **Sustainability**—in an increasingly socially conscious world, we considered the integration of environmental, social and governance factors into how we do our business to support our economy and advance the sustainable development of our regions.
- **Analytics and insights**—we have continued to look at how to harness the power of research, data analytics and insights and the use of new technologies to innovate and improve decision-making.
- **Investment**—we continuously work towards investing in innovative technologies and engagements to assist achieving our goals, whilst encouraging public and private collaborations in emerging industries to create jobs and develop and strengthen local supply chains.
- **Organisational resilience**—we used lessons learned through severe disaster events to evolve our operating models, enhance our ability to respond to change, and subsequently build confidence in government services.

We understand our strategic risks and put actions in place to manage them to support our delivery:

- **Capacity, capability and wellbeing** — we have been focussing on attracting, retaining, and investing in our people to build capability to deliver on our vision and purpose, and ensure our work environment supports staff wellbeing.
- **Climate change** — we continued to act as a leader in climate science and climate change mitigation and adaptation – driving a cleaner economy, more jobs and supporting communities to understand how to prosper in a low carbon world.
- **Cyber-security** — we sought to adopt a consistent risk-based approach to maintain availability, confidentiality and integrity of our information and ensure our systems and programs are protected.

Machinery-of-government changes

As a result of the machinery-of-government changes that came into effect on 18 December 2023, the former Department of Energy and Public Works was renamed to the Department of Energy and Climate.

Incoming divisions or functions

The following table outlines those divisions or functions that joined the department due to these machinery-of-government changes and the related annual report where the financial statements can be found for the reporting period 1 July 2023 – 31 December 2023.

Incoming area/function	Date of Transfer	Related annual report
Climate	18 December 2023	Department of Environment, Science and Innovation Annual Report 2023–24
Future Economy Taskforce	18 December 2023	Department of the Premier and Cabinet Annual Report 2023–24
Regional Economic Futures Fund	18 December 2023	Department of State Development and Infrastructure Annual Report 2023–24



Outgoing divisions or functions

The following table outlines those divisions or functions that left the department due to machinery-of-government changes on 18 December 2023 and the related annual report where the financial statements can be found for the reporting period 1 January 2024 – 30 June 2024.

Outgoing area/function	Date of Transfer	Related annual report*
Public Works	18 December 2023	Department of Housing, Local Government, Planning and Public Works Annual Report 2023–24

* Non-financial performance information for the 2023–24 reporting period can be found in the related annual report.

Incoming and outgoing statutory bodies

As a result of the machinery-of-government changes, the following statutory bodies were transferred to the Minister for Housing, Local Government and Planning and Minister for Public Works portfolio from 18 December 2023. Each statutory body is required to produce its own annual report:

- Board of Architects of Queensland
- Board of Professional Engineers of Queensland
- Queensland Building and Construction Commission.

There were no incoming statutory bodies.



Our contribution to the Queensland Government's objectives for the community

We contributed to the Queensland Government's objectives for the community through our *Strategic Plan 2023–2027*.

Good Jobs



Supporting jobs – by investing in new energy infrastructure, developing Queensland Renewable Energy Zones, implementing the enhanced *Queensland Procurement Policy*, and supporting traditional jobs in our regions while driving clean economy investment and new jobs through measures to meet emissions reduction targets legislated under the *Clean Economy Jobs Act 2024*.



Backing small business – by supporting the small and medium enterprise procurement target, working to ensure government does business with ethically, socially and environmentally responsible suppliers and by delivering business energy savings programs.



Making it for Queensland – by investing in regions to embrace the opportunities created through energy transformation across the whole value chain including manufacturing, by supporting and investing in renewable fuels like hydrogen and sustainable liquid fuels, and by signalling government's decarbonisation commitments to encourage the development of low emissions technologies.



Investing in skills – by creating and securing jobs statewide as part of the *Queensland Energy and Jobs Plan* and the Tradies for the Transition strategy.

Better Services



Backing our frontline services – as a trusted partner in fleet management, providing value for money mobility solutions and services enabling Queensland Government agencies to safely deliver essential services to local communities. Empowering government buyers to achieve positive outcomes for Queensland through nation-leading public procurement.



Connecting Queensland – by developing the Renewable Energy Zone planning process that includes communities in planning, establishing an interim Energy Industry Council to facilitate progress of the Queensland Energy Workers' Charter and design of the Job Security Guarantee ensuring affected workers have secure choices, opportunities and pathways through the energy transformation, and making sure Queensland motorists can ease cost of living pressures by shopping around for the best priced fuel with our Fuel Price Reporting scheme.



Great Lifestyle



Protecting the environment – reducing carbon emissions by investing in renewables in the energy sector, including hydrogen and sustainable liquid fuels, by continuing the delivery of the *QFleet Electric Vehicle Transition Strategy 2023–2026*, by supporting sectors to decarbonise through the measures established under the *Clean Economy Jobs Act 2024*, and by driving effective adaptation to climate change based on world-class climate science and projections under the *Queensland Climate Adaptation Strategy 2017–2030*.



Growing our regions – by maximising local supplier participation in government procurement, assisting the transition of regional businesses through the Electricity Tariff Adjustment Scheme, delivering the Supercharging Hydrogen Hubs program, administering the Queensland biofuels mandates to continue to drive the uptake of sustainable liquid fuels, and providing certainty for investment in new low emissions industries by legislating the state's climate targets in the *Clean Economy Jobs Act 2024*.



Building Queensland – we are building a clean, competitive energy system for the Queensland economy and industries, which will act as a platform for growth. Our publicly owned energy businesses are leading the charge by:

- building, owning, and operating new renewable energy and storage, and partnering with the private sector to deliver clean and reliable energy to customers across the state.
- through direct equity or offtake agreements, our energy government owned corporations (GOCs) are cornerstone investors supporting around 5 GW of new generation and 1.15 GW of large-scale battery storage in Queensland by 2027–28, while they continue to pursue substantial further opportunities across the state.
- designing, planning and consulting with landholders on easements for SuperGrid backbone transmission, with these projects to progress through the new legislated Priority Transmission Investment framework.
- advancing the CopperString 2032 transmission line to unlock renewable energy and critical minerals investment along the corridor from Townsville to Mount Isa.
- undertaking assessments, consulting with stakeholders and progressing early works on the foundational Pumped Hydro Energy Storage (PHES) asset at Borumba Dam near Gympie – which will provide vital deep storage that is essential for Queensland's energy transformation, delivering clean, reliable and affordable power for generations.



Honouring and embracing our rich and ancient cultural history – by co-designing with remote First Nations communities and the Australian government an inclusive Remote and First Nations clean energy strategy, empowering First Nations peoples as part of the energy transformation through inclusive engagement to enhance opportunities for employment and business participation. Our *Buy Queensland 2023* approach reflects the Queensland Indigenous (Aboriginal and Torres Strait Islander) Procurement Policy's procurement target; enhances accessibility for suppliers from Aboriginal and/or Torres Strait Islander backgrounds; ensures greater diversity in common-use supply arrangements; and focuses on representing regional and remote suppliers including remote Indigenous communities. The department is continuing to build the foundation for our Path to Treaty journey following the passing of the *Path to Treaty Act 2023* in May 2023.



Our services and objectives – aligning with the government’s objectives for the community

Our *Strategic Plan 2023–2027* outlined our vision and purpose, objectives and strategies, and demonstrates how the department contributes to the government’s objectives for the community. The department’s strategic plan can be found on our website at: www.energyandclimate.qld.gov.au

Our 2023–24 Service Delivery Statements (SDS) describes our services aligned to our objectives. Both documents demonstrate how we contribute to the government’s objectives for the community.

Department’s service areas (2023–24 SDS)	Department’s objectives	Government’s objectives for the community
<p>Grow Queensland's energy sector</p> <p>Lead the energy sector to deliver reliable, affordable and renewable energy to Queensland households and businesses.</p>	<p>An affordable, cleaner energy future</p> <p>Underpin long-term prosperity by ensuring reliable, sustainable and affordable energy services and growing the renewable hydrogen and sustainable liquid fuels industries.</p>	<ul style="list-style-type: none"> • Supporting jobs • Backing small business • Connecting Queensland • Protecting the environment • Growing our regions • Building Queensland • Honouring and embracing our rich and ancient cultural history
<p>Procurement policy and enabling services</p> <p>Lead whole-of-government procurement practices that leverage government’s buying power to prioritise Queensland businesses and jobs and ethical supply chains.</p>	<p>Nation-leading procurement</p> <p>Prioritise Queensland businesses and jobs through leading-edge, ethical procurement practices that leverage government’s buying power.</p>	<ul style="list-style-type: none"> • Supporting jobs • Making it for Queensland • Protecting the environment • Growing our regions • Building Queensland • Honouring and embracing our rich and ancient cultural history
<p>QFleet</p> <p>To provide a central pool of expertise in fleet management and fleet management services, to enable government and government-funded organisations to safely deliver frontline services to the community.</p>	<p>Drive a cleaner economy and more jobs through lower emissions and climate action</p> <p>Transition government fleet vehicles to low emissions options and continue reducing government’s operating emissions.</p>	<ul style="list-style-type: none"> • Protecting the environment • Backing our frontline services



Department's service areas (2023–24 SDS)	Department's objectives	Government's objectives for the community
<p>Climate: Forging Queensland's path to future prosperity</p> <p>Lead whole of government action on transitioning to a clean economy, backed by climate adaptation, strategies, investment, climate science and analytics.</p> <p>Note: Through the machinery-of-government changes in December 2023, the Climate function transitioned into the renamed Department of Energy and Climate. Therefore, the Climate function is not reflected in the 2023–24 SDS but is incorporated into the 2024–25 SDS.</p>	<p>Drive a cleaner economy and more jobs through lower emissions and climate action</p> <p>Achieve Queensland Government's emissions reduction targets whilst supporting communities to build resilience and prosper in a low carbon world.</p>	<ul style="list-style-type: none"> • Supporting jobs • Protecting the environment • Making it for Queensland • Growing our regions



Our values



Customers first

Putting customers first: by understanding our customers at all levels and delivering what matters.



Ideas into action

Transforming ideas into action: by delivering responsive and innovative solutions, encouraging and embracing new ideas, and working across boundaries.



Unleash potential

Unleashing potential: by being clear about our vision and continuing to challenge ourselves.



Empower people

Empowering people: by leading by example within an integrated department.



Be courageous

Being courageous: by taking calculated risks to achieve better outcomes.



Healthy and respectful workplace

Ensuring a healthy and respectful workplace: by providing a workplace that supports the wellbeing of our employees, fosters a culture of respect and inclusion, and actively progresses equity and diversity to ensure our workforce is reflective of the Queensland community.



Whole-of-government plans and specific initiatives

The department has the following whole-of-government and specific-purpose plans and reports on those plans through the relevant and appropriate reporting mechanisms:

- *Queensland Energy and Jobs Plan*
- *Queensland's 2035 Clean Economy Pathway*, which encompasses the *Queensland Climate Action Plan* and the *Queensland Climate Adaptation Strategy*
- *Queensland's Zero Emission Vehicle Strategy 2022–2032 (ZEV Strategy)* and *Zero Emission Vehicle Action Plan 2022–2024 (Action Plan)*
- *QFleet Electric Vehicle Transition Strategy 2023–2026*
- *Queensland Procurement Strategy 2023 – Jobs, Economy, Legacy, Confidence*
- Procurement category strategy for General Good and Services
- *Q2032 Procurement Strategy*.

National agreements and national partnership agreements

In 2023–24, the following activities occurred to progress Queensland's national commitments:

- Queensland actively works with the Australian and other state and territory governments through the Energy and Climate Change Ministerial Council (ECMC) to progress priority reforms and resilience of the energy sector and climate change. Key energy work programs progressed through ECMC in 2023–24 included:
 - development of a National Consumer Energy Resources (CER) roadmap to unlock consumer benefits for locally generated and storage power, deliver efficient and effective CER integration and drive positive outcomes for all consumers, and the system as a whole
 - implementation of an emissions reduction objective in the National Energy Objectives
 - development of a response to the Australian Energy Infrastructure Commission's Community Engagement Review report
 - progressing a National Renewable Energy Supply Chain Action Plan to strengthen supply chain resilience and manufacturing sovereignty, which is expected to be implemented through the Australian government's Future Made in Australia initiative
 - review of *Australia's National Hydrogen Strategy* and other national initiatives, to support the development of the hydrogen sector
 - engagement on the development of the national *Net Zero Plan* and six sectoral decarbonisation plans.
- Implementation of amendments to the national energy laws to incorporate an emissions reduction objective into the National Electricity Objective, National Gas Objective and National Energy Retail Objective.
- Implementation of amendments to the National Gas Law and Regulations to bring hydrogen, hydrogen blends, biomethane and other renewable gases under the national gas regulatory framework through progression of the *Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Act 2023*.

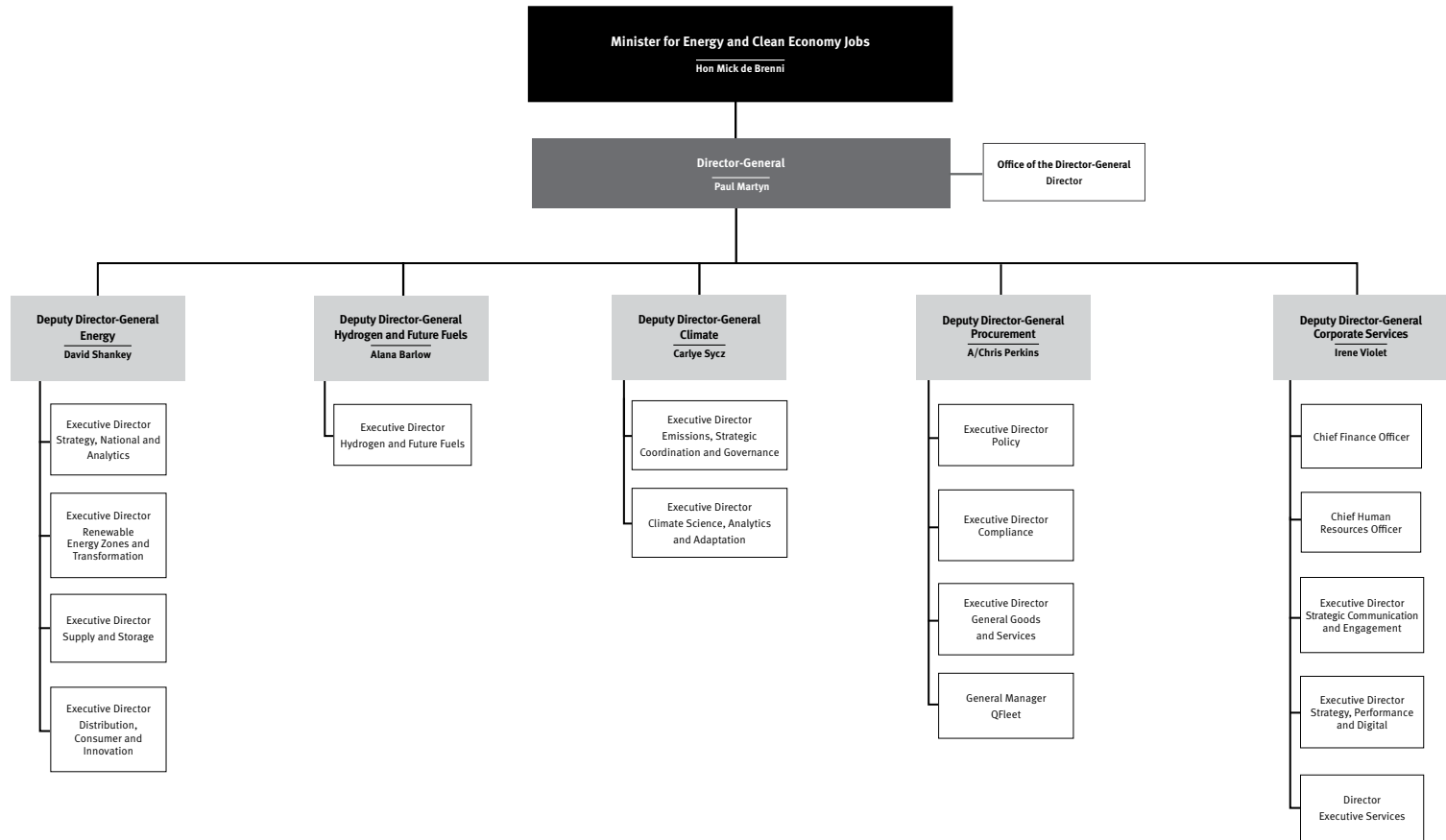


- Participation in the Australia and New Zealand Government Procurement Agreement meetings for the Australian and New Zealand governments, states and territories to work together to maximise procurement opportunities.
- Provided advice and information to the Department of the Premier and Cabinet and attended inter-jurisdictional meetings regarding Free Trade obligations in agreements, including the World Trade Organisation Agreement on Government Procurement.



Organisational structure as at 30 June 2024

Department of Energy and Climate Organisational structure as @ June 2024



Our strategic objectives

In 2023-24, the department contributed toward a more sustainable and prosperous future through our strategic plan. This section highlights our achievements against our strategic objectives as outlined in our *Strategic Plan 2023–2027*.

Our 2023–24 highlights

Energy

- Support delivery of the Queensland Energy and Jobs Plan through the passage of the *Energy (Renewable Transformation and Jobs) Act 2024* enshrining Queensland's commitment to a clean economy future.
- \$60 million over 2 years (\$40 million in 2023–24), to complement Australian government initiatives, delivering energy efficiency measures to keep costs down for households, enabling more choice and greater energy equity.
- \$35 million over 3 years (\$14.5 million in 2023–24), to deliver the Queensland Business Energy Saving and Transformation Program to support businesses in Queensland to reduce their electricity bills.
- \$35 million over 4 years (\$12 million in 2023–24), to undertake strategic planning and community engagement activities to develop Queensland Renewable Energy Zones in a coordinated, collaborative way and increase community benefits.
- \$30 million over 4 years (\$12.5 million in 2023–24), for charging infrastructure to make government buildings zero emission vehicle ready.

Procurement

- Continued the three-year implementation of *Buy Queensland 2023* to ensure our procurement investment supports quality, local jobs, boosts the Queensland economy, and leaves a lasting positive legacy for current and future generations of Queenslanders.
- Launched the new procurement system which enhances supplier visibility of procurement opportunities and streamlines engagement with the government, leading to reduced time and effort in the procurement process.
- Created a level playing field for Queensland Government suppliers by expanding application of the Ethical Supplier Mandate to all procurement contracts executed on or after 1 February 2024 across all categories of spend.
- Continued to transition eligible QFleet passenger and SUV vehicles to zero emission vehicles (ZEVs) as leases expired and support broader community transition by increasing the availability of quality second-hand, end of lease ZEVs available to the used car market each year for purchase via public auction.



Climate

- Supported passage of the *Clean Economy Jobs Act 2024* to enshrine Queensland's 2030, 2035 and 2050 emissions reduction targets in legislation and drive work towards a clean economy future.
- Invested in the Queensland Decarbonisation Hub, a collaborative project between the Queensland Government and seven leading Queensland universities, focused on consolidating and undertaking research to support the decarbonisation of Queensland's economy.
- Allocated \$10 million over three years to the ecoBiz sustainability program, delivered by the Business Chamber Queensland, which assists businesses to audit their resource use, manage carbon emissions and save on costs while reducing consumption of waste, water and energy.
- Committed \$2 million to the Local Government Association of Queensland to extend the Queensland Climate Resilient Councils initiative until 2026 to further enhance climate resilience in local governments across Queensland.

Hydrogen and Future Fuels

- Led and coordinated government actions to support the growth of a safe and sustainable renewable hydrogen industry, including progressing the development of strong policy and legislative frameworks and planning at strategic hydrogen hubs in Queensland.
- Delivered key studies identified under the \$15 million Supercharging Hydrogen Hubs Fund.
- Established a clear approvals pathway for hydrogen (and other prescribed substances) in pipelines through progression of the *Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Act 2023*.
- Commenced consultation and industry engagement to inform development of a fuels strategy to drive the uptake of sustainable liquid fuels as part of Queensland's energy mix towards net zero and beyond.
- Continued to deliver Queensland's Fuel Price Reporting scheme, which puts up-to-date fuel prices in the hands of Queensland's motorists to shop around for the best priced fuel and save money at the bowser.



Objective one

Drive affordable, reliable and clean energy

Delivering programs and services that ensure reliability, affordability and equity of Queensland’s energy supply. Building our hydrogen and sustainable fuel industries to secure Queensland’s low emissions future, regional economies, jobs and export potential

We deliver this strategic objective through our Energy and Hydrogen and Future Fuels divisions, by:

- Collaborating with all areas of government, government owned corporations, industry, unions, and communities to deliver the *Queensland Energy and Jobs Plan*
- Delivering programs to improve access to affordable energy
- Supporting economic diversification in North-West Queensland
- Building towards net-zero emissions future, economy and jobs
- Investigating cleaner fuel sources that enable Queenslanders to sustain their way of living.

Strategic objective performance indicator	2023–24 target	Actual 2023–24
Renewable energy as percentage of total energy consumed in Queensland	25.9%	28.2%
Average time of energy (electricity and gas) licensing assessment	<120 days	74 days
Increase investment in renewable energy in Queensland	Improved performance	55 committed projects since 2015 (compared to 52 at 30 June 2023), an increase of 3 projects



Our achievements – Energy

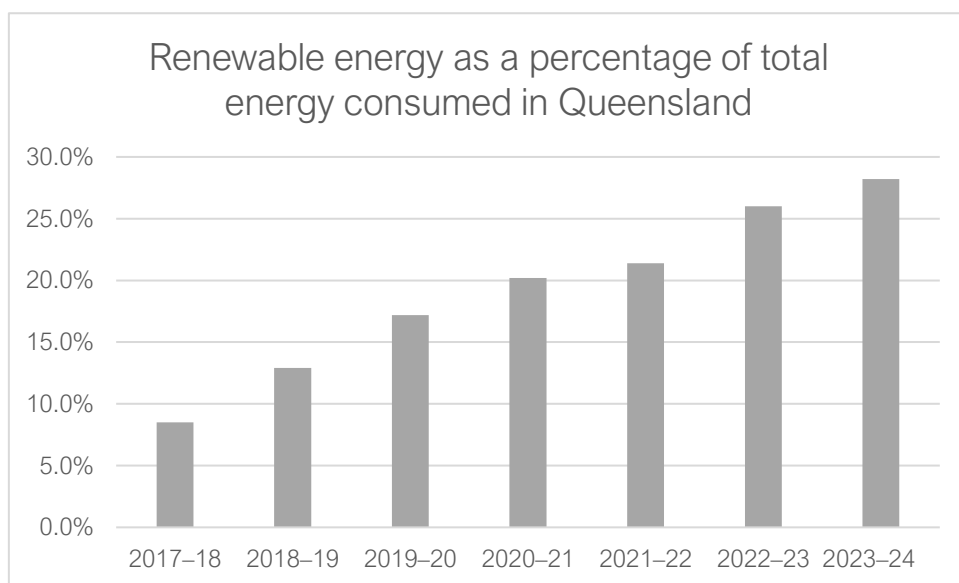
Renewable energy consumption and generation in Queensland

The *Energy (Renewable Transformation and Jobs) Act 2024* was passed on 18 April 2024, enshrining into law key commitments from the *Queensland Energy and Jobs Plan*, such as the state’s three renewable energy targets.

The renewable energy targets are to generate 50 per cent of Queensland’s electricity from renewable sources by 2030; 70 per cent by 2032 and 80 per cent by 2035. These targets show Queensland’s commitment to reducing emissions and supporting international efforts to act on the causes of climate change.

Queensland is on track to achieve these targets, with 27.4 per cent of Queensland’s electricity generated from renewables in 2023–24. This builds on the positive trend of renewable energy that demonstrates Queenslanders are backing the vision to provide a clear pathway to clean, reliable and affordable power for generations.

Historically, the Queensland renewable energy target has been defined in terms of renewable electricity generated in relation to the total electricity consumed in Queensland. Going forward, a better indication of the transition is to measure renewable electricity generation in relation to total electricity generation.



Graph: Renewable energy as a percentage of total energy consumed in Queensland

	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24
% of consumption ¹	7%	8.5%	12.9%	17.2%	20.2%	21.4%	26%	28.2%
% of generation ¹	-	-	-	-	-	-	-	27.4%

Note:

- As mentioned above, going forward there will be a change in target and methodology. There is a small difference between electricity consumed and generated due to imports and exports to New South Wales.



Consumer energy resources lowering household costs

The department's Climate Smart Energy Savers appliance rebate program successfully delivered cost of living relief to approximately 72,700 households across Queensland, with low-income households benefitting the most.

Households were granted immediate financial relief, with an average rebate of \$440 paid out, meaning a substantial saving on new, energy-efficient appliances, leading to reduced utility bills and a greener environment.

The scheme offered cash rebates between \$300 and \$1,000 on high energy-efficient appliances, with 54 per cent of rebates going to low-income households.

The rebates enabled Queenslanders to access immediate savings, while the energy-efficient appliances are expected to save an average of around \$103 annually on their electricity bills.

The most popular appliances were washing machines, energy-saving fridges, dishwashers, air-conditioners, dryers, and solar and heat pump hot water systems.

Households are also reducing their CO2 emissions by around 0.27 tonnes annually, contributing to a greener, and more sustainable Queensland and contributing to our emissions reduction target of 75 per cent by 2035.

The department also launched the Battery Booster Program in February 2024 to support eligible households to lower costs of electricity bills, through solar and storage.

Households who purchased a battery system during the rebate period can store power for use when the sun isn't shining, further cutting power bills and emissions, and reducing load on the grid.

The \$10 million program allowed homes with a new or existing solar PV system of at least 5 kilowatts, to receive a means-tested rebate of between \$3,000 and \$4,000 to purchase solar battery systems of 6 kilowatt hours or more.

Cost of living rebates make a difference

Cost of living support for households and small businesses during 2023–24 included a rebate for households more than three times the size of the previous year's rebate in recognition of the growing costs of everyday expenses such as fuel, groceries, rent and mortgage repayments.

Queensland households automatically received a \$550 electricity rebate on their energy bills which was a welcome contribution to household budgets.

In providing this relief to households, recent Australian Bureau of Statistics data showed that the \$550 electricity rebates lowered electricity bills by 9.5 per cent and contributed to lowering inflation.

Vulnerable households, including eligible seniors, pensioners and concession card holders received \$1,072 relief per household including a \$700 Cost of Living rebate – partly funded with the Australian government under the National Energy Bill Relief Fund – and a further \$372 through Queensland's existing Electricity Rebate scheme.

The rebates continued with around 205,000 eligible small businesses receiving a \$650 rebate to help cut the cost of doing business in Queensland and a combined \$70 million for other initiatives to keep costs down for households, enabling more choice and greater energy equity.

The cost of living relief will continue for Queensland households into the next financial year with the rebate increased from \$550 to \$1,000 from 1 July 2024. This will nearly halve the average household power bill in Queensland for 2024–25 further helping Queensland families make ends meet.



Social licence – QFF landholder toolkit and phone line

We consulted extensively with local communities across the state in the lead up to the release of the *Queensland Energy and Jobs Plan* in 2022.

Through this process it became clear that building social licence was critical in strengthening community involvement and support, which is crucial throughout Queensland's energy transformation, along with understanding the cumulative impacts, communicating benefits and ensuring positive coexistence.

In support of this approach, in 2023 we worked closely with the Queensland Farmers Federation (QFF) to ensure regional Queensland landholders had the resources they need to take full advantage of the renewables transition.

This partnership resulted in the release of the Queensland Renewable Energy Landholder Toolkit, created to support landholders considering hosting a renewable energy project on their property.

The toolkit is a free and easy-to-understand guide for landholders to assist in their decision-making process and help them negotiate with renewable energy companies to fully harvest the once-in-a-lifetime benefits of Queensland's transformation into a renewable energy powerhouse.

We continued our work with the QFF to create the Energy Information Service for Landholders as a further resource and welcome extension to the toolkit.

This free phone service for farmers and landholders in Queensland provides information and guidance on a range of energy matters including on-farm energy infrastructure, tariffs, and other energy related enquiries.

In progressing actions under the *Queensland Energy and Jobs Plan Community Partnerships and Enabling Frameworks*, we continue to play a vital role in delivering initiatives to support social licence for the energy transformation.

Collaborating to deliver the *Queensland Energy and Jobs Plan*

In 2023–24, we collaborated to deliver the *Queensland Energy and Jobs Plan* through:

- The delivery of the *Energy (Renewable Transformation and Jobs) Act 2024* to enshrine key commitments from the *Queensland Energy and Jobs Plan* in law, creating the infrastructure frameworks needed to build the Queensland SuperGrid and establish the governance and advice functions required for a smooth, coordinated energy transformation.
- The 2023–24 Budget approval of \$5.465 billion capital investment for Queensland energy entities, which supports existing assets and new wind, solar, storage and transmission projects including stage 1 of Stanwell's Wambo Wind Farm and CleanCo's Swanbank Battery Energy Storage System.
- Releasing the Queensland Renewable Energy Zones Roadmap to outline a framework that will strategically connect around 22 gigawatts of new grid-scale renewable energy in 12 potential locations across Queensland.
- Undertaking Renewable Energy Zones (REZ) Readiness Assessments in close collaboration with local communities in Central Queensland to identify strategies for maximising local opportunities associated with REZs, as well as ways to manage potential local impacts.
- Allocating \$20 million from the Regional Economic Futures Fund to support the outcomes of the first REZ Readiness Assessments which will be identified and prioritised based on local priorities.
- Partnering with industry, councils, and peak bodies as part of the Local Energy Partnerships (LEP) framework to ensure local voices, local choices and local benefits are a foundational component of the energy transformation. The LEP empowers regional Queensland to help shape the energy transformation, and for their local communities and businesses to benefit from energy developments.



- Working together with the Smart Energy Council, the Clean Energy Council, and the Queensland Renewable Energy Council as part of the LEP framework. Our \$3 million Energy Industry Partnerships have been set up to guide better practice in the renewable energy sector, deliver industry training on social licence, set-up a large-scale solar panel recycling pilot and hold regional careers fairs to showcase clean energy job opportunities.
- Partnering with the QFF to establish the energy information service for landholders, providing farmers with tailored energy-related information and helping them to make better-informed business decisions.
- Helping local governments get the most out of renewable energy projects in their regions with a \$1.2 million grant to the Local Government Association of Queensland. The project seeks to build councils' capacity in engaging with their communities on energy matters and equip them with the required resources to manage the increase in renewable energy development applications.
- The 2023–24 Budget approval of up to \$6 billion in equity funding over the Borumba PHES project's construction phase, subject to environmental approvals. The Borumba PHES project is estimated to cost \$14.2 billion. The project is currently undergoing early works while Queensland Hydro seeks necessary regulatory approvals.
- The release of a detailed Hydro Studies report, outlining the government's investigations into energy storage. The report explained why pumped hydro is needed in Queensland's future energy system and outlines the investigations and studies that led to Borumba and Pioneer-Burdekin sites being selected as a potential for pumped hydro.
- Working with the Australian and state and territory governments to shape the national energy transformation agenda, ensure Queensland's interests are proactively represented and the benefits to Queenslanders are maximised.

Delivering programs to improve access to affordable energy

In 2023–24, we continued delivering programs and services for Queenslanders by:

- Facilitating a cost of living rebate in partnership with the Australian government to deliver a \$700 electricity bill relief to around 620,000 vulnerable households, \$550 to the remaining 1.6 million households, as well as a \$650 energy rebate to up to 205,000 small businesses.
- Delivering the \$625 million Community Service Obligation to support equitable electricity prices for regional Queensland customers and support GOCs delivery.
- Delivering and implementing key *Queensland Energy and Jobs Plan* household and business energy programs to enable Queenslanders to better understand, use and engage with the energy transition and address cost of living pressures.
- Delivering the now finalised \$44 million Climate Smart Energy Savers (CSES) program which provided rebates to over 72,700 Queensland households to purchase and install four star or greater energy efficient household appliances. The average rebate received for CSES was \$440 off new appliances with Queensland households expected to save approximately \$103 each year in electricity bills.
- Continuing to deliver the \$16 million Battery Booster program, which offers rebates of up to \$4,000 to about 3,000 eligible Queensland households to install a solar battery system to existing rooftop solar PV.
- Implementing the \$10 million Enable Grants Program which will support non-government organisations (NGOs) to provide energy efficiency advice and activities that will help reduce energy usage and energy bills for Queenslanders experiencing vulnerability, including renters.
- Implementing the \$35 million Queensland Business Energy Savings and Transformation (QBEST) program which is providing support to small and medium businesses to save money on their energy bills.



- Rolling out the QBEST Rebates program which is continuing to support the installation of energy efficient equipment through a 50 per cent rebate for the purchase and installation of energy efficiency equipment, with a maximum rebate available of \$12,500.
- Engaging with the QFF to deliver energy audits and develop the recently released Queensland Ag Energy Hub website which hosts energy efficient information and supporting resources through the QBEST Ag program.
- Continuing to deliver the \$10 million Queensland Microgrid Pilot Fund to improve the network resilience of remote communities to extreme weather events, through supporting the development and delivery of microgrids across Queensland.

Support economic diversification in North-West Queensland

During 2023–24, we continued to deliver support North-West Queensland by:

- Working with Queensland Treasury to provide Powerlink with a \$1.3 billion Delivery Launch Package, announced in October 2023, to support the progression of early works activities for the CopperString 2032 project. The \$1.3 billion Delivery Launch Package has enabled Powerlink to begin detailed design, engineering, and environmental assessments, procure long lead items, and advance site development works including workers camps and access works.
- Developing a National Electricity Market (NEM) Entry Plan which includes an independent regulatory framework to enable the connection of CopperString 2032 to the NEM and operate as a regulated asset under the National Electricity Rules. This plan will also facilitate the smooth transition of industry located in the North West Minerals Province (NWMP) which is currently on an isolated network operating under unique standards and protocols.
- Commencing work on commercial, regulatory and legislative settings that will be critical to ensure the NEM entry of the region is supported during the transition.
- Engaging with key stakeholders, including industry in the NWMP and market bodies, and will continue to work alongside Powerlink to engage on CopperString and NEM entry.



Our achievements – Hydrogen and Future Fuels

New legislation transports hydrogen

Queensland is fast becoming a world leader in renewable hydrogen, and this emergent industry has the potential to become a \$33 billion giant by 2040.

To propel the industry, while protecting our natural assets, key actions of the *Queensland Energy and Jobs Plan* and the *Queensland Resources Industry Development Plan* were delivered in 2023–24 with the commencement of the *Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Act 2023 (the Act)* in April 2024.

The Act broadens Queensland's existing pipeline framework to enable hydrogen and other renewable gases to be transported in pipelines.

While this legislation supports the unlocking of billions of dollars in renewable hydrogen investment and export opportunities, it also works to protect our environment by putting in place rules to ensure hydrogen industry activity is done safely and with minimal environmental impact. It mandates rigorous standards that ensure safety for all workers, as well as the surrounding communities.

Commencement of the Act was a key milestone in the progression of legislative change to support the effective regulation of renewable hydrogen development and use in Queensland.

As Queensland continues to attract significant global investment, this new legislation ensures we have the right policies in place to further develop our hydrogen industry.

Building towards net-zero emissions future, economy and jobs

During 2023–24, we continued to secure a net-zero emissions future, economy and jobs by:

- Continuing to work with government agencies and GOCs to support the accelerated growth of Queensland's renewable hydrogen industry with over 60 hydrogen project proposals in consideration in Queensland.
- Delivering the \$15 million Supercharging Hydrogen Hubs program under the *Queensland Energy and Jobs Plan* to supercharge, coordinate and further plan for renewable hydrogen hubs in key locations across the state, including key technical studies to investigate and plan for energy supply, transmission and water.
- Delivering the \$8.5 million Abbot Point Activation Initiative (part of the \$15 million Supercharging Hydrogen Hubs fund) in partnership with Office of the Coordinator-General, to rapidly advance the master planning, development and infrastructure arrangements which will transform Abbot Point into a hydrogen export super hub. This includes regional planning for water, energy and transmission requirements.
- Delivering the \$5 million Hydrogen Community Engagement and Awareness program under the *Queensland Energy and Jobs Plan*, including establishment of a Gladstone Community Information Centre.
- Progressing the update of a Queensland Hydrogen Industry Strategy refresh in collaboration with the Department of State Development and Infrastructure.
- Collaborating with the Australian and other state and territory governments on the new National Hydrogen Strategy to ensure it is developed in alignment with Queensland priorities for the hydrogen industry.
- Setting the policy environment to drive investment in hydrogen in Queensland regions and facilitate skills development in this emerging sector.
- Progressing and commencing the *Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Act 2023* to support the growth of the hydrogen industry throughout Queensland.



- Delivering a whole-of-government regulatory review, followed by public consultation from 30 January – 1 March 2024, to obtain feedback on regulatory options and an effective regulatory framework to support the hydrogen industry to develop safely and efficiently.
- Showcasing Queensland's green hydrogen potential internationally with an Australian-Germany Energy Partnership delegation through Germany, attendance at the World Hydrogen Summit in Rotterdam, Netherlands, collaboration with the Mærsk Mc-Kinney Møller Centre for Zero Carbon Shipping in Copenhagen, and meeting with potential investors and the Energy Markets Authority in Singapore.

Investigating the future of sustainable fuels

During 2023–24, we continued to investigate the future of sustainable fuels by:

- Continuing consultation and industry engagement to inform development of a sustainable liquid fuels strategy for later in 2024, including conducting an industry workshop in April 2024.
- Maintaining Queensland's fuel price reporting scheme as a cost of living measure to make it easy for motorists to shop around for the best-priced fuel around and save using fuel price apps.
- Continuing the Queensland biofuels mandates to drive the increased availability of ethanol blended petrol at service stations owned by retailers liable under the mandate, with 852 of their service stations selling E10 at the end of the March 2024 quarter, up from 839 at the end of 2022–23.

Looking forward to 2024–25

In 2024–25, we will continue to work to realise and support government priorities by:

- Driving energy affordability outcomes, including delivery of rebates, programs and administration of the Community Service Obligation to ensure that, on average, householder electricity costs in regional Queensland are less than the cost of supply.
- Continuing to implement the *Queensland Energy and Jobs Plan*, including through the delivery of REZs and REZ Readiness Assessments, with a focus on community and stakeholder engagement.
- Implementing the *Energy (Renewable Transformation and Jobs) Act 2024*, including establishing the Queensland Energy System Advisory Board, and establishing the Job Security Guarantee Fund, which will ensure affected energy workers have secure choices, pathways and opportunities.
- Delivering the next Infrastructure Blueprint to guide the development of the energy system and set out the optimal infrastructure pathway to achieve the renewable energy targets.
- Delivering upon partnership agreements under the LEP, supporting industry, councils and peak bodies through the energy transformation to help ensure people who live and work in regional Queensland benefit from the energy transformation.
- Continuing to deliver on the *Queensland Energy and Jobs Plan* household and business energy programs.
- Continuing to support the delivery of the Borumba and Pioneer-Burdekin large scale pumped hydro energy storage projects in a manner that is sensitive to communities and the environment.
- Delivering strategies to secure project investment and for Queensland's renewable hydrogen industry to be internationally competitive and create new jobs in regional Queensland.
- Delivering a Sustainable Fuels Strategy and actions to seize opportunities of locally produced sustainable aviation fuels and renewable diesel to support Queensland's decarbonisation targets and continue the implementation of Queensland's biofuels mandates to encourage the sale of sustainable fuel alternatives.



- Continuing delivery of the Supercharging Hydrogen Hubs Program including completion of technical studies and community engagement to assist in the development of key hubs for hydrogen.
- Continuing to provide consumer cost of living support through administering Fuel Price Reporting.



Objective two

Deliver nation-leading government procurement that provides maximum value to Queenslanders

Prioritising local businesses and jobs through leading-edge procurement practices that consider ethical, economic, social and environmental outcomes and leverage government’s buying power

We deliver this strategic objective through our whole-of-government procurement function by:

- Delivering the Queensland Procurement Strategy – Jobs, Economy, Legacy, Confidence
- Streamlining procurement systems and processes, and better connecting suppliers with government buyers
- Recognition and Reward of Supplier Excellence
- Implementing the Q2032 Procurement Strategy to assist Queensland businesses to prosper through a more sustainable Brisbane 2032 Olympic and Paralympic Games.

Strategic objective performance indicator	2023–24 target	Result 2023–24
Overall customer satisfaction with Procurement enabling activities	90%	90.3%



Our achievements – Procurement

A future procurement system: making it easier for suppliers to do business with government

The *Future Procurement System* Project is delivering an enhanced solution for procurement and contract management that makes it easier for both suppliers and Queensland Government buyers. The previous solutions of QContract and QTenders were due for replacement, and through a full open market tender process, Local Buy was successful in being appointed as the supplier of the Future Procurement System, powered by Vendor Panel.

This streamlined procurement platform makes it simpler and easier for suppliers, streamlining registration and information access through a single hub where suppliers can receive notification and information about state and local government tenders. To enhance supplier visibility to potential customers, a supplier marketplace enables buyers to search for suppliers based on products or services. This new system supports delivery of *Buy Queensland 2023*.

In 2023-24 a new platform was delivered and by end of June 2024, over 30,000 Queensland businesses were registered with supplier profiles in the new system and nine government agencies were already using the system, with other agencies undertaking readiness and training activities. All government agencies are on track to be onboarded by the end of 2024.

QFleet hits 1,000th Electric Vehicle milestone

The Queensland Government's vehicle fleet manager, QFleet, is driving the transition to cleaner vehicles, reaching a significant milestone with the addition of its 1,000th electric vehicle (EV) in March 2024.

QFleet's shift from internal combustion engines (ICE) to EVs has progressed well and remains on track, with Queensland earning recognition from the Electric Vehicle Council as having one of the best policy approaches to EVs in the nation.

QFleet has expanded its range of EVs available for lease by agencies to include options such as the full-battery Kia Niro, boasting a 450km range, that is being used by the Department of Industrial Relations to roll out a workplace safety program for electricians.

QFleet remains committed to the *Zero Emission Vehicle Strategy 2022–2032* and *Zero Emission Vehicle Action Plan 2022–2024*, aiming to achieve 100 per cent zero exhaust emission vehicles in its eligible passenger vehicles by 2026.

As of 30 June 2024, QFleet has transitioned 54 per cent of eligible vehicles.

These EVs are being used across the state, from Thursday Island to the Gold Coast, helping those in frontline roles deliver essential services, from social housing to healthcare and education, every day.

Once these vehicles reach their end-of-lease, they will become available to purchase as second-hand vehicles through a public auction. To date QFleet has sold 42 EVs through auction, providing affordable used EV options to the community.



Delivering the Queensland Procurement Strategy – Jobs, Economy, Legacy, Confidence and the Queensland Procurement Policy

During 2023–24, we continued to deliver *Buy Queensland* by:

- Continuing the three-year implementation of *Buy Queensland 2023* to ensure our procurement investments support quality, local jobs, boost the Queensland economy and leave a legacy for current and future generations of Queenslanders.
- Developing the strategy to assist government to source 100 per cent of its electricity from renewables for large government sites by 2030.
- Launching the Q2032 Procurement Strategy to help Queensland businesses get ready to supply to the Brisbane 2032 Olympic and Paralympic Games.
- Prioritising local businesses and Queensland jobs, by providing procurement advice, support, frameworks and tools, that enable government agencies to deliver economic, ethical, social and environmental benefits to Queensland.
- Increasing opportunities for ethical Queensland small and medium enterprises, local businesses and social enterprises, along with Aboriginal and/or Torres Strait Islander businesses, to supply to government.
- Holding government suppliers to account for their contractual commitments to uphold best practice principles by auditing selected major projects to provide quality, safe workplaces for Queensland workers.
- Introducing whole-of-government strategies to make it easier for government buyers to engage with diverse businesses.
- Developing guidance and webinars to outline the key steps on engaging consultants, contractors and indirect workers for government procurement.
- Hosting a network 'meet and greet' between Aboriginal and/or Torres Strait Islander businesses and government buyers, showcasing their business capabilities, boosting confidence in diverse business types.
- Hosting the annual Buy Queensland Supplier Awards, with seven awards presented to businesses that supply to the Queensland Government, across four categories.
- Hosting 15 'Growing Queensland Business Roadshows' across the state from October 2023 until February 2024. In partnership with local councils and supported by budget sector agencies, the Australian government, and the Business Chamber Queensland, the roadshows provided practical information, tips and tools to help businesses when supplying to government. In addition, the Roadshows assisted attendees in understanding how to 'ready' their business for the Brisbane 2032 Olympic and Paralympic Games, and beyond.
- Working with agencies across Queensland to support them to understand the opportunities to engage with social enterprises.
- Actioning complaints about supplier behaviour (e.g., underpayment of wages or training policy breaches) by investigating alleged breaches of the Ethical Supplier Threshold (the Threshold) and other contractual non-compliances under the Ethical Supplier Mandate (the Mandate).
- Applying the Mandate's penalty framework by implementing decision-maker outcomes, which were informed by the advice and recommendations of the Tripartite Procurement Advisory Panel.



Streamlining procurement systems and processes

In 2023–24, we continued to improve Queensland Government procurement systems by:

- Publishing future procurement opportunities through the Forward Procurement Pipeline. The pipeline, as of 30 June 2024, has over 952 opportunities worth over \$4.6 billion.
- Launching the new procurement system which enhances supplier visibility of procurement opportunities and streamlines engagement with the government, leading to reduced time and effort in the procurement process. Featuring a supplier portal and marketplace, suppliers can receive notifications, access government procurement opportunities and buyers can find suppliers based on the products and services they offer. Additionally, the contract management module means better supporting systems for the Queensland Procurement Policy – *Buy Queensland 2023*, increased quality data, and more information on the overall procurement lifecycle.
- Continuing to work with the Australian, state and territory jurisdictions and manufacturers to secure and influence the motor vehicle supply market as effectively as possible.
- Advocating local emerging zero emission business and initiatives that encourage cleaner, greener transport modes.
- Reviewing QFleet supplier arrangements, making it easier for suppliers to do business with QFleet by making sure tender opportunities are easy to understand, use accessible, user-friendly tools.
- Utilising Preferred Supplier Panels to increase the number of QFleet suppliers and range of low emission vehicles available within the government fleet.

Recognition and reward of supplier excellence

In 2023–24, we recognised and rewarded procurement excellence at the Supplier Awards by presenting the:

- Putting Queenslanders First Award to Australian Training Works Group Pty Ltd for providing training and employment opportunities for hundreds of Aboriginal and/or Torres Strait Islander peoples.
- Diversity through Supply Chains Award to Bridgeman for their work in supporting Indigenous businesses and their programs that support the lives of Aboriginal and/or Torres Strait Islander peoples in Queensland.
- Delivering for Queensland Award to GP One Consulting for their innovative solutions to disaster response and wildlife management.
- Minister's *Buy Queensland* Award to The Social Deck for their diverse and inclusive employment practices, pro-bono work and sponsorships.

Delivery of the Q2032 Procurement Strategy

In 2023–24, we continued to deliver the Q2032 Procurement Strategy by:

- Conducting 14 Games-focused regional roadshows and one online event.
- Supporting two Opportunity 2032 events in Cairns and Townsville.
- Introducing Games-related content to the Queensland Government Procurement Statement.
- Publishing 13 Games-related opportunities on the Queensland Government forward procurement pipeline.
- Providing updates to registered supplier representatives for their interest in receiving Games-related updates.



Looking forward 2024–25

In 2024–25, we will continue to work to realise and support government priorities by:

- Supporting reduction of government emissions by increasing the proportion of government large scale electricity supplied by renewables.
- Continuing the three-year implementation of *Buy Queensland 2023* to ensure Queensland benefits from government's procurement investment.
- Continuing to roll out the new procurement system across government to enhance supplier visibility of procurement opportunities and streamline engagement with the government, leading to reduced time and greater efficiency in the procurement process.
- Prioritising investment in technologies that enable self-service and support whole-of-government fleet management reporting.
- Developing and introducing procurement guidance and training on:
 - Procuring for government
 - Better engagement practices for consultants, contractors and indirect workers.
- Hosting targeted networking events showcasing diverse suppliers.
- Continuing to promote collaboration with agencies to realise targets and commitments in the General Goods and Services Category Strategy.



Objective three

Drive a cleaner economy and more jobs through lower emissions and climate action

Lead action to reduce emissions and build climate resilience in partnership with industry, communities and all levels of government

We deliver this objective through our Climate and QFleet functions by:

- Decarbonising and growing our industries and jobs
- Achieving emissions reduction targets
- Building competitive advantages through low emissions pathways
- Supporting communities to build resilience and prosper in a low carbon world
- Supporting new ways of living and working in thriving, inclusive and sustainable regions
- Continuing to reduce the government's operating emissions
- Transitioning the government's fleet to low emission options.

Strategic objective performance indicator	2023–24 target	Result 2023–24
Reduced greenhouse gas emissions for Queensland (percentage below 2005 emissions)	30% reduction below 2005 levels by 2030.	State Greenhouse Gas Inventory data released in 2024 indicated Queensland's emissions reduced to 35% below 2005 levels in 2022. ¹
Eligible QFleet passenger vehicles to be zero emissions by 2026 ²	>31%	54%

Notes:

1. Queensland's emissions data is released two years in arrears through the Australian government's State Greenhouse Gas Inventory. Data as at 2024 will not be released until 2026.
2. QFleet's objective is to achieve 100 per cent eligible QFleet passenger vehicles to be zero emission by 2026. Eligible vehicles are to be transitioned to electric vehicles (EVs) at end of lease. QFleet's target is to increase the percentage of EVs on the previous year until 2026. The percentage of EVs includes the number active in fleet and on order awaiting delivery.



Our achievements - Climate

New legislation working towards our clean economy pathway

We made another significant move toward a clean economy future in 2024 with the passing of two groundbreaking Acts — the *Clean Economy Jobs Act 2024* and the *Energy (Renewable Transformation and Jobs) Act 2024* (the Energy Act).

The *Clean Economy Jobs Act 2024* aims to drive clean economy investment and jobs with a new emissions reduction target of 75 per cent below 2005 levels by 2035, and a commitment to net zero emissions by 2050.

The legislation also lays out an accountability and action framework for emissions reductions including an expert panel to advise the government, sector-specific plans established by 2025, a provision for 5-yearly reviews, and annual reporting to Parliament.

Queensland is a decade ahead on meeting its targets – we hit the 2030 reduction target of 30 per cent almost a decade early as we power towards net zero by 2050.

The Energy Act enshrines our renewable energy targets into law, providing the certainty and confidence Queenslanders are looking for as we work towards our clean economy pathway. Queensland is already at more than 27 per cent renewable energy and the new law gives industry and businesses confidence that we are heading to 80 per cent renewable energy by 2035 and reinforces Queensland as a prime renewable investment destination.

Combined, these new laws mark a significant milestone in Queensland's journey towards a sustainable and prosperous future and promise a balanced focus on environmental preservation and unlocking new industries and job opportunities in our path to net zero. They reflect our department's commitment to collaboration, and innovation in addressing the challenges of climate change and advancing the clean energy transition.

ecoBiz helps businesses save energy

The ecoBiz program has been critical in helping businesses become more sustainable and reduce their water, waste and energy consumption.

ecoBiz is just one Queensland Government program designed to help businesses save energy and adopt energy-efficient practices.

Created and run in partnership with the Business Chamber Queensland, ecoBiz is a free sustainability program, to help businesses audit their resource use, manage carbon emissions and save on costs while reducing consumption of waste, water and energy.

Early results show that on average, operators have improved their energy consumption by one-fifth, water use by one-third and reduced waste by almost one-half, saving thousands of dollars.

During the 2023–24 financial year alone, ecoBiz businesses saved the equivalent of 4,000 households in energy, 2,400 households worth of waste and 41 Olympic swimming pools of water.

This equates to a reduction in emissions equivalent to taking 8,400 passenger vehicles off Queensland roads for a year.

Any reduction in business costs can flow through to more affordable products for customers which is a good thing.

In 2024–25, the ecoBiz digital platform and carbon module, an extension of the decade long partnership between the Queensland Government and Business Chamber Queensland, will assist businesses with fewer than 200 full-time workers to become environmentally responsive, supply-chain ready and economically sustainable.



Climate action grants supporting communities

In 2024, the Bribie Island Surf Life Saving Supporters Club was awarded a \$46,000 grant to support the installation of a 30kW solar PV system and 83kW inverter to reduce the club's electricity bills and emissions.

The new inverter allows the system to be increased to 80kW in coming years, with the surf lifesaving club expected to save more than \$250,000 on power bills over 10 years. This is a great outcome for the club which has been patrolling Woorim Beach since 1923 and has about 220 senior patrolling members.

This was just one of the grants of up to \$100,000 awarded under the Community Sustainability Action Round 7 Community Climate Action grants funded by the Department of Energy and Climate.

The grants are provided to eligible community groups and individuals for innovative projects which seek to address climate change, conserve Queensland's natural and built environment and protect our unique wildlife.

Further, the Community Sustainability Action Round 7 Community Climate Action grants were open to eligible projects to implement renewable energy solutions (generation and/or storage) or install energy efficient equipment.

Across Queensland, 68 projects successfully applied for more than \$3.5 million as part of Round 7 of the program. Thirty-nine of these projects are now complete.

Decarbonise and grow our industries and jobs

In 2023–24, we continued to decarbonise and grow our industries and jobs by:

- Supporting the passage of the *Clean Economy Jobs Act 2024*, which legislates Queensland's emissions reduction targets to provide certainty for industry and communities about the state's transition to a clean economy.
- Investing in the Queensland Decarbonisation Hub, a collaborative project between the Queensland Government and seven leading Queensland universities focused on consolidating and undertaking research to support the decarbonisation of Queensland's economy.
- Allocating \$10 million over three years, with \$3.35 million for financial year 2023–24, for the ecoBiz program delivered by the Business Chamber Queensland. This sustainability initiative equips small to medium businesses with the necessary tools to enhance resource efficiency, bolster environmental sustainability, reduce operational costs, and effectively assess and manage climatic risks, including through the innovative new 'carbon module'.
- Developing the Climate Risk Management Framework in partnership with Griffith University to support Queensland Government departments and other agencies to practically incorporate climate risk into their decision making.

Build competitive advantages through low emissions pathways

In 2023–24, we continued to work towards building competitive advantages through low emissions pathways by:

- Working across government, with industry, communities and with the Clean Economy Expert Panel to develop sectoral plans to achieve our emissions reduction targets and grow our industries and jobs.
- Demonstrating action in achieving emissions reduction across the economy, with recently released greenhouse gas inventory data showing that the state's 2030 emission reduction target has been met eight years early.
- Undertaking emissions modelling to understand impacts of policy decisions and global and national trends on emissions reduction and our progress towards targets.



- Investigating the development of a whole-of-government framework to drive and coordinate further emissions reduction activity across government operations, with a focus on energy efficiency initiatives.

Support communities to build resilience and prosper in a low carbon world

In 2023–24, we continued to work towards:

- Providing climate science data, tools and support to help understand historical climate data and better manage future climate risks.
- Partnering with peak bodies to deliver programs and grants to support communities and businesses to respond to the impacts of climate change and build local resilience, including the Community Sustainability Action grant, and the Queensland Climate Resilient Councils program.
- Supporting the Local Government Association of Queensland with an additional \$2 million to extend the Queensland Climate Resilient Councils initiative for a further two years (2024–2026) to build upon the program's achievements, enhancing climate resilience among local governments across Queensland.

Transition the government's fleet to low emission options

In 2023–24, we continued to transition the government's fleet to low emission options by:

- Remaining on track to meet *Queensland's Zero Emission Vehicle Strategy 2022-2032* target to transition 100 per cent of its eligible fleet passenger vehicles from ICE to zero emission vehicles by 2026.
- Increasing the percentage of zero emission vehicles active within the QFleet fleet with 54 per cent of its eligible passenger and SUV fleet transitioned to EVs as at 30 June 2024.
- Achieving 59 per cent reduction of the government fleet 2005 emission levels.
- Achieving approximately \$2.3 million in annual fuel costs savings (based on the 54 per cent eligible vehicles that have transitioned to EVs).
- Providing other benefits include savings to vehicle service and maintenance costs which is currently estimated to be over \$1 million.
- Selling 42 electric vehicles through public auction at lease end since 2020, providing quality second-hand EVs to the used car market.



Figure 1 reflects the percentage of eligible QFleet passenger and SUV vehicles transitioned to EVs to date.

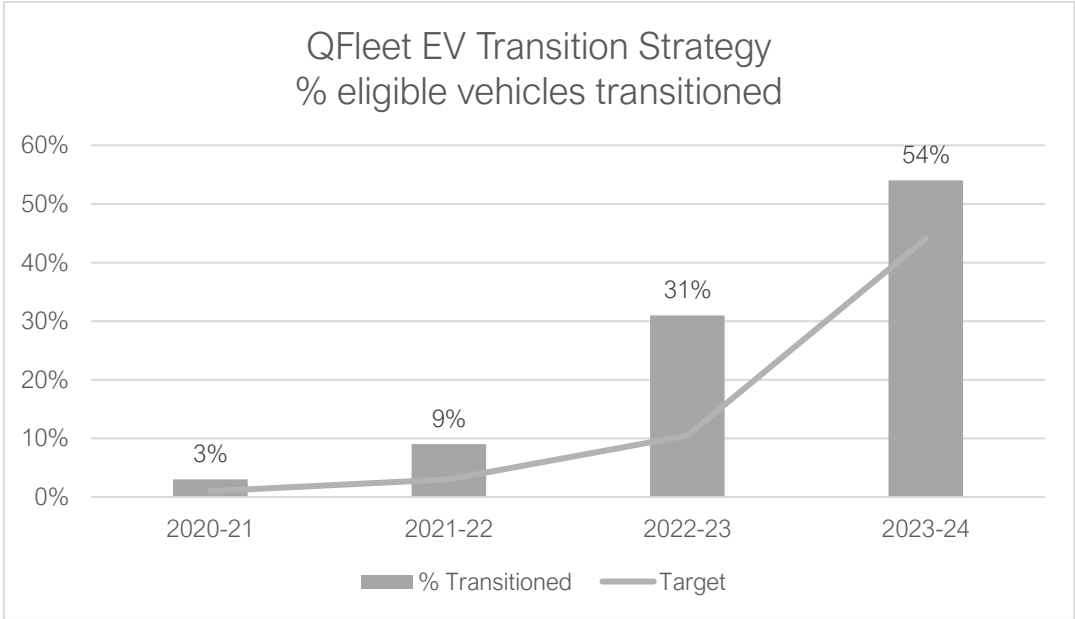
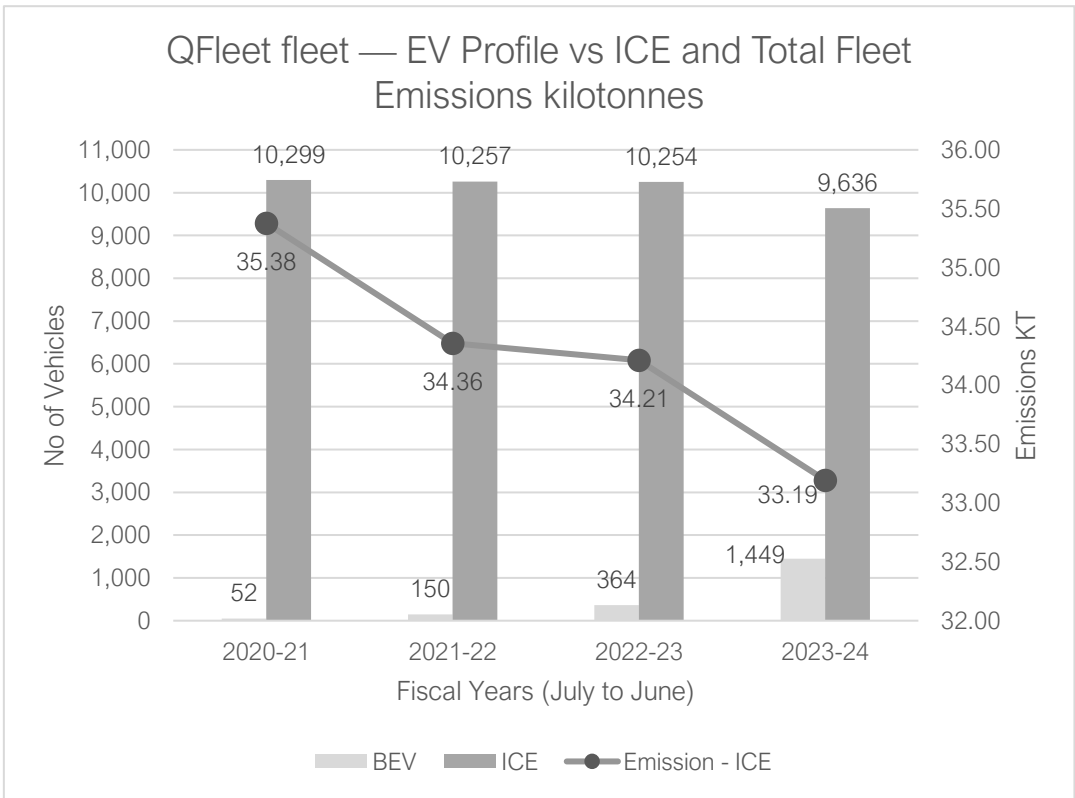


Figure 2 Highlights the impact of this transition on vehicle emissions for the entire QFleet fleet to date.



Looking forward to 2024–25

In 2024–25, we will continue to work to realise and support government priorities by:

- Implementing the *Clean Economy Jobs Act 2024*, including delivering the first suite of sector emission reduction plans by the end of 2025 to decarbonise Queensland's economy and support industry to decarbonise while growing new industries and jobs.
- Establishing the framework for accountability and action for the *Clean Economy Jobs Act 2024*, including annual reporting to Parliament.
- Establishing the Clean Economy Expert Panel to provide expert advice to the Queensland Government on the best ways to reduce emissions while maximising benefits for local communities and the state's economy.
- Supporting reduction of government emissions, including by setting greenhouse gas emission baselines for each of the government's priority procurement categories and by increasing the proportion of government large scale electricity supplied by renewables.
- Reviewing the *Queensland Climate Action Plan 2030* to continue driving clean economy and climate actions across government as part of Queensland's Clean Economy Pathway.
- Continuing to deliver against the *QFleet Electric Vehicle Transition Strategy 2023–2026* and *Queensland's Zero Emission Vehicle Strategy 2022–2032* to transition 100 per cent of its eligible fleet passenger vehicles to zero emission vehicles by 2026, increasing the percentage of zero emission vehicles in the fleet each year.
- Encouraging local governments, industry and other organisations to promote ZEV technology and adaptation. Continuing to collaborate across jurisdictions to influence the supply market as effectively as possible.
- Actively working with agencies to reduce vehicles emissions in line with the government's 2035 emission reduction targets.
- Continuing to deliver on our partnerships with the Local Government Association of Queensland and Business Chamber of Queensland to provide practical support to local governments and businesses to take climate action in their communities.



Capable workforce with a positive culture

Our workforce profile

Note: The following staffing numbers include the allocation of Corporate Services full-time equivalents (FTEs) that have transferred to the Department of Housing, Local Government, Planning and Public Works as a result of the finalisation of machinery-of-government changes effective 18 December 2023.

Table 1: Staffing numbers – 30 June 2024

	Number (headcount)	Full-time equivalent
Total FTE for the Department of Energy and Climate	703	670.2

Table 2: Strategic workforce profile – 30 June 2024

Employment status by headcount	Number (headcount)	Percentage of total workforce (calculated on headcount)
Full-time	628.0	89.3
Part-time	75.0	10.7
Casual	0	0

Occupation types by FTE	Full-time equivalent	Percentage of total workforce (calculated on FTE)
Frontline	197.1	29.6
Corporate	473.0	70.4

Appointment type by FTE	Full-time equivalent	Percentage of total workforce (calculated on FTE)
Permanent	586.4	87.5
Temporary	62.3	9.4
Casual	0	0
Contract	21.5	3.1



Table 3: Gender

Gender	Number (headcount)	Percentage of total workforce (calculated on headcount)
Man	320	45.5
Woman	381	54.2
Non-binary	2	0.3

Table 4: Diversity target group data

Diversity group	Number (headcount)	Percentage of total workforce (calculated on headcount)
Women	381	54.2
Aboriginal and Torres Strait Islander peoples	6	0.85
People with disability	52	7.40
Culturally and Linguistically Diverse – Speak a language at home other than English, including Aboriginal and Torres Strait Islander / Australian South Sea Islander languages	72	10.2

Table 5: Target group data for women in leadership roles

Women in leadership roles	Women (Headcount)	Women as percentage of total leadership cohort (calculated on head count)
Senior Officers (classified and s155 equivalent combined)	30	57.7
Senior Executive Service and Chief Executives (classified and s155 equivalent combined)	18	62.1

Early retirement, redundancy and retrenchment

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



Strategic workforce planning and performance

Key achievements

In 2023–24, our department developed a new *Strategic Workforce Plan 2024–2028* (SWP) to help us build a workforce that delivers on our purpose: New Energy. Less Carbon. More Jobs. A Clean Economy – together.

The department has:

- ensured that strategic workforce planning is driven by leaders and integrated with organisational planning by:
 - aligning the department's SWP with the objectives and strategies of the department's strategic plan.
 - linking the SWP to key strategies from other department workforce-related plans including the *Equity, Diversity, Respect and Inclusion Plan 2024–2026* and *Reframing the Relationship Plan 2024–2026*.
 - linking the SWP to other key sector-wide strategic workforce initiatives that are being delivered through the *Even better public sector for Queensland strategy*, *Queensland Government reconciliation action plan*, *Queensland public sector inclusion and diversity strategy*, *Managing the risk of psychosocial hazards at work Code of Practice*, and associated plans.
- implemented strategies to address workforce challenges and create a skilled workforce by:
 - delivering a departmental graduate program with 19 graduates across a range of disciplines
 - enhancing workforce metrics and analytics to improve organisational insights and data driven decision-making
 - offering formal learning programs to develop leadership capability through a range of external providers including the Queensland University of Technology, Australian and New Zealand School of Government, and Institute of Managers and Leaders
 - delivering the Griffith University MATE bystander prevention program to help build a healthy and respectful workplace through the facilitation of a suite of six webinars.
- adopted contemporary talent acquisition approaches by:
 - developing and implementing an Employee Value Proposition (EVP) to attract and retain current and future employees by incorporating EVP elements into recruitment collateral and attraction campaigns
 - developing and strengthening partnerships with not-for-profit organisations such as RSL Queensland to promote employment opportunities and attract a more diverse workforce
 - partnering with Job Access – a national disability recruitment coordinator to deliver a disability employment seminar for public and private sector organisations
 - partnering with tertiary institutions and schools to provide student placement opportunities.
- continued to build strategic workforce planning capability in the department by:
 - collaborating as a member of the whole-of-sector Strategic Workforce Planning Working Group led by the Public Sector Commission
 - providing formal strategic workforce planning training to all Human Resources employees.
- prioritised the health and wellbeing of our people by:
 - establishing a new workplace health and wellbeing policy framework
 - adopting a core value of 'Healthy and respectful workplace', in addition to the five public service values
 - delivering initiatives and strategies that centre on the health and wellbeing of employees, including physical wellbeing such as skin cancer checks and the promotion of equity and diversity, ensuring a healthy, respectful and inclusive workplace.



Equity, diversity and inclusion

In 2023–24, we continued to build on our commitment to actively progress equity and diversity, promote a culture of respect and inclusion and support the health and wellbeing of our workforce.

As part of this commitment, the department continued to work towards the sector-wide diversity targets for 2023–2026 to improve representation and employment outcomes for Aboriginal peoples and Torres Strait Islander peoples, people with disability, people from culturally and linguistically diverse backgrounds, and women.

To support this commitment:

- The Equal by 30 campaign was launched to accelerate gender equity, promote equal pay, leadership and opportunities for women in the clean energy sector by 2030. The department also focused internally on gender inclusive recruitment and increasing participation of women at all levels and job types. As of 30 June 2024, the organisation’s workforce comprised 54.2 per cent women. Overall, the target of 50 per cent representation of women at the Senior Officer (SO) level and above was successfully met or exceeded.

Actual as of 30 June 2024	Women in leadership - SO	Women in leadership – SES2	Women in leadership – SES3	Women in leadership – SES4	Women in leadership - CEO	Total Women in leadership
Target	50%	50%	50%	50%	50%	N/A
Department	57.7%	63.2%	71.4%	50.0%	0.0%	59.3%

- We conducted four senior executive recruitment activities in 2023–24 with three women successfully securing a role from a total of 186 candidates.
- The Women in Leadership network continued to enable collaboration and a shared journey with current, emerging and future executive leaders.
- The Equity and Diversity workforce audit informed the *Equity, Diversity, Respect and Inclusion Plan 2024–2026*. This plan focuses on developing a workforce which is reflective of the Queensland community, fostering a culture based on equal participation and overcoming barriers to ensure everyone feels safe, valued and accepted.
- We accessed diverse talent by connecting with our external partners including RSL Queensland and Job Access, a national hub for workplace and employment information for people with disability and supported the departmental Disability Champion and the Disability Network to inspire positive change and increase accessibility.
- The ‘Driving disability employment seminar’ was delivered in partnership with Job Access to over 100 attendees from public and private sector agencies and organisations introduced the Equity, Diversity, Respect and Inclusion Champion to lead an Employee Reference Group and build on shaping a positive, healthy and respectful workplace culture.

To build knowledge and understanding:

- Staff were provided access to contemporary research, resources and webinars via the department’s membership of the Diversity Council of Australia.
- We affirmed our commitment to a diverse and inclusive workplace by celebrating and promoting significant events, including NAIDOC Week, Disability Action Week and Multicultural Queensland Month.



To continue developing cultural capability:

- The *Reframing the Relationship Plan 2024–2026* was launched. The plan outlines actions and commitments to Aboriginal peoples and Torres Strait Islander peoples by moving forward together with mutual respect, recognition, and a willingness to speak the truth and support self-determination.
- The department contributed to the Public Sector Commissions' Aboriginal and Torres Strait Islander Career Pathways training program.
- The 'Racism – It stops with me' campaign was accessible to all employees.
- All employees were also required to complete a mandatory SBS First Nations online training module.

Our industrial and employee relations framework

As at 30 June 2024, there are two certified agreements covering employees in the Department of Energy and Climate:

- QFleet Certified Agreement 2022 – covering QFleet staff
- State Government Entities' Certified Agreement 2023 (Core Agreement) – covering the remainder of the department's industrial instrument employees.

The department continues to support the government's policies on the contracting-out of services, union encouragement and employment security.

The department is committed to stability and employment security for its employees. We maximise permanent employment through the continued conversion of temporary employees to permanent, where possible. The department also limits the contracting-out of services.

Embedding human rights

The Department of Energy and Climate is committed to respecting, protecting, and promoting human rights in all that we do and the decisions that we make.

In 2023–24, the department continued to embed the *Human Rights Act 2019* and build a culture of human rights into our operations. All departmental policies and procedures reflect the department's commitment and consideration of human rights in the way we perform our work.

The department is a member of the Queensland Government Inter-Departmental Committee for Human Rights, as well as a member of the sub-committee which focuses on protecting and recognising the Cultural Rights of Aboriginal peoples and Torres Strait Islander peoples under section 28 of the *Human Rights Act 2019*.

As part of our onboarding process, all new employees are required to complete the Public entities and the Queensland Human Rights Act 2019 training module.

Human rights complaints

Complaints between 1 July 2023
– 30 June 2024

Two human rights complaints were received by the department. Neither of the complaints were expressly articulated as human rights complaints however were identified as such by the department. Of the complaints:

- one was an employee grievance received during 2023–24 and as at 30 June 2024, the matter is ongoing
- one was a customer complaint which was resolved in 2023.



Our governance

Our governance arrangements ensure we meet our strategic objectives and that our resources are allocated appropriately to maximise the cost-effective delivery of services. Our *Governance Committee Framework* comprises the Executive Board and the Audit and Risk Committee as the permanent governance committees for the department. Additional committees are stood up on an ad-hoc basis to respond to new initiatives and priorities.

Executive Board

The Executive Board is the department's principal strategic governing body, responsible for setting the strategic direction of the department, demonstrating leadership, overseeing financial and business performance, ensuring effective use of resources, and advising and supporting the Director-General as the Accountable Officer.

Our Executive Board:

- sets the department's strategic direction, goals and performance levels, aligned to government objectives
- provides stewardship over the implementation of programs and policies
- demonstrates visible and aligned leadership to the department
- ensures effective financial management and use of resources, including reprioritisation when necessary
- monitors the performance of business activities and the achievement of priorities and objectives
- ensures effective business continuity practices and culture within the department
- supports the Director-General, as the accountable officer, to meet legislative requirements and accountabilities
- serves as the department's governance body for ICT resources strategic planning
- ensures the effective management of risk through:
 - setting the organisation's risk culture and providing direction for the risk management system
 - monitoring risks that present the most significant threat to achieving the department's purpose and objectives, including departmental risks
- leads the development of a human rights culture in the department and ensure acts and decisions take human rights into account.



Chair: Director-General

Members:

- Deputy Director-General, Corporate Services
- Deputy Director-General, Energy
- Deputy Director-General, Hydrogen and Future Fuels
- Deputy Director-General, Climate
- Deputy Director-General, Queensland Government Procurement

Our Executive Board as at 30 June 2024

Paul Martyn

Chair: Director-General

PSM, BA (Hons), LLB (Hons) (Qld), MSc (London)

Paul Martyn is the Director-General of the Department of Energy and Climate. With nearly three decades in economic policy and reform, Paul is leading Queensland's transformation to clean, reliable and more affordable renewable energy; and heading up the state's climate action plan to reduce emissions. He is also responsible for government procurement, supporting local jobs and businesses.

Prior to the department's formation, Paul was the Director-General of the Department of Energy and Public Works and was previously the Chief Executive Officer of Trade and Investment Queensland, where he spearheaded investment attraction in hydrogen and renewable energy.

Paul has led strategies to encourage growth and investment in key Queensland sectors, including energy, resources, agriculture, manufacturing, tourism, defence industries and building.

In the Governor-General's 2022 COVID-19 Honours List, Paul was awarded a Public Service Medal for his leadership of Queensland's COVID-19 Response and Recovery Taskforce during the pandemic.

Irene Violet

Member: Deputy Director-General, Corporate Services

BHealthSc (Rehab Couns), BA (Psych), MBA, GAICD

Irene has been the Deputy Director-General, Corporate Services since May 2022.

Irene has more than 20 years' experience working in state and federal governments, largely focused on service transformation and delivery. She has a keen interest in ensuring programs are people-centric and that digital technologies are leveraged to enhance customer and employee experience.

Irene has led policy and programs in communities, digital economy, employment, small business and training. She has also led Queensland Shared Services, modernising and optimising the shared services used by agencies and departments. Irene has also held previous senior executive roles, with responsibilities for corporate services, customer services and specialist advisory teams, and has been a member of the Workplace Health and Safety Board of Queensland.



David Shankey

Member: Deputy Director-General, Energy

LLB, BCom

David Shankey was appointed Deputy Director-General of the Energy Division in the Department of Energy and Public Works in August 2021 and remains in this role within the department.

David led the division as it delivered Queensland's 15-year Energy and Jobs Plan, the most significant and challenging energy reform agenda in the state's history. He now leads the implementation of the plan including the setting up of Queensland Hydro and a \$19 billion investment program through government owned corporations.

Prior to his current role, David was Executive Director in the Energy Division for four years in multiple roles including Strategic Policy and Renewables. Prior to working for the Queensland Government, David worked in both the resources sector and in the media.

The history of working on specialised energy topics and media means he can distil complex thinking around policy reform into understandable and deliverable steps. A history of working in Queensland means he can forge relationships across industry sectors and bring participants together to achieve outcomes by collaborating on strategies to achieve common goals.

Alana Barlow

Member: Deputy Director-General, Hydrogen and Future Fuels

LLB

Alana was appointed as Deputy Director-General of the Hydrogen and Future Fuels division in February 2024.

Alana is an experienced business development executive in the hydrogen sector. Prior to joining the Department of Energy and Climate, Alana managed the National Hydrogen Department for a Japanese trading house with interests in energy, mineral resources, infrastructure and chemicals.

Alana is also an experienced company director for private and industry organisations, including previously the Australian Hydrogen Council. Alana's work in the hydrogen industry has focused on domestic decarbonisation in hard to-abate sectors and hydrogen derivatives for export markets.

Prior to joining the hydrogen industry, Alana worked as an Australian commercial lawyer and company secretarial professional in a variety of sectors including power generation and infrastructure, mineral resources, and diverse international trade, in addition to generalised mergers and acquisitions for cross-border transactions.

Carlye Sycz

Member: Deputy Director-General, Climate

BA(PolSci), GCertGov&Policy

Carlye was appointed as Deputy Director-General, Climate in February 2024.

Carlye has over 15 years' experience in the Queensland Government, focusing on strategic policy development, coordination and community and stakeholder engagement. Carlye's policy background spans economic and social portfolios, where she has delivered policy change and program implementation across the resources and energy sectors, as well as in emergency management and First Nations community development.

Prior to joining the Department of Energy and Climate, Carlye led the development of the Queensland Resources Industry Development Plan and the Queensland Critical Minerals Strategy. These key sector



transformation plans highlight how government will partner with industry to drive sustainable economic growth while creating the clean economy jobs of the future.

Chris Perkins

Member: Acting Deputy Director-General, Queensland Government Procurement

BA

Chris joined the Department in October 2019 as Principal Advisor Procurement Implementation and was appointed Executive Director of the Queensland Government Procurement Compliance Branch in April 2021.

In March 2024, Chris became the acting Deputy Director-General for Queensland Government Procurement, replacing Sharon Bailey who previously substantively held the position.

Chris has an extensive background in executive level strategy, policy, stakeholder engagement and communications. He has held executive positions within state government departments in Queensland and New South Wales.

Chris also has been a partner in a national strategy and communications consultancy and ran his own consulting business. Chris is now focused on strengthening compliance to drive Queensland's multi-billion procurement spend towards ethical suppliers.

Governance committees

Prior to the machinery-of-government changes in December 2023, the Department of Energy and Public Works operated five subcommittees: Safety and Wellbeing; Sustainability and Resilience; Digital and ICT; People and Culture, and the Audit and Risk Committee.

Four of these subcommittees were dissolved through the machinery-of-government changes, with the Department of Energy and Climate Executive Board now fulfilling the responsibilities of each disestablished subcommittee. The Audit and Risk Committee remains as an ongoing subcommittee in the department's governance structure which supports the Executive Board. The Terms of Reference for the Executive Board provide for additional select committees which are established on a temporary basis to support specific initiatives or priorities.

Audit and Risk Committee

The Audit and Risk Committee acts as an advisory service to the Director-General to assist in the effective discharge of the responsibilities in the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and other relevant legislation and prescribed requirements.

A key duty of the committee is to ensure processes are in place to provide reasonable assurance to the Director-General that the department's core business goals and objectives are achieved in an efficient and economical manner, within an appropriate framework of governance, internal controls and risk management.

Chair: Julie-Anne Schafer (external member)

Members:

- Christopher Johnson (external member)
- Irene Violet, Deputy Director-General, Corporate Services
- Ainslie Barron, Assistant Director-General, Building Policy (until 18 December 2023 machinery of government changes)

In 2023–24, the Audit and Risk Committee:



- considered internal audit reports and Queensland Audit Office reports including performance audit reports and associated recommendations
- received updates on major initiatives in the department, including limited life programs and key departmental risks
- monitored and advised on the interim internal audit model which resulted from the machinery-of-government changes in December 2023.

The Audit and Risk Committee met on five occasions during 2023–24.

The remuneration paid to two external members was as follows: Julie Anne Schafer (\$3,098) and Chris Johnson (\$6,006).

Information Security Select Committee

The Information Security Select Committee will support the Director-General to comply with the Queensland Government Information Security Policy (IS18:2018).

It will operate between June 2024 and September 2024 and will oversee the department’s information security annual return and the Information security plan for 2024–25.

Chair: Deputy Director-General, Corporate Services

Members:

- Deputy Director-General, Queensland Government Procurement
- General Manager, QFleet
- Executive Director, Strategy, National and Analytics, Energy
- Executive Director, Strategy, Performance and Digital, Corporate Services

In 2023–24, the Information Security Select Committee:

- Confirmed the role of Information Security Select Committee members.
- Received an update on the department’s progress towards implementing recommendations addressed to all government departments pertaining to cyber security from two Queensland Audit Office reports – *State entities 2023* and *Responding to and recovering from cyber-attacks*.

The Information Security Select Committee met on one occasion during 2023–24.

Public sector ethics

When performing official duties, employees are required to demonstrate high ethical standards and values in accordance with the *Public Sector Ethics Act 1994* (PSE Act) and the *Code of Conduct for the Queensland Public Service* (the Code of Conduct).

To ensure the department’s employees are aware of their ethical obligations and standards of behaviour expected of them, the department provides online Public Sector Ethics training (PSET). PSET includes content relating to:

- the four principles set out in the PSE Act
- the Code of Conduct
- ethical decision making
- other key legislation guiding professional conduct, including employees’ responsibilities and obligations.



PSET is provided to new employees as part of induction. Existing employees are required to undertake a mandatory PSET refresher on an annual basis.

During 2023–24, the department also developed and delivered a range of prevention, awareness and education initiatives relating to ethical conduct, with a particular focus on integrity, ethical decision making, corrupt conduct prevention and management of conflicts of interest.

The department has a robust Integrity Framework, which represents an integrated approach to preventing, detecting and responding to serious wrongdoing (including suspected fraud and corruption) in the department.

The Integrity Framework is underpinned by legislation governing ethical conduct (including the PSE Act), the Code of Conduct and the department's integrity policies and procedures. The department promotes, encourages and supports an ethical and accountable culture within the department.

Risk management

As a result of the machinery-of-government changes on 18 December 2023, the department renewed its risk system and built upon the processes in place for the previous Department of Energy and Public Works. The department's risk system outlines six focus areas to integrate risk management into key planning processes, performance monitoring and departmental activities, to ensure risk management is applied consistently and enables sound, evidence-based decision making.

1. **Governance and assurance** - governance and accountability structures mandate the risk function and ensures its effective operation. The department's Executive Board monitor relevant risks, the Audit and Risk Committee and Internal Audit provide independent oversight and assurance.
2. **Policy and framework** - the department's Risk Management Framework, based on international standard AS/NZS ISO 31000:2018, and Risk Management Policy, sets the organisation's tone and expectations, articulates processes and guides using risk management for effective prioritisation of resources.
3. **Risk appetite** - the risk appetite sets risk taking expectations, supports resource allocation, and provides context to management in formulating strategy. There are different tolerances depending on the nature of a risk, with no tolerance for fraud and corruption risks and low tolerance for critical information asset risks.
4. **Execution** - the department's risk management process is based on the AS/NZS ISO 31000:2018 standard – establishing the context, identifying, analysing, evaluating, treating, monitoring, reporting and communicating risks associated with any activity or function. Strategic risks are managed by relevant Deputy Directors-General and reported to the Executive Board. Operational risks are managed within divisions via centrally located risk registers and a risk-based review schedule is in place.

Reporting to inform, discuss and support decision making regarding mitigations is provided to the Executive Board and the Audit and Risk Committee.

5. **Competency** - the department is focussed on building risk management capability and better risk management practices. To help build a risk-capable department, an online Risk Resource Centre is available for staff which incorporates tools, templates, and an operational risk management manual.
6. **Culture** - the department aims to create a culture in which understanding, managing and accepting risks is seen as part of everyone's everyday decision-making processes. The tone is set by the department's Executive Board.



Internal audit

Internal Audit supports the department by providing assurance and advice to the Director-General, senior management and the Audit and Risk Committee on whether the department's financial and operational controls are designed to manage the department's risks and achieve the department's objectives and are operating in an efficient and effective manner.

Internal Audit considers the departmental risks and changing risk environment when developing the strategic internal audit plan and triaging its program of works and considers the coverage and management of risks and controls across the department to assess whether an appropriate level of assurance is maintained.

Prior to the machinery-of-government changes in December 2023, the department had a separate Internal Audit unit to provide a quality assurance and improvement program to ensure the efficient, effective and economical operation of the function.

Since the machinery-of-government change, the department has continued with an interim internal audit model, with coordination of internal audit activities being undertaken within Corporate Services in direct consultation with the Audit and Risk Committee and Director-General while an outsourced model was implemented for 2024–25.

During 2023–24, Internal Audit:

- completed four management requests and provided ongoing assurance via continuous controls monitoring in distinct areas
- provided independent advice on a variety of project committees
- followed up on open audit recommendations
- provided ad hoc advice to management on a range of issues.

Information systems and recordkeeping

The department complies with the *Public Records Act 2002* to keep and maintain records of business activities. The department's Recordkeeping policy was developed in accordance with the Act, and the department's supporting procedures provide guidance to employees on the creation and management of departmental business records.

The department's public records are retained in accordance with general or core retention and disposal schedules and relevant legislation.

In 2023–24 we have focused on transitioning records to the correct owning department following machinery-of-government changes effective 18 December 2023. This has been aided by corporate records mostly being created digitally and remaining digital throughout their lifecycle. Security is inbuilt into our records management system and there have been no serious breaches to report.

Information security attestation

During the mandatory annual information security reporting process, the Director-General attested to the appropriateness of the department's information security risk management to the Queensland Government Chief Information Security Officer. Appropriate assurance activities were undertaken to inform this opinion and the department's information security risk position.

The department is committed to continually enhancing its information security position and is implementing an Information Security Management System based on Australian standard ISO/IEC 27001 Information technology – Security techniques – Information security management systems – Requirements.



During 2023–24, the department did not suffer any serious security or data breaches. Our ICT service providers play an instrumental role in safeguarding our digital infrastructure from cyber threats by employing advanced detection systems and robust preventative measures.

The department has recognised that third-party cyber security threats present a growing risk for the department as they can potentially create vulnerabilities through indirect access routes. The department closely manages and monitors third-party partnerships and enforces stringent security protocols to mitigate such risks.

External reviews

The department was not involved in any performance audit review by the Queensland Audit Office (QAO) in 2023–24.

The department did not respond to any coronial inquests in the 2023–24 period.



Service Delivery Statements – performance

We track our performance through a range of service standards, as published in the *2023–24 Service Delivery Statements* (SDS) budget paper. Service standards are provided for two service areas and one commercialised business unit (CBU):

- Grow Queensland's energy sector
- Procurement policy and enabling services
- QFleet (CBU).

Grow Queensland's energy sector	2023–24 target/est.	2023–24 actual
Effectiveness measures		
Renewable energy as percentage of total energy consumed in Queensland Percentage of energy consumed in Queensland is calculated as a 12-month moving average.	25.9%	28.2%
Average time of energy (electricity and gas) licensing assessments The favourable variance between the 2023–24 Actual and the 2023–24 Target/Estimate and the published 2023–24 Estimated Actual (68 days) is the result of improved efficiency when processing and assessing applications.	<120 days	74 days
Efficiency measure		
Cost per biofuels exemption application assessed The favourable variance between the 2023–24 Actual and the 2023–24 Target/Estimate is due to improved processing efficiencies. The minor variance between the published 2023–24 Estimated Actual (\$3,270) and the 2023–24 Actual is due to final quarter adjustments and is still within the target.	<\$4,680	\$3,320



Procurement policy and enabling services	2023–24 target/est.	2023–24 actual
Effectiveness measures		
Overall customer satisfaction with the enabling activities that support agency implementation of the Queensland Procurement Policy	≥90%	90.3%
Efficiency measure		
Operating cost per \$1,000 of managed spend on general goods and services General Goods and Services report one quarter behind due to availability of Supplier data. This data will be published at www.energyandclimate.qld.gov.au by 31 December 2024	<\$2	N/A

QFleet	2023–24 target/est.	2023–24 actual
Effectiveness measures		
Percentage of QFleet vehicles with 5-star ANCAP safety rating	90%	93%
Fleet vehicle utilisation compared to agreed leased parameters The variance between 2023–24 Target/Estimate and 2023–24 Estimated Actual is mainly due to agency flexible working arrangements and the reduced demands on motor vehicle use.	90%	77%
Efficiency measure		
Total current assets over total current liabilities The variance between 2023–24 Target/Estimate and 2023–24 Actual is mainly due a change in vehicle acquisition strategies to overcome supply chain issues, with flow on impacts to cash balances, higher payables, taxation and increased short-term borrowings.	12:1	0.63:1
Financial return as a percentage of total net assets The variance between 2023–24 Target/Estimate and 2023–24 Actual is mainly due to a higher operating surplus achieved than budgeted.	5.1%	10.6%
Total net debt as a percentage of total capital The variance between 2023–24 Target/Estimate and 2023–24 Actual is mainly due to higher net debt as a result of a lower cash balance and increase in short-term borrowings.	59.1%	65.8%



Appendices

Appendix 1 – Statutory bodies

The following statutory body prepares a separate annual report that is provided to the Minister for Energy and Clean Economy Jobs.

Name of body as described in the constituting Act	Constituting Act	Annual reporting arrangements
Energy and Water Ombudsman of Queensland	<i>Energy and Water Ombudsman Act 2006</i>	Annual report to Parliament



Appendix 2 – Government bodies

The Tripartite Procurement Advisory Panel was the only active government body during 2023–24 with reporting arrangements to the department.

The Queensland Climate Advisory Council was not active throughout 2023–24.

The Advisory Council to the Energy and Water Ombudsman Queensland (EWOQ) forms part of the EWOQ and as such will be reported in the EWOQ Annual Report.

Additional information on government bodies is available on the department’s website:
www.energyandclimate.qld.gov.au

Tripartite Procurement Advisory Panel	
Act or instrument	Terms of Reference
Functions	<p>The Tripartite Procurement Advisory Panel (the Panel) is the independent, expert body providing advice and recommendations to the Queensland Government on penalties (demerits and/or sanction) applicable under the Ethical Supplier Mandate (the Mandate) for non-compliance with the Ethical Supplier Threshold (the Threshold) and/or other contractual commitments.</p> <p>The Panel's role covers three broad areas which include:</p> <ol style="list-style-type: none"> 1. Providing advice and recommendations to relevant decision makers regarding appropriate penalties and/or remedial action regarding breaches of the Threshold and other contractual non-compliances under the Mandate. 2. Providing broader systems improvement advice for consideration by the procuring agency. 3. Reviewing all appeals lodged by suppliers.
Achievements	<p>In 2023–24, 22 cases of alleged supplier non-compliance were considered by the Panel. Of these, sixteen cases were confirmed as non-compliant, leading to sanctions for three suppliers and demerits for thirteen suppliers. At 30 June 2024, six cases were pending referral to decision makers.</p>
Financial reporting	<p>Costs associated with the Panel are included as expenditure in the accounts of the Department of Energy and Climate (costs taken from the operational budget). The departmental accounts are audited by the Auditor-General.</p>



Remuneration					
Position	Name	Meetings/ sessions attendance ¹	Approved annual, sessional or daily fee	Approved sub- committee fees ² if applicable	Actual fees received ³ 2023–24
Chair	John Thompson	11	\$650 daily	\$975	\$8,125
Deputy Chair	Jennifer McVeigh	7	\$650 daily	\$975	\$4,225
Member	John Crittall	5	\$500 daily	\$750	\$3,500
Member	Stephen Nance	3	\$500 daily	\$750	\$1,750
Member	Shane Kennelly	7	\$500 daily	\$750	\$3,747
Member	Angela Liebke	3	\$500 daily	\$750	\$0
Member	Anne Milner	5	\$500 daily	\$750	\$0
Member	Jorgen Gullestrup	5	\$500 daily	\$750	\$2,805
Member	John Shenfield	3	\$500 daily	\$750	\$1,750
Member	Jason Stein	5	\$500 daily	\$750	\$2,750
Member	Thomas Campbell	5	\$500 daily	\$750	\$2,000
Member	Graham Moloney	4	\$500 daily	\$750	\$2,500
No. scheduled meetings/ sessions	3 full Panel meetings to communicate updates and seek advice on strategic challenges. 12 Panel (sub-committee) meetings to consider cases of alleged non-compliance and recommend penalties under the Ethical Supplier Mandate as necessary.				
Total out of pocket expenses	\$0				

1. Cumulative total comprising number of full Panel and Panel sub-committee meetings attended over the financial year.
2. A Panel sub-committee comprises the Chair or Deputy Chair plus two members and is called into session to consider allegations of breaches of the Ethical Supplier Threshold and/or other contractual commitments by government suppliers.
3. Due to late lodgement of remuneration claims, actual fees received amount is less than the total remuneration a panel member was entitled to receive in 2023–24.



Appendix 3 - Glossary of Terms

ARRS	Annual report requirements for Queensland Government agencies
CBU	Commercialised business unit
CER	Consumer Energy Resources
CSES	Climate Smart Energy Savers
DEC	Department of Energy and Climate
ECMC	Energy and Climate Change Ministerial Council
EWOQ	Energy and Water Ombudsman Queensland
EVs	Electric Vehicles
EVP	Employee Value Proposition
FAA	<i>Financial Accountability Act 2009</i>
FTE	Full-time equivalent
FPMS	<i>Financial and Performance Management Standard 2019</i>
GoC	Government Owned Corporation
GPO	General Post Office
GW	Gigawatt
HR Act	<i>Human Rights Act 2019</i>
ICT	Information and Communication Technology
kW	Kilowatt
PHES	Pumped hydroelectric storage
PSET	Public Sector Ethics training
QAO	Queensland Audit Office
QEJP	Queensland Energy and Jobs Plan
QFF	Queensland Farmers Federation
QGOV	Queensland Government
SWP	Strategic Workforce Plan
SDS	Service Delivery Statements
ZEV	Zero emission vehicle



Appendix 4 – Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	5
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	2, 58
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	3
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3	3
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	3
	<ul style="list-style-type: none"> Information Licensing 	QGEA – Information Licensing ARRs – section 9.5	3
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	6-9
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	10-14
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	17-36
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	50-51
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	63-66
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	16
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	43-45
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	52-54
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	46
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	41



Summary of requirement		Basis for requirement	Annual report reference
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	13
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	47
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	45
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	48
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	49
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	48
	<ul style="list-style-type: none"> Information Security attestation 	ARRs – section 14.6	48-49
Governance – human resources	<ul style="list-style-type: none"> Strategic workforce planning and performance 	ARRs – section 15.1	39
	<ul style="list-style-type: none"> Early retirement, redundancy and retrenchment 	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	38
Open Data	<ul style="list-style-type: none"> Statement advising publication of information 	ARRs – section 16	4
	<ul style="list-style-type: none"> Consultancies 	ARRs – section 31.1	https://data.qld.gov.au
	<ul style="list-style-type: none"> Overseas travel 	ARRs – section 31.2	https://data.qld.gov.au
	<ul style="list-style-type: none"> Queensland Language Services Policy 	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	<ul style="list-style-type: none"> Certification of financial statements 	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	125
	<ul style="list-style-type: none"> Independent Auditor's Report 	FAA – section 62 FPMS – section 46 ARRs – section 17.2	126-128

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs Annual report requirements for Queensland Government agencies



Financial Statements

2023–24

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Financial Summary

As a result of the *Public Service Departmental Arrangements Notice (No. 5) 2023*, the former Department of Energy and Public Works was renamed to Department of Energy and Climate on 18 December 2023.

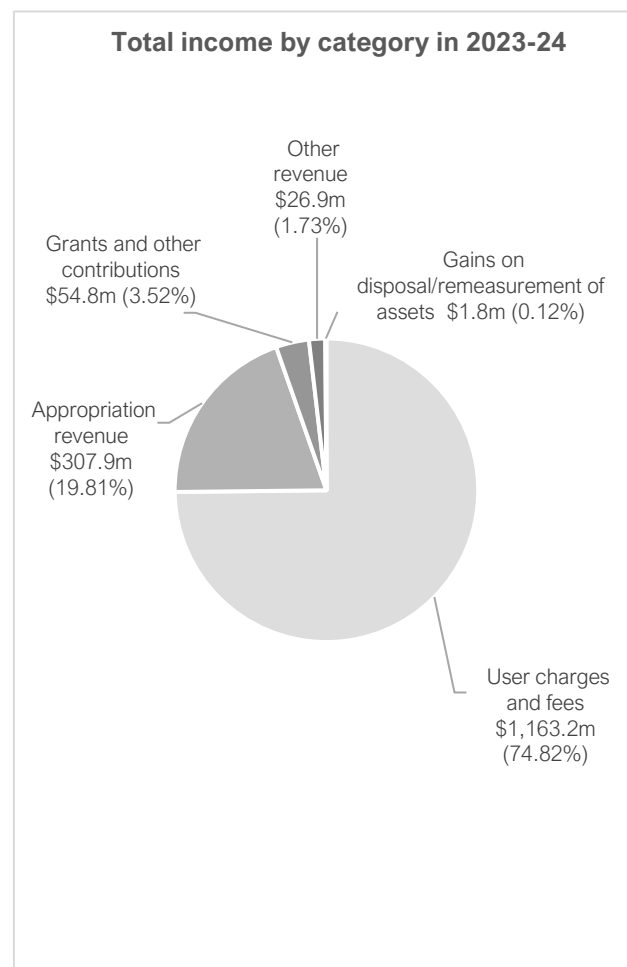
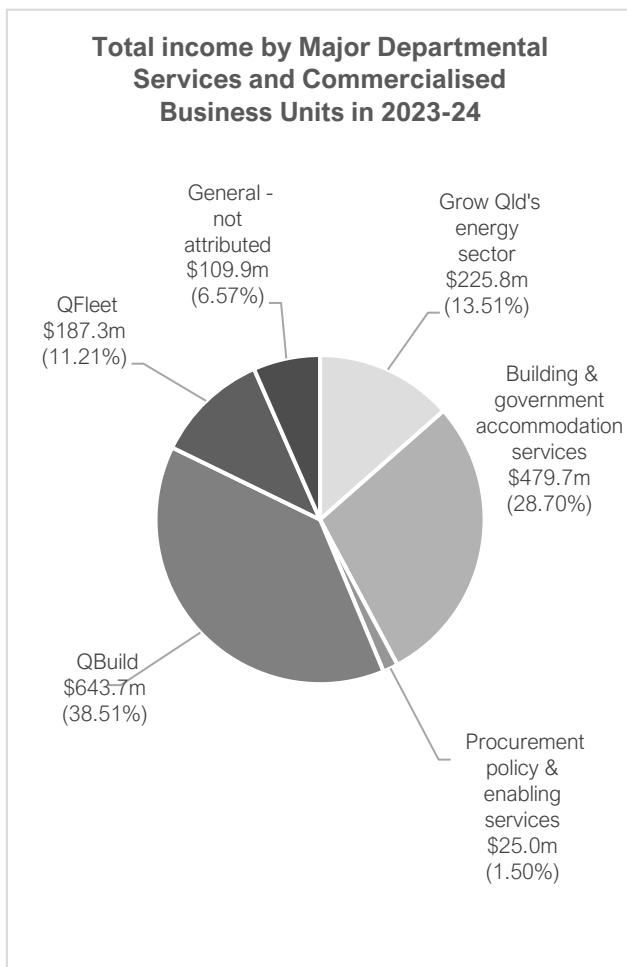
Pursuant to section 80 of the *Financial Accountability Act 2009*, for financial reporting purposes the effective date of the transfer was 1 January 2024.

As at 30 June 2024 the reporting entity comprised the Department of Energy and Climate and one commercialised business unit, QFleet.

A Statement of Comprehensive Income for the period 1 July 2023 to 30 June 2024 and a Statement of Financial Position as at 30 June 2024 are provided on the following pages.

The department obtains the majority of its total income from user charges and fees which comprise \$1,163 million or 75 percent of the department's total income of \$1,555 million. User charges include:

- building services
- commercial employee housing to other Queensland state government entities
- fleet management services.

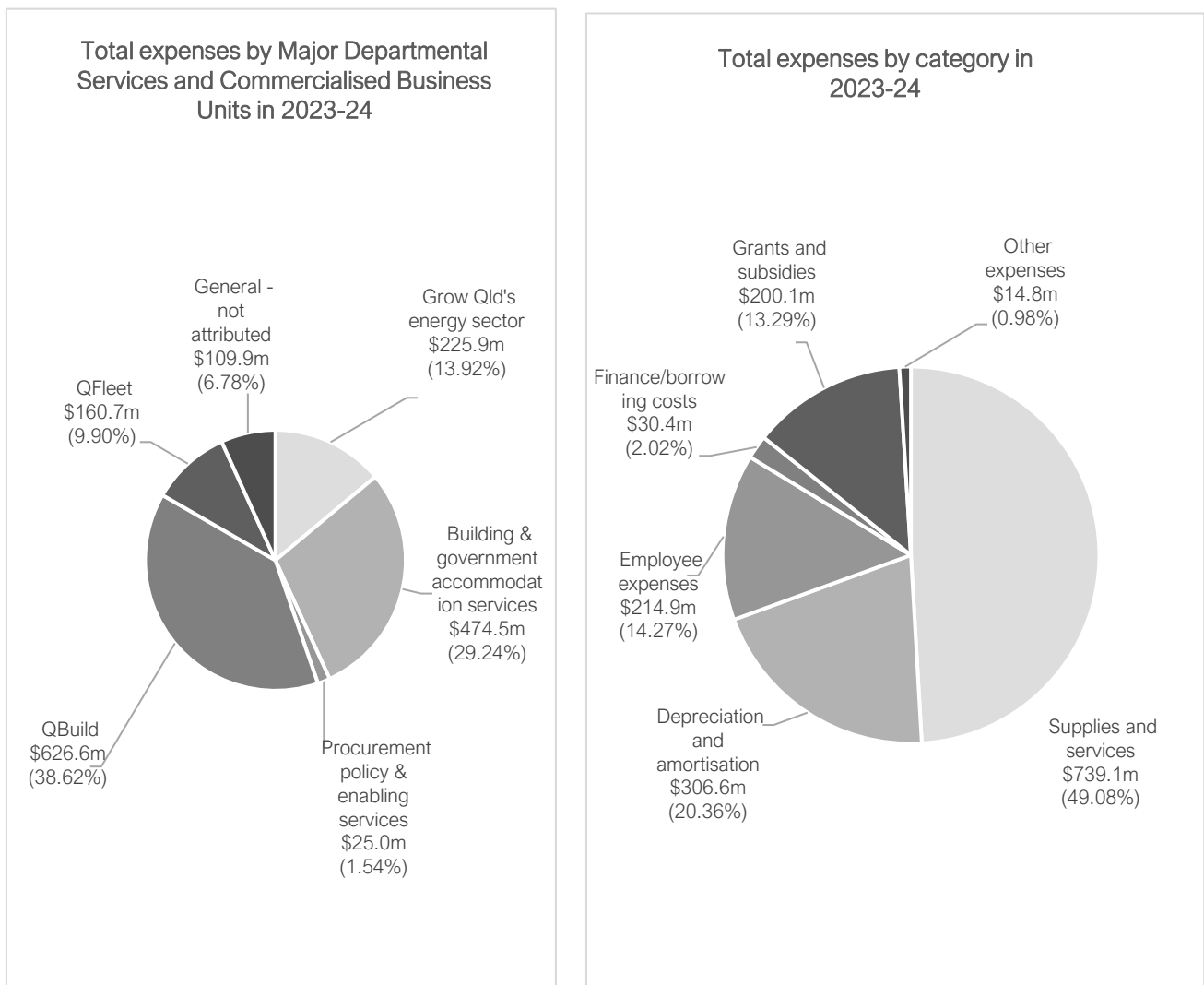


The major expense of the department is supplies and services which totals \$739.1 million or 49 percent of the department's expenses of \$1,506 million. The major supplies and services comprise building, construction and maintenance services.

Statement by the Chief Finance Officer

In accordance with the requirements of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement confirming the financial internal controls of the department are operating efficiently, effectively and economically in conformance with Section 54 of the *Financial and Performance Management Standard 2019*. The statement was presented at the Audit and Risk Committee meeting in August 2024.

The Chief Finance Officer has fulfilled the minimum responsibilities as required by the *Financial Accountability Act 2009*.



Expenses by Major Departmental Services and Commercialised Business Units do not include internal departmental transaction eliminations which are eliminated in the Statement of Comprehensive Income.



Statement of Comprehensive Income

for the period 1 July 2023 to 30 June 2024

	Note	Actual 2023-24	Actual 2022-23
		\$'000	\$'000
INCOME			
User charges and fees	1	1,163,231	2,014,224
Appropriation revenue		307,946	241,010
Grants and other contributions		54,826	33,055
Other revenue		26,876	31,007
Gains on disposal /remeasurement of assets		1,831	555
Total income		1,554,710	2,319,851
EXPENSES			
Supplies and services	1	739,118	1,321,102
Depreciation and amortisation	1	306,582	536,245
Employee expenses		214,899	287,380
Finance/borrowing costs		30,435	39,881
Grants and subsidies	2	200,061	77,015
Other expenses		14,821	19,141
Total expenses		1,505,916	2,280,764
Operating result before income tax		48,794	39,087
Income tax benefit /(expense)		(13,490)	(6,487)
Operating result after income tax		35,304	32,600
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	1	1,838	141,361
Total other comprehensive income		1,838	141,361
Total comprehensive income		37,142	173,961

Notes:

1. The decrease is due to the Machinery of Government change that occurred during 2023-24 whereby QBuild and Public Works transferred to the Department of Housing, Local Government, Planning and Public Works (effective 1 January 2024). Therefore the 2023-24 figures only include 6 months of balances for QBuild and Public Works.
2. The increased amount in Grants and subsidies is mainly due to increased payment under the Housing Resilience Program, the Household Energy Initiatives program, and the Regional Economic Future Fund.



Statement of Financial Position

as at 30 June 2024

	Note	Actual 2023-24 \$'000	Actual 2022-23 \$'000
CURRENT ASSETS			
Cash and cash equivalents	3,4	(36,149)	402,330
Receivables	3	79,438	162,756
Contract assets	3	0	77,596
Other current assets		17,654	17,701
Non-current assets classified as held for sale		0	671
Total current assets		60,943	661,054
NON-CURRENT ASSETS			
Property, plant and equipment	3	362,150	3,804,216
Right-of-use assets	3	0	1,553,727
Receivables	3	0	58,571
Other non-current assets		300	8,288
Total non-current assets		362,450	5,424,802
TOTAL ASSETS		423,393	6,085,856
CURRENT LIABILITIES			
Lease liabilities		0	395,692
Payables	3	50,988	257,192
Borrowings	5	17,598	0
Queen's Wharf deferred consideration	3	0	71,250
Accrued employee benefits		2,939	9,923
Provisions		183	39,622
Unearned revenue	3	0	17,526
Other current liabilities		16,138	47,784
Total current liabilities		87,846	838,989
NON-CURRENT LIABILITIES			
Lease liabilities	3	0	1,427,552
Borrowings	5	206,512	196,512
Queen's Wharf deferred consideration	3	0	48,142
Provisions		0	6,057
Unearned revenue	3	0	22,484
Other non-current liabilities		16,336	19,677
Total non-current liabilities		222,848	1,720,424
TOTAL LIABILITIES		310,694	2,559,413
NET ASSETS		112,699	3,526,443
EQUITY			
Contributed equity		34,103	3,107,542
Asset revaluation surplus		0	366,463
Accumulated surplus/(deficit)		78,596	52,438
TOTAL EQUITY		112,699	3,526,443

- The decrease is due to the Machinery of Government change that occurred during 2023-24 whereby QBuild and Public Works transferred to the Department of Housing, Local Government, Planning and Public Works (effective 1 January 2024). Therefore the 2023-24 figures do not include any balances for QBuild or Public Works.
- The negative cash balance as at 30 June 2024 relates to the timing of cash flows into the main bank account which has been shared with the Department of Housing, Local Government, Planning and Public Works since the machinery-of-government change.
- The increase in Borrowings is mainly to fund a temporary gap in long term borrowings to finance motor vehicle purchases.



INTRODUCTION TO FINANCIAL STATEMENTS

The following financial statements have been prepared by the department and audited by the Auditor-General of Queensland:

- Statement of Comprehensive Income
- Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Units
- Statement of Financial Position
- Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Units
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements 2023–24
- Management Certificate
- Independent Auditor’s Report.

General Information

These financial statements cover the Department of Energy and Climate.

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

The head office and principal place of business of the department is:

1 William St

BRISBANE QLD 4000

A description of the nature of the department’s operations and its principal activities is included in the notes to the financial statements.

For information in relation to the department’s financial statements, please call 13QGOV (13 74 68) or visit the departmental website <https://www.energyandclimate.qld.gov.au>



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Statement of Comprehensive Income

Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Units

Statement of Financial Position

Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Units

Statement of Changes in Equity

Statement of Cash Flows (including Notes to the Statement of Cash Flows)

Notes to the Financial Statements 2023-24

Management Certificate

Independent Auditor's Report



Department of Energy and Climate
Statement of Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023* \$'000
Income			
User charges and fees	2.1	1,163,231	2,014,224
Appropriation revenue	2.2	307,946	241,010
Grants and other contributions	2.3	54,826	33,055
Other revenue	2.4	26,876	31,007
Total revenue		1,552,879	2,319,296
Gains on disposal / remeasurement of assets		1,831	555
Total income		1,554,710	2,319,851
Expenses			
Supplies and services	2.5	739,118	1,321,102
Depreciation and amortisation	2.6	306,582	536,245
Employee expenses	2.7	214,899	287,380
Finance/borrowing costs		30,435	39,881
Grants and subsidies	2.8	200,061	77,015
Other expenses	2.9	14,821	19,141
Total expenses		1,505,916	2,280,764
Operating result before income tax		48,794	39,087
Income tax equivalent expense		13,490	6,487
Operating result after income tax		35,304	32,600
Other comprehensive income			
Items that will not be reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	3.1	1,838	141,361
Total other comprehensive income		1,838	141,361
Total comprehensive income		37,142	173,961

*The 2023 comparative figures relate to the published annual financial statements of the former Department of Energy and Public Works. Comparative information has not been re-cast to reflect the transfer of activities as a result of machinery-of-government changes (refer to Note 1.8).

The accompanying notes form part of these financial statements.



Department of Energy and Climate

Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Units

for the year ended 30 June 2024

	Grow Qld's energy sector		Building & government accommodation services		Procurement policy & enabling services		Commercialised Business Units				General - not attributed		Inter-service/unit eliminations		Department Total	
	2024	2023	2024	2023	2024	2023	QBuild		QFleet		2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'001	\$'000	\$'000	\$'000	\$'000	\$'000
Income																
User charges and fees	1,200	626	363,138	689,272	5,654	2,294	622,770	1,277,078	186,645	142,711	100,115	89,194	(116,291)	(186,951)	1,163,231	2,014,224
Appropriation revenue	214,136	90,908	66,799	131,075	17,619	17,497	-	-	-	-	9,392	1,530	-	-	307,946	241,010
Grants and other contributions	9,273	8,427	44,487	22,281	-	-	651	2,347	-	-	415	-	-	-	54,826	33,055
Other revenue	1,206	8	3,387	12,648	1,735	1,459	20,255	16,772	670	522	8	17	(385)	(419)	26,876	31,007
Total revenue	225,815	99,969	477,811	855,276	25,008	21,250	643,676	1,296,197	187,315	143,233	109,930	90,741	(116,676)	(187,370)	1,552,879	2,319,296
Gains on disposal/remeasurement of assets	-	-	1,839	593	(5)	-	-	(38)	-	-	(3)	-	-	-	1,831	555
Total income	225,815	99,969	479,650	855,869	25,003	21,250	643,676	1,296,159	187,315	143,233	109,927	90,741	(116,676)	(187,370)	1,554,710	2,319,851
Expenses																
Supplies and services	41,022	15,517	129,231	259,837	10,385	9,154	531,275	1,113,461	82,565	61,791	61,316	48,712	(116,676)	(187,370)	739,118	1,321,102
Depreciation and amortisation	-	9	250,027	487,841	13	5	357	614	55,985	47,608	200	168	-	-	306,582	536,245
Employee expenses	29,175	18,964	22,866	33,429	14,361	11,876	94,327	174,328	6,227	5,944	47,943	42,839	-	-	214,899	287,380
Finance/borrowing costs	-	-	22,812	35,725	-	-	-	-	7,623	4,156	-	-	-	-	30,435	39,881
Grants and subsidies	154,925	65,099	45,013	10,684	-	-	98	1,232	-	-	25	-	-	-	200,061	77,015
Other expenses	759	377	4,561	9,910	247	214	561	1,870	8,251	6,770	442	-	-	-	14,821	19,141
Total expenses	225,881	99,966	474,510	837,426	25,006	21,249	626,618	1,291,505	160,651	126,269	109,926	91,719	(116,676)	(187,370)	1,505,916	2,280,764
Operating result before income tax	(66)	3	5,140	18,443	(3)	1	17,058	4,654	26,664	16,964	1	(978)	-	-	48,794	39,087
Income tax equivalent expense	-	-	-	-	-	-	5,118	1,398	8,372	5,089	-	-	-	-	13,490	6,487
Operating result after income tax	(66)	3	5,140	18,443	(3)	1	11,940	3,256	18,292	11,875	1	(978)	-	-	35,304	32,600
Other comprehensive income																
Items that will not be reclassified to operating result																
Increase/(decrease) in asset revaluation surplus	-	-	1,838	141,361	-	-	-	-	-	-	-	-	-	-	1,838	141,361
Total other comprehensive income	-	-	1,838	141,361	-	-	-	-	-	-	-	-	-	-	1,838	141,361
Total comprehensive income	(66)	3	6,978	159,804	(3)	1	11,940	3,256	18,292	11,875	1	(978)	-	-	37,142	173,961

Refer to Note 1.3 for information on changes to services provided over the reporting period. The 2023 comparative figures relate to the published annual financial statements of the former Department of Energy and Public Works. Comparative information has not been re-cast to reflect the transfer of activities as a result of machinery-of-government changes (refer to Note 1.8).



Department of Energy and Climate
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023* \$'000
Current assets			
Cash and cash equivalents		(36,149)	402,330
Receivables	3.3	79,438	162,756
Contract assets	3.5	-	77,596
Other current assets	3.6	17,654	17,701
		60,943	660,383
Non-current assets classified as held for sale	3.7	-	671
Total current assets		60,943	661,054
Non-current assets			
Property, plant and equipment	3.1	362,150	3,804,216
Right-of-use assets	3.2 (a)	-	1,553,727
Receivables	3.3	-	58,571
Other non-current assets	3.6	300	8,288
Total non-current assets		362,450	5,424,802
Total assets		423,393	6,085,856
Current liabilities			
Lease liabilities	3.2 (b)	-	395,692
Payables	3.9	50,988	257,192
Borrowings	3.8	17,598	-
Queen's Wharf deferred consideration	3.10	-	71,250
Accrued employee benefits		2,939	9,923
Provisions	3.11	183	39,622
Unearned revenue	3.12	-	17,526
Other current liabilities	3.13	16,138	47,784
Total current liabilities		87,846	838,989
Non-Current Liabilities			
Lease liabilities	3.2 (b)	-	1,427,552
Borrowings	3.8	206,512	196,512
Queen's Wharf deferred consideration	3.10	-	48,142
Provisions	3.11	-	6,057
Unearned revenue	3.12	-	22,484
Other non-current liabilities	3.13	16,336	19,677
Total con-current liabilities		222,848	1,720,424
Total liabilities		310,694	2,559,413
Net assets		112,699	3,526,443
Equity			
Contributed equity		34,103	3,107,542
Asset revaluation surplus	3.1	-	366,463
Accumulated surplus/(deficit)		78,596	52,438
Total equity		112,699	3,526,443

*The 2023 comparative figures relate to the published annual financial statements of the former Department of Energy and Public Works. Comparative information has not been re-cast to reflect the transfer of activities as a result of machinery-of-government changes (refer to Note 1.8). The negative cash balance of \$36.149 million as at 30 June 2024 relates to the timing of cash flows into the main bank account which has been shared with the Department of Housing, Local Government, Planning and Public Works since the machinery-of-government change (refer Note 1.8).

The accompanying notes form part of these financial statements.



Department of Energy and Climate
Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Units
as at 30 June 2024

	Grow Qld's energy sector		Building & government accommodation services		Procurement policy & enabling services		Commercialised Business Units				General - not attributed		Inter-service/unit eliminations		Department Total	
	2024	2023	2024	2023	2024	2023	QBuild		QFleet		2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets																
Cash and cash equivalents	-	-	-	41,753	-	-	-	51,769	10,684	43,727	(46,833)	265,081	-	-	(36,149)	402,330
Receivables	52,500	421	-	21,882	4,911	169	-	142,212	16,313	10,819	11,847	9,571	(6,133)	(22,318)	79,438	162,756
Contract assets	-	-	-	-	-	-	-	77,596	-	-	-	-	-	-	-	77,596
Other current assets	-	10	-	6,107	-	-	-	921	17,036	10,594	618	725	-	(656)	17,654	17,701
	52,500	431	-	69,742	4,911	169	-	272,498	44,033	65,140	(34,368)	275,377	(6,133)	(22,974)	60,943	660,383
Non-current assets classified as held for sale	-	-	-	671	-	-	-	-	-	-	-	-	-	-	-	671
Total current assets	52,500	431	-	70,413	4,911	169	-	272,498	44,033	65,140	(34,368)	275,377	(6,133)	(22,974)	60,943	661,054
Non-current assets																
Property, plant and equipment	221	221	-	3,529,806	9	10	-	3,108	361,692	270,690	228	381	-	-	362,150	3,804,216
Right-of-use assets	-	-	-	1,553,727	-	-	-	-	-	-	-	-	-	-	-	1,553,727
Receivables	-	-	-	58,571	-	-	-	-	-	-	-	-	-	-	-	58,571
Other non-current assets	-	-	-	412	-	-	-	7,789	6	6	294	81	-	-	300	8,288
Total non-current assets	221	221	-	5,142,516	9	10	-	10,897	361,698	270,696	522	462	-	-	362,450	5,424,802
Total assets	52,721	652	-	5,212,929	4,920	179	-	283,395	405,731	335,836	(33,846)	275,839	(6,133)	(22,974)	423,393	6,085,856
Current Liabilities																
Lease liabilities	-	-	-	395,692	-	-	-	-	-	-	-	-	-	-	-	395,692
Payables	9,962	48,502	-	95,298	583	2,924	-	112,317	43,190	14,498	3,386	5,971	(6,133)	(22,318)	50,988	257,192
Borrowings	-	-	-	-	-	-	-	-	17,598	-	-	-	-	-	17,598	-
Queen's Wharf deferred consideration	-	-	-	71,250	-	-	-	-	-	-	-	-	-	-	-	71,250
Accrued employee benefits	732	580	-	976	393	315	-	6,214	183	355	1,631	1,483	-	-	2,939	9,923
Provisions	-	-	-	32,436	-	-	-	6,413	-	-	183	773	-	-	183	39,622
Unearned revenue	-	-	-	1,322	-	-	-	16,204	-	-	-	-	-	-	-	17,526
Other current liabilities	-	200	-	33,646	165	137	-	4,821	10,663	4,595	5,310	5,041	-	(656)	16,138	47,784
Total current liabilities	10,694	49,282	-	630,620	1,141	3,376	-	145,969	71,634	19,448	10,510	13,268	(6,133)	(22,974)	87,846	838,989
Non-current liabilities																
Lease liabilities	-	-	-	1,427,552	-	-	-	-	-	-	-	-	-	-	-	1,427,552
Borrowings	-	-	-	-	-	-	-	-	206,512	196,512	-	-	-	-	206,512	196,512
Queen's Wharf deferred consideration	-	-	-	48,142	-	-	-	-	-	-	-	-	-	-	-	48,142
Provisions	-	-	-	5,816	-	-	-	-	-	-	-	241	-	-	-	6,057
Unearned revenue	-	-	-	22,484	-	-	-	-	-	-	-	-	-	-	-	22,484
Other non-current liabilities	-	-	-	1,215	-	-	-	689	16,336	17,773	-	-	-	-	16,336	19,677
Total non-current liabilities	-	-	-	1,505,209	-	-	-	689	222,848	214,285	-	241	-	-	222,848	1,720,424
Total liabilities	10,694	49,282	-	2,135,829	1,141	3,376	-	146,658	294,482	233,733	10,510	13,509	(6,133)	(22,974)	310,694	2,559,413

Refer to Note 1.3 for information on changes to services provided over the reporting period. The 2023 comparative figures relate to the published annual financial statements of the former Department of Energy and Public Works. Comparative information has not been re-cast to reflect the transfer of activities as a result of machinery-of-government changes (refer to Note 1.8).



Department of Energy and Climate
Statement of Changes in Equity
for the year ended 30 June 2024

	Contributed equity \$'000	Asset revaluation surplus \$'000	Accumulated surplus/(deficit) \$'000	Total \$'000
Balance as at 1 July 2022	3,055,093	225,102	27,403	3,307,598
Operating result	-	-	32,600	32,600
Other comprehensive income				
Increase/(decrease) in asset revaluation surplus	-	141,361	-	141,361
Total comprehensive income for the year	-	141,361	32,600	173,961
Transactions with owners as owners				
Appropriated equity injections	538,482	-	-	538,482
Appropriated equity withdrawals	(488,015)	-	-	(488,015)
Non-appropriated equity adjustments	2,745	-	-	2,745
Net transfers in/(out) from other Queensland Government entities	(763)	-	-	(763)
Dividends paid or declared	-	-	(7,565)	(7,565)
Net transactions with owners as owners	52,449	-	(7,565)	44,884
Balance as at 30 June 2023	3,107,542	366,463	52,438	3,526,443
Balance as at 1 July 2023	3,107,542	366,463	52,438	3,526,443
Operating result	-	-	35,304	35,304
Other comprehensive income				
Increase/(decrease) in asset revaluation surplus	-	1,838	-	1,838
Total comprehensive income for the year	-	1,838	35,304	37,142
Transactions with owners as owners				
Appropriated equity injections	298,062	-	-	298,062
Appropriated equity withdrawals	(258,464)	-	-	(258,464)
Non-appropriated equity adjustments	364,297	(368,301)	-	(4,004)
Net transfers in/(out) from other Queensland Government entities	(2,008)	-	-	(2,008)
Dividends paid or declared	-	-	(9,146)	(9,146)
Transfers in due to machinery-of-government changes (Note 1.8)	62	-	-	62
Transfers out due to machinery-of-government changes (Note 1.8)	(3,475,388)	-	-	(3,475,388)
Net transactions with owners as owners	(3,073,439)	(368,301)	(9,146)	(3,450,886)
Balance as at 30 June 2024	34,103	-	78,596	112,699

Accounting Policy

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities are adjusted to contributed equity. These adjustments are made in accordance with Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities. Appropriations for equity adjustments are similarly designated.

The accompanying notes form part of these financial statements

Department of Energy and Climate**Statement of Cash Flows**

for the year ended 30 June 2024

	2024 \$'000	2023* \$'000
CASH FLOWS FROM OPERATING ACTIVITIES (CF1)		
Inflows:		
User charges and fees	1,090,405	1,990,901
Service appropriation receipts	181,411	280,124
GST collected from customers	80,991	149,298
GST input tax credits received from the Australian Taxation Office	64,972	88,320
Grants and other contributions	19,868	34,052
Other	27,118	75,692
Outflows:		
Supplies and services	(906,960)	(1,363,812)
Employee expenses	(225,250)	(280,278)
GST paid to suppliers	(117,142)	(188,435)
GST remitted to the Australian Taxation Office	(49,668)	(78,806)
Finance/borrowing costs	(30,133)	(39,811)
Grants and subsidies	(198,090)	(86,368)
Taxation equivalents	(9,972)	(5,623)
Other	(6,266)	(16,604)
Net cash provided by (used in) operating activities	<u>(78,716)</u>	<u>558,650</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Inflows:		
Sales of property, plant and equipment	2,546	14,549
Outflows:		
Payments for property, plant and equipment	(87,415)	(147,158)
Net cash provided by (used in) investing activities	<u>(84,869)</u>	<u>(132,609)</u>
CASH FLOWS FROM FINANCING ACTIVITIES (CF2)		
Inflows:		
Proceeds from borrowings	27,598	-
Equity injections	294,954	547,817
Outflows:		
Equity withdrawals	(265,962)	(486,995)
Payment of lease liabilities	(207,014)	(392,809)
Dividends paid	(5,937)	(7,240)
Net cash provided by (used in) financing activities	<u>(156,361)</u>	<u>(339,227)</u>
Net increase (decrease) in cash and cash equivalents	(319,946)	86,814
Decrease in cash and cash equivalents from restructuring (Note 1.8)	(118,533)	-
Cash and cash equivalents – opening balance	402,330	315,516
Cash and cash equivalents – closing balance	<u>(36,149)</u>	<u>402,330</u>

The accompanying notes form part of these financial statements.

Cash disclosures

Cash represents all cash on hand, cash at bank and cheques receipted but not banked as at 30 June.

The departmental bank accounts are grouped within the whole of government banking set-off arrangement with Queensland Treasury Corporation and do not earn interest.

The department has overdraft facilities of \$20 million (2023: \$20 million) with the Commonwealth Bank and working capital facilities of \$30 million (2023: \$55 million) with Queensland Treasury Corporation. A total of \$32.4 million (2023: \$75 million) of these facilities were undrawn as at 30 June and are available for future use.



Department of Energy and Climate
Notes to the Statement of Cash Flows

	2024 \$'000	2023 \$'000
CF1 Reconciliation of operating result to net cash from operating activities		
Operating surplus/(deficit) before income tax	48,794	39,087
Less: income tax benefit/(expense)	(13,490)	(6,487)
	35,304	32,600
Non-cash items:		
Depreciation and amortisation expense	306,582	536,245
Motor vehicles sold	40,126	20,929
Impairment losses	(3)	2,979
Loss/(gain) on disposal of non-current assets	(1,831)	(555)
Capitalised Finance Lease Interest Revenue	(898)	(1,877)
Change in assets and liabilities:		
(Increase) decrease in GST input tax credits receivable	(1,629)	302
(Increase) decrease in receivables	(67,100)	(4,019)
(Increase) decrease in contract assets	(64,677)	(14,831)
(Increase) decrease in other assets	(5,849)	(3,241)
Acquisition of motor vehicles held for rental	(194,629)	(74,055)
Increase (decrease) in GST payable	826	(1,715)
Increase (decrease) in payables	(103,657)	37,668
Increase (decrease) in provisions	(7,244)	1,581
Increase (decrease) in unearned revenue	(10,811)	10,171
Increase (decrease) in accrued employee benefits	1,494	1,234
Increase (decrease) in other liabilities	(4,675)	15,234
Net cash from operating activities	(78,716)	558,650

CF2 Changes in liabilities arising from financing activities

	Borrowings \$'000	Lease liabilities \$'000	Dividends payable \$'000	Total \$'000
Balance as at 1 July 2022	196,512	1,973,572	7,240	2,177,324
<i>Cash flows:</i>				
Cash paid	-	(392,809)	(7,240)	(400,049)
<i>Non-cash changes:</i>				
Leases acquired/surrendered	-	98,136	-	98,136
Remeasurement of lease liability	-	144,345	-	144,345
Dividends declared	-	-	7,565	7,565
Balance as at 30 June 2023	196,512	1,823,244	7,565	2,027,321
Balance as at 1 July 2023	196,512	1,823,244	7,565	2,027,321
<i>Cash flows:</i>				
Cash paid	-	(207,014)	(5,937)	(212,951)
Borrowings	27,598	-	-	27,598
<i>Non-cash changes:</i>				
Leases acquired/surrendered	-	172,161	-	172,161
Remeasurement of lease liability	-	65,428	-	65,428
Dividends declared	-	-	9,146	9,146
Transfers out due to machinery-of-government changes (Note 1.8)	-	(1,853,819)	(1,628)	(1,845,447)
Balance as at 30 June 2024	224,110	-	9,146	233,256

For changes in liabilities relating to equity appropriations refer to Note 3.16 which details equity appropriations payable/receivable.



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Management Certificate



1. BASIS OF PREPARATION

1.1. General Information

The Department of Energy and Climate (“the department”) is a not-for-profit Queensland Government department established under the *Public Sector Act 2022* and controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the department is 1 William Street, Brisbane, Queensland 4000.

1.2. Compliance with prescribed requirements

The department has prepared these general purpose financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*, the Australian Accounting Standards and Interpretations applicable to not-for-profit entities, and Queensland Treasury’s Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2023.

These financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis).

1.3. Department objectives and principal activities

As part of the machinery-of-government changes outlined in Note 1.8, the former Department of Energy and Public Works was renamed to the Department of Energy and Climate.

The Department of Energy and Climate is working towards its objectives to:

- Drive affordable, reliable and clean energy.
- Deliver nation-leading government procurement that provides maximum value to Queenslanders.
- Drive a cleaner economy and more jobs through lower emissions and climate action.

The principal activities of the department are reflected in the services undertaken by the department which are summarised below:

Grow Queensland through a clean economy

Lead the energy, renewable and sustainable fuels, as well as climate sectors to drive reliable, affordable and renewable energy to Queensland households and businesses, to reduce emissions, and to establish Queensland as a leader in clean economy and jobs.

Procurement policy and enabling services

Drive nation-leading government procurement that provides maximum value for Queenslanders. Lead whole of government procurement practices that leverage Government’s buying power to prioritise Queensland businesses and jobs and ethical supply chains.

QFleet

QFleet provides a central pool of expertise in fleet management and fleet management services, to enable government and government-funded organisations to safely deliver frontline services to the community.



1.3. Department objectives and principal activities (continued)

The following services were delivered by the department until 31 December 2023, prior to machinery-of-government changes outlined in Note 1.8.

Building and government accommodation services

Building and government accommodation services delivers professional management of government infrastructure projects, that maximises opportunities for local businesses, as well as fit for purpose, well utilised and sustainable government office accommodation and employee housing.

QBuild

QBuild supports Queensland regional job creation and is the trusted building expert for Queensland Government agencies, by providing state-wide planning, building, maintenance and recovery services and QBuild apprentices.

1.4. Authorisation of financial statements for issue

The financial statements are authorised for issue by the Director-General and Chief Finance Officer at the date of signing the Management Certificate.

1.5. Basis of measurement

The historical cost convention is used as the measurement basis unless otherwise stated.

1.6. Presentation

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero unless disclosure of the full amount is specifically required. Due to rounding, totals may not add exactly.

Comparative information presented is for the period from 1 July 2022 to 30 June 2023.

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 settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

1.7. New and revised accounting standards

There are no new accounting standards or interpretations that apply to the department for the first time in 2023-24.

No Australian Accounting Standards have been early adopted for 2023-24.



1.8. Machinery-of-government changes

As a result of the Public Service Departmental Arrangements Notice (No. 5) 2023, the former Department of Energy and Public Works was renamed to the Department of Energy and Climate on 18 December 2023.

As part of these machinery-of-government changes, the following functions were transferred to and from the department:

- Climate Division transferred in from the former Department of Environment and Science;
- Future Economy Taskforce transferred in from the Department of the Premier and Cabinet;
- Regional Economic Futures Fund transferred in from the former Department of State Development, Infrastructure, Local Government and Planning;
- Building Division (including Public Works and QBuild) transferred out to the newly formed Department of Housing, Local Government, Planning and Public Works; and
- Office of the Queensland Government Architect transferred out to the newly formed Department of Housing, Local Government, Planning and Public Works.

Pursuant to section 80 of the *Financial Accountability Act 2009*, for financial reporting purposes the effective date of the transfers is 1 January 2024. Transactions from the 18 December 2023 to 31 December 2023 are reported in the financial statements of the transferring department.

The assets and liabilities transferred as a result of this change were as follows:

	Transfers in	Transfers (out)	Transfers (out)	
	Former Department of Environment and Science \$'000	Department of Housing, Local Government, Planning and Public Works \$'000	Department of Housing, Local Government, Planning and Public Works \$'000	Total net transfers \$'000
Controlled	Climate	Building Division	QBUILD	
Cash and cash equivalents	62	(131,138)	12,542	(118,534)
Loans and receivables	-	(130,869)	(100,452)	(231,321)
Contract assets	-	-	(142,272)	(142,272)
Property, plant and equipment	-	(3,592,864)	(3,086)	(3,595,950)
Right-of-use assets	-	(1,568,184)	-	(1,568,184)
Other current assets	-	(10,593)	(9,534)	(20,127)
Non-current assets classified as held for sale	-	(1,571)	-	(1,571)
Total assets	62	(5,435,219)	(242,802)	(5,677,959)
Lease liabilities	-	(1,853,818)	-	(1,853,818)
Payables	-	(48,597)	(73,328)	(121,925)
Accrued employee benefits	-	(1,232)	(7,247)	(8,479)
Queen's Wharf deferred consideration	-	(119,392)	-	(119,392)
Provisions	-	(41,068)	-	(41,068)
Unearned revenue	-	(23,145)	(5,147)	(28,292)
Other liabilities	-	(24,802)	(4,857)	(29,659)
Total liabilities	-	(2,112,054)	(90,579)	(2,202,633)
Net assets	62	(3,323,165)	(152,223)	(3,475,326)



1.8. Machinery-of-government changes (continued)

	<u>Transfers (out)</u>	
	Department of Housing, Local Government, Planning and Public Works \$'000	Total net transfers \$'000
	<u>Building Division</u>	
Administered		
Cash	(48,235)	(48,235)
Total assets	<u>(48,235)</u>	<u>(48,235)</u>
Payables	(42,124)	(42,124)
Other Current Liabilities	(6,111)	(6,111)
Total liabilities	<u>(48,235)</u>	<u>(48,235)</u>
Net assets	<u>-</u>	<u>-</u>

A decrease in controlled net assets of \$3.475 billion has been accounted for as a decrease in contributed equity as disclosed in the Statement of Changes in Equity. There were no transfers of administered net assets resulting from this machinery-of-government change.

	<u>Transfers in</u>	<u>Transfers in</u>	<u>Transfers in</u>	<u>Transfers (out)</u>	
	Former Department of Environment and Science \$'000	Department of Premier and Cabinet \$'000	Former Department of State Development, Infrastructure Local Government and Planning \$'000	Department of Housing, Local Government, Planning and Public Works \$'000	Total net transfers \$'000
Controlled					
Appropriation revenue	11,215	307	5,000	(79,138)	(62,616)
Equity adjustments	-	-	-	(42,944)	(42,944)
Administered					
Appropriation revenue	-	-	-	(1,617)	(1,617)



2. STATEMENT OF COMPREHENSIVE INCOME NOTES

2.1. User charges and fees

	2024	2023
	\$'000	\$'000
Revenue from contracts with customers		
Building services	589,650	1,222,332
Commercial accommodation service*	251,230	477,846
Government employee housing accommodation service*	28,620	53,117
Fleet management services*	115,766	99,383
Vehicle sales	67,965	37,899
Service level agreement revenue **	73,725	35,264
Other	36,275	88,383
Total	1,163,231	2,014,224

* *Key judgement - Commercial and government employee housing accommodation and fleet management.*

The department provided access to non-specialised, commercial accommodation and residential accommodation to other Queensland public sector entities under government-wide frameworks. The department made a judgement that these arrangements were exempt from lease accounting under AASB 16 *Leases* due to the department having substantive substitution rights over the assets used within these arrangements. Motor vehicles provided by QFleet are also exempt from lease accounting under AASB 16 due to the department holding substantive substitution rights for vehicles provided.

** The department provides ongoing corporate services under a service level agreement in the form of information technology to business units within the newly formed Department of Housing, Local Government, Planning and Public Works; the Department of Transport and Main Roads; and the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts. The department also provided legal services to these departments until 31 December 2023.

Accounting Policy - Revenue from contracts with customers (User Charges)

Revenue from contracts with customers is recognised when the department transfers control over a good or service to the customer. The following table provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for the department's major categories of user charges revenue from contracts with customers. From 1 January 2024, significant changes to the department's user charges revenue streams occurred with responsibility for the following services transferring to the Department of Housing, Local Government, Planning and Public Works under the machinery-of-government arrangements detailed in Note 1.8:

- Building services
- Commercial accommodation service
- Government employee housing accommodation service



2.1. User charges and fees (continued)

Accounting Policy - Revenue from contracts with customers (User Charges) (continued)

Type of good or service	Nature and timing of satisfaction of performance obligations including significant payment terms	Revenue recognition policies
Building Services	<p>Until 31 December 2023, the department provided strategic management of building, construction and maintenance activities primarily to other Queensland state government entities under fixed-price and variable-price contracts. Variable prices were included in the transaction price when they related to provisional amounts (such as final cleaning, statutory charges etc.) that are highly likely to occur. Contingent amounts were subject to a high degree of uncertainty and were therefore only included in the transaction price when it was highly probable that a significant reversal would not occur.</p> <p>When the department acted as an agent (refer Note 5.6(a)) it provided project management services with respect to these capital works projects.</p> <p>Building services contracts typically had durations of less than 12 months and contained one performance obligation. These performance obligations were satisfied over time as services were rendered.</p> <p>Customers were either invoiced progressively or on completion depending on the complexity of the work and consideration was payable when invoiced.</p>	<p>Revenue from providing building services was recognised in the accounting period in which the services were provided.</p> <p>Revenue was recognised over time as the building services were provided using either:</p> <ul style="list-style-type: none"> • percentage of completion methodology: stage of completion was measured by reference to the proportion of physical work completed as this represented the transfer of building services to the customer; or • costs incurred to date: this method was typically used for straight-forward activities that occurred over a short period of time. <p>When customers were invoiced progressively, the timing of customer payment did not always match the revenue recognition policies described above. If the building services provided by the department exceeded the payment, a contract asset was recognised. If customer payments exceeded the building services provided by the department, a contract liability was recognised.</p> <p>Estimates of revenues, costs or extent of progress towards completion were revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs were reflected in profit or loss in the period in which the circumstances that gave rise to the revision became known.</p>
Commercial Accommodation Service	<p>Until 31 December 2023, the department provided access to commercial accommodation primarily to other Queensland state government entities.</p> <p>Commercial accommodation contracts typically had durations of up to 10 years and contained multiple performance obligations relating to the commercial space being provided. Customers simultaneously received and consumed the benefits provided during the contract period and the department invoiced on a monthly basis in a manner that fairly represented the transfer of these services. Consideration was receivable when invoiced.</p>	<p>Revenue was recognised on a monthly basis as the actual services were provided over the duration of the contract.</p>



2.1. User charges and fees (continued)

Accounting Policy - Revenue from contracts with customers (User Charges) (continued)

Type of good or service	Nature and timing of satisfaction of performance obligations including significant payment terms	Revenue recognition policies
Government Employee Housing Accommodation Service	<p>Until 31 December 2023, the department provided access to government employee housing primarily to other Queensland state government entities.</p> <p>Government employee housing contracts were typically open ended and contained multiple performance obligations relating to the government employee housing being provided. Customers simultaneously received and consumed the benefits provided during the contract period and the department invoiced on a monthly basis in a manner that fairly represented the transfer of these services. Consideration was receivable when invoiced.</p>	Revenue was recognised on a monthly basis as the actual services were provided over the duration of the contract.
Fleet Management Services	<p>The department provides fleet management services primarily to other Queensland state government entities.</p> <p>Fleet management contracts are typically four years and contain multiple performance obligations relating to the vehicle being provided. Customers simultaneously receive and consume the benefits provided during the contract period and the department invoices on a monthly basis in a manner that fairly represents the transfer of these services. Consideration is receivable when invoiced.</p>	Revenue is recognised on a monthly basis as the actual services are provided over the duration of the contract.

Refer to Notes 3.5 and 3.13 for disclosures about contract assets and liabilities outstanding at year end.



2.2. Appropriation Revenue

Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in operating result	2024 \$'000	2023 \$'000
Original budgeted appropriation revenue	270,433	205,242
Supplementary amounts:		
Transfers from/to other departments - redistribution of public business	(62,616)	-
Transfers from/to other headings	(26,406)	53,578
Unforeseen expenditure	-	21,304
Total appropriation receipts (cash)	181,411	280,124
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	77,322	38,208
Plus: Closing balance of appropriation revenue receivable	49,213	-
Less: Closing balance of deferred appropriation payable to Consolidated Fund	-	(77,322)
Appropriation revenue recognised in Statement of Comprehensive Income	307,946	241,010
Variance between original budgeted and actual appropriation revenue	37,513	35,768

Accounting Policy - Appropriation Revenue

Appropriations provided under the *Appropriation Act 2023* are recognised as revenue when received under AASB 1058 *Income of Not-for-Profit Entities*. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation payable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity (refer to Note 3.16).

2.3. Grants and other contributions

	2024 \$'000	2023 \$'000
Housing Resilience Program*	43,623	20,390
Qld Government Australian Energy Market Commission (AEMC)	7,973	8,427
Services received below fair value	415	-
Other	2,815	4,238
Total	54,826	33,055

* Grants received by DEC from the Queensland Reconstruction Authority are non-reciprocal in nature. The agreement allows for an advance of grant monies prior to delivery of the program. All grants are required to be spent in accordance with the agreement and relevant grant program requirements (refer to Note 2.7).

Accounting policy – Grants and other contributions

Grants, contributions and donations revenue arise from non-exchange transactions where the department does not directly give approximately equal value to the grantor.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the department to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

2.3. Grants and other contributions (continued)

Accounting policy – Grants and contributions (continued)

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

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, the amount representing the fair value is recognised as revenue with a corresponding expense for the same amount.

2.4. Other revenue

	2024	2023
	\$'000	\$'000
Insurance compensation – loss of property	-	1,553
Interest	1,867	3,194
Grant refunds	133	-
Other revenue		
General recoveries	1,944	6,937
Payroll supplementation	8,231	5,768
Operation supplementation	9,814	7,346
Management fees	994	-
Other	3,893	6,209
	<u>26,876</u>	<u>31,007</u>

2.5. Supplies and services

	2024	2023
	\$'000	\$'000
Cost of sales		
Building, construction and maintenance services	463,378	984,716
Motor vehicles and land sold through inventory	40,602	21,304
Property repairs and maintenance	24,408	57,024
Other property expenses	6,498	27,598
Consultants and contractors	47,499	55,203
Property rental*	6,484	6,891
Office Accommodation	1,566	-
Motor vehicle costs	22,171	24,375
Information, communication and technology expenses	36,131	35,663
Electricity and gas	8,836	16,726
Rates to local governments	4,565	8,725
Other	76,980	82,877
Total	<u>739,118</u>	<u>1,321,102</u>

* Prior to the machinery-of-government transfer on 1 January 2024, the majority of the department's leases were recognised on the Statement of Financial Position (refer to Note 3.2) in accordance with AASB 16 *Leases* with the exception of short-term (up to one year) and low-value leases (less than \$10,000) which were reported as property rental expenses within supplies and services above.



2.6. Depreciation and amortisation

	2024 \$'000	2023 \$'000
Depreciation - property, plant and equipment (Note 3.1)	101,204	132,924
Depreciation - right-of-use assets (Note 3.2)	205,311	403,120
Amortisation - intangibles	67	201
	306,582	536,245

2.7. Employee expenses

	2024 \$'000	2023 \$'000
Employee benefits		
Wages and salaries	161,832	216,240
Annual leave levy	17,169	22,915
Employer superannuation contributions	23,507	29,272
Long service leave levy	4,291	5,904
Termination benefits	77	209
	206,876	274,540
Employee-related expenses	8,023	12,840
Total	214,899	287,380

Accounting Policy - Wages and salaries

Wages and salaries due (but unpaid at reporting date) are recognised in the Statement of Financial Position at current salary rates. As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting Policy - Sick Leave

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

Accounting Policy - Annual leave and long service leave

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Central Scheme a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual and long service leave are claimed from the scheme quarterly in arrears.

Accounting Policy - Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) 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 Plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. 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 department at the specified rate following completion of the employee's service each pay period. The department's obligations are limited to those contributions paid.



2.7. Employee expenses (continued)

Accounting Policy - Employee-related expenses

Payroll tax and workers' compensation insurance are a consequence of employing staff but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee-related expenses.

Number of employees

The number of employees (measured on a full-time equivalent basis) as at 30 June 2024 (based upon the fortnight ending 28 June 2024) is 670 (2023: 2,233).

Key management personnel and remuneration disclosures are detailed in Note 5.1.

2.8. Grants and subsidies

	2024 \$'000	2023 \$'000
Battery Booster Rebate Scheme	11,500	8,654
Borumba Dam Pumped Hydro	-	8,427
Qld Government Australian Energy Market Commission (AEMC)	7,973	-
Cladding remediation contribution	4,000	-
Climate Smart Energy Savers Rebate	37,400	-
CopperString Project	-	44,734
Energy Grid Program	4,978	-
Housing Resilience Program	36,323	9,639
Regional Economic Future Funds	79,095	-
Other	18,792	5,561
	<u>200,061</u>	<u>77,015</u>

Accounting Policy - Grants and Subsidies

Grants occur when a payment or contribution is made to an organisation or person in return for performance of a certain objective in compliance with certain terms and conditions and which meet the objectives of the department.

2.9. Other expenses

	2024 \$'000	2023 \$'000
Insurance premiums - Queensland Government Insurance Fund	3,367	4,229
Insurance premiums - other	7,175	6,991
Queensland Audit Office - external audit fees*	428	279
Special payments (ex-gratia)†	214	24
Land Tax	1,523	2,828
Impairment losses on receivables	1	2,979
Services received free of charge	415	-
Other interest expense	1,243	-
Other	455	1,811
Total	<u>14,821</u>	<u>19,141</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements are \$0.533 million (GST exclusive) (2023: \$0.507 million).

† Special payments include expenditure that the department is not contractually or legally obligated to make to other parties. An ex-gratia payment of \$0.214 million was made in relation to an employment matter.



3. STATEMENT OF FINANCIAL POSITION NOTES

3.1. Property, plant and equipment

	2024	2023
	\$'000	\$'000
Land: at fair value	-	1,209,312
Buildings: at fair value	-	1,636,417
Plant and equipment: at cost		
Gross	506,450	702,385
Less accumulated depreciation	<u>(144,521)</u>	<u>(283,151)</u>
	361,929	419,234
Infrastructure: at fair value		
Gross	-	387,883
Less accumulated depreciation	<u>-</u>	<u>(124,989)</u>
	-	262,894
Heritage and cultural assets: at fair value		
Gross	221	229,460
Less accumulated depreciation	<u>-</u>	<u>(141,948)</u>
	221	87,512
Work in progress: at cost	-	188,847
Total	<u>362,150</u>	<u>3,804,216</u>



Department of Energy and Climate
Notes to the financial statements 2023-24

3.1. Property, plant and equipment (continued)

<i>Property, plant and equipment reconciliation</i>	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Infrastructure \$'000	Heritage and cultural assets \$'000	Work in progress \$'000	Total \$'000
Carrying amount at 1 July 2022	1,179,757	1,504,497	420,322	249,486	60,491	187,951	3,602,504
Transfers from other Queensland Government entities	4,607	-	-	-	-	-	4,607
Transfers to other Queensland Government entities	(4,217)	(379)	-	-	-	-	(4,596)
Acquisitions	7,421	15,850	78,537	-	172	121,077	223,057
Transfers between classes	-	88,932	11,432	-	19,817	(120,181)	-
Transfers to inventories	-	-	(21,698)	-	-	-	(21,698)
Disposals	(1,415)	(1,963)	(107)	(1)	-	-	(3,486)
Assets reclassified as held for sale	(1,516)	(3,092)	-	-	-	-	(4,608)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	24,675	90,698	-	18,123	7,865	-	141,361
Depreciation	-	(58,126)	(69,252)	(4,714)	(833)	-	(132,925)
Carrying amount at 30 June 2023	1,209,312	1,636,417	419,234	262,894	87,512	188,847	3,804,216
Carrying amount at 1 July 2023	1,209,312	1,636,417	419,234	262,894	87,512	188,847	3,804,216
Transfers from other Queensland Government entities	279	77	-	-	-	-	356
Transfers to other Queensland Government entities	(2,262)	(97)	(9)	-	-	-	(2,368)
Acquisitions	1,730	7,155	216,188	-	-	80,310	305,383
Transfers between classes	-	7,547	(203)	-	-	(7,344)	-
Transfers to inventories	-	-	(47,642)	-	-	-	(47,642)
Disposals	(324)	(190)	(8)	-	-	-	(522)
Assets reclassified as held for sale	(657)	(1,300)	-	-	-	-	(1,957)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	1,855	(17)	-	-	-	-	1,838
Depreciation	-	(30,234)	(68,008)	(2,511)	(451)	-	(101,204)
Transfers out due to machinery-of-government changes (Note 1.8)	(1,209,933)	(1,619,358)	(157,623)	(260,383)	(86,840)	(261,813)	(3,595,950)
Carrying amount at 30 June 2024	-	-	361,929	-	221	-	362,150



3.1. Property, plant and equipment (continued)

(a) Acquisitions

Historical cost is used for the initial recording of all property, plant and equipment asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the asset ready for use.

Where assets are received free of charge from another Queensland Government department (whether as a result of a machinery-of-government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer, together with any accumulated depreciation.

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

Buildings	\$10,000
Infrastructure	\$10,000
Heritage and cultural	\$5,000
Plant and equipment	\$5,000
Land	\$1

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

Subsequent expenditure that increases the originally assessed service potential or useful life of an asset is capitalised to the value of that asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear) is expensed.

Land improvements undertaken by the department are included with buildings.

(b) Measurement

Land, buildings, infrastructure and heritage and cultural assets are measured at fair value. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation. They are valued at highest and best use unless otherwise stated.

Key judgement: The cost of items acquired during the year has been judged by management to materially represent their fair value at the end of the reporting period.

Plant and equipment is measured at historic cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts are not materially different from their fair value.

Capital works in progress are measured at their acquisition cost or construction cost.

(c) Revaluation of property, plant and equipment

Land, buildings, infrastructure and heritage and cultural assets are revalued on an annual basis, either by specific appraisals undertaken by an independent professional valuer or by the use of appropriate and relevant indices.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. All assets are valued at highest and best use, which is generally consistent with current use.



3.1. Property, plant and equipment (continued)

(c) Revaluation of property, plant and equipment (continued)

All assets measured at fair value are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level one – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities; or
- level two – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level one) that are observable, either directly or indirectly; or
- level three – represents fair value measurements that are substantially derived from unobservable inputs.

For assets revalued using a cost valuation method (e.g. current replacement cost), accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount. This is generally referred to as the 'gross method'.

For assets revalued using a market or income-based valuation approach, accumulated depreciation is eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

When an asset is derecognised, any revaluation surplus included in equity in respect of that asset is not transferred to accumulated surplus.

I. Government employee houses – land and buildings

Prior to the machinery-of-government transfer on 1 January 2024, the fair value for Queensland Government employee houses was determined by establishing market value, primarily by the direct comparison method of valuation, or by indexation. There are usually active and liquid residential property markets which provided sufficient applicable sales evidence. Where there was no active and liquid market for assets, fair value was the current replacement cost. Where properties were indexed, a number of indices were used depending on the location. Indices were derived from various qualified valuers providing representative property valuations across multiple regions within the state.

Specific appraisals are performed on these properties once every five years. They were specifically appraised by an independent valuer in 2020-21. Four properties were specifically appraised during 2024. Properties that aren't specifically appraised in any given year are indexed.

II. Commercial properties – land and buildings

Prior to the machinery-of-government transfer on 1 January 2024, commercial properties were either:

- specifically appraised by independent valuers
- indexed using Rawlinsons Brisbane Construction Cost Index or
- indexed using a location-specific market index provided by an independent valuer.

These properties were specifically appraised on a rolling basis every two to four years, using a combination of market, income and cost-based approaches. Specific appraisals were procured annually in volatile property market conditions.



3.1. Property, plant and equipment (continued)

(c) Revaluation of property, plant and equipment (continued)

II. Commercial properties – land and buildings (continued)

Valuation methods included direct comparison, capitalisation or discounted cash flow approaches or a combination of approaches depending on the size of the property and the available market evidence. Key inputs for valuation methods included sale prices, square metre of land or building area, capitalisation rates, rent rates, discount rates, operating expense rates per square metre and lease terms. These measures were influenced by market supply and demand dynamics. Building characteristics, such as size, grade and condition as well as functional, physical and economic obsolescence factors were also determinants considered by the valuers in assessing values. Valuers were required to maximise the use of observable property market evidence in determining values. In localities with adequate market activity, valuation methods were adopted that had direct reference to recent sales evidence of comparable properties.

Some localities, particularly remote areas, lacked sufficient market activity to derive building values directly from sales evidence. Also, the specialised nature of some assets, such as convention centres and other purpose built structures, did not have an active market. Fair value for these assets was assessed using current replacement cost.

Land values were assessed by the valuers having regard to market evidence of recent and relevant land sales. Land location, size, shape, elevation, accessibility, zoning and development potential were aspects considered in determining land values. Physical, legal and statutory constraints, such as heritage listings, easements, flooding and environmental, were also considered by the valuers.

III. Infrastructure

Prior to the machinery-of-government transfer on 1 January 2024, the key infrastructure assets included Roma Street Parkland improvements, the Goodwill Bridge and the Kurilpa Bridge. Fair value for the infrastructure assets was assessed using current replacement cost due to the lack of market sales evidence for such assets.

Infrastructure assets were specifically appraised at least every four years using independent experts. They were subject to specific appraisal at 30 June 2024 by an independent valuer taking into account useful life, age, condition and functionality. Quantity surveyors assessed the replacement cost for the valuer. The valuer's assumptions for the infrastructure assets included:

- the property complying with all statutory requirements with respect to health, building, town planning and fire safety regulations;
- a detailed structural survey not revealing defects; and
- improvements being sited within title boundaries and without encroachment.

Assets that were not specifically appraised in any given year were indexed.

IV. Heritage and cultural assets

The heritage and cultural buildings at Queen's Wharf Precinct were valued in accordance with Note 3.1(h).

Prior to the machinery-of-government transfer on 1 January 2024, the fair value for the department's other heritage and cultural buildings was assessed based on relevant market evidence for similar assets. In localities where there is insufficient sales activity to derive market-based valuations, the buildings were valued using the current replacement cost and reproduction cost methods. This was also the case for unique or highly specialised buildings for which there was no comparable property market evidence. Properties were specifically appraised every four years unless there was an indication that more frequent revaluation was required.



3.1. Property, plant and equipment (continued)

(d) Asset revaluation surplus by class

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Heritage & cultural assets \$'000	Total \$'000
Balance as at 1 July 2022	55,542	139,396	19,404	10,760	225,102
Net revaluation increments/(decrements)	24,675	90,698	18,123	7,865	141,361
Balance at 30 June 2023	80,217	230,094	37,527	18,625	366,463
Balance as at 1 July 2023	80,217	230,094	37,527	18,625	366,463
Net revaluation increments/(decrements)	1,855	(17)	-	-	1,838
Transfer to accumulated surplus/(deficit)	(82,072)	(230,077)	(37,527)	(18,625)	(368,301)
Balance at 30 June 2024	-	-	-	-	-

(e) Fair value measurement

Categorisation of fair values recognised as at 30 June 2024

	Level 2 \$'000		Level 3 \$'000		Total \$'000	
	2024	2023	2024	2023	2024	2023
Land						
- government employee housing	-	145,826	-	-	-	145,826
- commercial	-	558,112	-	505,374	-	1,063,486
Total land	-	703,938	-	505,374	-	1,209,312
Buildings						
- government employee housing	-	515,617	-	106,542	-	622,159
- commercial	-	694,636	-	319,622	-	1,014,258
Total buildings	-	1,210,253	-	426,164	-	1,636,417
Infrastructure	-	-	-	262,894	-	262,894
Heritage and cultural assets	-	9,645	221	77,867	221	87,512
Total	-	1,923,836	221	1,272,299	221	3,196,135

3.1. Property, plant and equipment (continued)

(e) Fair value measurement (continued)

Level 3 significant valuation inputs

Asset class	Type of significant unobservable inputs
Land	Future estimates of non-cash consideration to be received under non-cancellable contractual arrangements. The discount rate used to calculate a single present value of the future estimates.
Buildings	Building replacement cost rates. Remaining useful lives and percentage of asset life expired. Government employee houses building condition and size.
Infrastructure	Infrastructure replacement cost rates on a per-component basis. Remaining useful lives and percentage of asset life expired.
Heritage and cultural assets	Building replacement cost rates. Adopted depreciation (percentage of asset life expired). Future estimates of non-cash consideration to be received under non-cancellable contractual arrangements. The discount rate used to calculate a single present value of the future estimates.

(f) Impairment

Property, plant and equipment assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

(g) Depreciation

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

Buildings, infrastructure, heritage and cultural assets and plant and equipment are depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset progressively over its estimated useful life to the department.

Any subsequent expenditure that increases the originally assessed capacity or service potential of an asset is capitalised, and the new depreciable amount is depreciated over the remaining useful life of the asset to the department. Assets under construction (work-in-progress) are not depreciated until they reach their service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes of property, plant and equipment.

Key estimate: For each class of asset the following depreciation rates are used:

Buildings	1% to 14%
Plant and equipment	3% to 50%
Infrastructure	1% to 25% in accordance with useful life of components
Heritage and cultural assets	1% to 2%

Remaining useful lives are reviewed annually. Where remaining useful lives require modification, the depreciation expense changes from the date of assessment until the end of the useful life (for both current and future years). The estimation of useful lives requires management judgement in assessing the condition of the asset.



3.1. Property, plant and equipment (continued)

(h) Queen's Wharf Precinct

On 16 November 2015 the Queensland Government entered into contractual arrangements with the Destination Brisbane Consortium ('Consortium') to redevelop the Queen's Wharf Precinct in the centre of Brisbane into an Integrated Resort Development ('IRD'). The redevelopment area is located between the Brisbane River and George Street, and between Alice and Queen Streets ('IRD Precinct'). The Department of Energy and Public Works was the owner of the majority of land and buildings within the IRD Precinct.

A leasehold development lease and a freehold development lease for the project commenced on 22 February 2018 transferring responsibility of the whole of the site to the Consortium. The land and buildings in the IRD Precinct were valued on the basis that the contractual arrangements are considered to be non-cancellable and the highest and best use of the land and buildings in the precinct is that of an IRD.

The fair value was based on the income approach with the cash and future estimates for the non-cash consideration to be received under the contractual arrangements discounted to a single present value. Under the fair value hierarchy, the future estimates of the non-cash consideration and the discount rate are categorised as unobservable inputs. The carrying value of the land and buildings within the IRD Precinct was \$533.8 million as at 31 December 2023 and was transferred to the Department of Housing, Local Government, Planning and Public Works on 1 January 2024 as part of the machinery-of-government changes (refer Note 1.8).



3.2. Leases as lessee

(a) Right-of-use assets – buildings

	2024	2023
	\$'000	\$'000
Opening balance	1,553,727	1,719,877
Additions	241,150	242,892
Depreciation charge	(205,311)	(403,120)
Disposals/derecognition	(21,382)	(5,922)
Transfers out due to machinery-of-government changes (Note 1.8)	(1,568,184)	-
Closing balance	<u>-</u>	<u>1,553,727</u>

Prior to the machinery-of-government transfer on 1 January 2024, right-of-use assets were recognised at cost, consisting of the initial amount of the associated lease liability:

- less any lease incentives received
- plus any restoration costs.

The carrying amount of right-of-use assets was adjusted for any remeasurement of the lease liability in the financial year following changes in lease payments payable or in variable lease payments that depended upon an index or rate, or a change in lease term.

Right-of-use assets were depreciated over the lease term on a straight-line basis.

Revenue received from other Queensland state government entities in relation to these right-of-use assets was recognised as User charges – refer to Note 2.1.

The department elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets (less than \$10,000) and short-term leases (lease term 12 months or less). Lease payments associated with these leases were recognised as an expense on a straight-line basis over the lease term.

(b) Lease Liabilities

	2024	2023
	\$'000	\$'000
Current	-	395,692
Non-current	-	1,427,552
Total	<u>-</u>	<u>1,823,244</u>

Prior to the machinery-of-government transfer on 1 January 2024, lease liabilities were initially recognised at the present value of lease payments over the lease term, less any lease incentives receivable.

Lease payments were discounted using Queensland Treasury Corporation's Fixed Rate Loan borrowing rate that best corresponded with the lease commencement month and term.

Rental payments were apportioned between the finance charge and a reduction in the recognised lease liability.

Lease liabilities were remeasured in certain situations such as a change in lease payments payable or in variable lease payments that depended on an index or rate, or a change in the lease term.

A maturity analysis for lease liabilities is included in Note 3.14.

(c) Lease interest

	2024	2023
	\$'000	\$'000
Interest expense on lease liabilities	<u>22,812</u>	<u>35,725</u>



3.2. Leases as lessee (continued)

(d) Amounts recognised in Statement of Cash Flows

	2024 \$'000	2023 \$'000
Total cash outflow for leases	229,826	428,534

(e) The department's leasing activities

As Queensland Government's central manager of government office accommodation, the Queensland Government Accommodation Office manages a portfolio of commercial accommodation leases represented by right-of-use assets (buildings).

Leases are negotiated on an individual basis and contain a wide range of different terms and conditions in order to achieve the best whole-of-government benefit. Prior to the machinery-of-government transfer on 1 January 2024, the department was exposed to potential future increases in variable lease payments based on CPI or market rates, which made up approximately 8% (2023: 8%) of the portfolio and these were not included in the lease liability until they took effect. When adjustments to lease payments based on CPI or market rates did take effect, the lease liability was reassessed and adjusted against the right-of-use asset.

The lease agreements did not impose any covenants other than the security interests in the leased assets that may be held by the lessor.

Key judgements in determining the lease term

Extension options were included in the majority of office accommodation leases, however these were not included in the lease term assessed at commencement date due to the department not being reasonably certain that they would be used. In determining whether these options should be included in the lease term assessed at commencement date, the department considered its current office accommodation strategic plan and its history of exercising extension options.

The lease term was reassessed if the department became reasonably certain that an extension option would be exercised. The department exercised approximately 12% of its extension options for the period ending 31 December 2023 (2023: 14%) prior to the machinery-of-government change.

Key judgements regarding lease and non-lease components

The department did not separate out non-lease components from lease components for those leases where the base rent is 'all inclusive' as the non-lease component of the base rent could not be reliably measured.



3.3. Receivables

	2024 \$'000	2023 \$'000
Current		
Contracts with customers - Trade debtors	36,545	150,157
GST input tax credits receivable	5,167	3,870
GST payable	(2,091)	(1,265)
Net GST receivable	3,076	2,605
Annual Leave reimbursements*	1,906	5,128
Long service leave reimbursements*	271	1,387
Appropriation revenue receivable	37,591	-
Finance lease receivables	-	3,479
Other	49	-
Total	79,438	162,756
Non-current		
Finance lease receivables	-	58,571
Total	-	58,571

* Refer to Note 2.7 for further information.

Accounting policy – Receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date. Receivables are recognised at the amount due at the time of sale or service delivery. Settlement of trade debtors is generally required within 30 days from invoice date.

The department's annual and long service leave receivables relate to the Queensland Government's Annual Leave and Long Service Leave Central Schemes which are administered by Australian Retirement Trust (formerly known as QSuper) on behalf of the state. Refer to Note 2.7.

3.4. Credit risk

The department is exposed to credit risk on its receivables. The maximum exposure to credit risk at balance date is the gross carrying amount of these assets. The department manages credit risk by monitoring all funds owed on a timely basis.

Trade debtors have low credit risk as they are predominately with other state government agencies. Finance lease receivables have low credit risk as they are with a Commonwealth Government agency and an industry superannuation fund. The level of write-offs has been immaterial and therefore no impairment allowance is recognised for these receivables.

3.5. Contract assets

Prior to the machinery-of-government transfer on 1 January 2024, the department recognised contract assets for work performed for customers under Building Services contracts. Contract assets were transferred to receivables when the department's right to payment became unconditional. This usually occurred when the invoice was issued to the customer.



3.6. Other assets

	2024	2023
	\$'000	\$'000
Current		
Prepayments	6,346	13,050
Inventories	11,306	4,199
Tax assets	-	446
Other	2	6
Total	17,654	17,701
Non-current		
Intangible assets	-	444
Deferred tax assets	6	7,351
Other	294	493
Total	300	8,288

3.7. Non-current assets classified as held for sale

	2024	2023
	\$'000	\$'000
Land	-	333
Buildings	-	338
Total	-	671

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

The assets were measured at the lower of their carrying amount and their fair value less costs to sell. Any write-down to fair value less costs to sell was a non-recurring valuation. The write-down was recognised as an impairment loss expense. These assets were no longer depreciated upon being classified as held for sale.

Prior to the machinery-of-government transfer on 1 January 2024, these assets consisted of government employee housing and commercial properties to be sold in line with ongoing portfolio management strategies to ensure the alignment of cost-effective and suitable properties with client needs in specific locations. These sales were generally achieved by listing the properties on the open market but could also be negotiated directly with prospective purchasers (e.g. another Queensland Government agency or community organisation).

The method to determine fair value for land and buildings held for sale was consistent with the method used for the valuation of the department's government employee housing and commercial properties (i.e. market and income approaches). The valuation represents a level two measurement. Refer to Note 3.1 for further details about the valuation of land and buildings.

3.8. Borrowings

	2024	2023
	\$'000	\$'000
Current		
Queensland Treasury Corporation (QTC) borrowings	17,598	-
Non-current		
Queensland Treasury Corporation (QTC) borrowings	206,512	196,512
Fair value of QTC borrowings	205,342	192,604

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, and then subsequently held at amortised cost using the effective interest method. Borrowing costs are recognised as an expense. The fair value of these borrowings is notified by QTC at 30 June and is calculated using discounted cash flow analysis. It is classified as a level three fair value in the fair value hierarchy.



3.9. Payables

	2024 \$'000	2023 \$'000
Current		
Trade creditors	39,632	150,433
Deferred appropriation payable to Consolidated Fund	-	77,322
Equity adjustment payable	-	21,632
Dividends	9,146	7,565
Grants and subsidies payable	2,210	240
Total	<u>50,988</u>	<u>257,192</u>

Accounting policy – Payables

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

The department recognises as payable those dividends declared on, or before, the reporting date, in relation to the profit of the commercialised business units. The entire amount of declared dividends remaining undistributed at the reporting date is recognised.

3.10. Queen's wharf deferred consideration

The developer of the Queen's Wharf Project is providing the state with cash and non-cash consideration in return for the right to develop the Precinct and operate the Integrated Resort Development. The upfront cash received could not be recognised as revenue until completion of the Project. The upfront cash was recognised with a corresponding liability which was transferred to the Department of Housing, Local Government, Planning and Public Works on 1 January 2024 as part of the machinery-of-government changes (refer Note 1.8).

3.11. Provisions

	2024 \$'000	2023 \$'000
Current		
Cladding Remediation	-	4,989
Make good	-	8,447
Transfer duty	-	19,000
Other	183	7,186
Total	<u>183</u>	<u>39,622</u>
Non-current		
Make good	-	5,816
Other	-	241
Total	<u>-</u>	<u>6,057</u>

Movements	Cladding remediation \$'000	Make good \$'000	Transfer duty \$'000	Other \$'000	Total \$'000
Opening balance at 1 July 2023	4,989	14,263	19,000	7,427	45,679
Additional provision made	-	2,816	-	-	2,816
Provision utilised through payments	-	-	-	(7,244)	(7,244)
Unused provisions reversed	-	-	-	-	-
Transfers out due to machinery-of-government changes (Note 1.8)*	(4,989)	(17,079)	(19,000)	-	(41,068)
Closing balance at 30 June 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>183</u>	<u>183</u>



3.11. Provision (continued)

Accounting policy – Provisions

Provisions are recorded when the department has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate. The amounts recognised as provisions in relation to the dismantling and removal of assets and the restoration of land on which the assets have been located, have been included in the cost of the assets.

Cladding remediation

Prior to the machinery-of-government transfer on 1 January 2024, the department recognised a provision for rectification costs for three departmental owned sites requiring remediation to address the presence of combustible cladding. All sites had interim risk mitigation strategies implemented and were safe for occupation pending final remediation.

Make good

Commercial office leases may contain a make good clause that requires the premises to be returned in a specified condition or other consideration to be provided at the end of the lease term. Prior to the machinery-of-government transfer on 1 January 2024, the department had established make good provisions in respect of these leases.

Transfer duty

Prior to the machinery-of-government transfer on 1 January 2024, a provision was recognised for transfer duty in relation to the Queen's Wharf Precinct Integrated Resort Development (IRD) agreement. Duty will be payable to Queensland Treasury when the IRD long term lease is issued.

3.12. Unearned revenue

	2024 \$'000	2023 \$'000
Current		
Finance lease revenue	-	1,322
Other	-	16,204
Total	<u>-</u>	<u>17,526</u>
Non-current		
Finance lease revenue	-	22,484
Total	<u>-</u>	<u>22,484</u>

3.13. Other liabilities

	2024 \$'000	2023 \$'000
Current		
Contract liabilities	10,977	37,280
Current tax liability	5,161	4,821
Other	-	5,683
Total	<u>16,138</u>	<u>47,784</u>
Non-current		
Contract liabilities	-	870
Deferred tax liability	16,336	18,462
Other	-	345
Total	<u>16,336</u>	<u>19,677</u>



3.13. Other liabilities (continued)

Contract liabilities

Contracts with customers are generally for periods of one year or less or are billed based on time elapsed. The balance of contract liabilities at the end of the financial year is generally recognised as revenue in the following year.

The department has applied the practical expedient in AASB 15 *Revenue from Contracts with Customers*, relating to transaction prices allocated to unsatisfied or partially satisfied performance obligations at the end of the reporting period.

Unearned revenue that does not arise from contracts with customers is included in Note 3.12.

3.14. Liquidity risk

The department is exposed to liquidity risk in respect of its payables, Queensland Treasury Corporation (QTC) borrowings, and lease liabilities (prior to the machinery-of-government transfer on 1 January 2024). The department reduces the exposure to liquidity risk by ensuring it has sufficient funds available to meet these obligations as they fall due.

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows will differ from the amortised cost (carrying amount) where this is based on principal loan amount outstanding or discounted cash flows.

QTC borrowings in respect of the motor vehicle fleet are interest only with no fixed repayment date for the principal component. For the purposes of completing the maturity analysis, the principal component of these loans has been included in the more than five year time band with no interest payment assumed in this time band.

2024	Amortised Cost \$'000	Undiscounted cash flows			Total \$'000
		Contractual maturity payable in			
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
Financial liabilities					
Lease liabilities	-	-	-	-	-
QTC borrowings	206,512	7,850	31,426	206,512	245,788
Payables	50,988	50,988	-	-	50,988
Total	257,500	58,838	31,426	206,512	296,776

2023	Amortised Cost \$'000	Undiscounted cash flows			Total \$'000
		Contractual maturity payable in			
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
Financial liabilities					
Lease liabilities	1,823,244	430,481	1,165,866	375,528	1,971,875
QTC borrowings	196,512	4,156	16,625	196,512	217,293
Payables	257,192	257,192	-	-	257,192
Total	2,276,948	691,829	1,182,491	572,040	2,446,360



3.15. Contributed equity

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* specifies the principles for recognising contributed equity by the department. The following items are recognised as contributed equity during the reporting and are disclosed in the Statement of Changes in Equity:

- appropriations for equity adjustments (refer to Note 3.16)
- non-appropriated equity adjustments
- non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities. e.g. as a result of machinery-of-government changes (refer to Note 1.8).

3.16. Appropriations recognised in equity

Reconciliation of payments from consolidated fund to equity adjustment	2024	2023
	\$'000	\$'000
Original budgeted equity adjustment appropriation	79,172	111,654
Supplementary amounts		
Transfers from/to other departments - redistribution of public business	(42,944)	-
Transfers from/to other headings	314	(53,578)
Equity adjustment receipts (payments)	36,542	58,076
Plus: Opening balance of equity adjustment payable	21,632	14,023
Less: Closing balance of equity adjustment payable	(18,576)	(21,632)
Equity adjustment recognised in contributed equity	39,598	50,467
Variance between original budgeted and actual equity adjustment appropriation	(39,574)	(61,187)



4. Budgetary reporting disclosures

This section details the major variances between the department's actual 2023-24 financial results and the adjusted budget.

Statement of Comprehensive Income	Variance notes	Adjusted budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Income				
User charges and fees		1,145,782	1,163,231	17,449
Appropriation revenue	1	242,878	307,946	65,068
Grants and other contributions		53,023	54,826	1,803
Other revenue		24,832	26,876	2,044
Total revenue		1,466,515	1,552,879	86,364
Gains on disposal / remeasurement of assets		1,740	1,831	91
Total income		1,468,255	1,554,710	86,455
Expenses				
Supplies and services		761,770	739,118	(22,652)
Depreciation and amortisation		305,776	306,582	806
Employee expenses		214,143	214,899	756
Finance/borrowing costs		29,679	30,435	756
Grants and subsidies	2	115,767	200,061	84,294
Other expenses		12,431	14,821	2,390
Total expenses		1,439,566	1,505,916	66,350
Operating result before income tax		28,689	48,794	20,105
Income tax equivalent expense		7,257	13,490	6,233
Operating result after income tax		21,432	35,304	13,872
Other comprehensive income				
Items that will not be reclassified to operating result				
Increase/(decrease) in asset revaluation surplus		-	1,838	1,838
Total other comprehensive income		-	1,838	1,838
Total comprehensive income		21,432	37,142	15,710

The accompanying notes form part of these financial statements

4. Budgetary reporting disclosures (continued)

Statement of Financial Position	Variance notes	Adjusted budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Current assets				
Cash and cash equivalents	3	64,216	(36,149)	(100,365)
Receivables	4	18,691	79,438	60,747
Other current assets		16,349	17,654	1,305
		99,256	60,943	(38,313)
Non-current assets classified as held for sale		-	-	-
Total current assets		99,256	60,943	(38,313)
Non-current assets				
Property, plant and equipment	5	255,126	362,150	107,024
Other non-current assets		6	300	294
Total non-current assets		255,132	362,450	107,318
Total assets		354,388	423,393	69,005
Current liabilities				
Payables	6	18,100	50,988	32,888
Borrowings	7	-	17,598	17,598
Accrued employee benefits		2,386	2,939	553
Provisions		773	183	(590)
Other current liabilities		2,403	16,138	13,735
Total current liabilities		23,662	87,846	64,184
Non-current liabilities				
Borrowings		206,512	206,512	-
Provisions		240	-	(240)
Other non-current liabilities		20,065	16,336	(3,729)
Total non-current liabilities		226,817	222,848	(3,969)
Total Liabilities		250,479	310,694	60,215
Net assets / Total equity		103,909	112,699	8,790

The accompanying notes form part of these financial statements

Department of Energy and Climate
Notes to the financial statements 2023-24

4. Budgetary reporting disclosures (continued)

Statement of cashflows	Variance notes	Adjusted budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Cashflow from operating activities				
<i>Inflows:</i>				
User charges and fees		1,175,648	1,090,405	(85,243)
Service appropriation receipts	8	207,817	181,411	(26,406)
GST collected from customers		112,219	80,991	(31,228)
GST input tax credits received from Australian Taxation Office		68,083	64,972	(3,111)
Grants and other contributions		41,987	19,868	(22,119)
Other		4,616	27,118	22,502
<i>Outflows:</i>				
Supplies and services		(959,991)	(906,960)	53,031
Employee expenses		(218,246)	(225,250)	(7,004)
GST paid to suppliers		(100,734)	(117,142)	(16,408)
GST remitted to Australian Taxation Office		(79,946)	(49,668)	30,278
Finance/borrowing costs		(29,433)	(30,133)	(700)
Grants and subsidies	9	(116,002)	(198,090)	(82,088)
Taxation equivalents		(8,711)	(9,972)	(1,261)
Other		(14,763)	(6,266)	8,497
Net cash provided by (used in) operating activities		82,544	(78,716)	(161,260)
Cashflows from investing activities				
<i>Inflows:</i>				
Sales of property, plant and equipment		3,793	2,546	(1,247)
<i>Outflows:</i>				
Payments for property, plant and equipment		(88,760)	(87,415)	1,345
Net cash provided by (used in) investing activities		(84,967)	(84,869)	98
Cashflows from financing activities				
<i>Inflows:</i>				
Proceeds from borrowings		10,000	27,598	17,598
Equity injections		294,733	294,954	221
<i>Outflows:</i>				
Equity withdrawals		(266,055)	(265,962)	93
Payment of lease liabilities		(207,014)	(207,014)	-
Dividends paid		(4,818)	(5,937)	(1,119)
Net cash provided by (used in) financing activities		(173,154)	(156,361)	16,793
Net increase (decrease) in cash and cash equivalents		(175,577)	(319,946)	(144,369)
Increase (decrease) in cash and cash equivalents from machinery-of-government changes (Note 1.8)		(46,601)	(118,533)	(71,932)
Cash and cash equivalents – opening balance		286,394	402,330	115,936
Cash and cash equivalents – closing balance		64,216	(36,149)	(100,365)

The accompanying notes form part of these financial statements



4. Budgetary reporting disclosures (continued)

Explanations of major variances

On 18 December 2023, certain responsibilities were transferred as a result of machinery-of-government. Details of the transfer are outlined in Note 1.8. As required by Queensland Treasury policy under such circumstances, the budget figures used in this comparison represent the Adjusted Budget figures for the financial year, as published in the latest Service Delivery Statement tabled in Parliament. The original budget figures in the previous Service Delivery Statement no longer serve as a useful basis to compare to the department's actual results.

Major variances have been assessed as meeting both of the following criteria:

- The line item within the Statement of Comprehensive Income or the Statement of Financial Position is material (greater than 10%) compared to total income, total expenses, total assets (less property, plant and equipment) or total liabilities (less lease liabilities), as applicable. The line item within the Statement of Cash Flows is material (greater than 10%) compared to total inflows or total outflows (as applicable) for the relevant cash flow category (i.e. operating/investing/financing).
- The variance between the actual amount and the budget is greater than 10% except for payments for property plant and equipment (Statement of Cash Flows) and employee expenses and supplies and services (Statement of Comprehensive Income) where 5% is used.

Statement of Comprehensive Income

1. Appropriation Revenue

The variance of \$65.068 million is mainly due to the clawback of funding from future years as a result of an acceleration in the Regional Economic Futures Fund (REFF) program (\$76.095 million) and also the Household Energy Initiatives program (\$13.278 million). This is partially offset by reductions in various other programs including the Business Energy Saving and Transformation Program (\$8.727 million) and the Hydrogen Hubs Initiative (\$5.997 million).

2. Grants and subsidies

The variance of \$84.294 million is mainly due to the clawback of funding from future years as a result of an acceleration in the Regional Economic Futures Fund (REFF) program (\$76.095 million) and also the Household Energy Initiatives program (\$13.278 million).

Statement of Financial Position

3. Cash

The variance of \$100.365 million is mainly due to the combination of:

a. The timing of delivery of the Regional Economic Futures Fund (REFF) program which was originally budgeted to be paid in future years. The funding to offset this accelerated expenditure payment (\$76.095 million) will be received in 2024-25. This is partly offset by the net deferral appropriation payable from 2023-24 to 2024-25 and 2025-26 (\$38.496 million); and

b. QFleet extra motor vehicle purchases (\$67.2 million).

4. Receivables

The variance of \$60.747 million is mainly due to the combination of:

a. timing of delivery of the Regional Economic Futures Fund (REFF) program originally budgeted to be paid in future years. (\$76.095 million). This is partly offset by the net deferral appropriation payable from 2023-24 to 2024-25 and 2025-26 (\$38.496 million); and

b. QFleet savings target recovery (\$5.654 million), DEC corporate and IT related support and network recoveries (\$18.181 million).



4. Budgetary reporting disclosures (continued)

5. Plant and equipment

The variance of \$107.024 million is mainly due to a higher number of motor vehicles being delivered during the year than expected (3,648 actual v 2,483 budget), and also an average purchase price increase from the motor vehicle suppliers of 17%.

6. Payables

The variance of \$32.888 million is mainly due to an increase in capital creditors of \$21 million, an increase in QFleet trade creditors \$7.9 million, and an increase in dividend payable by QFleet of \$6.7 million.

7. Borrowings

The variance of \$17.598 million is due to short term borrowings being used to finance motor vehicle purchases.

Statement of Cash flows

8. Service appropriation receipts

The variance of \$26.406 million is mainly due to increased funding for operations \$9.9 million and various energy projects (i.e. Household energy initiatives \$15.9 million and Copperstring 2.0 \$3.1 million) offset by deferred appropriation payable of \$53.3 million.

9. Grants and subsidies

The variance of \$82.088 million is mainly due to the clawback of funding from future years as a result of the acceleration in the Regional Economic Futures Fund (REFF) program (\$76.095 million).



5. OTHER INFORMATION

5.1. Key management personnel disclosures

(a) Details of key management personnel (KMP)

The department's responsible Minister, the Minister for Energy and Clean Economy Jobs, is identified as part of the department's key management personnel, consistent with guidance included in AASB 124 *Related Party Disclosures*.

The following details for non-ministerial KMP reflect those positions that had authority and responsibility for planning, directing and controlling the activities of the department. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management. There were no material related party transactions with KMP other than what is reported in this KMP note.

Position	Position responsibility
Director-General	Provides executive leadership, overall strategic direction and the financial administration of the department.
Deputy Director-General, Energy	Provides strategic leadership and direction to ensure the delivery of safe, secure, affordable, and sustainable energy supply across Queensland. This includes contributing to the transition to a lower carbon energy sector in a way that maintains affordability and reliability and ensures the State harnesses economic opportunities from this transition. The role provides advice and direction in executing energy policy will establish long-term energy strategies to address cost-of-living pressures, the development of the renewables industry and sustainability of the sector.
Deputy Director-General, Hydrogen and Future Fuels	Provides strategic leadership for implementing the Hydrogen and Sustainable Fuel actions included in the Queensland Energy and Jobs Plan, working with partner agencies, government owned energy entities and other industry partners to facilitate the growth of the hydrogen sector and increased use of hydrogen, sustainable fuels and other new energy sources. The role is responsible for ensuring the State harnesses the economic development opportunities flowing from hydrogen and sustainable fuels through high-level strategic leadership to foster the uptake of Queensland's technologies and capabilities.
Deputy Director-General, Procurement	Provides strategic leadership to support the delivery of whole of government procurement strategies, to ensure that government purchasing contributes to the Queensland economy and jobs. The role is responsible for providing strategic leadership across the public sector in the management and delivery of an agency-led, centrally enabled procurement model that drives innovation and best practice while facilitating a consistent approach to procurement.
Deputy Director-General, Corporate Services	Provides strategic leadership, governance and delivery of the department's corporate services to assist the Director-General to deliver high quality outcomes for Government. The role is responsible for ensuring high-quality outcomes across the entire portfolio, with a focus on strategic high-value interventions and improving the capability, compliance and performance across the department.
Deputy Director-General, Climate	Provides strategic leadership to stand up a new Climate division in the DEC and development a new Climate work program supporting the new 2035 emission reduction target, which includes determining the best pathway to the target and for engagement with community, industry and the Commonwealth Government, as well as continuing the broader climate work program. The role is responsible for the development and implementation of policy and programs in relation to climate action, including ensuring that Queensland's communities and industry is preparing for the risks of climate change.



5.1. Key management personnel disclosures (continued)

Functions transferred out of the department from 1 January 2024*

Position	Position responsibility
Deputy Director-General, Public Works	Provides strategic leadership to deliver high quality outcomes under the department's capital works and building asset management programs, accommodation and employee housing programs and disaster management coordination efforts. The role is critical in developing building policy and maintaining effective partnerships and relationships with key stakeholders and clients including interface with the building industry.
Assistant Director-General, QBuild	Provides strategic leadership to QBuild, including the comprehensive range of asset management, maintenance, construction, consultancy, and building services that it provides. The role provides strategic direction to and is accountable for the effective governance of, operational and strategic areas of the business unit to ensure continued commercial viability and the achievement of government and business objectives.
Assistant Director-General, Building Policy	Responsible for leading, managing and coordinating all building-related policy areas for Government, by ensuring close working relationships between individual policy groups resulting in efficient and effective policies for all building related functions. The position is also accountable for the provision of expert policy advice and implementation of building legislation and policy.
Assistant Director-General, Portfolio Integration	Provides strategic leadership to ensure the delivery of high-quality outcomes across the entire portfolio, with a focus on strategic high-value interventions and on improving the capability of the department.

*Refer to Note 1.8.

(b) Remuneration policies

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

Remuneration policy for the department's other KMP is set by the *Queensland Public Sector Commission* as provided for under the *Public Sector Act 2022*. Individual remuneration and other terms of employment (including motor vehicle entitlements) are specified in employment contracts.

Remuneration expenses for those KMP comprise the following components:

Short-term employee expenses include:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee was a KMP.
- non-monetary benefits - consisting of provision of vehicle and car parking, together with fringe benefits tax applicable to the benefit.

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

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

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.

No remuneration packages for key management personnel provide for any performance or bonus payments.



5.1. Key management personnel disclosures (continued)

(c) Remuneration expenses

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

1 July 2023 – 30 June 2024

Position	Short-term employee expenses		Long-term employee expenses \$'000	Post-employment expenses \$'000	Total expenses \$'000
	Monetary expenses \$'000	Non-monetary benefits \$'000			
	Director-General	457			
Deputy Director-General, Public Works ⁽¹⁾	159	6	4	21	190
Deputy Director-General, Energy	252	12	7	36	307
Assistant Director-General, QBuild ⁽¹⁾	158	6	3	20	187
Assistant Director-General, Building Policy ⁽¹⁾	132	6	3	20	161
Deputy Director-General, Procurement (to 28/03/2024)	216	9	5	29	259
Deputy Director-General, Procurement (Acting) (from 29/03/2024)	61	3	1	7	72
Deputy Director-General, Corporate Services	277	13	7	40	337
Deputy Director-General, Hydrogen and Future Fuels (to 03/11/2023)	80	4	2	15	101
Deputy Director-General, Hydrogen and Future Fuels (Acting) (from 04/11/2023 to 04/02/2024)	65	3	2	7	77
Deputy Director-General, Hydrogen and Future Fuels (from 05/02/2024)	106	5	3	12	126
Deputy Director-General, Climate (from 21/02/2024)	99	4	2	12	117
Assistant Director-General, Portfolio Integration ⁽¹⁾	115	6	3	16	140

⁽¹⁾ These positions transferred to the Department of Housing, Local Government, Planning and Public Works from 1 January 2024.



5.1. Key management personnel disclosures (continued)

(a) Remuneration expenses

1 July 2022 – 30 June 2023

Position	Short-term employee expenses		Long-term employee expenses \$'000	Post-employment expenses \$'000	Total expenses \$'000
	Monetary expenses \$'000	Non-monetary benefits \$'000			
	Director-General	447			
Deputy Director-General, Public Works	302	12	8	35	356
Deputy Director-General, Energy	234	11	6	26	277
Assistant Director-General, QBuild	236	12	6	25	278
Assistant Director-General, Building Policy	237	11	6	26	280
Deputy Director-General, Procurement	243	11	6	26	286
Deputy Director-General, Corporate and Portfolio Strategy	267	12	7	30	315
Deputy Director-General, Hydrogen	239	11	6	26	282
Assistant Director-General, Portfolio Integration	257	12	6	26	301



5.2. Related party entity transactions

The Department of Energy and Climate is controlled by the State of Queensland which is the ultimate parent and therefore a related party. Other Queensland public sector entities, over which the State has control, joint control or significant influence are also related parties of the Department of Energy and Climate. Transactions with related party entities that are individually or collectively significant are reported below. Transactions with key management personnel (who are all related parties) are reported in Note 5.1.

The department's principal activities described in Note 1.3 include major activities involving other Queensland Government entities such as energy delivery, motor vehicle fleet management and climate policy (and prior to 1 January 2024, construction and maintenance programs, office accommodation and government employee housing). The line items below are predominately comprised of related party transactions associated with these activities:

- Revenue from contracts with customers (excluding vehicle sales) (refer to Note 2.1)
- Trade debtors (contracts with customers) (refer to Note 3.3)

Other significant related party transactions/balances are identified below:

- Appropriation funding from government. (Refer to Notes 2.2, 3.16 and 5.5.1 (a))
- Corporate charges received from various departments for information, communication and technology, and other services. (Refer to Note 2.1)
- Resilient Home Funds from Queensland Reconstruction Authority. (Refer to Note 2.3)
- Battery Booster, Climate Smart Energy Savers Rebate and Resilient Home Funds payment to Queensland Rural and Industry Development Authority and Regional Economy Future Funds payment to Department of Employment, Small Business and Training (Refer to Note 2.8)
- Queensland Treasury Corporation borrowings. (Refer to Note 3.8)
- QFleet Income Tax liabilities payable to Queensland Treasury (Refer to Note 5.4)
- Administered community service obligation payments. (Refer to Note 5.5.1 (b))
- Administered QBCC supplementation funding 2023-24 payment.

5.3. Commitments for expenditure

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

	Not later than one year \$'000	Later than one year and not later than five years \$'000	Total \$'000
2024			
Property, plant and equipment	115,874	-	115,874
2023			
Property, plant and equipment	280,233	8,300	288,533



5.4. Taxation

The department 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, Luxury Car Tax (in respect of certain fleet vehicles) and Goods and Services Tax (GST).

Effective from 1 January 2024, QBuild was transferred to the Department of Housing, Local Government, Planning and Public Works as part of the machinery-of-government changes outlined in Note 1.8. QBuild, is a member of the same GST group as the Housing entity from the Department of Housing, Local Government, Planning and Public Works. Transactions between the GST group members are out of scope for GST. Under GST grouping arrangements, the ATO recognises the Housing GST entity as the nominated representative of the combined GST group. The net amount of GST recoverable or payable by QBuild to the ATO was included in trade debtors or trade creditors and represented the amount receivable or payable from the Housing GST entity.

Agreements have been reached with Queensland Treasury for the commercialised business unit of the department to pay an income tax equivalent, in accordance with the requirements of the National Tax Equivalents Regime. Where a commercialised business unit is subject to the tax equivalents regime, the income tax equivalent expense is calculated based on the Statement of Financial Position approach under which temporary differences are identified for each asset and liability. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is recognised as a tax asset or a tax liability. Tax assets are not brought to account unless realisation of the asset is probable. Tax assets relating to commercialised business units with tax losses are only brought to account to the extent that future profits are probable. Recovery of deferred tax assets is primarily based on projected operational results outlined in three year forecasting budgets provided to Queensland Treasury.

5.5. Administered activities

The department administers, but does not control, certain resources on behalf of the Queensland Government. In doing so, it has responsibility and is accountable for administering related transactions and balances but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as administered appropriation revenue or equity injections.

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items unless otherwise stated.

No financial assets and financial liabilities have been offset and presented net in the Statement of financial position.



5.5. Administered activities (continued)

5.5.1. Schedule of administered income and expenses

	Note	Grow Qld's energy sector		Building & government accommodation services		Total	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Administered income							
Appropriation revenue*	5.5.1.(a)	639,589	697,989	65,074	63,083	704,663	761,072
User charges and fees		340	480	21	49	361	529
Other revenue	5.5.1.(c)	-	52,940	-	-	-	52,940
Total administered income		639,929	751,409	65,095	63,132	705,024	814,541
Administered expenses							
Grants and subsidies	5.5.1.(b)	639,037	696,689	-	8,311	639,037	705,000
Supplies and services		538	3	65,074	55,473	65,612	55,476
Transfers of administered income to government**		340	479	21	48	361	527
Other expenses	5.5.1.(c)	23,431	27,548	-	-	23,431	27,548
Total administered expenses		663,346	724,719	65,095	63,832	728,441	788,551
Operating result		(23,417)	26,690	-	(700)	(23,417)	25,990

There were no administered transactions during the financial year for Procurement policy & enabling services, QBuild or QFleet.

* This appropriation revenue is provided in cash via Queensland Treasury and funds activities / expenses that the department administers on behalf of the government.

** The department periodically transfers to Queensland Government the amount of all cash collected in respect of administered revenue itemised under "administered income" (excluding appropriation revenue).

5.5. Administered activities (continued)

5.5.1. Schedule of administered income and expenses (continued)

(a) Reconciliation of payments from consolidated fund to administered appropriation revenue

	2024	2023
	\$'000	\$'000
Budgeted appropriation revenue	640,441	667,960
Transfers from/to other departments - redistribution of public business	(1,517)	-
Transfers from/to other headings	55,851	-
Unforeseen expenditure	25,000	54,638
Total administered appropriation receipts (cash)	719,775	722,598
Less: Opening balance of administered appropriation revenue receivable	(41,858)	(3,384)
Plus: Closing balance of administered appropriation revenue receivable	26,746	41,858
Administered appropriation revenue recognised in Note 5.5.1.	704,663	761,072

(b) Grants and subsidies

	2024	2023
	\$'000	\$'000
Community service obligations and grants for energy	639,037	704,299
Other	-	701
Total	639,037	705,000

Major administered expenses include community service obligation (CSO) payments made on behalf of the Queensland Government to energy retailers Energy Queensland and Origin. The most significant CSO payment relates to the Uniform Tariff Policy supporting regional Queensland.

(c) Movement in fair value of financial instruments (gains)/losses

	2024	2023
	\$'000	\$'000
Other Revenue (Gain)	-	(52,940)
Other Expenses (Loss)	23,431	27,548
Total	23,431	(25,392)

*Refer to Note 5.5.2.(b) for further information.

5.5. Administered activities (continued)

5.5.2. Schedule of administered assets and liabilities

	Note	Grow Qld's energy sector		Building & government accommodation services		Total	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Administered assets							
Current assets							
Cash and cash equivalents		630,418	70,352	-	6,111	630,418	76,463
Receivables		33,093	70,380	-	4,067	33,093	74,447
Total current assets		663,511	140,732	-	10,178	663,511	150,910
Total assets		663,511	140,732	-	10,178	663,511	150,910
Administered liabilities							
Current liabilities							
Payables	5.5.2.(a)	57,210	144,733	-	6,178	57,210	150,911
Total current liabilities		57,210	144,733	-	6,178	57,210	150,911
Non-current Liabilities							
Derivatives	5.5.2.(b)	63,940	40,522	-	-	63,940	40,522
Total non-current liabilities		63,940	40,522	-	-	63,940	40,522
Total liabilities		121,150	185,255	-	6,178	121,150	191,433
Net administered assets		542,361	(44,523)	-	4,000	542,361	(40,523)

There were no administered balances at the end of the financial year for Procurement policy & enabling services and QFleet.

During the financial year, a total of \$2.031 billion (2023: \$313.182 million) has been received from Queensland Treasury as administered equity injections with \$1.425 billion (2023: \$313.271 million) of these funds paid as equity withdrawals to mainly state government owned corporations for various renewable energy projects.



5.5. Administered activities (continued)

5.5.2. Schedule of administered assets and liabilities (continued)

(a) Payables

	2024	2023
	\$'000	\$'000
Community service obligations and grants payable	57,143	124,109
Transfer of administered item revenue to government payable	4	7
Trade creditors	-	26,795
Other	63	-
Total	57,210	150,911

(b) Derivatives

	2024	2023
	\$'000	\$'000
Commodity and electricity derivative instruments at fair value	63,940	40,522

The department is responsible for administering the State's entitlement and obligations for commodity and electricity price hedge instruments related to renewable solar energy investment projects.

Embedded derivatives are not separated from the host commodity contracts and accounted for separately. These are hybrid contracts with bundled price hedge arrangements classified as financial instruments measured at fair value through the Statement of comprehensive income.

Financial instruments are initially recognised at fair value on execution of the contracts and subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is classified as held for trading or is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivative financial instruments spanning both current and non-current periods are split into their current and non-current components prior to valuation. The fair value of these components is then classified as current when the maturity profile is less than 12 months and classified as a non-current when the maturity profile is greater than 12 months.

Change in fair value recognised in the schedule of administered income and expenses

Gains and losses from remeasuring the fair value of commodity and electricity derivatives that are not designated as hedging instruments and are classified as financial instruments at fair value are recognised in the Schedule of administered income and expenses (refer to Note 5.5.1.(c)).

Level 3 fair value measurement - significant valuation inputs and impacts

Derivative financial liabilities are categorised within level 3 of the fair value hierarchy. There were no transfers of liabilities between fair value hierarchy levels during the period.

Structured commodity and derivative contracts are negotiated directly with counterparties with no observable market prices for component instruments.

The valuation technique used to estimate the fair value commodity and energy contracts takes into account all relevant variables including forecast commodity and electricity prices, physical generation plant variables, transmission losses, energy policy considerations, the risk free discount rate and related credit adjustments.

To the maximum extent possible, valuations are based on assumptions which are supported by independent or observable market data. Where valuation models are used, instruments are discounted at the market interest rate applicable to the instrument.



5.5. Administered activities (continued)

5.5.2. Schedule of administered assets and liabilities (continued)

(b) Derivatives (continued)

The following is a summary of the main inputs and assumptions used by the department in measuring the fair value of level three financial instruments:

- Forward commodity and electricity prices include both observable external market data and independently sourced forecast data. The derived forecast spot pool prices and renewable energy and related certificate prices are applied, as market prices are not observable for long term contracts.
- Forecast generation volumes for derivatives related to renewable generation are independently derived using market modelling assumptions over the life of the instrument.
- Transmission loss factors are based on observable external market data and internally derived assumptions.
- Commonwealth and State schemes for renewable energy and greenhouse gas abatement will affect future alternate tradeable environmental certificates and their value to the State in offsetting cash outflows under the financial instruments.
- Discount rates are based on observable market rates for risk free instruments of the appropriate term.
- Credit adjustments are applied depending on the asset/liability position of a financial instrument to reflect the risk of default by either the State or a specific counterparty.

The use of different methodologies and assumptions could lead to different measurements of fair value for level 3 instruments.

Market risk (Commodity price risk)

The department is exposed to electricity price movements in the National Electricity Market and environmental certificate price movements that affect the fair value and cash flows of the financial instruments. The department has an agency arrangement in place, until 31 December 2030, to manage its entitlements and obligations under the commodity and derivative contracts. The department measures this risk exposure using sensitivity analysis.

The following commentary and table summarise the sensitivity of the department's derivative financial instruments to commodity and electricity price risk. Analysis is performed using similar information to that which would be provided to management and reflects the impact on the department's financial position should certain price movements occur.

The sensitivity in the mark-to-market of the commodity and electricity derivatives is calculated as at balance date. The analysis assumes simultaneous and standardised upward and downward movements of commodity and electricity prices of 10%, which reflects the market sensitivity of contracts held by the department at balance date.

Market risk sensitivity analysis

	10% price increase		10% price decrease	
	Effect on operating result	Effect on equity	Effect on operating result	Effect on equity
Commodity and electricity price risk	\$'000	\$'000	\$'000	\$'000
2024	3,040	-	(3,192)	-
2023	5,379	-	(6,857)	-



5.5. Administered activities (continued)

5.5.2. Schedule of administered assets and liabilities (continued)

(b) Derivatives (continued)

Liquidity risk

The following table details the department's remaining contractual maturity for its derivative financial instrument liabilities. It is based on the undiscounted cash flows of financial liabilities at the earliest date on which the financial liabilities are required to be paid. It includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the schedule of administered assets and liabilities.

Derivatives	Undiscounted cash flows		
	Contractual maturity payable in		
	1-5 years	>5 years	Total
	\$'000	\$'000	\$'000
2024	-	96,211	96,211
2023	-	58,892	58,892

(c) Undrawn facilities

The department has the following overdraft facilities in relation to its Administered accounts. These facilities were undrawn as at 30 June and are available for future use.

	2024	2023
	\$'000	\$'000
Commonwealth Bank	10,000	10,000



5.5. Administered activities (continued)

5.5.3. Budget to actual comparison

	Variance notes	Adjusted Budget 2024 \$'000	Actual 2024 \$'000	Variance 2024 \$'000
Income and expenses				
Revenue				
Appropriation revenue	1	638,857	704,663	65,806
User charges and fees		309	361	52
Total revenue		639,166	705,024	65,858
Expenses				
Grants and subsidies		598,396	639,037	40,641
Supplies and services		40,461	65,612	25,151
Transfer of administered revenue to government		309	361	52
Other expenses		-	23,431	23,431
Total expenses		639,166	728,411	89,275
Operating result		-	(23,417)	(23,417)
Receivables and payables				
Current assets				
Cash	2	44,361	630,418	586,057
Receivables		6,282	33,093	26,811
Total current assets		50,643	663,511	612,868
Current liabilities				
Payables		50,563	57,210	6,647
Non-current liabilities				
Derivatives	3	93,462	63,940	(29,522)
Net Assets		(93,382)	542,361	635,743



5.5. Administered activities (continued)

5.5.3. Budget to actual comparison (continued)

Explanations of major variances

On 18 December 2023, certain responsibilities were transferred as a result of machinery-of-government. Details of the transfer are outlined in Note 1.8. As required by Queensland Treasury policy under such circumstances, the budget figures used in this comparison represent the Adjusted Budget figures for the financial year, as published in the latest Service Delivery Statement tabled in Parliament. The original budget figures in the previous Service Delivery Statement no longer serve as a useful basis to compare to the department's actual results.

1. Appropriation Revenue

The variance of \$65.806 million is mainly due to the QBCC supplementation for ongoing delivery of Queensland Building Plan reforms (\$25 million) and additional Energy Queensland Community Service Obligation payments required (\$79.013 million) which was partially offset by the clawback of funding from 2024-25 into 2023-24 for a payment to Powerlink to progress the Copperstring 2032 transmission connection (\$41.4 million).

2. Cash

The variance of \$586.057 million is mainly due to the timing of capital funding received for the Boulder Creek Wind Farm (\$239.2 million), Brigalow Gas Peaker (\$124.1 million), Central Renewable Energy Zone Battery (\$64.3 million) and Transmission and Training Hubs (\$26.5 million).

3. Derivatives

The variance of \$29.522 million is the movement in the fair value of the State's obligations in relation to commodity and electricity price hedge instruments for renewable solar energy investment projects.



5.6. Agency transactions and balances

As the department performs only a custodial role in respect of agency transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for the information of users.

(a) QBuild

QBuild acts as an agent on behalf of other Queensland Government agencies in relation to the procurement and project management for large capital works projects. Fees received for the provision of these services are included in Note 2.1 User charges and fees. Effective from 1 January 2024, QBuild was transferred to the Department of Housing, Local Government, Planning and Public Works as part of the machinery-of-government changes outlined in Note 1.8.

	2024 \$'000	2023 \$'000
Agency revenues		
Receipts for goods and services	478,798	683,181
Agency expenses		
Payments for supplies and services	478,798	683,181
Agency current assets		
Receivables	-	104,070
Agency current liabilities		
Bank overdraft	-	53,938
Payables	-	48,444
Other	-	1,688
Total liabilities	-	104,070

(b) Major Projects Delivery

Major Projects Delivery acts as an agent on behalf of other Queensland Government agencies and non-government entities to project manage major capital works projects. Fees received for the provision of these services are included in Note 2.1 User charges and fees. Effective from 1 January 2024, QBuild was transferred to the Department of Housing, Local Government, Planning and Public Works as part of the machinery-of-government changes outlined in Note 1.8.

	2024 \$'000	2023 \$'000
Agency revenues		
Receipts for goods and services	94,658	267,163
Agency expenses		
Payments for supplies and services	94,658	267,163
Agency current assets		
Receivables	-	38,256
Agency current liabilities		
Payables	-	38,256



5.6. Agency transactions and balances (continued)

(c) Public Works

The department acts as an agent, processing transactions on behalf of the Department of Housing, Local Government, Planning and Public Works, following machinery-of-government changes outlined in Note 1.8.

	2024	2023
	\$'000	\$'000
Controlled		
Agency revenues		
Receipts for goods and services	481,885	-
Agency expenses		
Payments for supplies and services	462,294	-
Agency net assets movement	159,699	-
Administered		
Agency revenues		
Receipts for goods and services	17,107	-
Agency expenses		
Payments for supplies and services	17,107	-
Agency net assets movement	-	-

5.7. Climate risk disclosure

The department considers climate related risks when assessing material accounting judgements and estimates used in preparing its financial report. Key estimates and judgements identified include the potential for changes in asset useful lives, changes in the fair value of assets, impairment of assets, and the recognition of provisions or the possibility of contingent liabilities.

No adjustments to the carrying value of assets were recognised during the financial year as a result of climate related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate related risks impacting the department.

The department continues to monitor the emergence of material climate related risks that may impact the financial statements of the department, including those arising under the Queensland Government's Queensland 2035 Clean Economy Pathway, and other Queensland Government climate-related policies or directives.

5.8. Events occurring after the reporting date

No events have occurred after the reporting date that require additional disclosures or adjustments to these financial statements.



Department of Energy and Climate

Management Certificate of the Department of Energy and Climate

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

- i. the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- ii. 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 Department of Energy and Climate for the financial year ended 30 June 2024, and of the financial position of the department at the end of that year.

The Director-General, as the Accountable Officer of the department, acknowledges responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Natasha McCarthy FCPA

**Chief Finance Officer
Department of Energy and Climate**

27 August 2024



Paul Martyn PSM

**Director-General
Department of Energy and Climate**

27 August 2024



INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Energy and Climate

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Department of Energy and Climate.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental services as at 30 June 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2024, and its financial performance for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

Basis for opinion

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

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

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Classification and valuation of administered commodity and electricity derivative financial instruments (\$64 million)

Refer to Note 5.5.2 (b) in the financial report

Key audit matter	How my audit addressed this key audit matter
<p>Management has estimated the fair value of the department's commodity and electricity derivative financial instruments to be \$63.940 million liability as at 30 June 2024.</p> <p>The derivative financial instruments are valued using complex models, with the following key inputs involving significant judgement due to an absence of observable market data:</p> <ul style="list-style-type: none"> • Forecast commodity and electricity prices • Physical generation variables • Market loss factors • Energy policy considerations. 	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • obtaining an understanding of the valuation models prepared by the department to assume the liability from 1 January 2031 to the respective end dates in 2038, and assessing their design, integrity and appropriateness with reference to common industry practices • challenging management assumptions used in the valuation and assessing the reasonableness of the key inputs by comparison to independently sourced external market data, market conditions at year end, and the energy policy environment • assessing the competence, capability and objectivity of the external experts management used in estimating forecast commodity and electricity prices, and physical generation variables • for a sample of derivatives, testing the reasonableness of the valuation calculations by agreeing key terms to supporting documents (including contracts) • evaluating the appropriateness of disclosures.

Responsibilities of the accountable officer for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar6.pdf



Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

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

Prescribed requirements scope

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



Vaughan Stemmett
as delegate of the Auditor-General

30 August 2024

Queensland Audit Office
Brisbane