

ANNUAL REPORT 2016–2017



The Honourable Jackie Trad MP
Deputy Premier
Minister for Transport and Minister for Infrastructure and Planning
1 William Street
Brisbane QLD 4000

Dear Deputy Premier,

I am pleased to submit for presentation to the Parliament the Annual Report 2016-17 and financial statements for the Queensland Reconstruction Authority.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- 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 page 51 of this annual report.

Yours sincerely



R. G. Wilson
Major General (Ret'd) AO
Chair, Queensland Reconstruction Authority

Accessibility

This Annual Report provides information about the Queensland Reconstruction Authority (QRA)'s financial and non-financial performance for 2016-17. It has been prepared in accordance with the *Financial Accountability Act 2009*.

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



Interpreter Services

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on 1800 110 841 and we will arrange an interpreter to effectively communicate the report to you.

Readers are also invited to view the report at QRA's website at

www.qldreconstruction.org.au

The Queensland Reconstruction Authority Annual Report 2016-2017.

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

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Message from the Chair

I am pleased to present the Queensland Reconstruction Authority (QRA)'s Annual Report for the 2016-17 financial year.

Over the past year, Queensland again proved its reputation as a disaster-exposed state with 62 councils activated under the Natural Disaster Relief and Recovery Arrangements (NDRRA) across seven disaster events, including Severe Tropical Cyclone (STC) Debbie.

The effects of Queensland's weather events are often powerful and far reaching, and STC Debbie and its associated rainfall and flooding was no different. The cyclone crossed the coast as a category 4 cyclone in March 2017, with 36 councils requiring NDRRA assistance from Whitsunday Council to the Queensland/New South Wales border.

As the lead agency responsible for recovery, resilience and mitigation policy in Queensland, QRA worked collaboratively with the State Recovery Coordinator, and other state, federal and local stakeholders to develop the *State Recovery Plan 2017-19: Operation Queensland Recovery* (the Plan). The Plan sets the framework for the state's recovery effort and underpins the government's commitment to recover, reconnect and rebuild more resilient Queensland communities affected by STC Debbie.

Through 2016-17, QRA managed the final delivery of the \$360 million program of works from Tropical Cyclone Marcia and eight other events that occurred in the 2014-15 disaster season. This included works jointly funded by the Queensland and Australian Governments through the \$20 million 2015 Queensland Betterment Fund to build damaged infrastructure back to a more disaster-resilient standard. Many of these betterment projects, along with those previously delivered through the \$80 million 2013 Betterment Fund, withstood the impact of STC Debbie again proving the benefit of investing in building resilience.

In 2017-18 the QRA will coordinate the delivery of the \$1.8 billion program of reconstruction works, lead ongoing disaster recovery for STC Debbie and other events as they occur and, continue to develop and implement policy to build disaster resilience in Queensland.

In another major achievement of the past year, the QRA managed the state's response to the Commonwealth's review of more than \$13 billion of NDRRA claims dating back to 2008-09. These reviews, including Queensland's most recent 2015-16 claim submitted in March 2017, were finalised without issue with the Commonwealth's consultants recognising that "Queensland has implemented a strong framework to administer the Natural Disaster Relief and Recovery Arrangements". Importantly, finalisation of these claims has secured more than \$9 billion of NDRRA funding paid to the state over the past six years, including more than \$1.1 billion paid in 2016-17.

Finally, in delivering on resilience in 2016-17, the QRA worked on revising the Queensland Strategy for Disaster Resilience (the Strategy) and developed a collaborative, whole-of-community approach to deliver regional and state-wide resilience projects, including the Betterment Program, Flood Gauge Warning Network Review and Brisbane River Catchment Flood Studies.

In the next 12 months, I look forward to overseeing the QRA as it continues to assist Queensland communities be more prepared, responsive and recover quickly from disasters, and as we strive to become Australia's most disaster resilient state.

A handwritten signature in black ink, appearing to read 'Richard Wilson', with a long horizontal line extending to the right.

Major General Richard Wilson (Ret'd)
Chair

Queensland Reconstruction Authority

Message from the CEO

I am proud to lead an organisation that supports Queensland communities by ensuring the efficient and effective coordination of natural disaster resilience and reconstruction efforts across the state.

Since its establishment in 2011, QRA has continued its proactive role in internationally recognised disaster recovery operations, managing more than \$14 billion in restoration funding under the Natural Disaster Relief and Recovery Arrangements (NDRRA) and State Disaster Relief Arrangements for natural disaster events.

Over the past year, the QRA provided assistance and advice to state and local governments for seven NDRRA activated natural disaster events. Severe Tropical Cyclone (STC) Debbie was an extraordinary weather event that had wide-ranging and far reaching impacts on Queensland communities. The impact to the farming, tourism, environment and resources sectors resulted in damage estimates to public infrastructure in the order of \$1.1 billion, a \$450 million impact to agriculture and over \$150 million in losses to the tourism industry.

In the days leading up to STC Debbie crossing the coast, QRA deployed multidisciplinary teams to support communities in the cyclone's path and was ready to provide advice and help local councils fast track funding submissions as soon as practically possible. As advice and assistance was provided on the ground to disaster affected communities, we continued to work hard to progress our ongoing state-wide program of major restoration and delivery.

In the immediate aftermath of the cyclone, approximately 11,000 rapid damage assessments were completed by QRA and Queensland Fire and Emergency Services (QFES). More than 83,000 calls for State Emergency Service assistance to the Community Recovery Hotline were received, with 300 of these for Emergency Housing Assistance.

In my first year as the State Recovery Policy and Planning Coordinator (SRPPC), QRA has led the delivery of STC Debbie recovery operations and reporting and provision of resources to support recovery operations and planning in the most significantly impacted local government areas.

The *State Recovery Plan 2017-19: Operation Queensland Recovery* (the Plan) was developed collaboratively with State Recovery Coordinator Brigadier Christopher Field, along with Australian Defence Force and Queensland Fire and Emergency Services personnel. The Plan provides the framework for a community-led approach to recovery, supported by local governments and state agencies.

Following years of lobbying and negotiations by QRA, on 31 March 2017, the Australian Government committed to reimbursing local governments for the costs incurred for use of plant and equipment and day labour when delivering reconstruction works under NDRRA.

As an organisation, QRA is experienced at administering NDRRA funding and will remain focused on giving local councils the confidence they need to recover quickly after a disaster. With NDRRA funding reform planned to apply to events that occur from 1 July 2018, QRA is working with the Commonwealth, local and other state governments to test and finalise the proposed framework.

In May 2017, the most detailed and comprehensive flood study ever undertaken in Australia was released to provide a greater understanding of the Brisbane River's behaviour in the Ipswich, Brisbane, Lockyer Valley and Somerset council areas. QRA is project-managing the Brisbane River Catchment Flood Study, to improve resilience and responsiveness to a variety of rainfall events within the Brisbane River Catchment. QRA is also leading a best practice approach to the management of the Flood Warning Gauge Network in Queensland.

We will continue to assist councils with the delivery of their reconstruction programs. In addition we will continue to deliver on our vision to making Queensland the most disaster resilient state in Australia.



Brendan Moon
Chief Executive Officer
Queensland Reconstruction Authority



Overview

Vision

To build a more disaster-resilient Queensland.

Purpose

QRA was established under the Queensland *Reconstruction Authority Act 2011* (the Act) following unprecedented natural disasters that struck Queensland over the summer months of 2010-11.

A legislative amendment that came into effect on 11 June 2015 made the QRA a permanent part of the Queensland Government.

QRA is charged with managing and coordinating the Queensland Government's program of infrastructure renewal and recovery within disaster affected communities, with a focus on working with our state and local government partners to deliver best practice expenditure of public reconstruction funds.

In line with QRA's vision to build a more disaster resilient Queensland, QRA is the state's lead agency responsible for disaster recovery, resilience and mitigation policy. In this role, QRA works collaboratively with other agencies and key stakeholders to improve risk reduction and disaster preparedness.

The QRA contributes to the Queensland Government's objectives for the community – creating jobs and a diverse economy, protecting the environment and building safe, caring and connected communities by:

- administering funding under Natural Disaster Relief and Recovery Arrangements (NDRRA) and assisting local governments to achieve value for money outcomes in their reconstruction programs
- providing advice and support to local governments to build resilience into their disaster preparedness and reconstruction programs
- coordinating disaster recovery activities that help communities recover from disasters and build their resilience to future events.

Strategic objectives

The QRA's current strategic objectives are to:

- deliver value for money and ensure best practice expenditure and acquittal of public reconstruction funds
- coordinate and support the rapid recovery of disaster impacted communities in Queensland
- develop effective disaster recovery, resilience and mitigation initiatives
- drive implementation of policy to deliver more disaster-resilient communities
- build the capacity and capability of local governments and state agencies to recover sooner following natural disaster events.

Our values



Customers first



Ideas into action



Unleash potential



Be courageous



Empower people

Achievements

The following key achievements were delivered by QRA in 2016-17:

- Managed a delivery program worth approximately \$1.8 billion, comprising works from 25 events across 2015 to 2017 (to be delivered through to 30 June 2019).
- Managed the state's response to the Commonwealth Government's retrospective review of more than \$13 billion of expenditure in seven NDRRA claims dating back to 2008-09. The review was finalised by the Commonwealth in January 2017 resulting in payment of \$1 billion due to Queensland.
- Closed-out and acquitted a further \$292 million NDRRA claim to the Commonwealth Government for 2015-16, involving more than 300 submissions from 60 local governments and state agencies. The claim was reviewed and accepted by the Commonwealth without issue or adjustment, resulting in payment of a further \$125 million to Queensland during the year.
- Assisted with activation and damage assessment for seven natural disaster events that occurred in 2016-17.
- Coordinated Queensland's recovery efforts in relation to STC Debbie and contributed to the development of the *State Recovery Plan 2017-19: Operation Queensland Recovery* (the Plan) in consultation with the State Recovery Coordinator.
- Coordinated delivery of the Brisbane River Catchment Flood Study in partnership with local governments and other agencies.
- Consulted broadly to revise the Queensland Strategy for Disaster Resilience prior to development of a wide ranging implementation plan that will deliver on QRA's vision to build a more disaster resilient Queensland.

Key priorities 2017-18

- Deliver Queensland's NDRRA reconstruction works arising from disaster events in 2015, 2016 and 2017, including STC Debbie.
- Manage the close-out, acquittal and Commonwealth Government reimbursement processes related to NDRRA works completed in 2016-17 and 2017-18.
- Lead the Queensland government's response to the Commonwealth Government's national natural disaster funding reforms in consultation with key stakeholders ahead of the proposed implementation from 1 July 2018.
- Implement the newly revised Queensland Strategy for Disaster Resilience.
- Lead the ongoing development of Queensland's flood risk management policy and work with local governments to implement recommendations of the Queensland Floods Commission of Inquiry and the 2015 Flood Warning Gauge Network Review.
- Deliver additional stages of the Brisbane River Catchment Flood Study to manage the impact of future floods and improve community safety and resilience within the Brisbane River Catchment.
- Support the *State Recovery Plan 2017-19: Operation Queensland Recovery* to ensure people, communities and businesses impacted by STC Debbie receive the resources and support they need.

Queensland Flood Warning Gauge Network Review

The QRA is leading the implementation of a best practice approach to the management of the Flood Warning Gauge Network in Queensland. The review aims to ensure Queenslanders in flood-prone communities have appropriate warning of flood events. In 2016-17, Flood Gauge Network Investment Plans were developed for 37 priority local government authorities.

Brisbane River Catchment Flood Studies

The QRA is leading the delivery of the Brisbane River Catchment Flood Studies, which will provide a long-term plan to manage the impact of floods and improve community safety and resilience within the Brisbane River catchment.

The project is a partnership between the Queensland Government, Seqwater and the Brisbane City, Ipswich City, Lockyer Valley Regional and Somerset Regional Councils.

The Brisbane River Catchment Flood Study was successfully released in May 2017, and is the most comprehensive study of its kind ever undertaken in Australia.

Performance indicators and Service Standards

Performance statement

Administration of Natural Disaster Relief and Recovery Arrangements.

Service area objective

To demonstrate accountability in the use of natural disaster funding and to support the Queensland economy and jobs growth by coordinating the rapid recovery of communities following natural disasters and building their resilience to future events.

Service area description

The Queensland Reconstruction Authority:

- manages and coordinates Queensland's program of infrastructure reconstruction within disaster-impacted communities and coordinates the state's recovery, mitigation and resilience policy
- actively manages state-wide NDRRA reconstruction works, including works relating to Queensland's natural disaster events of 2015-16 and 2016-17, and publicly reports on their progress
- manages the close-out and acquittal of NDRRA expenditure to obtain an unqualified audit opinion from the Queensland Audit Office in relation to claims for Commonwealth Government reimbursement of eligible NDRRA expenditure
- coordinates development and implementation of disaster recovery, mitigation and resilience policy across Queensland
- assists with disaster recovery operations and rapid damage assessments when natural disasters occur and supports local governments with recovery processes.

Queensland Reconstruction Authority	Notes	2016-17 Target/est.	2016-17 Actual
Service area: Administration of Natural Disaster Relief and Recovery Arrangements funding			
Service standards	1	100%	100%
<i>Effectiveness measures</i>			
<i>Percentage of NDRRA reconstruction works completed within timeframes required by the Commonwealth Government within budget</i>			
Prepare and submit NDRRA claims for the relevant financial year supported by unqualified independent audit opinion in order to maximise reimbursement for the Queensland Government	2	March 2017	March 2017
<i>Efficiency measure</i>	3	0.25%	0.10%
<i>Immediate disaster recovery operating costs per dollar of new disaster event damage</i>			

Notes:

1. Deadlines for completion of works eligible for reimbursement under NDRRA are set by the Commonwealth Government.
2. An unqualified audit opinion is required in order for works to be eligible for reimbursement from the Commonwealth Government.
3. This aims to measure the efficiency of resource allocation in immediate disaster response and recovery operations.

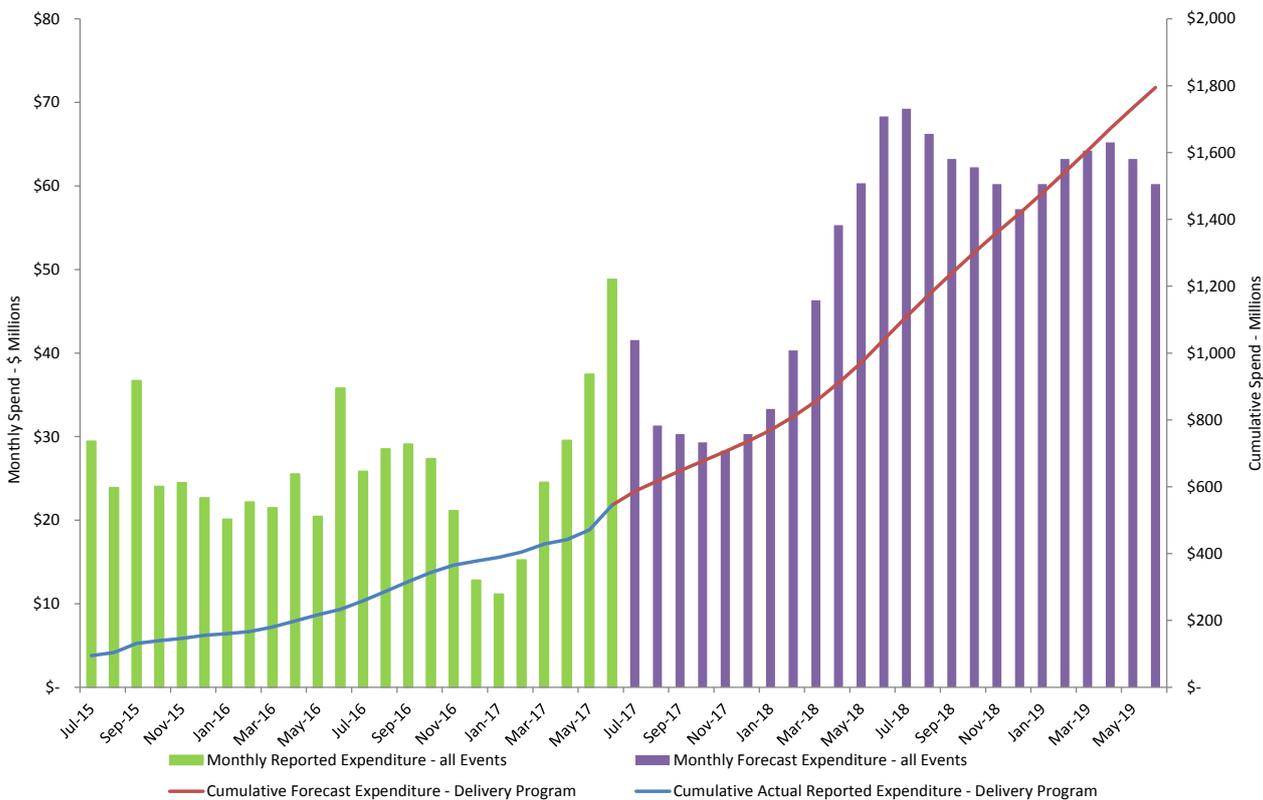
Financial performance

Financial performance

The program of works for all natural disaster events managed by QRA that occurred between 2009 and 2017 has an estimated value of \$14.4 billion. Of this, approximately \$12.7 billion has been delivered and acquitted, principally comprising works for 2009 to 2014 events.

Inclusive of preliminary damage estimates for STC Debbie, QRA is currently managing a delivery program with an estimated value of approximately \$1.8 billion, comprising works from 25 events across 2015, 2016 and 2017 to be delivered through to 30 June 2019.

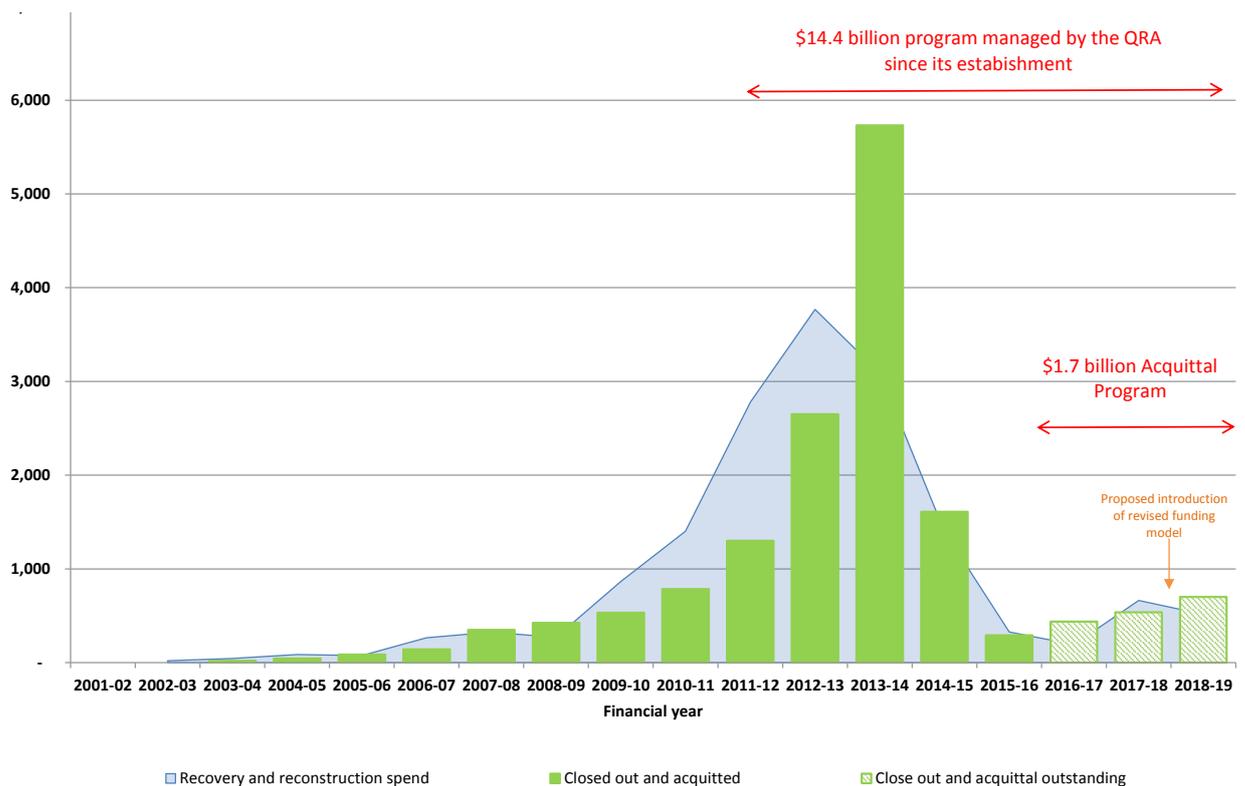
The figure below represents the actual and estimated monthly expenditure since 1 July 2015 (below left) and estimated total cost (below right) to deliver natural disaster event works from the 2015, 2016 and 2017 disaster seasons that are in the delivery or acquittal phase.



Following acquittal of the 2015-16 NDRRA Claim and finalisation of the Commonwealth's review of the state's previous seven NDRRA Claims during 2016-17, approximately \$12.7 billion of the total program managed by QRA has now been delivered and acquitted. The Queensland Government has no outstanding claims due to the Commonwealth, and the Commonwealth has finalised and acquitted all claims submitted by Queensland.

The remaining \$1.7 billion of QRA's program yet to be acquitted comprises works in active delivery or completed since 30 June 2016, and will be acquitted as works are completed in the 2016-17, 2017-18 and 2018-19 NDRRA Claims through to 31 March 2020.

The following graph shows the historical (since 2001-02) and projected NDRRA funding acquittal profile for Queensland based on claims submitted or expected to be submitted for reimbursement by the Commonwealth in order to finalise the \$14.4 billion program currently managed by QRA.



Governance

Governance

The QRA reports to the Queensland Deputy Premier, Minister for Transport and Minister for Infrastructure and Planning. QRA also reports to the QRA Reconstruction Board, chaired by Major General Richard Wilson AO (Ret'd), comprised of Australian, Queensland and Local Government nominees.

QRA operates in accordance with its functions and governance framework as set out in the Act.

The purpose of the Act is to ensure Queensland and its communities effectively and efficiently recover from the impacts of disaster events, and seeks to improve the resilience of communities for potential disaster events.

The Act is currently under review by the Department of Infrastructure, Local Government and Planning to ensure it appropriately reflects QRA's expanded responsibilities of recovery, resilience and mitigation policy.

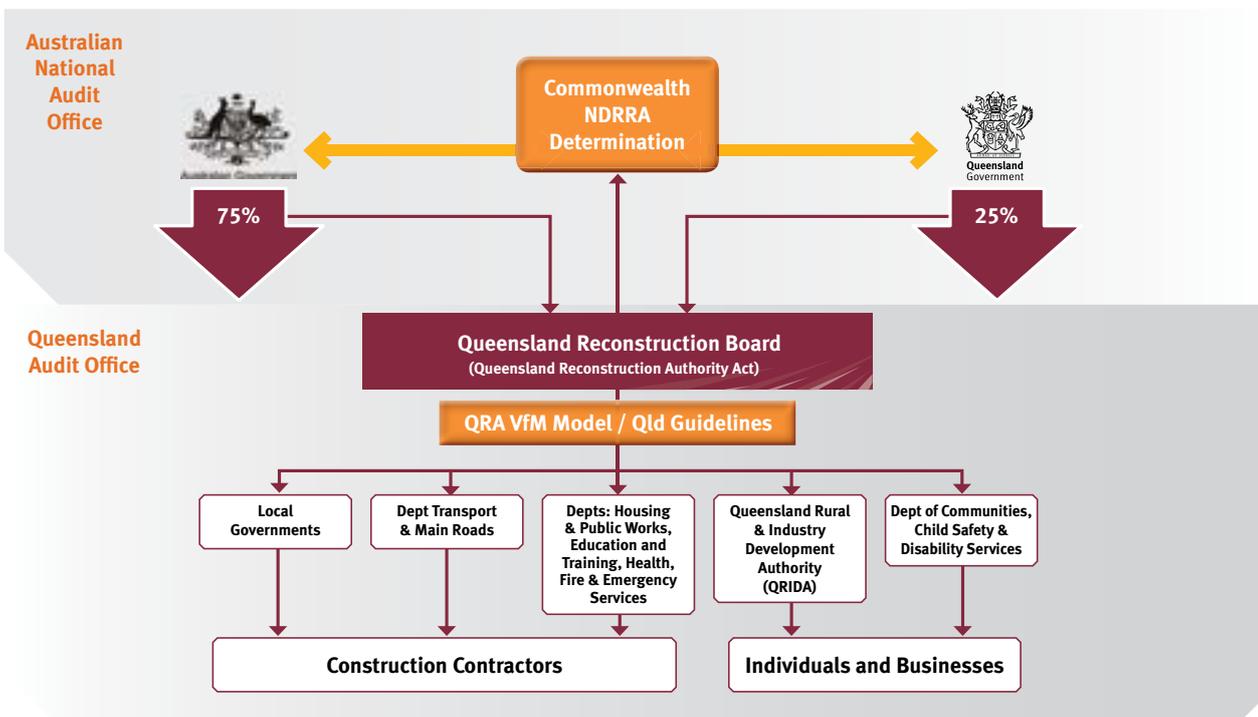
Commonwealth Determination

Administration of NDRRA funding is a core function of the QRA.

NDRRA is a joint Commonwealth and state program that provides grant and loan assistance to disaster affected community members, small businesses, primary producers and local and state governments to assist with recovery from defined natural disasters.

NDRRA arrangements are set out and administered by the Commonwealth Government in the NDRRA Determination. The arrangements provide financial assistance to states in the form of partial reimbursement of actual expenditure related to natural disaster events. QRA is currently administering NDRRA under two Determinations. The existing NDRRA Determination 2012 applies to events occurring on, or before, 30 June 2017.

A new NDRRA Determination 2017 applies to eligible disasters occurring on, or after, 1 July 2017. QRA has undertaken face to face engagement with Local Government Authorities (LGAs) across the state to ensure all delivery agents have a comprehensive understanding of eligibility requirements under the new Determination.



Natural Disaster Funding Reform

The Commonwealth Government is proposing significant reforms to the jointly funded arrangements for natural disaster relief and recovery, partly in response to the Productivity Commission's 2015 inquiry into the efficacy of national funding arrangements for natural disasters.

Key elements of the Commonwealth Government's reform proposal include:

- a shift to estimates-based reimbursement for reconstruction of essential public assets, based on damage assessment and pre-determined benchmarked costs undertaken to nationally agreed principles and standards
- retaining a reimbursement model for eligible community relief and recovery expenditure (including personal hardship and distress grants, counter-disaster operations, support for business and primary producers, and community recovery packages)
- the potential to provide mitigation funding from savings realised in the state's reconstruction program.

The QRA is working with the Australian, Queensland and local governments, state agencies, other stakeholders and other jurisdictions to prepare for reform of NDRRA. The Commonwealth has indicated that reform arrangements will apply to events from 1 July 2018, subject to Commonwealth Government approval.

Disaster recovery, resilience and mitigation

Interim Queensland Recovery Plan

The Interim Queensland Recovery Plan was approved by the Queensland Disaster Management Committee in March 2017 and released on the Queensland Disaster Management website.

It applies to Queensland Government agencies, and informs local governments, government-owned corporations, statutory bodies representing the state, non-government organisations and other disaster recovery stakeholders of the procedures and processes employed by the state during recovery operations.

State Plan 2017:2019: Operation Queensland Recovery

The *State Recovery Plan 2017-19: Operation Queensland Recovery* (the Plan) was tabled in Parliament and publicly released on 9 May 2017.

The Plan provided the framework for a community-led approach to recovery from STC Debbie, supported by local governments and state agencies.

A State Recovery Coordinator and two Deputy State Recovery Coordinators worked with the eight most significantly impacted LGAs in the wake of STC Debbie, to coordinate and support recovery operations.

On Friday 2 June 2017 the State Recovery Policy and Planning Coordinator (the QRA Chief Executive Officer) assumed overall responsibility for the coordination of recovery operations.

Queensland Strategy for Disaster Resilience

An updated Queensland Strategy for Disaster Resilience was released in July 2017. QRA will undertake broad state-wide consultation to develop an implementation plan for the updated strategy. The implementation plan will align with international best practice, the Sendai Framework and Disaster Risk Reduction 2015-2030 and is due for release in the 2017-18 financial year.

Board

Under the Act, the key purpose of the the Board is to oversee the operations of the QRA.

The functions of the Board include:

- setting QRA's strategic priorities
- ensuring QRA performs its function and exercises its powers in an appropriate, effective and efficient way
- making recommendations to the Minister about:
 - priorities for community infrastructure, other property and community services needed for the protection, rebuilding and recovery of affected communities, and
 - the need for the declaration of declared projects and reconstruction areas.

QRA Board of Director's meetings for 2016/17:

Day	Date
Tuesday	19 July 2016
Tuesday	16 August 2016
Tuesday	20 September 2016
Tuesday	18 October 2016
Tuesday	22 November 2016
Tuesday	20 December 2016
Tuesday	17 January 2017
Thursday	21 February 2017
Tuesday	21 March 2017
Tuesday	18 April 2017
Tuesday	16 May 2017
Tuesday	20 June 2017

Ms Margaret de Wit was appointed as a Queensland Reconstruction Board member in July 2016.

Number of Board Meetings	Attended:
Chairman, Major General Richard Wilson	12
Mr Steve Golding	11
Ms Katherine Jones	5
Ms Kate Isles	4
Mr Brett Pointing	11
Ms Margaret de Wit	11



Major General Richard Wilson, AO (Ret'd)
BA, MLitt, PhD, MStratStud

Major General Richard (Dick) Wilson has served as the Chair of the Board since September 2011. For the previous 39 years he was an officer in the Australian Regular Army where he had extensive practical command experience at all levels from infantry platoon to division. With staff experience mainly in the areas of operations, plans and strategy, Major General Wilson's operational service included an exchange with the United States Army and assignment with the United Nations in East Timor.

Major General Wilson is a graduate of the Royal Military College, Duntroon, the Australian Army Command and Staff College and the United States Army War College as well as the University of New South Wales and the University of New England.

Stephen Golding AM, RFD
BE, MEngSc, BEcon, Hon FIEAust, FCILT, FAIM, FITE,
FAICD, CPEng, RPEQ

Mr Stephen Golding had a long career in the Queensland Department of Main Roads, which he joined as an engineer in 1967 and retired from the position of Director-General in 2005. In a parallel part-time career, Mr Golding enlisted as a private soldier in the active Army Reserve in 1963 and became inactive in 1998 after reaching the rank of Major General. Mr Golding was the senior Army Reserve officer in Australia, is an Honorary Fellow of Engineers Australia, a Fellow of three other professional associations and a Fellow of the Australian Institute of Company Directors and a Chartered Professional Engineer. For outstanding service to the Australian Army, Mr Golding was appointed a Member of the Order of Australia (AM) in 1998.

Mr Golding's other current Board appointments include: Chair, Transport Certification Australia Ltd; Director, North Queensland Bulk Ports Corporation Ltd; Director, Transmax Pty Ltd.

**Brett Pointing APM
BA (Policing) MEd (Leadership and Management) and
graduate of the Federal Bureau of Investigation (USA)
National Academy**

Deputy Commissioner Pointing joined the Queensland Police Service in 1978 and has performed uniform and criminal investigation duties throughout his career.

On 1 January 2013 Deputy Commissioner Pointing was appointed to the role of Deputy Commissioner, Regional Operations and later that month was appointed as Disaster Recovery Coordinator for the Bundaberg and North Burnett Regional Council areas in the wake of Ex-tropical Cyclone Oswald. On returning from Bundaberg, he was appointed to lead Operation Resolute – the taskforce established to police criminal motorcycle gangs in Queensland. Deputy Commissioner Pointing now holds the Strategy, Policy and Performance portfolio.

In 2008, Deputy Commissioner Pointing was awarded the Australian Police Medal in the Queen's Honours List. He has been awarded the Queensland Police Service Medal, National Service Medal, National Police Medal, National Emergency Medal, Meritorious Service Award and the Exemplary Conduct Medal. He is also a graduate of the Federal Bureau of Investigation National Academy – session 220.

Deputy Commissioner Pointing has been appointed the Police Service Champion for Indigenous Issues and the Champion for prevention of domestic and family violence Issues.

**Katherine Jones, Deputy Secretary, National Security
and Emergency Management Group**

Katherine Jones is Deputy Secretary, National Security and Emergency Management Group in the Australian Government Attorney-General's Department. In this role, Ms Jones is responsible for a wide range of matters relating to national security, counter-terrorism, countering violent extremism, crisis coordination, protective security and emergency management.

Ms Jones joined the Attorney-General's Department in 1999 and has worked in a broad range of areas across the department including international crime cooperation, copyright, administrative law, human rights, native title, legal aid and Aboriginal and Torres Strait Islander justice.

Prior to joining the department, Ms Jones worked as a publisher at McGraw-Hill for 10 years. Ms Jones has a Bachelor of Arts from La Trobe University and a Bachelor of Laws from the University of New South Wales.

Ms Jones was awarded the Public Service Medal in the 2017 Queen's Birthday Honours List.



Kate Isles BTRP MPIA

Kate Isles is an established and well respected leader in land use planning.

Ms Isles has extensive Queensland Government, private sector and local government experience.

Following the devastating summer of 2010-2011, Ms Isles was appointed as the Director of Land Use Planning for the QRA and was instrumental in the delivery of a number of ambitious government-led programs including the relocation of Grantham and driving a new floodplain management framework which has fundamentally changed land use planning approach in Queensland.

In her current role as Manager Strategic Planning and Economic Development with Moreton Bay Regional Council Ms Isles leads and manages the planning scheme and is driving significant major projects such as The Mill at Moreton Bay Priority Development Area, Economic Development Action Plan and the Coastal Hazard Adaptation Strategy. Her work has been recognised by the Planning Institute of Australia where in 2016 she was named Queensland Planner of the Year and then went on to be named Australian Planner of the Year 2017.

During her 16 year career Ms Isles has remained actively involved with the Planning Institute of Australia with roles as a Board Director and the Queensland President.

Ms Margaret de Wit

GDBA (QUT), Dip Fin.Planning (Deakin University), GAICD (AICD) (that is Graduate of the Institute of Company Directors), A.Mus.A (Aust. Music Exam. Board - AMEB)

Margaret de Wit has enjoyed a successful career, from becoming the Queensland Manager of Corporate Affairs for Telstra to serving five terms as a Councillor on Brisbane City Council from 1997 to 2016 when she retired. Ms de Wit's council service included eight years as a Chairman in the Civic Cabinet including the portfolios of Public and Active Transport and Infrastructure.

From 2012 to 2016, Ms de Wit was the first woman to hold the position of President of the Local Government Association of Queensland in the Association's 120 year history, and the first from the City of Brisbane.

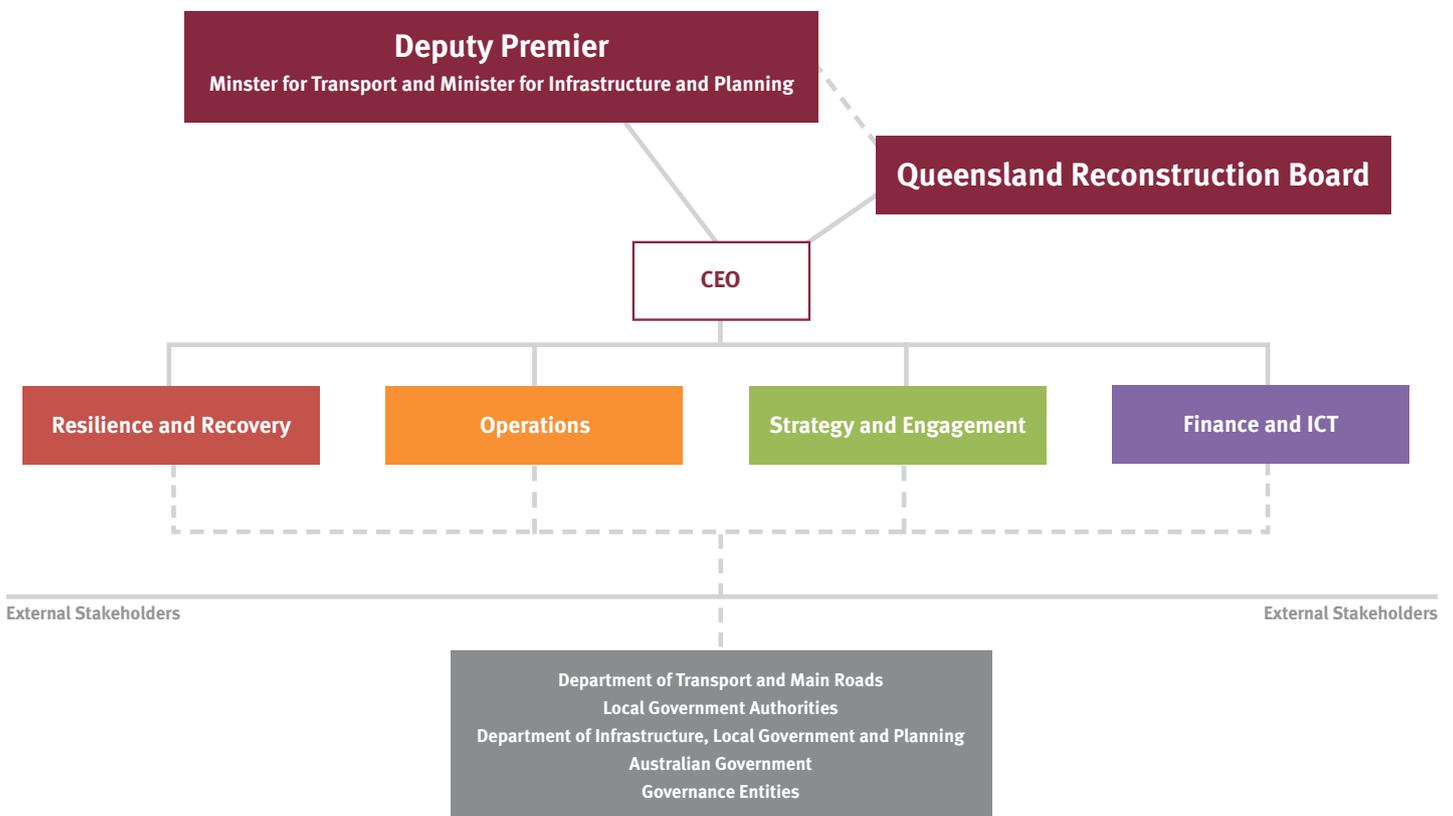
Ms de Wit has a Graduate Diploma of Business Administration (QUT), a Diploma of Financial Planning (Deakin University) and music qualifications (A.Mus.A in piano). She is also a Graduate of the Australian Institute of Company Directors.

Ms de Wit is a member of the Rotary Club of Kenmore and has been twice awarded Paul Harris Fellow awards for community service. She is also an active member of the Anglican Church and several environment groups.

Structure

The QRA has been structured to ensure the efficient, focused delivery of the statewide recovery and reconstruction program and to deliver on its vision to build a more disaster resilient Queensland.

An internal realignment was undertaken in 2016-2017 to align QRA's operations to its strategic objectives, including establishing a Resilience and Recovery Division and merging the Finance and Information Communication Technology (ICT) Divisions.



Responsible Minister

The Honourable Jackie Trad MP

Deputy Premier Minister for Transport and Minister for Infrastructure and Planning

Minister Trad was elected to the Queensland Parliament in April 2012 in the seat of South Brisbane and was sworn in as Deputy Premier and Minister in February 2015. Minister Trad holds a Master of Public Policy from the University of Sydney and a Bachelor of Arts from Griffith University, and has worked as a public servant, Government Advisor and industrial organiser.

Chief Executive Officer

Brendan Moon

Brendan Moon has been with the QRA since 2011 as General Manager, Operations and Acting Chief Executive Officer from November 2015. Mr Moon was appointed as Chief Executive Officer of the QRA from July 2016, and in the same month, as the State Recovery Policy and Planning Coordinator to assist in the rapid recovery of communities following natural disasters.

As an accomplished senior executive, Mr Moon has substantial experience across the public and private sector and previously held the role of General Manager, Environment, Biodiversity and Sustainability of Wyaralong Dam Alliance, responsible for the procurement and delivery of what was, at the time, the largest vegetation and carbon offset project in Queensland.

Mr Moon is a graduate of the University of Queensland.

Staffing

The QRA engages staff on a permanent and temporary basis under the *Public Service Act 2008*. The QRA encourages a work/life balance and complies with all governing industrial instruments including: legislation, awards, agreements, directives etc.

The number of full-time employees and part-time employees (including staff seconded in and on officer interchange) measured on a full-time equivalent basis as at 30 June 2017 is 90.

There are no early retirements, redundancies or retrenchment packages to report for the 2016-2017 year.

The QRA adopts an internal performance management framework for both employees and managers/supervisors. Industrial Relations activities and issues are effectively managed both internally and through the engagement of external resources, including Public Sector and Industrial Relations (PSIR) and the Public Service Commission (PSC).

The QRA adheres to the Code of Conduct for the Queensland Public Service which is aligned to the principles and values outlined in the *Public Sector Ethics Act 1994*:

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

The Code of Conduct provides information on ethical values and behaviours and describes how public service officers conduct themselves in delivering services to the Queensland community

The Code of Conduct applies to QRA employees, board members, volunteers, students, contractors, consultants and anyone employed in any other capacity for QRA.

Information on the Code of Conduct is provided to all new starters during their induction and electronic copies are available for ongoing reference.

Overseas travel

Information relating to overseas travel by QRA staff in 2016-17 is published through the Queensland Government Open Data website www.qld.gov.au/data

Risks

QRA views the management of risks to its people, assets and all aspects of its operations as an important responsibility. It is committed to upholding its moral, ethical and legal obligations by implementing and maintaining a level of risk management which protects and supports these responsibilities.

Risk management is part of the QRA's day-to-day operations and is undertaken at divisional levels as well as more broadly at the senior management and Board level. The implementation of an effective risk management framework is an executive responsibility of the QRA CEO with endorsement of the Board and support of General Managers and Directors.

QRA's Risk Management Policy and Procedures set the organisation's underlying risk governance framework and prescribes:

- the levels of risk the organisation is willing to tolerate to achieve its strategic objectives
- accountabilities and responsibilities for managing risk
- risk management procedures
- monitoring and reporting on risk management performance
- risk management policies and procedures review.

The overall aim of the Risk Management Policy and Procedures is to ensure that organisational capabilities and resources are employed in an efficient and effective manner to manage both opportunities and threats toward the achievement of the QRA's strategic objectives.

QRA has undertaken detailed risk assessments that include identification of the consequences and likelihood of the risk occurring, effectiveness of controls in place and actions and treatments required in order to achieve a tolerable level of risk in relation to achieving the organisation's strategic objectives.

QRA has developed a suite of mitigation measures to manage its key strategic and operational risks.

The key strategic and operational risks are reviewed regularly by the QRA management team, and status updates are provided to the Board on a monthly basis.

Internal Assurance

QRA has established an internal assurance function in relation to internal audit risks relating to the provision and acquittal of NDRRA funding.

A risk-based approach has been adopted in relation to QRA's assurance activities to ensure they are an effective tool to assist QRA's management in discharging responsibilities under NDRRA.

Information Systems and Record Keeping

QRA's electronic records management system is maintained in compliance with the *Public Records Act 2001* and the *Right to Information Act 2009*.

Staff employed in this area have high level skills in data security and information retention and disposal.



External scrutiny

A legislative amendment to the Act came into effect on 11 June 2015 as part of the *Local Government and Other Legislation Amendment Act 2015* to make the QRA a permanent part of the Queensland Government.

QRA's transition to a permanent Queensland Government statutory body coincided with an independent review undertaken by KPMG to determine the QRA's strategic place and future role in Queensland's disaster recovery environment.

The Steering Committee that oversaw the review included Major General Mick Slater (Retired), Councillor Margaret de Wit and Professor Gerard Fitzgerald.

QRA's Operational Review was tabled in Queensland Parliament on 25 February 2016 and identified 14 recommendations relating to operational and policy-related matters including the need for clarity in the disaster management framework on the roles and responsibilities of QRA.

To date, 11 of the recommendations have been delivered, two are in progress, and one recommendation regarding leading negotiations with the Commonwealth on natural disaster funding reform is ongoing.

No.	Summary of Recommendations	Status as at 30 June 2017	Timeframe specified in review
1	Greater role clarity in the Queensland disaster management framework	Delivered	0-6 months
2	Formalised role in established disaster management committees	Delivered	0-6 months
3	Core functions are preserved within QRA	Delivered	0-6 months
4	Technical leadership in Commonwealth funding negotiations	Ongoing	0-6 months
5	NDRRA activations are retained	Delivered	0-6 months
6	Preservation as a statutory authority	Delivered	0-6 months
7	Undertake organisational design and workforce planning	Delivered	6-12 months
8	QRA plan for succession	In progress	6-12 months
9	Flexibility and performance is retained and promoted	Delivered	6-12 months
10	State disaster responsibilities are clarified and are current	Delivered	6-12 months
11	Sponsorship of state-wide disaster resilience and mitigation	Delivered	6-12 months
12	Greater role in the prioritisation of disaster recovery funding	Delivered	12+ months
13	Sponsorship of state-wide vulnerability and risk-based planning	Delivered	12+ months
14	QRA assume stewardship for a central repository for the collection and storage of whole-of-government disaster management data	Responsibility is now with QFES, with support from QRA	12+ months

Financial overview

Financial Overview

The Financial statements included in this annual report provide specific information regarding QRA's activities for the year ended 30 June 2017 and QRA's financial position at the end of that period.

Operating Result

The QRA's operating result for 2016-17 was a surplus of \$14.5 million. The surplus was primarily a result of NDRRA grant expenditure being less than budgeted.

Revenues

Revenue predominately relates to grant and operating funding from Queensland Treasury.

Expenses

Expenses relate to the payment of NDRRA grants to LGAs and state agencies and the QRA's operating expenditure.

Assets

Assets include unspent funding from Queensland Treasury relating to NDRRA grants (to be utilised for 2017-18 grant expenditure) and GST refundable from the Australian Taxation Office.

Liabilities

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

Statement of Comprehensive Income	2017 \$'000	2016 \$'000
Grants	379,011	231,196
Other revenue	850	1,167
Total revenue	379,861	232,363
Grants	335,735	485,071
Employee expenses	11,577	9,622
Supplies and services	17,586	15,709
Depreciation and amortisation	1	–
Other expenses	482	265
Total expenses	365,381	510,667
Total comprehensive income	14,480	(278,304)

Statement of Financial Position	2017 \$'000	2016 \$'000
Cash and cash equivalents	53,725	47,933
Other assets	10,819	5,332
Total assets	64,544	53,265
Payables	2,129	5,122
Other liabilities	387	595
Total liabilities	2,516	5,717
Equity	62,028	47,548



Ministerial Directions

Ministerial Directions

Under the Act, QRA must include in its annual report details of any direction or notice given by the Minister under sub-section (1) during the financial year to which the report relates.

The accompanying table lists Ministerial Directions provided to the QRA in 2016-17 to administer NDRRA for the listed disaster events.

Event	Date Ministerial Direction Provided
Central Western Queensland Flooding, 13-19 June 2016	22 August 2016
Central Queensland Severe Weather, 15 – 20 July 2016	22 August 2016
Far North Queensland Upper Level Trough, 21-23 May 2016	16 September 2016
Western Queensland Flooding, 13 – 20 September 2016	7 November 2016
Far North Queensland Low, 8 – 11 January 2017	9 February 2017
Gulf Tropical Low, 15 – 24 February 2017	3 April 2017
Severe Tropical Cyclone Debbie and associated rainfall and flooding, 28 March – 6 April 2017	3 April 2017

Financials



Queensland Reconstruction Authority

ABN 13 640 918 183

Financial Statements

For the year ended 30 June 2017

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Queensland Reconstruction Authority
Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Income from continuing operations			
Grant revenue	2	379,011	231,196
Other revenue	3	850	1,167
Total income from continuing operations		<u>379,861</u>	<u>232,363</u>
Expenses from continuing operations			
Grant expenses	4	335,735	485,071
Employee expenses	5	11,577	9,622
Supplies and services	7	17,586	15,709
Depreciation and amortisation		1	–
Other expenses	8	482	265
Total expenses from continuing operations		<u>365,381</u>	<u>510,667</u>
Operating result from continuing operations		<u>14,480</u>	<u>(278,304)</u>
Total comprehensive income		<u>14,480</u>	<u>(278,304)</u>

The accompanying notes form part of these statements.

Queensland Reconstruction Authority

Statement of Financial Position

As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Current assets			
Cash and cash equivalents	9	53,725	47,933
Receivables	10	10,788	5,317
Other current assets		27	15
Total current assets		<u>64,540</u>	<u>53,265</u>
Non-current assets			
Property, plant and equipment	11	4	–
Total non-current assets		<u>4</u>	<u>–</u>
Total assets		<u>64,544</u>	<u>53,265</u>
Current liabilities			
Payables	12	2,129	5,122
Accrued employee benefits	13	387	595
Total current liabilities		<u>2,516</u>	<u>5,717</u>
Total liabilities		<u>2,516</u>	<u>5,717</u>
Net assets		<u>62,028</u>	<u>47,548</u>
Equity			
Accumulated surplus		62,028	47,548
Total equity		<u>62,028</u>	<u>47,548</u>

The accompanying notes form part of these statements.



Queensland Reconstruction Authority
Statement of Changes in Equity

For the year ended 30 June 2017

	2017	2016
Note	\$'000	\$'000
Opening balance 1 July	47,548	325,852
Operating result from continuing operations	14,480	(278,304)
Closing balance at 30 June	<u>62,028</u>	<u>47,548</u>

The accompanying notes form part of these statements.

Queensland Reconstruction Authority

Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Cash flows from operating activities			
Inflows:			
Grants		379,011	231,196
GST refunded from ATO		28,967	64,237
GST collected from customers		219	311
Other		827	1,145
		<u>409,024</u>	<u>296,889</u>
Outflows:			
Employee costs		(10,750)	(9,421)
Supplies and services		(18,389)	(16,626)
Grants		(338,969)	(481,837)
GST paid to suppliers		(34,601)	(50,053)
Other		(518)	(214)
		<u>(403,227)</u>	<u>(558,151)</u>
Net cash provided by/(used in) operating activities	14	<u>5,797</u>	<u>(261,262)</u>
Cash flows from investing activities			
Outflows:			
Payments for property, plant and equipment		(5)	–
		<u>(5)</u>	<u>–</u>
Net cash provided by/(used in) investing activities		<u>(5)</u>	<u>–</u>
Net increase / (decrease) in cash and cash equivalents		<u>5,792</u>	<u>(261,262)</u>
Cash and cash equivalents at beginning of reporting period		47,933	309,195
Cash and cash equivalents at end of reporting period	9	<u>53,725</u>	<u>47,933</u>

The accompanying notes form part of these statements.

Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

Note 1:	Basis of Financial Statement preparation
Note 2:	Grant revenue
Note 3:	Other revenue
Note 4:	Grant expenses
Note 5:	Employee expenses
Note 6:	Key management personnel and remuneration
Note 7:	Supplies and services
Note 8:	Other expenses
Note 9:	Cash and cash equivalents
Note 10:	Receivables
Note 11:	Property, plant and equipment
Note 12:	Payables
Note 13:	Accrued employee benefits
Note 14:	Reconciliation of operating surplus/(deficit) to net cash flow from operating activities
Note 15:	Commitments for expenditure
Note 16:	Related Parties
Note 17:	Events after the end of the reporting period
Note 18:	Other information
Note 19:	Budget vs actual comparison

Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

1. Basis of Financial Statement preparation

(a) General Information

The Queensland Reconstruction Authority (QRA) was established under the *Queensland Reconstruction Authority Act 2011* on 21 February 2011 and was made a permanent statutory body under the *Local Government and Other Legislation Amendment Act 2015* on 11 June 2015.

QRA is a Statutory Body under the *Financial Accountability Act 2009*.

QRA's principal place of business is situated at Level 11, 400 George Street, BRISBANE QLD 4000.

(b) Compliance with prescribed requirements and basis of accounting

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

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

The historical cost convention is used unless otherwise stated.

New accounting standards early adopted and/or applied for the first time in these financial statements are outline in 1(e).

(c) Presentation

Currency and rounding

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

Comparatives

Comparative information reflects the audited 2015-16 financial statements. Where necessary, comparative amounts have been adjusted for valid comparison to current year.

Current/Non-Current Classification

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

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or QRA 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.

(d) Authorisation of Financial Statements for issue

The financial statements are authorised for issue by the Chairperson and Chief Executive Officer at the date of signing the Management Certificate.

(e) New and revised accounting standards

QRA is not permitted to early adopt new or amended accounting standards ahead of the specified commencement date unless approval is obtained from Queensland Treasury. Consequently, QRA has not applied any Australian Accounting Standards and interpretations that have been issued but are not yet effective. QRA will apply these standards and interpretations in accordance with their respective commencement dates.

AASB 124 Related Parties

The only Australian Accounting Standard that became effective for the first time in 2016-17 is AASB 124 Related Party Disclosures. This standard requires note disclosures about key management personnel (KMP) remuneration expenses and other related party transactions, and does not impact on financial statement line items. As Queensland Treasury already required disclosure of KMP remuneration expenses, AASB 124 itself had minimal impact on QRA's KMP disclosures compared to 2015-16 (refer to Note 6). However, the standard has resulted in QRA's responsible Minister being identified as part of QRA's KMP from 2016-17. Material related party transactions for 2016-17 are disclosed in Note 16. No comparative information about related party transactions is required in respect of 2015-16.



Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

1. Basis of Financial Statement preparation (cont'd)

(f) Future impact of accounting standards not yet effective

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

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

These standards will first apply to QRA in the financial statements for 2019-20.

QRA is yet to form conclusions about the significant impacts of these standards, however potential future impacts identified at the date of this report are as follows:

- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. QRA receives several grants for which there are no sufficiently specific performance obligations – these grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.
- Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from the provision of Information and Communications Technology (ICT) related services, such that some revenue may need to be deferred to a later reporting period to the extent that QRA has received cash but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). QRA is yet to complete its analysis of existing arrangements for the provision of these services and the impact, if any, on revenue recognition has not yet been determined.

AASB 16 Leases

This standard will first apply to QRA in the financial statements for 2019-20.

QRA will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all operating leases of more than 12 months, unless the underlying assets are of low value. Currently QRA only holds operating leases in relation to office rent expiring on 30 September 2019. Any future operating leases entered into may be impacted by this standard.

Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

	2017 \$'000	2016 \$'000	
2. Grant revenue			Grants received
Queensland Government Grants:			Grants received by QRA from the State Government are non-reciprocal in nature. QRA treats these grants as revenue upon receipt as it obtains control at this point.
NDRRA	349,009	204,696	
Operational funding	30,002	26,500	
Total	<u>379,011</u>	<u>231,196</u>	
3. Other revenue			Expenditure reimbursed
Expenditure reimbursed	843	1,167	Expenditure reimbursed relates to revenue from on-charging QRA ICT related services at cost to other Government Departments and Agencies in accordance with pre-agreed arrangements.
Other income	7	–	
Total	<u>850</u>	<u>1,167</u>	
4. Grant expenses			Grants made
State Agencies – NDRRA (a)	99,101	126,768	Grants made by QRA are made in accordance with an Agreement between QRA and Local or State Government Agencies and are non-reciprocal in nature. Grants are treated as an expense when payable as the recipient obtains the right to receive at that point. Natural Disaster Relief and Recovery Arrangements (NDRRA) grants disclosed in this note include grant advances and grants for expenditure incurred on approved projects. The agreement allows for an advance of grant monies prior to the approval of projects. All NDRRA grants are required to be acquitted in accordance with the Agreement and NDRRA requirements.
Local Government Authorities – NDRRA (b)	236,634	358,303	
Total	<u>335,735</u>	<u>485,071</u>	
<i>(a) State Agencies – NDRRA</i>			
Department of:			
<i>Agriculture & Fisheries</i>	750	3	
<i>Communities, Child Safety & Disability Services</i>	30,131	27,687	
<i>Education & Training</i>	4,549	203	
<i>Energy & Water Supply</i>	–	14	
<i>National Parks, Sport & Racing</i>	378	2,075	
<i>Natural Resources & Mines</i>	–	844	
<i>Premier & Cabinet</i>	–	4	
<i>Housing & Public Works</i>	–	86	
<i>Transport & Main Roads</i>	48,364	84,922	
<i>Science, Information Technology & Innovation</i>	–	19	
Gladstone Ports Corporation	–	1,560	
Public Safety Business Agency	8	146	
QRIDA	13,674	3,234	
Queensland Health	55	(922)	
Queensland Fire & Emergency Services	1,170	6,192	
Queensland Police Service	22	701	
Total	<u>99,101</u>	<u>126,768</u>	



Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

4. Grant expenses (cont'd)

(b) Local Government Authorities – NDRRA

	2017 \$'000	2016 \$'000		2017 \$'000	2016 \$'000
Aurukun Shire Council	2,468	4,253	Longreach Regional Council	5,032	2,090
Balonne Shire Council	–	1,939	Mackay Regional Council	3,894	(376)
Banana Shire Council	3,248	6,893	Mapoon Aboriginal Shire Council	83	49
Barcaldine Regional Council	5,996	450	Maranoa Regional Council	934	635
Barcoo Shire Council	1,909	895	Mareeba Shire Council	3,135	4,981
Blackall-Tambo Shire Council	(101)	321	McKinlay Shire Council	5,502	7,428
Boulia Shire Council	5,501	5,465	Moreton Bay Regional Council	–	481
Brisbane City Council	–	4,521	Mornington Shire Council	–	1,180
Bulloo Shire Council	4,502	4,001	Mount Isa City Council	5,236	2,772
Bundaberg Regional Council	–	1,545	Murweh Shire Council	1,959	–
Burdekin Shire Council	64	439	Napranum Aboriginal Shire Council	2,040	749
Burke Shire Council	6,952	4,015	Noosa Shire Council	153	123
Carpentaria Shire Council	28,304	30,935	North Burnett Regional Council	6,737	11,097
Cassowary Coast Regional Council	971	3,648	Northern Peninsula Area Regional Council	1,444	2,659
Central Highlands Regional Council	13,376	1,060	Palm Island Aboriginal Shire Council	588	1,759
Charters Towers Regional Council	7	–	Porpuraaw Aboriginal Shire Council	1,939	1,684
Cherbourg Aboriginal Shire Council	–	40	Quilpie Shire Council	2,205	8,612
Cloncurry Shire Council	10,765	15,479	Redland City Council	–	36
Cook Shire Council	26,221	40,790	Richmond Shire Council	3,290	1,619
Croydon Shire Council	4,265	2,604	Rockhampton Regional Council	13,890	21,105
Diamantina Shire Council	2,862	1,568	Scenic Rim Regional Council	1,639	4,435
Doomadgee Aboriginal Shire Council	6	1,092	Somerset Regional Council	4,257	6,709
Douglas Shire Council	3,269	14,850	South Burnett Regional Council	3	843
Etheridge Shire Council	1,685	8,235	Southern Downs Regional Council	–	1,498
Flinders Shire Council	332	2,575	Sunshine Coast Regional Council	–	174
Fraser Coast Regional Council	433	1,940	Tablelands Regional Council	1,939	2,837
Gladstone Regional Council	6,580	16,102	Toowoomba Regional Council	–	21,623
Gold Coast City Council	1,480	2,604	Torres Shire Council	289	241
Goondiwindi Regional Council	337	588	Torres Strait Island Regional Council	2,401	1,497
Gympie Regional Council	257	5,317	Western Downs Regional Council	263	3,420
Hinchinbrook Shire Council	50	11,121	Whitsunday Regional Council	7,617	451
Hope Vale Aboriginal Shire Council	2,263	2,354	Winton Shire Council	6,165	4,031
Ipswich City Council	132	104	Woorabinda Aboriginal Shire Council	118	–
Isaac Regional Council	6,936	7,333	Wujal Wujal Aboriginal Shire Council	19	676
Kowanyama Aboriginal Shire Council	1,534	10,033	Yarrabah Aboriginal Shire Council	169	2,001
Livingstone Shire Council	1,975	13,776			
Lockhart River Aboriginal Shire Council	8,971	6,116	Total	236,634	358,303
Lockyer Valley Regional Council	78	3,029	Total Grant expenses	335,735	485,071
Logan City Council	66	1,154			

Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

	2017 \$'000	2016 \$'000
5. Employee expenses		
<i>Employee benefits</i>		
Wages and salaries	8,464	3,576
Officer interchange	181	4,663
Annual leave levy	794	269
Long service leave levy	202	47
Annual leave expense	-	31
Long service leave expense	-	(14)
Employer superannuation contributions	1,098	420
Board fees	12	14
Other employee benefits	90	75
	<u>10,841</u>	<u>9,081</u>
<i>Employee related expenses</i>		
Payroll tax	578	284
Other employee related expenses	158	257
	<u>736</u>	<u>541</u>
Total	<u>11,577</u>	<u>9,622</u>
The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis at 30 June 2017 is:		
QRA employees	84	84
Officers on Interchange Arrangements	6	5
Total	<u>90</u>	<u>89</u>

Wages and Salaries

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

Sick leave entitlements are non-vesting and are only paid upon valid claims for sick leave by employees. Sick leave expense is expensed in the reporting period in which the leave is taken by the employee.

Officer Interchange

Until March 2016, QRA was predominately staffed by Queensland Government officers on interchange arrangements under section 184 of the *Public Service Act 2008*. QRA now employs the majority of its staff directly although QRA continues to engage a small number of officers under Officer Interchange arrangements. These officers are considered employees for the purposes of these financial statements.

QRA is invoiced for wages, salaries and on costs by Queensland Government Agencies. These costs are recorded as employee expenses.

Annual and Long Service Leave

QRA commenced membership of the whole of Government Leave Central Scheme during 2016. Under the Queensland Government's Annual and Long Service Leave Schemes, a levy is made on QRA to cover the cost of employees' annual (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. Annual leave and long service leave expense was directly incurred by QRA prior to joining the scheme in 2016.

Superannuation

Contributions to superannuation funds are recorded as they become payable and QRA's legal or constructive obligation is limited to these contributions.

Employee related expenses

Payroll tax, workers' compensation insurance and Fringe Benefit Tax (FBT) are consequences of employing employees, but are not counted in an employees' total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

QRA pays workers' compensation insurance premiums to WorkCover in Queensland in respect of its obligations for employee compensation.



Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

6. Key management personnel and remuneration

a) Key management personnel

As from 2016-17, QRA's responsible Minister is identified as part of QRA's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Deputy Premier, Minister for Transport and Minister for Infrastructure and Planning.

The following details for non-Ministerial KMP reflect those agency positions that had authority and responsibility for planning, directing and controlling the activities of the agency during 2016-17 and 2015-16.

Position	Responsibilities under the <i>Queensland Reconstruction Authority Act 2011</i>	Current Incumbents		
		Contract classification and appointment authority	Name	Date appointed to position
Chief Executive Officer (CEO)	Undertake or commission investigations to ensure the correct processes are adhered to in the rebuilding and recovery of affected Queensland communities; make recommendations to the Minister; and ensure QRA performs its functions effectively and efficiently.	Appointed by Governor in Council, <i>s14 Queensland Reconstruction Authority Act 2011</i>	Brendan Moon	Appointed 1/07/2016
Chair	Leading and directing the activities of the board to ensure the board performs its functions appropriately	Appointed by Governor in Council, <i>s30 Queensland Reconstruction Authority Act 2011</i>	Richard Wilson	Appointed 19/09/2011
Board Members	Set the strategic priorities for QRA; make recommendations to the Minister; and ensure QRA performs its functions and exercises its powers in an appropriate, effective and efficient way.	Appointed by Governor in Council, <i>s30 Queensland Reconstruction Authority Act 2011</i>	Steve Golding Brett Pointing Kate Isles Katherine Jones Margaret de Wit	Appointed 21/2/2011 Appointed 12/6/2014 Appointed 1/1/2016 Appointed 25/2/2016 Appointed 01/07/2016

(b) Remuneration

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. QRA does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements as from 2016-17, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration for QRA's non-Ministerial KMP is set by the Governor in Council.

Remuneration packages for KMP comprise the following components:

- Short term employee expenses which include:
 - Monetary Expenses: consisting of Base salary, allowances and leave entitlements earned and expensed (including levies payable) for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
 - Non-Monetary Expenses - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned;
- Post-employment expenses include superannuation contributions;
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.
- No performance bonuses are paid.

Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

6. Key executive management personnel and remuneration (cont'd)

b) Remuneration – (cont'd)

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

2016-17		Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
Position	Name	Monetary Expenses \$'000	Non-Monetary Expenses \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer ¹	Brendan Moon	403	–	8	47	–	458
Chair	Richard Wilson	94*	–	2	8	–	104
Board Member	Steve Golding	6	–	–	–	–	6
Board Member ²	Margaret de Wit	6	–	–	–	–	6
Total		509	–	10	55	–	574

1. Appointed as CEO on 01/07/2016

2. Appointed 01/07/2016

* Includes \$12k annual leave entitlements accrued relating to prior periods.

Brett Pointing, Kate Isles and Katherine Jones were not remunerated as they are Public Sector employees.

2015-16		Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
Position	Name	Monetary Expenses \$'000	Non-Monetary Expenses \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer ¹	Frankie Carroll	138	–	3	15	–	156
Chief Executive Officer ²	Brendan Moon	245	–	5	26	–	276
Chair	Richard Wilson	82	–	1	8	–	91
Board Member	Steve Golding	6	–	–	–	–	6
Board Member ³	Stephen Motti	3	–	–	–	–	3
Board Member ⁴	Lyn McLaughlin	5	–	–	–	–	5
Total		479	–	9	49	–	537

1. Ceased on 11/11/2015

2. Appointed as Acting CEO on 12/11/2015

3. Ceased 31/12/2015

4. Ceased 12/04/2016

Brett Pointing, Kate Isles and Katherine Jones were not remunerated as they are Public Sector employees.



Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

	2017	2016
	\$'000	\$'000
7. Supplies and services		
Contractors	12,141	10,640
ICT managed services	2,386	2,320
Occupancy costs	1,120	1,000
Travel	748	668
Supplies and consumables	451	426
Other supplies and services	740	655
Total	<u>17,586</u>	<u>15,709</u>

8. Other expenses		
Audit fees – external	207	265
Sundry expenses	275	–
Total	<u>482</u>	<u>265</u>

9. Cash and cash equivalents		
Cash at bank – NDRRA	44,606	37,206
Cash at bank – Operating accounts	9,119	10,727
Total	<u>53,725</u>	<u>47,933</u>

10. Receivables		
GST receivable	9,944	5,029
Trade receivables	699	176
Annual leave reimbursements	130	97
Long service leave reimbursements	15	15
Total	<u>10,788</u>	<u>5,317</u>

11. Property, plant and equipment		
<i>Plant and equipment</i>		
At cost	36	31
Less: Accumulated depreciation	(32)	(31)
Total	<u>4</u>	<u>–</u>

Occupancy costs

Occupancy costs include QRA's operating lease rental. The payments for this operating lease are representative of the pattern of benefits derived from the leased asset and are expensed in the periods in which they are incurred.

Audit fees

Total audit fees quoted by the Queensland Audit Office (QAO) relating to the 2016-17 financial statements of QRA are \$28,000 (2016: \$25,000). The audit fees for the audit of the Commonwealth NDRRA Certificate for 2015-16 were \$175,000 (2016: \$325,000). Other fees of \$3,500 were charged by the QAO related to assurance activities associated with natural disaster funding reforms.

Sundry expenses

Sundry expenses relate to services provided by GIVIT \$250,000 to manage offers of donated goods and services after disaster events and the contribution to the Commonwealth Games 'Women of the World' initiative for \$25,000.

Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June.

NDRRA funds are held in a separate bank account. As advised by Queensland Treasury, this account is within the whole of Government offset facility with the Queensland Treasury Corporation and interest earned is credited to State Consolidated Funds rather than QRA. QRA is not exposed to interest rate risk as all interest earned is credited to State Consolidated Funds.

Receivables

Receivables are recognised at the amounts due at the time of service delivery. Settlement of these amounts is generally required within 30 days from invoice date.

Credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets inclusive of any provision for impairment. No impairment loss has been recognised for the 2016-17 year. No receivables are past due or impaired.

Property, plant and equipment

QRA has only one class of asset being plant and equipment which are measured at historical cost. Items of property, plant and equipment with a cost equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed.

Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

	2017	2016
	\$'000	\$'000
12. Payables		
Trade creditors	1,291	4,778
Other payables	838	344
Total	<u>2,129</u>	<u>5,122</u>

Payables

Trade creditors are recognised for amounts payable in the future for goods and services received, whether or not billed to QRA and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

13. Accrued employee benefits*Current accrued employee benefits*

Annual leave levy payable	265	344
Long service leave levy payable	47	164
Officer interchange costs payable	75	87
Total	<u>387</u>	<u>595</u>

Accrued employee benefits

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

14. Reconciliation of operating surplus/(deficit) to net cash flow from operating activities

Operating surplus / (deficit)	14,480	(278,304)
Adjustments for non-cash items		
<i>Changes in assets and liabilities:</i>		
Change in receivables	(5,470)	14,368
Change in other current assets	(12)	(10)
Change in payables	(2,993)	3,138
Change in accrued employee benefits	(208)	(430)
Change in other current liabilities	–	(24)
Net cash provided by/(used in) operating activities	<u>5,797</u>	<u>(261,262)</u>

QRA received NDRRA advance funding from Queensland Treasury in 2010-11, 2011-12 and 2013-14 resulting in surpluses reported in the financial statements for those years. The net operating deficit for 2015-16 was funded from the prior year surpluses.

15. Commitments for expenditure**Non-cancellable operating lease**

Commitments under operating leases at reporting date are inclusive of non-recoverable GST and are payable as follows:

Not later than one year	1,241	1,135
Later than one year and not later than five years	1,566	2,739
Total	<u>2,807</u>	<u>3,874</u>

Operating leases are entered into as a means of acquiring access to office accommodation. Operating lease terms expire in September 2019. Lease payments are fixed with an annual escalation of 4.5% in October of each year.



Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

16. Related Parties

Transactions with other Queensland Government-controlled entities

QRA's predominate source of funding is grant funding from Queensland Treasury via the Department of Infrastructure, Local Government and Planning (refer Note 2).

NDRRA grants are made to various Queensland Government controlled entities (refer Note 4(a)).

QRA makes payments to Queensland Government controlled entities for general operating expenditure. Examples of this expenditure include officer interchange costs, payroll tax, workers compensation premiums, payments for payroll services provided, and occupancy costs. These payments are made based on agreed terms and are consistent with the terms provided to other government entities.

QRA is reimbursed by other Queensland Government controlled entities for the provision of ICT related services at cost (refer Note 3).

17. Events after the end of the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of QRA, the results of those operations, or the state of affairs of QRA in future financial years.

18. Other information

Taxation

QRA is exempted from income tax under the *Income Tax Assessment Act 1936* and is exempted from other forms of Commonwealth taxation with the exception of FBT and GST. GST credits receivable from, and GST payable to, the Australian Taxation Office (ATO) are recognised (refer to Note 10).

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Insurance

QRA's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis.

Financial Instruments

QRA's financial instruments comprise Receivables and Payables. QRA does not enter into transactions for speculative purposes, nor for hedging.

Financial assets and liabilities are recognised in the Statement of Financial Position when QRA becomes party to the contractual provisions of the financial instrument, and are held at amortised cost.

QRA does not recognise any financial assets and liabilities at fair value. The fair value of Receivables and Payables is assumed to approximate the value of the original transaction.

Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

19. Budget vs actual comparison

Statement of Comprehensive Income

	Variance Note	Budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000	Variance % of Budget
Income from continuing operations					
Grant revenue	v1	356,054	379,011	22,957	6%
Other revenue	v2	–	850	850	100%
Total income from continuing operations		356,054	379,861	23,807	7%
Expenses from continuing operations					
Grant expenses	v3	324,699	335,735	(11,036)	-3%
Employee expenses	v4	13,553	11,577	1,976	15%
Supplies and services	v5	16,921	17,586	(665)	-4%
Depreciation and amortisation		–	1	(1)	100%
Other expenses	v6	881	482	399	45%
Total expenses from continuing operations		356,054	365,381	(9,327)	-3%
Operating result from continuing operations		–	14,480	14,480	100%
Total comprehensive income		–	14,480	14,480	100%

Explanations of major variances

- v1 Grants revenue 2017 actual is more than 2017 budget due to an increase in Grant revenue relating to 2017 NDRRA events (primarily Severe Tropical Cyclone (STC) Debbie) required to reimburse Local Government Authorities (LGAs) and State Departments & Agencies (SDAs). This increase was partly offset by Grant revenue relating to events prior to 2017 being less than budget due to a reduction in the final cost of eligible reconstruction works completed by SDAs and LGAs on these events.
- v2 Other revenue relates to the receipt of on-charged ICT expenses incurred by other State agencies but paid by QRA. As this income is netted off against the related expenditure it is not grossed up in the budget, but is in the financial statements.
- v3 Grants expenses 2017 actual is more than 2017 budget due to an increase in NDRRA payments relating to 2017 events (primarily STC Debbie) required to reimburse LGAs and SDAs. This increase was partly offset by Grant expenses relating to events prior to 2017 being less than budget due to a reduction in the final cost of eligible reconstruction works completed by SDAs and LGAs on these events.
- v4 Employee expenses 2017 actual is less than 2017 budget as QRA's total budgeted staff of 104 FTE includes capacity to respond to significant disaster events. Despite increased activity in response to STC Debbie, the total FTE required at 30 June 2017 was 90.
- v5 Supplies and services expenses 2017 actual is more than 2017 budget due to the transfer of resilience projects to QRA from other agencies, including the Brisbane River Catchment Flood Study (BRCFS).
- v6 Other expenses 2017 actual is less than 2017 budget primarily due to audit works required for the 2015-16 Commonwealth claim being completed for less than budgeted due to a reduction in the value of acquittal claims for natural disaster events.



Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

19. Budget vs actual comparison (cont'd)

Statement of Financial Position

	Variance Notes	Budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000	Variance % of Budget
Current assets					
Cash and cash equivalents	v7	18,550	53,725	35,175	190%
Receivables	v8	1,694	10,788	9,094	537%
Other current assets		5	27	22	440%
Total current assets		20,249	64,540	44,291	219%
Non-current assets					
Property, plant and equipment		–	4	4	–
Total non-current assets		–	4	4	–
Total assets		20,249	64,544	44,295	219%
Current liabilities					
Payables	v9	2,718	2,129	589	22%
Accrued employee benefits	v10	–	387	(387)	100%
Other current liabilities		24	–	24	100%
Total current liabilities		2,742	2,516	226	8%
Total liabilities		2,742	2,516	226	8%
Net assets		17,507	62,028	44,521	254%
Equity					
Accumulated surplus	v11	17,507	62,028	44,521	254%
Total equity		17,507	62,028	44,521	254%

Explanations of major variances

- v7 Cash assets 2017 actual is more than 2017 budget due to cash reserves from NDRRA grant advances not utilised during the year.
- v8 Receivables 2017 actual is more than 2017 budget due to an increase in GST receivable at the end of the financial year. GST receivable at 30 June represents the GST paid on taxable payments including grants for the month of June. The increase is due to different timing of submissions by grant recipients and grant payment advances relating to STC Debbie.
- v9 Payables 2017 actual is less than 2017 budget due to the budgeted balance including accrued employee benefits, which is now disclosed separately.
- v10 Accrued employee benefits 2017 budget was included in payables but has now been disclosed separately.
- v11 Accumulated surplus 2017 actual is more than 2017 budget due to cash reserves from NDRRA grant advances not utilised during the year. This cash reserve will be available to utilise in future years. Refer to note v7.

Queensland Reconstruction Authority

Notes to and forming part of the Financial Statements

For the year ended 30 June 2017

19. Budget vs actual comparison (cont'd)

Statement of Cash Flows

	Variance Notes	Budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000	Variance % of Budget
Cash flows from operating activities					
<i>Inflows:</i>					
Grant	v12	356,054	379,011	22,957	6%
Other	v13	34,162	30,013	(4,149)	-12%
<i>Outflows:</i>					
Employee costs	v14	(13,553)	(10,750)	2,803	21%
Supplies and services (including GST paid to suppliers)	v15	(51,083)	(52,990)	(1,907)	-4%
Grants	v16	(324,699)	(338,969)	(14,270)	-4%
Other	v17	(881)	(518)	363	41%
Net cash provided by operating activities		<u>—</u>	<u>5,797</u>	<u>5,797</u>	<u>100%</u>
Cash flows from investing activities					
<i>Outflows:</i>					
Payments for property, plant and equipment		—	(5)	(5)	-100%
Net cash (used in) investing activities		<u>—</u>	<u>(5)</u>	<u>(5)</u>	<u>100%</u>
Net increase (decrease) in cash and cash equivalents		—	5,792	5,792	100%
Cash and cash equivalents at beginning of reporting period		18,550	47,933	29,383	158%
Cash and cash equivalents at end of reporting period		<u>18,550</u>	<u>53,725</u>	<u>35,175</u>	<u>190%</u>

Explanations of major variances

- v12 Grants inflows 2017 actual is more than 2017 budget due to an increase in Grant revenue relating to 2017 NDRRA events (primarily STC Debbie) required to reimburse LGAs and SDAs. This increase was partly offset by Grant revenue relating to events prior to 2017 being less than budget due to a reduction in the final cost of eligible reconstruction works completed by SDAs and LGAs on these events.
- v13 Other inflows primarily relates to GST refunded to QRA from the ATO during the year. GST refunds mainly consist of GST on NDRRA grant payments made. 2017 actual is less than 2017 budget due to the timing of when NDRRA grants payments were paid compared with forecast payments in the budget.
- v14 Employee costs 2017 actual is less than 2017 budget as QRA's total budgeted staff of 104 FTE includes capacity to respond to significant disaster events. Despite increased activity in response to STC Debbie, the total FTE required at 30 June 2017 was 90.
- v15 Supplies and services costs 2017 actual is more than 2017 budget due to the transfer of resilience projects to QRA from other agencies, including the BRCFS.
- v16 Grants outflows 2017 actual is more than 2017 budget due to an increase in NDRRA payments relating to 2017 events (primarily STC Debbie) required to reimburse LGAs and SDAs. This increase was partly offset by Grant expenses relating to events prior to 2017 being less than budget due to a reduction in the final cost of eligible reconstruction works completed by SDAs and LGAs on these events.
- v17 Other outflows 2017 actual is less than 2017 budget primarily due to audit works required for the 2015-16 Commonwealth claim being completed for less than budget due to a reduction in the value of acquittal claims for natural disaster events.



Certificate of the Queensland Reconstruction Authority

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

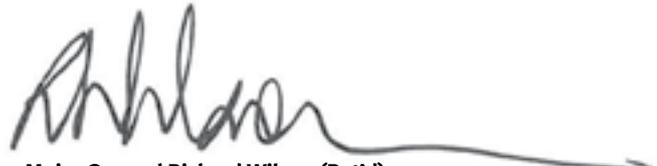
- (i) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (ii) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of QRA for the financial year ended 30 June 2017 and of the financial position of QRA at the end of that year; and
- (iii) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Brendan Moon
Chief Executive Officer

Queensland Reconstruction Authority

Date: 15 August 2017



Major General Richard Wilson (Ret'd)
Chairperson

Queensland Reconstruction Authority

Date: 15 August 2017



INDEPENDENT AUDITOR'S REPORT

To the Board of Queensland Reconstruction Authority

Report on the audit of the Financial Report

Opinion

I have audited the accompanying financial report of Queensland Reconstruction Authority.

In my opinion, the financial report:

- gives a true and fair view of the entity's financial position as at 30 June 2017, and its financial performance and cash flows for the year then ended
- complies with the Financial Accountability Act 2009, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Responsibilities of the entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017:

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

P J FLEMMING FCPA
as delegate of the Auditor-General



Queensland Audit Office
Brisbane



Requirements

Annual Report Requirements

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister	ARRs – section 7	3
Accessibility	Table of contents	ARRs – section 9.1	5
	Glossary		52
	Public availability	ARRs – section 9.2	4
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	4
	Copyright notice	<i>Copyright 1968</i> ARRs – section 9.4	4
	Information Licensing	QGEA – Information Licensing ARRs – section 9.5	4
General information	Introductory Information	ARRs – section 10.1	8
	Agency role and main functions	ARRs – section 10.2	8
	Operating environment	ARRs – section 10.3	13,14
Non-financial performance	Government's objectives for the community	ARRs – section 11.1	8
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	8
	Agency objectives and performance indicators	ARRs – section 11.3	8-10
	Agency service areas, and service standards	ARRs – section 11.4	10
Financial performance	Summary of financial performance	ARRs – section 12.1	11-12, 23
Governance – management and structure	Organisational structure	ARRs – section 13.1	19-20
	Executive management	ARRs – section 13.2	15-18, 38-39
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	N/A
	Public Sector Ethics Act 1994	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	20
	Queensland Public Service values	ARRs – section 13.5	8
Governance – risk management and accountability	Risk management	ARRs – section 14.1	21
	Audit committee	ARRs – section 14.2	N/A
	Internal audit	ARRs – section 14.3	21
	External scrutiny	ARRs – section 14.4	22
	Information systems and recordkeeping	ARRs – section 14.5	21
Governance – human resources	Workforce planning, attraction and retention and performance	ARRs – section 15.1	20, 37-39
	Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	20
Open Data	Statement advising publication of information	ARRs – section 16	4
	Consultancies	ARRs – section 33.1	NA
	Overseas travel	ARRs – section 33.2	20
	Queensland Language Services Policy	ARRs – section 33.3	4
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	46
	Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	48-49

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2009

ARRs Annual report requirements for Queensland Government agencies

Glossary

ARRs	Annual report requirements for Queensland Government Agencies
CEO	Chief Executive Officer
EMA	Emergency Management Australia
FAA	Financial Accountability Act 2009
FPMS	Financial and Performance Management Standard 2009
LGA	Local Government Authority
NDRRA	Natural Disaster Relief and Recovery Arrangements
QAO	Queensland Reconstruction Authority
QRIDA	Queensland Rural and Industry Development Authority (<i>formally QRAA</i>)
SDRA	State Disaster Relief Arrangements
VfM	Value for Money
QFES	Queensland Fire and Emergency Services
STC	Severe Tropical Cyclone
The Act	Queensland Reconstruction Authority Act 2011
The Board	Queensland Reconstruction Board
The Plan	State Recovery Plan 2017-2019: Operation Queensland Recovery
The Strategy	Queensland Strategy for Disaster Resilience 2017



