

Appendix C

# **Financial statements**

## **Queensland Family and Child Commission**

### **Financial Statements**

**for the year ended 30 June 2021**

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# **Queensland Family and Child Commission**

## **Financial Statements 2020-21**

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**Queensland Family and Child Commission**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2021

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	Notes	2021 \$'000	2020 \$'000
<b>Income from Continuing Operations</b>			
Grants and other contributions	3.	13,687	12,692
Other revenue		34	67
<b>Total Income from Continuing Operations</b>		<b>13,721</b>	<b>12,759</b>
<b>Expenses from Continuing Operations</b>			
Employee expenses	4.	9,550	8,881
Supplies and services	5.	2,998	3,866
Depreciation and amortisation		97	256
Other expenses	6.	135	367
<b>Total Expenses from Continuing Operations</b>		<b>12,780</b>	<b>13,370</b>
<b>Operating Result from Continuing Operations</b>		<b>941</b>	<b>(611)</b>
<b>Total Comprehensive Income</b>		<b>941</b>	<b>(611)</b>

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

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# Queensland Family and Child Commission

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

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	Notes	2021 \$'000	2020 \$'000
<b>Current Assets</b>			
Cash and cash equivalents		3,233	3,394
Receivables	7.	258	220
Prepayments		130	169
<b>Total Current Assets</b>		<b>3,621</b>	<b>3,783</b>
<b>Non Current Assets</b>			
Plant and equipment		23	21
Intangible assets	8.	754	91
<b>Total Non Current Assets</b>		<b>777</b>	<b>112</b>
<b>Total Assets</b>		<b>4,398</b>	<b>3,895</b>
<b>Current Liabilities</b>			
Payables	9.	412	938
Accrued employee benefits	10.	498	410
<b>Total Current Liabilities</b>		<b>910</b>	<b>1,348</b>
<b>Total Liabilities</b>		<b>910</b>	<b>1,348</b>
<b>Net Assets</b>		<b>3,488</b>	<b>2,547</b>
<b>Equity</b>			
Contributed equity		2,427	2,427
Accumulated surplus		1,061	120
<b>Total Equity</b>		<b>3,488</b>	<b>2,547</b>

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

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## **Queensland Family and Child Commission**

### **STATEMENT OF CHANGES IN EQUITY**

**for the year ended 30 June 2021**

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	<b>Accumulated Surplus \$'000</b>	<b>Contributed Equity \$'000</b>	<b>TOTAL \$'000</b>
<b>Balance as at 1 July 2019</b>	731	2,427	3,158
<b>Operating Result from Continuing Operations</b>	(611)	-	(611)
<b>Balance as at 30 June 2020</b>	<b>120</b>	<b>2,427</b>	<b>2,547</b>
<b>Balance as at 1 July 2020</b>	120	2,427	2,547
<b>Operating Result from Continuing Operations</b>	941	-	941
<b>Balance as at 30 June 2021</b>	<b>1,061</b>	<b>2,427</b>	<b>3,488</b>

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

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# Queensland Family and Child Commission

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

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	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>		
<i>Inflows:</i>		
Grants and other contributions	13,628	12,835
GST input tax credits from ATO	482	352
GST collected from customers	13	6
Other revenue	34	67
<i>Outflows:</i>		
Employee expenses	(9,574)	(8,695)
Supplies and services	(3,425)	(3,936)
GST paid to suppliers	(414)	(412)
GST remitted to ATO	(13)	(5)
Other	(131)	(26)
<b>Net cash provided by (used in) operating activities</b>	<b>601</b>	<b>186</b>
<b>Cash flows from investing activities</b>		
<i>Outflows:</i>		
Payments for plant and equipment	(8)	(16)
Payments for intangibles	(754)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(762)</b>	<b>(16)</b>
Net increase (decrease) in cash and cash equivalents	(161)	170
Cash and cash equivalents at beginning of financial year	3,394	3,224
<b>Cash and cash equivalents at end of financial year</b>	<b>3,233</b>	<b>3,394</b>

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

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# Queensland Family and Child Commission

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

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### NOTES TO THE STATEMENT OF CASH FLOW

#### Reconciliation of Operating Result to Net Cash provided by Operating Activities

	2021 \$'000	2020 \$'000
Operating surplus/(deficit)	941	(611)
Depreciation and amortisation expense	97	256
Loss on disposal of property, plant & equipment	-	239
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	(107)	106
(Increase)/decrease in GST input tax credits receivable	69	(59)
(Increase)/decrease in prepayments	39	(132)
Increase/(decrease) in accounts payable	(526)	312
Increase in accrued employee benefits	88	75
<b>Net cash provided by (used in) operating activities</b>	<b>601</b>	<b>186</b>

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# **Queensland Family and Child Commission**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

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### **Section 1: About the QFCC and this Financial Report**

- Note 1: Basis of Financial Statement Preparation
- Note 2: Objectives of the QFCC

### **Section 2: Notes about our Financial Performance**

- Note 3: Grants and Contributions
- Note 4: Employee Expenses
- Note 5: Supplies and Services
- Note 6: Other Expenses

### **Section 3: Notes about our Financial Position**

- Note 7: Receivables
- Note 8: Intangible Assets
- Note 9: Payables
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### **Section 4: Notes about Risks and Other Accounting Uncertainties**

- Note 11: Commitments
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### **Section 5: Notes on our Performance compared to Budget**

- Note 16: Budgetary Reporting Disclosures and Significant Financial Impacts from COVID-19

### **Section 6: Other Information**

- Note 17: Key Management Personnel (KMP) and Related Party Disclosures
- Note 18: Taxation
- Note 19: Insurance
- Note 20: Accounting Estimates and Judgements
- Note 21: First Year Application of New Accounting Standards or Change in Accounting Policy
- Note 22: Climate Risk Disclosures



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# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

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### 1. Basis of Financial Statement Preparation

#### General Information

This financial report covers the Queensland Family and Child Commission (QFCC). It has no controlled entities.

The QFCC is a statutory body established on 1 July 2014 as part of the Queensland Government's response to the Queensland Child Protection Commission of Inquiry (Carmody Inquiry). The QFCC provides oversight of Queensland's child protection system to ensure government and non-government agencies are delivering best practice services for the families and children of Queensland.

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

Level 8, 63 George Street, Brisbane.

A description of the nature of the QFCC's operations and its principal activities are included in the notes to the financial statements.

#### Compliance with Prescribed Requirements

The QFCC has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2020.

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

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 21.

#### Presentation

##### Currency and Rounding

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

##### Comparatives

Comparative information reflects the audited 2019-20 financial statements.

##### Current / Non-Current Classification

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

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# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

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### 1. Basis of Financial Statement Preparation (cont'd)

#### Presentation (cont'd)

##### Current / Non-Current Classification (cont'd)

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

#### Basis of Measurement

Historical cost is used as the measurement basis in this report.

Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

#### Accounting Policy - Cash and Cash Equivalents

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

#### Implementation of the Shared Service Initiative

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

- Financial Services
- Human Resources Recruitment and Payroll
- Information Systems and Support
- Internal Audit Services.

#### Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Chief Executive Officer & Principal Commissioner and the Acting Executive Director Corporate & Communications at the date of signing the Management Certificate.

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# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

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### 2. Objectives of the QFCC

The QFCC has the following objectives:

- Hold to account the systems responsible for the safety and wellbeing of our most vulnerable children and young people by:
  - maintaining independence and recognising the important role of the family in children's lives
  - focusing on outcomes, measuring what matters to enable the oversight of systems responsible for upholding the rights of Queensland children and young people
  - advocating for systemic change to protect the rights and best interests of children and young people in Queensland, particularly those who experience inequity, vulnerability and marginalisation
- Promote and raise awareness of the rights of children and young people in Queensland by:
  - gathering and using the perspectives of Queensland's children and young people to inform and influence the decisions made by government
  - engaging in a purposeful, ethical and inclusive manner
  - using best practice and strong evidentiary facts to remain contemporary and current in our role as trusted advisor
- Advocate for what matters in the lives of children and young people and their families by:
  - taking a stand on issues that affect the rights of children and young people in Queensland
  - using young people's experiences and data to tell a story
  - identifying, consulting and collaborating with our key stakeholders and partners and using the collective knowledge to influence outcomes for the benefit of children and young people

	2021	2020
	\$'000	\$'000
<b>3. Grants and Contributions</b>		
Grants received from State and Commonwealth departments	13,687	12,692
<b>Total</b>	<b>13,687</b>	<b>12,692</b>

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# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

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### 3. Grants and Contributions (cont'd)

#### Accounting Policy - Grants and Contributions

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

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

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

The QFCC received grant funding from the Department of Justice and Attorney-General and Commissioner for Children and Young People Western Australia during the 2020-21 financial year. The funding has been recognised as revenue on receipt under AASB 1058 as the QFCC's obligations are not sufficiently specific.

	2021	2020
	\$'000	\$'000
<b>4. Employee Expenses</b>		
<b>Employee Benefits</b>		
Wages and salaries	7,107	6,606
Employer superannuation contributions	949	845
Annual leave levy	715	665
Long service leave levy	188	159
<b>Employee Related Expenses</b>		
Payroll tax	442	394
Other employee related expenses	149	212
<b>Total</b>	<b>9,550</b>	<b>8,881</b>
	2021	2020
Full-Time Equivalent Employees *	63	65

\* FTE data as at 30 June 2021 (based upon the fortnight ending 2 July 2021).

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# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

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### 4. Employee Expenses (cont'd)

#### Accounting Policy - 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 the QFCC expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

#### Accounting Policy - Sick Leave

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

#### Accounting Policy - Annual Leave

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for departments, commercialised business units and shared service providers. Under this scheme, a levy is made on the QFCC to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

#### Accounting Policy - Long Service Leave

Under the Queensland Government's Long Service Leave Scheme (LSLS), a levy is made on the QFCC to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

#### Accounting Policy - Superannuation

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

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

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

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# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

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### 4. Employee Expenses (cont'd)

#### Accounting Policy - Workers' Compensation Premiums

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

#### Key management personnel and remuneration disclosures

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

	2021	2020
	\$'000	\$'000
<b>5. Supplies and Services</b>		
Building services *	905	1,017
Administration costs	110	100
Contractors and consultants	957	1,440
Corporate services provider costs	488	567
Advertising and promotions	110	79
Minor plant and equipment	37	266
Other supplies and services	391	397
<b>Total</b>	<b>2,998</b>	<b>3,866</b>

#### Office accommodation

\* Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework arise from non-lease arrangements with the Department of Energy and Public Works (DEPW), formerly the Department of Housing and Public Works (DHPW), who has substantive substitution rights over the assets used within these schemes. Building Services includes office rental payments to DEPW of \$728k (2020 - \$889k) and these are expensed in the periods in which they are incurred.

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# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

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	2021 \$'000	2020 \$'000
<b>6. Other Expenses</b>		
Insurance premiums (QGIF)	4	4
External audit fees *	22	23
Loss on disposal of assets	-	239
Sponsorships paid	82	101
Trustee/Board Fees	27	-
<b>Total</b>	<b>135</b>	<b>367</b>

\* Total audit fees quoted in the Queensland Audit Office's plan for 2020-21 is \$22,500 (2019-20: \$22,500).

<b>7. Receivables</b>		
Trade debtors	-	5
GST receivable	86	155
Annual leave reimbursements	132	53
Long service leave reimbursement	40	7
<b>Total</b>	<b>258</b>	<b>220</b>

### Accounting Policy - Receivables

Receivables are measured at amortised cost which approximates their fair values at reporting date.

Trade debtors are recognised at the amounts due at the time of sale or service delivery (i.e. the agreed purchase/contract price). Settlement of these amounts is required within 30 days from invoice date.

### Impairment of Receivables

#### Accounting Policy - Impairment of Receivables

The loss allowance for trade and other debtors reflect lifetime expected credit losses and incorporates reasonable supportable forward-looking information. Economic changes impacting the QFCC's debtors, and relevant industry data from part of the QFCC's impairment assessment.

The QFCC's other receivables are from Queensland Government agencies or Australian Government agencies. No loss allowance is recorded for these receivables.

No impairment losses have been recognised for receivables in 2020-21.

# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

8. Intangible Assets	2021 \$'000	2020 \$'000
Software Purchased: At cost		
Gross	433	433
Less: Accumulated amortisation	(404)	(342)
	29	91
Software Internally Generated: At cost		
Gross	1,876	1,146
Less: Accumulated amortisation	(1,176)	(1,146)
	700	-
Software Work in Progress: At cost		
Gross	25	-
	25	-
<b>Carrying amount at 30 June</b>	<b>754</b>	<b>91</b>

### Intangible Assets - Balances and Reconciliation of Carrying Amounts

	Software Purchased		Software Internally Generated		Work in Progress		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Carrying amount at 1 July	91	152	-	151	-	-	<b>91</b>	<b>303</b>
Acquisitions	-	-	-	-	755	-	<b>755</b>	-
Transfers in/(out)	-	-	729	-	(729)	-	-	-
Amortisation expense	(62)	(61)	(30)	(151)	-	-	<b>(92)</b>	<b>(212)</b>
<b>Carrying amount at 30 June</b>	<b>29</b>	<b>91</b>	<b>700</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>754</b>	<b>91</b>



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# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

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### 8. Intangible Assets (cont'd)

#### Recognition and Measurement

##### Accounting Policy

Intangible assets of the QFCC comprise of purchased and internally generated software. Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

There is no active market for the QFCC's intangible assets. As such the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research activities relating to internally generated intangible assets is recognised as an expense in the period in which it is incurred. Research and development expensed during the period is included in 'supplies and services expenses'.

Costs associated with internal development of computer software are capitalised and amortised under the amortisation policy below.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

##### Impairment

##### Accounting Policy

All intangible assets are assessed for indicators of impairment on an annual basis. No significant indicators of impairment were present at reporting date.

	2021	2020
	\$'000	\$'000
<b>9. Payables</b>		
Trade creditors	256	690
Other payables	156	248
<b>Total</b>	<b>412</b>	<b>938</b>

##### Accounting Policy

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

### 10. Accrued Employee Benefits

#### Current

Salaries and wages outstanding	268	213
Annual leave levy payable	184	152
Long service leave levy payable	46	45
<b>Total</b>	<b>498</b>	<b>410</b>

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# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

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### 10. Accrued Employee Benefits (cont'd)

#### Accounting Policy

No provision for annual leave or long service leave is recognised in the QFCC'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*.

### 11. Commitments

#### (a) Office Accommodation

The Department of Energy and Public Works (DEPW) provides the QFCC with access to office accommodation under government-wide frameworks. From 1 July 2019, these arrangements are now categorised as procurement of services rather than as leases because DEPW has substantive substitution rights over the assets. The related service expenses are included in Note 5.

#### (b) Other Expense Commitments

The other material expenditure commitments of the QFCC (inclusive of non-recoverable GST input tax credits) contracted for at reporting date but not recognised in the accounts are payable as follows:

	2021	2020
	\$'000	\$'000
Not later than one year	1,466	1,595
Later than one year and not later than five years	3,306	3,854
<b>Total</b>	<b>4,772</b>	<b>5,449</b>

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# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

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### 12. Contingencies

There were no other known contingent assets or liabilities as at 30 June 2021.

### 13. Financial Risk Disclosures

#### Financial Instrument Categories

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

The QFCC has no financial assets/liabilities recognised at fair value.

The QFCC has the following categories of financial assets and financial liabilities:

<b>Category</b>	<b>Note</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Financial Assets</b>			
Cash and cash equivalents		3,233	3,394
Financial assets at amortised cost:			
Receivables	7.	258	220
<b>Total financial assets</b>		<b>3,491</b>	<b>3,614</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost:			
Payables	9.	412	938
<b>Total financial liabilities at amortised cost</b>		<b>412</b>	<b>938</b>

#### Financial risk management

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

### 14. Events Occurring After Balance Date

No events have occurred after balance date that has a material effect on these financial statements.

### 15. Future Impact of Accounting Standards Not Yet Effective

At the date of authorisation of the financial report, there are no Australian accounting standards and interpretations with future effective dates that are applicable to the QFCC's activities or have no material impact on the QFCC.

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**Queensland Family and Child Commission**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

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**16. Budgetary Reporting Disclosures and Significant Financial Impacts from COVID-19**

This section contains explanations of major variances between the QFCC's actual 2020-21 financial results and the original budget presented to Parliament.

**Budget to Actual Comparison - Statement of Comprehensive Income**

		2021	2021	
	Variance	Actual	Original	Budget
	Notes	\$'000	budget	variance
		\$'000	\$'000	\$'000
<b>Income from Continuing Operations</b>				
Grants and other contributions	1.	13,687	13,762	(75)
Other revenue		34	52	(18)
<b>Total Income from Continuing Operations</b>		<b>13,721</b>	<b>13,814</b>	<b>(93)</b>
<b>Expenses from Continuing Operations</b>				
Employee expenses	2.	9,550	10,261	(711)
Supplies and services	3.	2,998	3,301	(303)
Depreciation and amortisation	4.	97	191	(94)
Other expenses	5.	135	61	74
<b>Total Expenses from Continuing Operations</b>		<b>12,780</b>	<b>13,814</b>	<b>(1,034)</b>
<b>Total Comprehensive Income</b>		<b>941</b>	<b>-</b>	<b>941</b>

**16. Budgetary Reporting Disclosures and Significant Financial Impacts from COVID-19**

This section contains explanations of major variances between the QFCC's actual 2020-21 financial results and the original budget presented to Parliament.

**Explanations of Major Variances**

**Statement of Comprehensive Income**

1. Funding received for amortisation was not required due to the timing of implementing the Child Death Register software and is now recognised as unearned revenue.
2. Delays in filling vacant positions and staff on extended leave or secondment to other government agencies have contributed to lower salary costs. On-line training opportunities have also reduced employee expenses.
3. Supplies and services vary each year as projects are developed. The timing of project delivery, reduced travel and working from home arrangements have contributed to the underspend in this area.
4. Depreciation and amortisation expenses have decreased due to the timing of implementing the replacement Child Death Register software.
5. The increase in other expenses is primarily due to the funding agreement with Children's Rights Queensland.

**Statement of Financial Position and Statement of Cash Flows**

The QFCC was granted relief from preparing a budgeted Statement of Financial Position and a budgeted Statement of Cash Flows in the 2020-21 SDS. Consequently, these were not presented to Parliament for the 2020-21 financial year.

# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

### 17. Key Management Personnel (KMP) and Related Party Disclosures

#### Details of Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the QFCC during 2020-21 and 2019-20.

Position	Position Responsibility
Chief Executive Officer & Principal Commissioner	<p>As the Chief Executive Officer of the agency, the role provides strategic and cross-sectorial leadership and direction to government and non-government agencies to strengthen laws, policies, practices and services that improve the child protection and family support system.</p> <p>The role is responsible for providing expert advice on child protection practices, underpinned by research, to improve the safety and wellbeing of children and young people. Maintaining the rights of children in all situations continues to drive the work of the agency.</p> <p>This role is also the Chair of the independent Child Death Review Board.</p>
Commissioner	<p>The role supports the Principal Commissioner to provide strategic direction and leadership to develop and deliver integrated strategies designed to build capability and capacity and improve the culture of the child protection and family support system.</p> <p>The role has a strong focus on collaboration, partnerships and networks across the sector and improving outcomes for Aboriginal and Torres Strait Islander children and families.</p>
Deputy Commissioner	<p>The role was responsible for supporting the Commissioners and leading and maintaining the QFCC's strategic and operational frameworks, achieved through a broad range of activities, projects and services to support children, families and communities across the State.</p>
Executive Director, Corporate and Communications	<p>The role leads the agency corporate services, communications and education and community engagement activities. It is responsible for making sure the QFCC has the appropriate controls, administrative, legal and corporate governance arrangements, media and corporate communications, reporting procedures, and people oriented systems in place to effectively support the operations of the QFCC in line with key legislative and policy obligations.</p>

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# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

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### 17. Key Management Personnel (KMP) and Related Party Disclosures (cont'd)

#### Details of Key Management Personnel (cont'd)

Position	Position Responsibility
Executive Director, Child Death Prevention	<p>The role leads the QFCC's research and child death prevention functions and during 2020-21 was responsible for the transition of the Child Death Review Board (CDRB) secretariat functions from the then Department of Child Safety, Youth and Women.</p> <p>The role oversees the QFCC maintaining a register on all child deaths in Queensland to inform prevention activities and make available better information on risk factors and causes of death.</p>
Executive Director, Oversight	<p>The role strategically leads the oversight and Indigenous outcomes function of the QFCC.</p> <p>The role provides leadership to the systemic oversight of Queensland's child protection and family support systems to assess whether the systems are reliable, sustainable and productive. The role also drives activities to influence policy and practice to address the disproportionate representation of Aboriginal and Torres Strait Islander children and young people in the child protection and family support systems.</p>

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# **Queensland Family and Child Commission**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

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### **17. Key Management Personnel (KMP) and Related Party Disclosures (cont'd)**

#### **Remuneration Policies**

Remuneration for the Principal Commissioner and Commissioner are set by the Governor in Council in accordance with Division 3, *Family and Child Commission Act 2014*. The remuneration and other terms of employment for the other key executive management personnel are in accordance with directives issued under the *Public Service Act 2008* by the Public Service Commission Chief Executive or the Minister responsible for public sector industrial relations.

Remuneration expenses for those KMP comprise the following components:

- Short term employee expenses, including:
  - Salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position.
  - Non-monetary benefits - consisting of provision of vehicle parking together with fringe benefits tax applicable to the benefit.
- Long term employee expenses including amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses including amounts expensed in respect of employer superannuation obligations.
- Termination benefits are in accordance with government industrial instruments and individual contract of employment arrangements.
- Performance bonuses are not paid.



# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

### 17. Key Management Personnel (KMP) and Related Party Disclosures (cont'd)

#### Remuneration Expense

The following disclosures focus on the expenses incurred by the QFCC attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the statement of comprehensive income.

#### 1 July 2020 - 30 June 2021

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer & Principal Commissioner	286	1	7	26	-	320
Commissioner	221	3	5	22	-	251
Deputy Commissioner (from 1 July 2020 to 31 March 2021)	149	2	4	16	42	213
Executive Director, Child Death Prevention	190	3	4	20	-	217
Executive Director, Oversight	185	4	4	19	-	212
Executive Director, Corporate and Communications (from 20 December 2020) (Acting)	106	2	2	10	-	120
<b>Total Remuneration</b>	<b>1,137</b>	<b>15</b>	<b>26</b>	<b>113</b>	<b>42</b>	<b>1,333</b>

- Deputy Commissioner was on leave from 7 December 2020 to 30 March 2021 and resigned from the QFCC on 30 March 2021. The position has since been abolished.
- Executive Director Evaluation & Workforce Futures was seconded to the Department of Youth Justice from 1 July 2020 to 14 May 2021 and is currently on long term leave.
- Executive Director Corporate and Communications was seconded to the Department of Agriculture and Fisheries from 17 August 2020 to 9 December 2020.
- The position of Director to the Principal Commissioner was not responsible for planning, directing and controlling the activities of the QFCC during 2020-21.

# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

### 17. Key Management Personnel (KMP) and Related Party Disclosures (cont'd)

#### KMP Remuneration Expense (cont'd)

1 July 2019 - 30 June 2020

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer & Principal Commissioner	287	4	7	26	-	324
Commissioner (to 25 September 2019)	47	2	1	6	-	56
Commissioner (from 1 June 2020)	18	-	1	2	-	21
Deputy Commissioner (from 13 January 2020)	99	1	3	11	-	114
Executive Director, Research and Child Death Prevention	188	5	4	20	-	217
Executive Director, Oversight and Indigenous Outcomes (from 29 July 2019)	177	4	4	19	-	204
Executive Director, Evaluation and Workforce Futures	183	5	4	19	-	211
Executive Director, Corporate and Communications	205	2	5	22	-	234
Director to the Principal Commissioner (to 8 October 2019)	47	3	1	5	-	56
Director to the Principal Commissioner (from 18 February 2020)	54	1	2	7	-	64
<b>Total Remuneration</b>	<b>1,305</b>	<b>27</b>	<b>32</b>	<b>137</b>	<b>-</b>	<b>1,501</b>

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# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

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### 17. Key Management Personnel (KMP) and Related Party Disclosures (cont'd)

#### Related Party Transactions

##### Transactions with people/entities related to KMP

The QFCC did not enter into any transactions with people, or entities, related to Key Management Personnel during the audit period.

##### Transactions with other Queensland Government-controlled entities

The QFCC transacts with other Queensland Government controlled entities consistent with normal day-to-day business operations provided under normal commercial terms and conditions.

The QFCC's primary ongoing source of funding is grant funding provided in cash by Department of Justice and Attorney General (Note 3).

The QFCC received services from CAA (Note 1) totalling \$209k and has an operating lease from DEPW for commercial office accommodation (Note 5) totalling \$728k.

### 18. Taxation

The QFCC is a state body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only Commonwealth taxes accounted for by the QFCC. GST credits receivable from, and GST payable to, the ATO are recognised under Note 7 - Receivables.

### 19. Insurance

The QFCC's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund with premiums being paid on a risk assessment basis. In addition, the QFCC pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

### 20. Accounting Estimates and Judgements

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

The QFCC has not recognised any balances that could potentially have a significant effect on these financial statements.

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# Queensland Family and Child Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21

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### 21. First Year Application of New Accounting Standards or Change in Accounting Policy

#### Accounting standards applied for the first time

One new accounting standard with material impact were applied for the first time in 2020-21:

- AASB 1059 *Service Concession Arrangements: Grantors*

The effect of adopting this new standard is detailed below. No other accounting standards or interpretations that apply to the QFCC for the first time in 2020-21 have any material impact on the financial statements.

#### Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2020-21.

#### AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 applies to grantors in service concession arrangements, which involve an operator:

- a) providing public services related to a service concession asset on behalf of a grantor; and
- b) managing at least some of those services under its own discretion, rather than at the direction of the grantor.

In addition, the grantor must control the asset, which is demonstrated by:

- a) controlling or regulating
  - what services the operator must provide with the asset,
  - to whom it must provide them, and
  - at what price; and
- b) controlling any significant residual interest in the asset at the end of the term of the arrangement.

The QFCC has considered the impact of applying AASB 1059 *Service Concession Arrangements: Grantors* and determined that as the QFCC does not provide any public services relating to a concession asset under service concession arrangements, AASB 1059 will have no material impact on the QFCC.

### 22. Climate Risk Disclosures

The QFCC has not identified any material climate related risks relevant to the financial report at reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

**Queensland Family and Child Commission  
Management Certificate  
for the year ended 30 June 2021**

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), s.39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- (i) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (ii) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Family and Child Commission for the financial year ended 30 June 2021 and of the financial position of the office at the end of that year.

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



.....  
Cheryl Vardon  
Chief Executive Officer & Principal  
Commissioner  
**Queensland Family and Child Commission**

Date: 18/8/2021



.....  
Tony King  
Acting Executive Director Corporate &  
Communications  
**Queensland Family and Child Commission**

Date: 18/8/2021

## INDEPENDENT AUDITOR'S REPORT

To the Principal Commissioner of the Queensland Family and Child Commission

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of the Queensland Family and Child Commission.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

#### Basis for opinion

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

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

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

#### Responsibilities of the entity for the financial report

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

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

## **Auditor's responsibilities for the audit of the financial report**

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

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

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

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

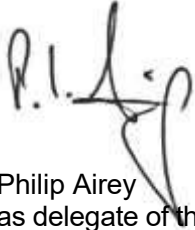
## **Report on other legal and regulatory requirements**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

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

### **Prescribed requirements scope**

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



Philip Airey  
as delegate of the Auditor-General

18 August 2021

Queensland Audit Office  
Brisbane