

Annual Report

2012-13



The Honourable David Crisafulli MP  
Minister for Local Government, Community Recovery  
and Resilience  
Level 18, Mineral House  
41 George Street  
Brisbane QLD 4000

18 September 2013

Dear Minister,

I am pleased to present the *Annual Report 2012-2013* 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 49 of this annual report or accessed at [www.qldreconstruction.org.au](http://www.qldreconstruction.org.au)

Yours sincerely



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

# Accessibility

This Annual Report provides information about the Queensland Reconstruction Authority's financial and non-financial performance for 2012-2013. It has been prepared in accordance with the *Financial Accountability Act 2009*.

The report records the significant achievements against the Queensland Reconstruction Authority's strategic plan. This report has been prepared for the Minister for Local Government, Community Recovery and Resilience 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 this 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 the Authority's website at [www.qldreconstruction.org.au](http://www.qldreconstruction.org.au)

The Queensland Reconstruction Authority Annual Report 2012-2013

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

Level 11, 400 George Street, Brisbane

PO Box 15428 City East  
Queensland 4002 Australia

Telephone +61 7 3008 7200  
Facsimile +61 7 3008 7299

[www.qldreconstruction.org.au](http://www.qldreconstruction.org.au)

*Additional information is available online.*

### License

This material is licensed under a Creative Commons – Attribution 3.0 Australia license.



The Queensland Reconstruction Authority requests attribution in the following manner:

©Queensland Reconstruction Authority 2013

|   |                                     |
|---|-------------------------------------|
| Security classification                   | Public                              |
| Date of review of security classification | September 2013                      |
| Authority                                 | Queensland Reconstruction Authority |
| Author                                    | Chief Executive Officer             |
| Document status                           | Final                               |
| Version                                   | 1.0                                 |

ISSN 978-0-9873118-4-9

# Contents

|   |    |
|---|----|
| Letter of compliance .....                    | 3  |
| Accessibility.....                            | 4  |
| Message from the Chair .....                  | 6  |
| Message from the Chief Executive Officer..... | 7  |
| Overview .....                                | 8  |
| Financial performance .....                   | 10 |
| Governance .....                              | 11 |
| Board .....                                   | 13 |
| Structure .....                               | 18 |
| Risks .....                                   | 19 |
| External scrutiny .....                       | 19 |
| Financial overview .....                      | 20 |
| Financials .....                              | 21 |
| Requirements .....                            | 49 |

# Message from the Chair

**I am pleased to present the Queensland Reconstruction Authority's Annual Report for the 2012–13 financial year.**

As Queensland continued its recovery from the loss and damage of the natural disasters of 2010–12, Tropical Cyclone Oswald hit the north of the state during the 2013 Australia Day celebrations before travelling south as a rain depression over many days. The extreme weather saw damage, destruction and isolation revisit 57 local government areas across Queensland.

Over the past 12 months, the Authority has continued to progress its program of major restoration and delivery, while also assisting 2013 disaster affected communities on the ground with recovery in Oswald's immediate aftermath. The added destructive burden of Oswald and associated events has seen the state-wide program of works expand to \$14 billion in damage from events spanning 2009–13. To June this year, the Authority had overseen more than \$7.8 billion in projects completed or underway across Queensland communities.

While significant progress has already been made, there is no room for complacency: Queensland can only be rebuilt through the collective efforts of the Commonwealth, State and Local Governments, working together with their respective communities. Over the next year, the Authority's focus must remain on rebuilding and delivering value for money across the state.

As the Authority continues the reconstruction task, its experience and knowledge also continues to grow. The Authority's high-level coordination role offers Queensland significant competitive advantages, as we now have a highly experienced organisation with a detailed understanding of how to optimise the benefits of natural disaster relief assistance programs, as well as the management of major disaster recovery and rebuilding operations.

We will maintain our focus on supporting these efforts to ensure the continued delivery of community priorities into the future.

Major General Richard Wilson (Ret'd)  
Chair

**Queensland Reconstruction Authority**

# Message from the CEO

**I am pleased to present the Queensland Reconstruction Authority's Annual Report for the 2012–13 financial year.**

The past year has seen the Queensland Reconstruction Authority's operation extended until 2015 and our focus remains squarely on delivery.

The massive program of works to reconstruct infrastructure in disaster-affected communities around Queensland was compounded in January 2013 with the devastation caused by Tropical Cyclone Oswald and its aftermath.

The challenge to the Authority was to maintain the momentum of reconstruction from previous events while ensuring a swift response to the disaster that unfolded across 57 local government areas.

With the subsequent creation of the new Department of Local Government, Community Recovery and Resilience and the appointment of Minister David Crisafulli to oversee reconstruction, the Authority has been re-energised, with streamlined approval processes and more officers on the ground helping councils get on with the job faster.

The Authority continues to work hand in hand with councils so that funding and progress payments are provided swiftly and reconstruction projects can proceed without delay.

It has been a landmark year for reconstruction with the Commonwealth and Queensland Governments establishing the joint \$80 million Betterment Fund, which funds Council-nominated projects so that infrastructure can be built back to a higher standard, enhancing resilience to future disaster events and reducing the spend on reconstruction long term.

As it forges ahead with the reconstruction task, the Authority remains committed to its vision to reconnect, rebuild and improve Queensland communities and the economy.



Graeme Newton

Chief Executive Officer  
**Queensland Reconstruction Authority**

# Overview

## Legislation

The Queensland Reconstruction Authority was established under the *Queensland Reconstruction Authority Act 2011* following the unprecedented natural disasters that struck Queensland over the summer months of 2010-11. The Authority's role was extended to cover historical disaster events and events of 2012. Subsequently, the *Queensland Reconstruction Authority Amendment Bill 2013* was passed on 14 February 2013 to expand the jurisdiction of the Authority to include recent events of 2013, extending the term of the Authority to 30 June 2015.

The Authority manages and coordinates the Government's program of infrastructure reconstruction within disaster affected communities. The Authority's role focuses on working with state and local government partners to deliver value for money and best practice expenditure and acquittal of public reconstruction funds.

## Vision

*To reconnect, rebuild and improve Queensland, its communities and economy*

## Strategic objectives

The Queensland Reconstruction Authority's strategic objectives, in the context of natural disaster relief and recovery are:

- Build a resilient Queensland and support resilient Queenslanders
- Deliver best practice expenditure of public reconstruction funds.

The Authority contributes to achieving the whole of government objectives. In particular:

- 'Restore accountability in Government' by reporting monthly to the State and Commonwealth ensuring transparency and assurance that funds are being used appropriately
- 'Grow a Four Pillar Economy' by coordinating the rapid restoration of a competitive, sustainable Queensland
- 'Deliver better infrastructure and better planning' by coordinating all state-wide natural disaster relief and recovery reconstruction functions.

## Key priorities 2013–14

- Continue to actively manage and resource state-wide Natural Disaster Relief and Recovery Arrangement (NDRRA) reconstruction works, including works relating to Queensland's natural disaster events of 2013, and report on their progress
- Manage the distribution of NDRRA funding for restoration and reconstruction programs relating to events from 2009 to 2013
- Acquit NDRRA claims with the Commonwealth Government
- Distribute \$80 million in betterment funding to councils so they can build more resilient roads and other public infrastructure
- Continue to operate a Regional Liaison Officer network to engage with reconstruction delivery agents across the state, providing principal points of contact for each affected region
- Continue damage assessment operations to capture and monitor progress of reconstruction in natural disaster affected areas across the state.



## Performance indicators and service standards

In 2012-13, the Queensland Reconstruction Authority:

- continued to actively manage and resource state-wide reconstruction works under the NDRRA program and report on their progress
- operated a Regional Liaison Officer network to provide principal points of contact for each affected region
- supported the State Government's response to the Queensland Floods Commission of Inquiry recommendations
- finalised and maintained state-wide floodplain mapping to support local government planning schemes and implemented Part 1 and Part 2 floodplain toolkit into planning schemes.

In 2013-14 the Authority will:

- continue to actively manage and resource state-wide NDRRA reconstruction works, including works relating to Queensland's natural disaster events of 2013, and report on their progress
- acquit NDRRA claims with the Commonwealth Government
- continue damage assessment operations to capture and monitor progress of reconstruction in natural disaster affected areas across the State
- continue to operate a Regional Liaison Officer network to engage with reconstruction delivery agents across the State, providing principal points of contact for each affected region.

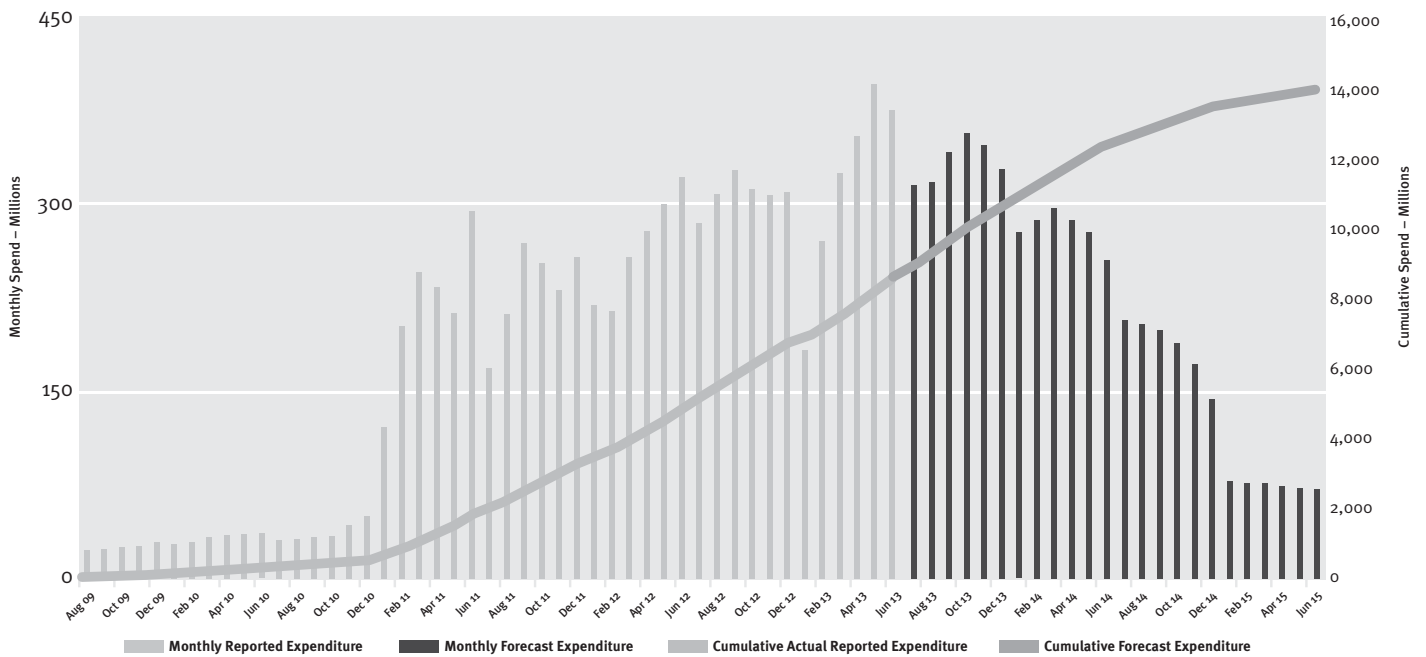
| Queensland Reconstruction Authority   | 2012-13 Target/Est. | 2012-13 Est. actual | 2013-14 Target/Est. |
|---|---------------------|---------------------|---------------------|
| <b>Service standards</b>  |                     |                     |                     |
| Completion of the reconstruction as required by the Commonwealth NDRRA (events activated before 30 June 2012) | Dec 2012            | June 2014           | June 2014           |
| Acquittal and finalisation of NDRRA claims with the Commonwealth Government for the relevant financial year   | –                   | –                   | June 2014           |
| Compliance with legislated requirements to report the Authority's function and performance                    | 100%                | 100%                | 100%                |

# Financial performance

The figure below represents the monthly expenditure (left) and estimated costs (right) for all natural disaster events managed by the Authority. This also represents the value of works to be delivered in the period to 30 June 2015.

\$8.1 billion (56 per cent of the total program) has been delivered, leaving 44 per cent of the program to be delivered between now and 30 June 2015.

By utilising a thorough value for money approach, with effective governance, the Authority has avoided costs to the program (i.e. potential savings) in excess of \$1.7 billion. The Authority's operating cost is 0.8 per cent of the total reconstruction program.



# Governance

The Authority reports to the Queensland Minister for Local Government, Community Recovery and Resilience. The Authority also reports to the Board, chaired by Major General Richard Wilson AO (Ret'd), comprised of state and federal nominees.

## Commonwealth Determination

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 the recovery from defined natural disasters.

The NDRRA arrangements are set out and administered by the Commonwealth Government in the *Natural Disaster Relief and Recovery Arrangement Determination*. The arrangements provide financial assistance to states in the form of partial reimbursement of actual expenditure related to natural disaster events. Following the series of natural disaster events in 2010-11, all 73 Local Government Authorities and relevant State Departments and Agencies in Queensland are eligible to make funding applications to the State under the NDRRA Commonwealth Determination.

## National Partnership Agreement

To reinforce the governance arrangements for delivering the NDRRA program, the Commonwealth and Queensland Governments in February 2011, entered into a National Partnership Agreement (NPA) for Natural Disaster Reconstruction and Recovery. A new NPA was agreed between the Commonwealth and State on 8 February 2013, superseding the previous agreement.

- The Agreement provides for a number of governance arrangements specific to Queensland
- The Agreement identifies that the Queensland Reconstruction Authority will:
  - Lead and oversee Queensland's flood and cyclone recovery operations
  - Monitor and assess the progress of the reconstruction program
  - Monitor and assess the performance of the delivery of projects
  - Report to its Board, the Australian Government Reconstruction Inspectorate and the Queensland Cabinet on the progress of recovery and reconstruction
  - Liaise with the State Disaster Recovery Coordinators and the Commonwealth National Disaster Recovery Taskforce as needed to ensure good integration.

### Australian Government Reconstruction Inspectorate

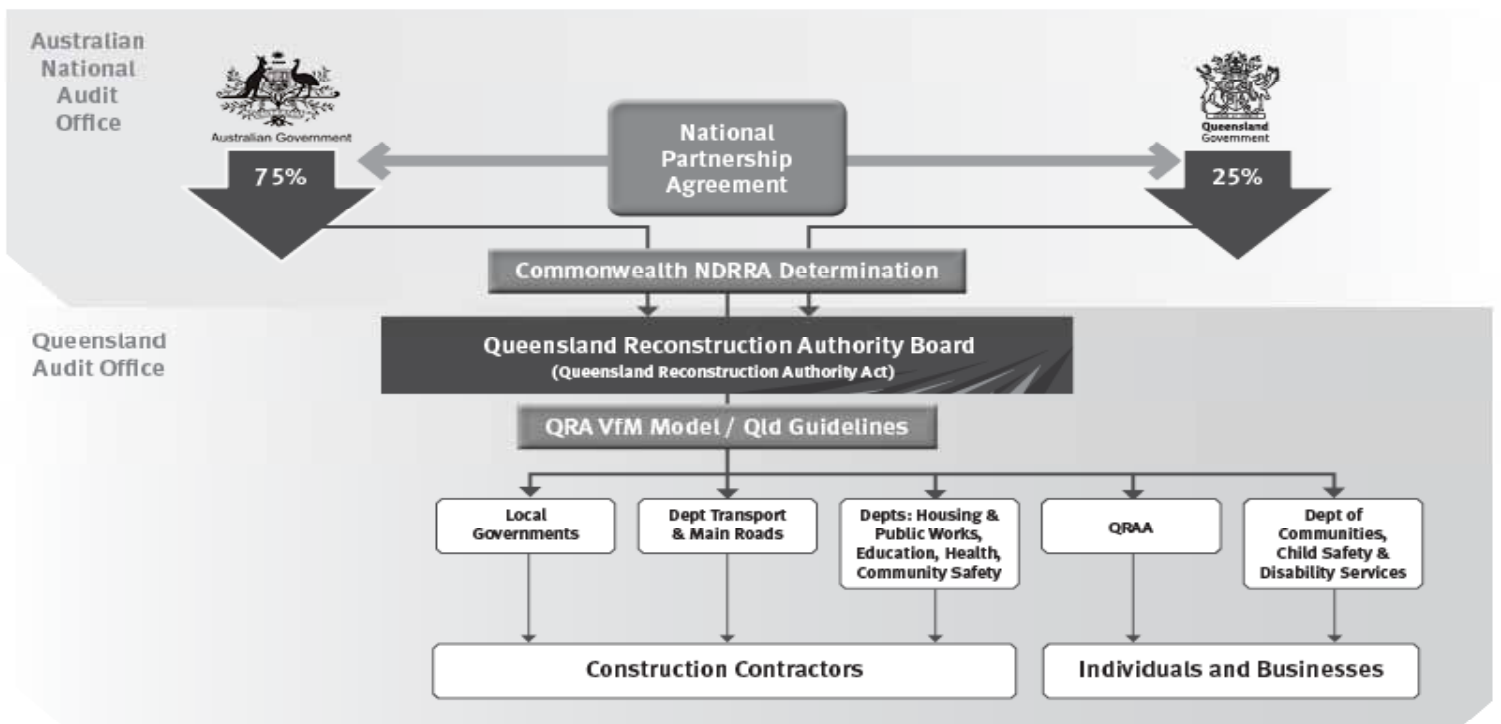
The governance arrangements in the NPA established an Australian Government Reconstruction Inspectorate to oversee the reconstruction activity to provide assurance that value for money is being achieved in the expenditure of both Commonwealth and State funds.

### Commonwealth National Disaster Recovery Taskforce

A Commonwealth National Disaster Recovery Taskforce was also established (located in the Department of Regional Australia, Local Government, Arts and Sport). The Taskforce has, as its sole focus, the oversight and coordination of Commonwealth interests in relation to the recovery and reconstruction efforts regarding the flooding and cyclone events that took place in Queensland between November 2010 and January 2013.

The Governance framework of the Act recognises the exceptional circumstances of the reconstruction program and the need for rapid decision making to occur. The framework enables funds to be paid directly to project delivery agents while fulfilling the audit requirements of the Queensland Auditor-General.

### Governance model



# Board

Under the Act, the key purpose of the Authority's Board is to oversee the operations of the Authority.

The functions of the Board include:

- Setting the Authority's strategic priorities
- Ensuring the Authority 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 meetings for 2012–13:

| Date     |                   |
|----------|-------------------|
| Tuesday  | 17 July 2012      |
| Tuesday  | 21 August 2012    |
| Tuesday  | 18 September 2012 |
| Tuesday  | 16 October 2012   |
| Tuesday  | 20 November 2012  |
| Tuesday  | 18 December 2012  |
| Tuesday  | 29 January 2013   |
| Thursday | 21 February 2013  |
| Tuesday  | 19 March 2013     |
| Tuesday  | 16 April 2013     |
| Tuesday  | 21 May 2013       |
| Tuesday  | 18 June 2013      |

| Number of Board meetings attended:    | Attended | Held |
|---------------------------------------|----------|------|
| Chairman                              |          |      |
| Maj. Gen. Dick Wilson                 | 12       | 12   |
| Ms Glenys Beauchamp                   | 10       | 12   |
| Mr Steve Golding                      | 11       | 12   |
| Mr Jim McKnoulty                      | 10       | 12   |
| Mr Brad Orgill                        | 7        | 12   |
| Ms Kathy Hirschfeld (ceased 21/2/13)  | 6        | 8    |
| Mr Brian Guthrie (ceased 21/2/13)     | 4        | 8    |
| Mr Stephen Motti (commenced 22/3/13)  | 4        | 4    |
| Ms Lyn McLaughlin (commenced 22/3/13) | 4        | 4    |

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

Born in Brisbane on 16 January 1955, Major General Richard (Dick) Wilson was an infantryman with extensive practical command experience at all levels from platoon to division. He has served as the Chair of the Queensland Reconstruction Authority since September 2011 and retired from the Army in January 2012.

During his 39 years in the military, Major General Wilson held a wide range of staff appointments, mainly in the areas of operations, plans and strategy. He also served on exchange with the US Army (1991- 1992) and has operational service which includes assignment with the United Nations Transitional Administration in East Timor (January 2001-March 2002).

A graduate of the Royal Military College, Duntroon, the Australian Army Command and Staff College and the United States Army War College, Major General Wilson's educational qualifications include a Doctor of Philosophy from the University of New South Wales (1986).

**Glenys Beauchamp PSM****BEcon, MBA**

Glenys Beauchamp was appointed as the Secretary of the Department of Regional Australia, Local Government, Arts and Sport on 21 December 2010 after acting in the position since 14 September 2010. Prior to this appointment, she was Deputy Secretary in the Department of the Prime Minister and Cabinet, where she also acted as the Commonwealth Coordinator General overseeing the rollout of the infrastructure components of the Government's Stimulus Plan.

Prior to that Ms Beauchamp was Deputy Secretary in the Department of Families, Housing, Community Services and Indigenous Affairs overseeing key policy agendas in relation to child support reforms, early childhood and child protection, early development of the paid parental scheme and implementation of income management in the Northern Territory.

She was awarded a Public Service medal in recognition of her work coordinating the Australian Government's support of the 2009 Victorian bushfires.

**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, where he joined as an engineer in 1967 and retired as its Director-General in 2005. In a parallel part-time career, he enlisted as a private soldier in the active Army Reserve in 1963 and became inactive in 1998 reaching the rank of Major General. He was the senior Army Reserve officer in Australia.

Mr Golding is an Honorary Fellow of Engineers Australia, a Fellow of three other professional associations and a Fellow of the Australian Institute of Company Directors. He is a Chartered Professional Engineer. For outstanding service to the Australian Army he was appointed a Member of the Order of Australia (AM) in 1998.

Other current board appointments include: Chair, Transport Certification Australia Ltd; Director, North Queensland Bulk Ports Corporation Ltd; Director, Transmax Pty Ltd; Chair, Diocesan Services Commission of the Brisbane Anglican Diocese.

**Brian Guthrie PSM****BE, MEngSc, BEcon**

Brian Guthrie has a wealth of government and private sector experience.

He has held positions of Principal and General Manager for organisations with yearly budgets of up to \$500 million. Mr Guthrie was the Secretary/Treasurer of the Urban Local Government Association of Queensland for many years and held Board positions for a number of organisations, including a Prime Ministerial appointment. He is presently on the Local Government Infrastructure Board in Queensland.

Mr Guthrie was responsible for managing the amalgamation of two large urban cities and a water board in North Queensland.

**Kathy Hirschfeld****B.E. (Chem), CEng, FTSE, FIChemE, FIEAust, GAICD**

Kathy Hirschfeld is currently a non-executive Director of Snowy Hydro Limited ASC Pty Ltd and a Senator of the University of Queensland.

A chemical engineer, Ms Hirschfeld held executive and leadership roles with BP for almost two decades. Her career with BP began at its Kwinana Refinery in Perth in 1990, where she held Engineering, Maintenance and Operations Management roles.

In 2002–13 she was posted to the UK as a Commercial Manager with BP Exploration.

In 2004, Ms Hirschfeld was appointed as the Refinery Manager of BP's joint venture refinery in Mersin, Turkey where she was responsible for converting the refinery into a Marketing terminal. She was Managing Director of BP's Bulwer Island Oil Refinery and a Director of New Zealand Refining Company until March 2010.

Ms Hirschfeld is President of the Queensland Council for Redkite, a children's cancer charity and a board member of UN Women Australia.

In 2007 Ms Hirschfeld was recognised as one of Australia's 25 most influential female engineers by Engineers Australia.

**Jim McKnoulty****B App Sc (Surv), CS, MIS Aust, Hon FPIA, FUDIA**

Jim McKnoulty is Chairman of RPS Eastern Australia, which is part of the RPS global network of professionals providing local solutions in energy and resources, infrastructure, environment and urban growth, employing 4500 staff. He is also Chairman of City Smart Pty Ltd – a company set up by Brisbane City Council to facilitate partnerships in promoting a sustainable future for the city, the Immediate Past National President of Greening Australia and was founding President of The Australian Green Development Forum.

His leadership role in Growth Management and Sustainable Development in Queensland was recognised in 2006 when he was awarded the title of Honorary Fellow of the Planning Institute of Australia and Life Member of Greening Australia.

In 2007, Mr McKnoulty's contribution and commitment to sustainability was further recognised through the Premier's Award for Leadership in Business Sustainability and Ernst and Young's Queensland Entrepreneur of the Year in the Business Services Category.

Mr McKnoulty is a director of the Brisbane Institute, an adjunct Professor at QUT and a member of the Advisory Committee to the QUT Faculty of Built Environment and Engineering.



**Brad Orgill****B.Econ, GDip (App Fin), M.A. (Asian Studies), M EnvSci & Law**

Brad Orgill worked with UBS, a Swiss headquartered global investment bank, asset management and wealth management firm for 22 years, equally spent in Asia and Australia. He retired as Chairman and Country Head of UBS Australia, and member of the UBS AG Group Managing Board in 2008.

In Asia he was UBS CEO and Country Head in each of Hong Kong, China and Singapore and carried regulatory and geographic leadership across all UBS's businesses. He is a past member of the Business Council of Australia (BCA), the Young Presidents' Organisation (YPO) and Australian Business in the Community Network.

Mr Orgill was Chair of the Building the Education Revolution (BER) Implementation Taskforce examining the \$16 billion BER schools stimulus program. He is a member of the Advisory panel for the Regional Development Australia Fund and a Director of NBN CO.

**Stephen Motti****Bach. Urb Reg Plan, MPIA, FAICD**

Stephen Motti is a Senior Principal with Brazier Motti, which provides consulting services in survey, town planning, project management, mapping and GIS from offices located in Queensland's regional centres of Townsville, Cairns, Mackay and Ayr.

A qualified Senior Town Planner, Mr Motti holds a Bachelor of Urban and Regional Planning from the University of New England and has over 24 years' industry experience, specialising in development assessment and statutory approvals.

Mr Motti continues to actively participate in industry forums and has held, or continues to hold, roles with the Housing Industry of Australia and the Urban Development Institute of Australia, the Planning Institute of Australia and the Property Council of Australia in Townsville. He also currently sits on the Executive Committee of the Townsville Chamber of Commerce as Deputy President and is a Fellow of the Institute of Company Directors.

Mr Motti is a past president and current member of the Rotary Club of Townsville and is the current Chair of the Townsville Salvation Army Red-Shield Appeal Committee.

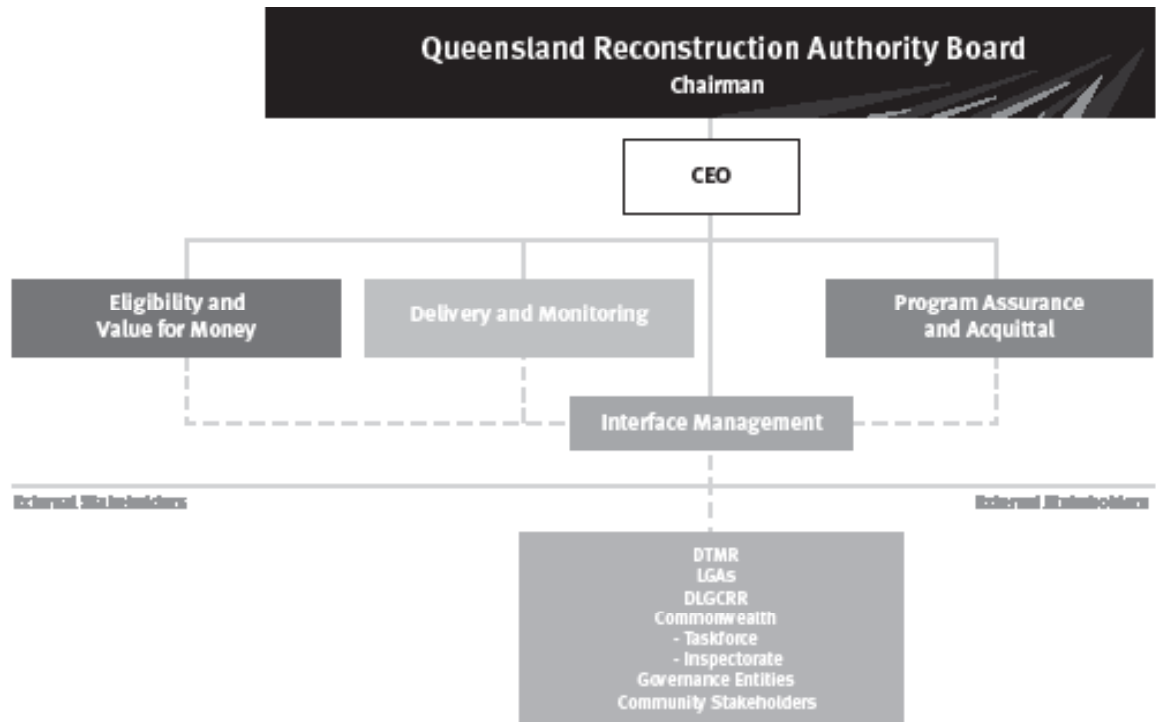
**Lyn McLaughlin**

Lyn McLaughlin was Mayor of the Burdekin Shire from 2004 to 2012 after having served the Burdekin Shire as a Councillor between 1994 and 2000.

She has a strong focus and commitment to regional issues and is currently the Chairman of the Queensland Local Government Grants Commission and Deputy Chairman of Regional Development Australia (Townsville and North West Queensland).

Ms McLaughlin has enjoyed a teaching career, having undertaken numerous permanent, contract and relief opportunities with Queensland's Department of Education for almost three decades (1976 to 2004).

# Structure



The Authority has been structured to facilitate the coordinated delivery of the reconstruction effort with the current staffing function designed to ensure the efficient, focused delivery of the state-wide reconstruction program.

With the extension of the Authority to 30 June 2015, tasks managed by the Authority have been rationalised, with the primary focus now on the delivery of the NDRRA combined reconstruction program by 30 June 2015.

## Staffing

The Authority engages public servants on interchange and temporary arrangements including technical experts on short-term contracts to fulfil specific tasks on an as needed basis. The Authority encourages a work/life balance and also complies with the Directives and Awards that work in conjunction with the *Carers Recognition Act (2008)*.

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is 84.

As public servants employed by the Authority staff are on interchange and temporary arrangements or employed on short-term contracts, there are no early retirements, redundancies or retrenchment packages to report.

The Authority 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 consultants, including Public Sector and Industrial Employee Relations (PSIER) and the Public Service Commission (PSC).

The Authority adheres to the Code of Conduct for the Queensland Public Service under the Public Sector Ethics Act 1994 and provides staff with access to training as required.

The Authority is committed to supporting the whole-of-government's Public Sector Renewal Program and communicates its objectives to staff through regular emails and staff briefings.

## Risks

A detailed risk assessment of the entire reconstruction program has been undertaken. The significant risks can be categorised into three main areas.

1. Scope and Cost Risk – delivery of approved and eligible scope of works.
2. Delivery within timeframe – delivery of program of works by 30 June 2015.
3. Audit Risk – to gain reimbursement from the Commonwealth.

The Authority has developed a suite of mitigation measures to manage the key program risks. The Authority's Board and Management utilise a risk management framework to reduce the overall risks of the program.

### Internal assurance

The Authority has established an internal assurance function in relation to audit and risk issues of the Authority internally and risks relating to the provision and acquittal of NDRRA funding.

The internal assurance team includes qualified auditors seconded to the Authority from other State agencies under officer interchange arrangements. The Authority has an assurance process which was prepared with regard to Queensland Treasury's Audit Committee Guidelines.

A risk-based approach has been adopted in relation to the preparation of the assurance process. It has been designed to ensure that assurance is an effective tool to assist the Authority's management in discharging its responsibilities under the NPA.

### Information Systems and Record Keeping

The Authority's electronic records management TRIM 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 TRIM, data security, information retention and disposal.

## External scrutiny

The Queensland Auditor-General conducted a performance management systems audit on the Authority's systems and processes. The Auditor-General's findings were presented to the Queensland Parliament in September 2011. The audit assessed the systems put in place by the Queensland Government to ensure that it was fulfilling its role and complying with the requirements of the NPA.

The Queensland Auditor-General found that:

*'Overall the Authority has designed and implemented appropriate systems and processes to address the requirements of the Agreement. The urgent and tight timeframes for establishing the Authority and the expected large numbers of individual submissions, meant that prompt action and some ingenuity had to be applied. The Authority has been able to rapidly set up its functions through a variety of means, including the use of established policies and procedures from organisations with similar functions.'*

Subsequently, in the Queensland Auditor-General's report to Parliament Number 10 (Results of audits: Local government entities 2011-12) the Auditor-General notes:

*'The QRA has established robust systems to address previous deficiencies including initiatives such as a value for money strategy; on site inspections at councils; progress payments; scheduled reviews of projects at the 50 per cent and 100 per cent stage; 10 per cent retention of costs until final confirmation of project deliverables; and review of actual costs to council ledgers.'*

*Through these pre- and post-payment approval processes, QRA has now established a clear understanding with local governments and a greater certainty about compliance requirements with the Determinations. This is evidenced by our ability to determine the eligibility of expenditure on claims processed through QRA.'*

# Financial overview

The financial statements included in this annual report provide specific information regarding the Authority's activities for the year ended 30 June 2013 and the Authority's financial position at the end of that period.

## Operating result

The Authority's operating result for 2012-13 was a deficit of \$1,550 million. The deficit was a result of the provision of NDRRA grants in this financial year using NDRRA advances received in prior years.

## Revenues

Revenue predominately relates to NDRRA funding from the Commonwealth via Queensland Treasury and Trade and also includes funding from the Queensland Government for operations of the Authority.

## Expenses

Expenses predominately relate to the payment of NDRRA grants to Local Government Authorities and State Agencies.

## Assets

Assets include unspent NDRRA funds from the Commonwealth and Queensland Governments being held in a separate bank account and GST refundable from the Australian Taxation Office (\$49.3 million).

## Liabilities

Liabilities mainly relate to grants payable to QRAA (\$6 million) and creditors, and other payables due by the Authority relating to operational activities.

| Statement of Comprehensive Income | 2013<br>\$'000     | 2012<br>\$'000   |
|-----------------------------------|--------------------|------------------|
| Grants                            | 1,361,920          | 2,565,843        |
| Other revenue                     | 13                 | 31,617           |
| <b>Total revenue</b>              | <b>1,361,933</b>   | <b>2,597,460</b> |
| Grants                            | 2,882,245          | 1,933,873        |
| Contributions                     | -                  | 1,603            |
| Employee expenses                 | 10,069             | 12,856           |
| Supplies and services             | 18,853             | 13,782           |
| Other expenses                    | 376                | 386              |
| <b>Total expenses</b>             | <b>2,911,543</b>   | <b>1,962,500</b> |
| <b>Total comprehensive income</b> | <b>(1,549,610)</b> | <b>634,960</b>   |

| Statement of Financial Position | 2013<br>\$'000 | 2012<br>\$'000   |
|---------------------------------|----------------|------------------|
| Cash and cash equivalents       | 165,471        | 1,761,227        |
| Other assets                    | 49,455         | 23,095           |
| <b>Total assets</b>             | <b>214,926</b> | <b>1,784,322</b> |
| Grants payable                  | 6,089          | 25,181           |
| Other liabilities               | 5,594          | 6,288            |
| <b>Total liabilities</b>        | <b>203,243</b> | <b>31,469</b>    |
| <b>Equity</b>                   | <b>203,243</b> | <b>1,752,853</b> |

financials



# Queensland Reconstruction Authority

ABN 13 640 918 183

## Financial Statements

For the year ended 30 June 2013

## Contents

|   |    |
|---|----|
| Purpose and scope of the Financial Statements .....         | 23 |
| Statement of Comprehensive Income.....                      | 24 |
| Statement of Financial Position .....                       | 25 |
| Statement of Changes in Equity.....                         | 26 |
| Statement of Cash Flows.....                                | 27 |
| Notes to and forming part of the Financial Statements ..... | 28 |
| Management Certificate .....                                | 45 |
| Independent Audit Report.....                               | 46 |

## Queensland Reconstruction Authority

### Financial Statements

#### Purpose and scope of the financial statements

Queensland Reconstruction Authority (the Authority) was established as a Statutory Body on 21 February 2011 under The Queensland Reconstruction Authority Act 2011 (“the Act”). The Authority’s tenure was extended under the *Queensland Reconstruction Authority Amendment Act 2013* to 30 June 2015.

The Authority’s principal place of business is situated at:

Level 11  
400 George Street  
BRISBANE QLD 4000

The Act establishes the Authority to:

- coordinate and manage the rebuilding and recovery of affected communities, including the repair and rebuilding of community infrastructure and other property
- provide for the following to facilitate flood mitigation for affected communities, or the protection, rebuilding and recovery of affected communities:
  - the declaration of declared projects and reconstruction areas; and
  - the making of development schemes for declared projects and reconstruction areas.

The financial statements have been prepared by the Authority to meet the requirements of Section 62 of the Financial Accountability Act 2009 and Australian Accounting Standards. Queensland Treasury’s model financial accounts are used to assist with standardised financial reporting.

## Queensland Reconstruction Authority Statement of Comprehensive Income

For the year ended 30 June 2013

|  | Note | 2013<br>\$000             | 2012<br>\$000           |
|--|------|---------------------------|-------------------------|
| <b>Income from continuing operations</b>           |      |                           |                         |
| Grants   | 2    | 1,361,920                 | 2,565,843               |
| Other revenue                                      | 3    | 13                        | 31,617                  |
| <b>Total income from continuing operations</b>     |      | <b><u>1,361,933</u></b>   | <b><u>2,597,460</u></b> |
| <b>Expenses from continuing operations</b>         |      |                           |                         |
| Grants   | 4    | 2,882,245                 | 1,933,873               |
| Contributions                                      | 5    | –                         | 1,603                   |
| Employee expenses                                  | 6    | 10,069                    | 12,856                  |
| Supplies and services                              | 8    | 18,853                    | 13,782                  |
| Depreciation and amortisation                      | 9    | 160                       | 178                     |
| Other expenses                                     | 10   | 216                       | 208                     |
| <b>Total expenses from continuing operations</b>   |      | <b><u>2,911,543</u></b>   | <b><u>1,962,500</u></b> |
| <b>Operating result from continuing operations</b> |      | <b><u>(1,549,610)</u></b> | <b><u>634,960</u></b>   |
| <b>Total comprehensive income</b>                  |      | <b><u>(1,549,610)</u></b> | <b><u>634,960</u></b>   |

The accompanying notes form part of these financial statements



## Queensland Reconstruction Authority

### Statement of Financial Position

As at 30 June 2013

|                                      | Note | 2013<br>\$000         | 2012<br>\$000           |
|--------------------------------------|------|-----------------------|-------------------------|
| <b>Current assets</b>                |      |                       |                         |
| Cash and cash equivalents            | 11   | 165,471               | 1,761,227               |
| Receivables                          | 12   | 49,455                | 22,935                  |
| <b>Total current assets</b>          |      | <b><u>214,926</u></b> | <b><u>1,784,162</u></b> |
| <b>Non-current asset</b>             |      |                       |                         |
| Property, plant and equipment        | 13   | –                     | 160                     |
| <b>Total non-current assets</b>      |      | <b><u>–</u></b>       | <b><u>160</u></b>       |
| <b>Total assets</b>                  |      | <b><u>214,926</u></b> | <b><u>1,784,322</u></b> |
| <b>Current liabilities</b>           |      |                       |                         |
| Payables                             | 14   | 10,327                | 29,923                  |
| Accrued employee benefits            | 15   | 1,326                 | 1,546                   |
| <b>Total current liabilities</b>     |      | <b><u>11,653</u></b>  | <b><u>31,469</u></b>    |
| <b>Non-current liabilities</b>       |      |                       |                         |
| Accrued employee benefits            | 15   | 30                    | –                       |
| <b>Total non-current liabilities</b> |      | <b><u>30</u></b>      | <b><u>–</u></b>         |
| <b>Total liabilities</b>             |      | <b><u>11,683</u></b>  | <b><u>31,469</u></b>    |
| <b>Net assets</b>                    |      | <b><u>203,243</u></b> | <b><u>1,752,853</u></b> |
| <b>Equity</b>                        |      |                       |                         |
| Accumulated surpluses                |      | 203,243               | 1,752,853               |
| <b>Total equity</b>                  |      | <b><u>203,243</u></b> | <b><u>1,752,853</u></b> |

The accompanying notes form part of these financial statements

**Queensland Reconstruction Authority**  
**Statement of Changes in Equity**

For the year ended 30 June 2013

|   | 2013                  | 2012                    |
|---|-----------------------|-------------------------|
|   | \$000                 | \$000                   |
| <b>Opening Balance</b>                      | 1,752,853             | 1,117,893               |
| Operating result from continuing operations | (1,549,610)           | 634,960                 |
| <b>Closing Balance</b>                      | <b><u>203,243</u></b> | <b><u>1,752,853</u></b> |

The accompanying notes form part of these financial statements

## Queensland Reconstruction Authority

### Statement of Cash Flows

For the year ended 30 June 2013

|  | Note      | 2013<br>\$000      | 2012<br>\$000      |
|--|-----------|--------------------|--------------------|
| <b>Cash Flows from Operating Activities</b>                    |           |                    |                    |
| <b>Inflows:</b>  |           |                    |                    |
| Grants and other contributions                                 |           | 1,361,933          | 2,579,147          |
| GST collected from customers                                   |           | 88                 | 172                |
| GST input tax credits refunded from ATO                        |           | 261,919            | 157,990            |
|  |           | <u>1,623,940</u>   | <u>2,737,309</u>   |
| <b>Outflows:</b>   |           |                    |                    |
| Grants and contributions                                       |           | (2,894,456)        | (1,866,463)        |
| Payments to suppliers  |           | (25,308)           | (7,332)            |
| Payments to employees  |           | (9,966)            | (12,928)           |
| GST paid to suppliers  |           | (289,966)          | (129,299)          |
|  |           | <u>(3,219,696)</u> | <u>(2,016,022)</u> |
| <b>Net cash provided by operating activities</b>               | <b>16</b> | <u>(1,595,756)</u> | <u>721,287</u>     |
| <b>Cash flows from investing activities</b>                    |           |                    |                    |
| <b>Outflows:</b>   |           |                    |                    |
| Payments for property, plant and equipment                     |           | –                  | (108)              |
| <b>Net cash used in investing activities</b>                   |           | <u>–</u>           | <u>(108)</u>       |
| <b>Net increase / decrease in cash and cash equivalents</b>    |           | <b>(1,595,756)</b> | <b>721,179</b>     |
| Cash and cash equivalents at the beginning of reporting period |           | 1,761,227          | 1,040,048          |
| <b>Cash and cash equivalents at end of reporting period</b>    | <b>11</b> | <u>165,471</u>     | <u>1,761,227</u>   |

The accompanying notes form part of these financial statements

## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

#### Objectives and principal activities of the Queensland Reconstruction Authority

The Queensland Reconstruction Authority was established under the *Queensland Reconstruction Authority Act 2011* on 21 February 2011 and is scheduled under the Act to cease operations on 30 June 2015. The Authority's main objective is to provide for appropriate measures to ensure Queensland and its communities effectively and efficiently recover from the impacts of disaster events.

The principal activities undertaken by the Authority to achieve its objective are as follows:

- Coordinate and manage the rebuilding and recovery of affected communities, including the repair and rebuilding of community infrastructure and other property; and
- Provide for the following to facilitate flood mitigation for affected communities, or the protection, rebuilding and recovery of affected communities –
  - The declaration of declared projects and reconstruction areas; and
  - The making of development schemes for declared projects and reconstruction areas.

#### 1. Summary of significant accounting policies

##### (a) Basis of accounting

The Authority is a statutory body under the *Financial Accountability Act 2009*.

The financial statements have been prepared in accordance with Section 43 of the *Financial and Performance Management Standard 2009*.

The financial statements are general purpose financial statements and cover the Authority as an individual entity.

The general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to not for profit entities as the Authority is a not for profit statutory body. In addition the financial statements comply with the Treasurer's minimum reporting requirements for the period ended 30 June 2013.

Except where specifically stated, the financial statements have been prepared on an accruals basis, under the historical cost convention.

##### (b) Rounding and comparatives

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

##### (c) Grant and other contributions

Grants, donations and other contributions that are non-reciprocal in nature are recognised as revenue or an expense in the year in which the recipient obtains control over them or right to receive them. Grants that are reciprocal in nature are recognised over the term of the funding arrangements.

###### *Grants received*

Grants received by the Authority from the Commonwealth and State Governments are non-reciprocal in nature. The Authority treats these grants as revenue upon receipt as it obtains control at this point.

###### *Grants made*

Grants made by the Authority are made in accordance with an Agreement between the Authority and Local or State Government agencies and are non-reciprocal. Grants are treated as an expense when payable as the recipient obtains the right to receive (as defined in APG 2, *Financial Reporting Requirements Queensland Government Agencies*) at that point.

## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

#### *Contributions below fair value; goods, services and assets*

Services received below fair value are recognised as revenue and expenses in the Statement of Comprehensive Income. Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably.

#### **(d) Interest**

Natural Disaster Relief and Recovery Arrangements (NDRRA) funds are held in a separate bank account. As advised by Queensland Treasury and Trade, 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 the Authority.

#### **(e) 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.

#### **(f) Receivables**

Other receivables relates to expenses reimbursable to the Authority including the recovery of costs relating to the Disaster Coordinators.

#### **(g) Acquisition of assets**

Actual cost is used for the initial recording of all non-current physical and intangibles asset acquisitions. Cost is determined as the value given as consideration, plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. Training fees are expensed as incurred.

#### **(h) Property, plant and equipment**

The Authority has only one class of asset being plant and equipment. 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.

#### **(i) Revaluations of non-current physical assets**

Plant and equipment is measured at cost in accordance with Treasury's Non Current Asset Policies for the Queensland Public Sector. The carrying value for plant and equipment at cost should not materially differ from their fair value. As a consequence revaluations are not required.

#### **(j) Amortisation and depreciation of property, plant and equipment**

Property, plant and equipment is depreciated on a straight-line basis so as to write off the values of each asset, less its estimated residual value, progressively over its estimated useful life to the Authority. Depreciation rates are reviewed annually to ensure the carrying amounts reflect the remaining useful lives of the respective assets.

The depreciation rates for each class of depreciable asset are as follows:

|                     |              |
|---------------------|--------------|
| Plant and Equipment | 50% – 66.67% |
|---------------------|--------------|

The Authority was originally established for a life of two years and plant and equipment has been depreciated on this basis. Refer to Note 13.

#### **(k) Impairment of non-current assets**

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

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

An impairment loss is recognised immediately in the Statement of Comprehensive Income.

## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income.

#### **(l) Leases**

At the reporting date, the Authority only held operating leases. The payments for these operating leases are representative of the pattern of benefits derived from the leased asset and are expensed in the periods in which they are incurred.

#### **(m) Payables**

Trade creditors are recognised for amounts payable in the future for goods and services received, whether or not billed to the Authority 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.

Grants payable have been recognised at year end where claims have been received and assessed and a quantifiable obligation exists.

#### **(n) Financial instruments**

##### *Recognition*

Financial assets and liabilities are recognised in the Statement of Financial Position when the Authority is party to the contractual provisions of the financial instrument.

##### *Classification*

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit and loss
- Receivables – held at amortised cost
- Payables – held at amortised cost

The Authority does not enter into transactions for speculative purposes or for hedging. Apart from cash and cash equivalents, the Authority holds no financial assets at fair value through profit and loss.

All other disclosures relating to the measurement basis and financial risk management of financial instruments held by the Authority are included in Note 18.

#### **(o) Officer Interchange**

The Authority is predominately staffed by Queensland Government officers on interchange arrangements under section 184 of the *Public Service Act 2008* who are considered employees for the purposes of these financial statements and are treated as per the policy in Note 1(p).

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

## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

#### **(p) Employee benefits**

Employer superannuation contributions are regarded as employee benefits.

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

##### *Wages, salaries and recreation leave*

Wages, salaries and recreation leave due and unpaid at reporting date are recognised in the Statement of Financial Position at the remuneration rates expected to apply at the time of payment.

All unpaid entitlements are expected to be paid within 12 months, and have been recognised at their undiscounted values.

##### *Sick Leave*

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

##### *Long Service Leave*

The liability for long service leave is predominately expected to be settled within 12 months of the reporting date. Both current and non-current liabilities are recognised at their undiscounted values.

##### *Superannuation*

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

##### *Executive Remuneration*

Key executive management personnel and remuneration disclosures are made in accordance with section 5 to the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to note 7 for the disclosures on key executive management personnel and remuneration.

#### **(q) Insurance**

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

#### **(r) Issuance of financial statements**

The financial statements are authorised for issue by the Chairman and Chief Executive Officer as at the date of signing the management certificate.

#### **(s) Judgements and assumptions**

The preparation of financial statements requires the determination and use of certain critical accounting estimates, assumptions and management judgement that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Authority has made no judgements or assessments which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### **(t) New and revised accounting standards**

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

At the date of the report there were no accounting standards with future commencement dates that will materially impact on the Authority.

**Queensland Reconstruction Authority**  
**Notes to and forming part of the Financial Statements**

For the year ended 30 June 2013

**2. Grants**

|  | <b>2013</b>             | <b>2012</b>             |
|--|-------------------------|-------------------------|
|  | <b>\$000</b>            | <b>\$000</b>            |
| Commonwealth Government Grants – NDRRA             | 1,326,321               | 533,800                 |
| Queensland Government Grants – NDRRA               | 16,351                  | 1,998,840               |
| Queensland Government Grants – operational funding | 19,248                  | 33,203                  |
| <b>Total</b>                                       | <b><u>1,361,920</u></b> | <b><u>2,565,843</u></b> |

Grants and other contributions have been recognised in accordance with note 1(c).

Commonwealth Government NDRRA Grants are administered through Queensland Treasury and Trade.

Commonwealth and Queensland Government NDRRA grant monies are held in the Authority’s NDRRA account. Queensland Government grant monies for operational funding are held in the Authority’s Operating account.

**3. Other revenue**

|              |                  |                      |
|--------------|------------------|----------------------|
| Other Income | 13               | –                    |
| Donations    | –                | 31,617               |
| <b>Total</b> | <b><u>13</u></b> | <b><u>31,617</u></b> |

**4. Grants**

|  |                         |                         |
|--|-------------------------|-------------------------|
| Local Government Authorities – NDRRA (a) | 1,127,085               | 721,881                 |
| State Agencies – NDRRA (b)               | 1,706,912               | 1,183,539               |
| State Agencies – Non NDRRA (c)           | 48,248                  | 28,453                  |
| <b>Total</b>                             | <b><u>2,882,245</u></b> | <b><u>1,933,873</u></b> |



## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

#### 4. Grants

##### (a) Local government authorities – NDRRA

|   | 2013   | 2012   |
|---|--------|--------|
|   | \$000  | \$000  |
| Aurukun Shire Council                   | 2,933  | 1,440  |
| Balonne Shire Council                   | 34,586 | 12,371 |
| Banana Shire Council                    | 18,884 | 18,725 |
| Barcaldine Regional Council             | 7,400  | 6,031  |
| Barcoo Shire Council                    | 4,545  | 1,386  |
| Blackall-Tambo Regional Council         | 150    | 9,257  |
| Brisbane City Council                   | 26,573 | 60,500 |
| Boulia Shire Council                    | 2,152  | 4,045  |
| Bulloo Shire Council                    | 6,834  | 7,710  |
| Bundaberg Regional Council              | 46,467 | 8,649  |
| Burdekin Shire Council                  | 13,303 | 8,983  |
| Burke Shire Council                     | 5,748  | –      |
| Cairns Regional Council                 | 8,259  | 13,504 |
| Carpentaria Shire Council               | 23,649 | 5,000  |
| Cassowary Coast Regional Council        | 38,871 | 40,087 |
| Central Highlands Regional Council      | 41,024 | 36,655 |
| Charters Towers Regional Council        | 34,018 | 12,927 |
| Cherbourg Aboriginal Shire Council      | 323    | 140    |
| Cloncurry Shire Council                 | 6,181  | 457    |
| Cook Shire Council                      | 41,758 | 12,868 |
| Croydon Shire Council                   | 7,819  | 9      |
| Diamantina Shire Council                | 2,954  | 5,981  |
| Doomadgee Aboriginal Shire Council      | 1,634  | 473    |
| Etheridge Shire Council                 | 6,254  | 1,191  |
| Flinder Shire Council                   | 4,804  | 3,160  |
| Fraser Coast Regional Council           | 12,233 | 6,282  |
| Gladstone Regional Council              | 23,190 | 3,216  |
| Goondiwindi Regional Council            | 4,944  | 11,622 |
| Gympie Regional Council                 | 20,699 | 16,441 |
| Hinchinbrook Shire Council              | 57,918 | 19,952 |
| Hope Vale Aboriginal Shire Council      | 2,273  | 379    |
| Ipswich City Council                    | 25,906 | 49,446 |
| Isaac Regional Council                  | 10,564 | 6,614  |
| Kowanyama Aboriginal Shire Council      | 3,262  | 2,720  |
| Lockhart River Aboriginal Shire Council | 7,512  | –      |
| Lockyer Valley Regional Council         | 45,150 | 68,238 |
| Logan City Council                      | –      | 40     |
| Longreach Regional Council              | 2,399  | 879    |
| Mackay Regional Council                 | 45,756 | 37,397 |
| Mapoon Aboriginal Shire Council         | 402    | –      |
| Maranoa Regional Council                | 35,662 | 5,301  |
| McKinlay Shire Council                  | 3,632  | 2,908  |
| Moreton Bay Regional Council            | 10,663 | 7,762  |
| Mt Isa City Council                     | 541    | 1,529  |
| Murweh Shire Council                    | 21,787 | 269    |
| Napranum Aboriginal Shire Council       | 774    | –      |
| North Burnett Regional Council          | 24,955 | 9,213  |

## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

#### 4. Grants

##### (a) Local government authorities – NDRRA – continued

|  | 2013             | 2012           |
|--|------------------|----------------|
|  | \$000            | \$000          |
| Northern Peninsula Area Regional Council | 410              | 218            |
| Quilpie Shire Council                    | 2,824            | 2,602          |
| Palm Island Aboriginal Shire Council     | 3,759            | 7,881          |
| Paroo Shire Council                      | 20,291           | 3,296          |
| Pormpuraaw Aboriginal Shire Council      | 6,118            | –              |
| Redland City Council                     | 441              | –              |
| Richmond Shire Council                   | 10,382           | 319            |
| Rockhampton Regional Council             | 3,082            | 10,249         |
| Scenic Rim Regional Council              | 26,686           | 13,409         |
| Somerset Regional Council                | 41,342           | 26,528         |
| South Burnett Regional Council           | 24,663           | –              |
| Southern Downs Regional Council          | 7,388            | –              |
| Sunshine Coast Regional Council          | 145              | 952            |
| Tablelands Regional Council              | 10,075           | 9,418          |
| Toowoomba Regional Council               | 81,979           | 30,296         |
| Torres Shire Council                     | 514              | 501            |
| Torres Strait Island Regional Council    | –                | 2,612          |
| Townsville City Council                  | 66,291           | 25,456         |
| Western Downs Regional Council           | 10,060           | 27,740         |
| Whitsunday Regional Council              | 60,620           | 37,467         |
| Winton Shire Council                     | –                | –              |
| Woorabinda Aboriginal Shire Council      | 1,011            | 889            |
| Wujal Wujal Aboriginal Shire Council     | 481              | 288            |
| Yarrabah Aboriginal Shire Council        | 1,178            | –              |
| <b>Total</b>                             | <b>1,127,085</b> | <b>721,881</b> |

##### (b) State agencies – NDRRA

|  |                  |                  |
|--|------------------|------------------|
| Arts Queensland  | –                | (1,333)          |
| Darling-Downs Moreton Rabbit Board                                     | –                | 77               |
| Department of Communities, Child Safety and Disability Services        | 49,101           | 2,025            |
| Department of Community Safety   | 3,115            | –                |
| Department of Education, Training and Employment                       | 3,496            | 6,119            |
| Department of Environment and Heritage Protection                      | 191              | 5,902            |
| Department of Agriculture, Fisheries and Forestry                      | 696              | –                |
| Department of National Parks, Recreation, Sports and Racing            | 124              | –                |
| Department of Natural Resources and Mines                              | 848              | –                |
| Department of Premier & Cabinet  | 8                | 26               |
| Department of Housing and Public Works                                 | 17,718           | –                |
| Department of Transport and Main Roads                                 | 1,537,802        | 939,627          |
| Department of State Development, Infrastructure and Planning           | 310              | –                |
| Department of Science, Information Technology, Innovation and the Arts | (13)             | –                |
| Department of Justice and Attorney-General                             | 300              | –                |
| QRAA (Grants)  | 65,700           | 150,627          |
| QRAA (Loans)   | 16,351           | 79,513           |
| Queensland Health  | 5,368            | –                |
| Queensland Parliamentary Service                                       | 17               | 145              |
| Queensland Police Service  | 4,252            | 812              |
| Southbank Corporation  | 1,528            | –                |
| <b>Total</b>   | <b>1,706,912</b> | <b>1,183,539</b> |

## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

#### 4. Grants

##### (c) State agencies – Non NDRRA

|   | 2013<br>\$000           | 2012<br>\$000           |
|---|-------------------------|-------------------------|
| Department of Agriculture, Fisheries and Forestry           | 58                      | –                       |
| Department of Education, Training and Employment            | –                       | 7,715                   |
| Department of Environment and Heritage Protection           | –                       | 3,041                   |
| Department of Housing and Public Works                      | 46,706                  | 11,630                  |
| Department of National Parks, Recreation, Sports and Racing | 1,484                   | –                       |
| Department of Transport and Main Roads                      | –                       | 6,067                   |
| <b>Total</b>  | <b><u>48,248</u></b>    | <b><u>28,453</u></b>    |
| <b>Total Grants</b>   | <b><u>2,882,245</u></b> | <b><u>1,933,873</u></b> |

Refer to note 1 (c). These grants are made in accordance with an agreement between the recipient and the Authority. 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.

Non-NDRRA grants are for projects that are funded by the State Government. These projects are ineligible for funding under the NDRRA.

Both NDRRA and Non-NDRRA grants disclosed in this note include grant advances and grants for expenditure incurred on approved projects.

#### 5. Contributions

|                     |                 |                     |
|---------------------|-----------------|---------------------|
| Join Forces Program | –               | 751                 |
| Build Back Blitz    | –               | 852                 |
| <b>Total</b>        | <b><u>–</u></b> | <b><u>1,603</u></b> |

Under the Join Forces Program QRA facilitated matches on behalf of corporate donors with not for profit organisations that were impacted by the 2010-11 flood and cyclone events and ineligible for NDRRA funding.

Build Back Blitz was a program where donations were used to assist with reconstruction and repairs to homes that were inundated in the January 2011 floods.

**Queensland Reconstruction Authority**  
**Notes to and forming part of the Financial Statements**

For the year ended 30 June 2013

**6. Employee expenses**

|                                       | <b>2013</b>          | <b>2012</b>          |
|---------------------------------------|----------------------|----------------------|
|                                       | <b>\$000</b>         | <b>\$000</b>         |
| <b>Employee benefits</b>              |                      |                      |
| Officer interchange                   | 8,210                | 11,497               |
| Wages and salaries                    | 1,372                | 972                  |
| Recreational leave                    | 22                   | 61                   |
| Long service leave                    | 37                   | 1                    |
| Employer superannuation contributions | 136                  | 110                  |
| Board fees                            | 25                   | 26                   |
| Other employee benefits               | 87                   | 80                   |
|                                       | <b><u>9,889</u></b>  | <b><u>12,747</u></b> |
| <b>Employee related expenses</b>      |                      |                      |
| Payroll tax                           | 111                  | 57                   |
| Other employee related expenses       | 69                   | 52                   |
|                                       | <b><u>180</u></b>    | <b><u>109</u></b>    |
| <b>Total</b>                          | <b><u>10,069</u></b> | <b><u>12,856</u></b> |

Refer Note 1(o) and 1(p)

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Officers on Interchange Arrangements | 74               | 84               |
| QRA employees                        | 10               | 5                |
| <b>Total</b>                         | <b><u>84</u></b> | <b><u>89</u></b> |

## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

#### 7. Key executive management personnel and remuneration

##### a) Key executive management personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Authority during the 2012-13 financial year

| Position                      | Responsibilities under the Queensland Reconstruction Authority Act 2011   | Current Incumbents  |   |
|-------------------------------|---|---|---|
|                               |   | Contract classification and appointment authority   | 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 the Authority performs its functions effectively and efficiently. | CEO / Officer <i>Interchange Arrangement under the Public Service Act 2008 and appointed by Governor in Council</i> | 21/02/2011 – Appointed  |
| Chair                         | Leading and directing the activities of the board to ensure the board performs its functions appropriately  | Appointed by <i>Governor in Council</i>   | 19/09/2011 – Appointed  |
| Board Members                 | Set the strategic priorities for the Authority; make recommendations to the Minister; and ensure the Authority performs its functions and exercises its powers in an appropriate, effective and efficient way.  | Appointed by <i>Governor in Council</i>   | 2 members ceased on 21/2/2013<br>2 new members commenced on 22/2/2013 |

##### b) Remuneration

The remuneration of the CEO is set by the Governor in Council. The CEO is engaged with the Authority under an Officer Interchange arrangement from the Department of State Development, Infrastructure and Planning. The remuneration of the Chair is set by the Governor in Council. The Chair is engaged directly by the Authority.

Board members are remunerated in accordance with the whole-of-Government policy *Remuneration of part-time chairs and members of government boards, committees and statutory authorities*.

Remuneration packages for key executive management personnel comprise the following components:

- Short term employee benefits which include:
  - Base: consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
  - Non-monetary benefits: consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include long service leave accrued.
- Post employment benefits include superannuation contributions.
- Redundancy payments 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 payable.

## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

#### 7. Key executive management personnel and remuneration

##### b) Remuneration – continued

Total fixed remuneration is calculated on a ‘total cost’ basis and includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

| Year ended 30 June 2013 |                              |                       |                             |                          |                      |            |
|-------------------------|------------------------------|-----------------------|-----------------------------|--------------------------|----------------------|------------|
| Position                | Short term employee benefits |                       | Long-term employee benefits | Post employment benefits | Termination benefits | Total      |
|                         | Base                         | Non-monetary benefits |                             |                          |                      |            |
|                         | \$'000                       | \$'000                | \$'000                      | \$'000                   | \$'000               | \$'000     |
| Chief Executive Officer | 363                          | 30                    | 8                           | 46                       | –                    | 447        |
| Chair#                  | 216                          | 19                    | –                           | 18                       | –                    | 253        |
| Board Member            | 5                            | –                     | –                           | –                        | –                    | 5          |
| Board Member            | 5                            | –                     | –                           | –                        | –                    | 5          |
| Board Member            | 4                            | –                     | –                           | –                        | –                    | 4          |
| Board Member*           | 3                            | –                     | –                           | –                        | –                    | 3          |
| Board Member*           | 2                            | –                     | –                           | –                        | –                    | 2          |
| Board Member**          | 2                            | –                     | –                           | –                        | –                    | 2          |
| Board Member**          | 3                            | –                     | –                           | –                        | –                    | 3          |
| <b>Total</b>            | <b>603</b>                   | <b>49</b>             | <b>8</b>                    | <b>64</b>                | <b>–</b>             | <b>724</b> |

\* Board members ceased on 21/2/2013

\*\* Board members commenced on 22/2/2013

# The Chair was remunerated on a full-time basis from 1 July 2012 to 20 February 2013. From 21 February 2013 the Chair was remunerated on a part-time basis.

| Year ended 30 June 2012 |                              |                       |                             |                          |                      |            |
|-------------------------|------------------------------|-----------------------|-----------------------------|--------------------------|----------------------|------------|
| Position                | Short term employee benefits |                       | Long-term employee benefits | Post employment benefits | Termination benefits | Total      |
|                         | Base                         | Non-monetary benefits |                             |                          |                      |            |
|                         | \$'000                       | \$'000                | \$'000                      | \$'000                   | \$'000               | \$'000     |
| Chief Executive Officer | 363                          | 30                    | 8                           | 46                       | –                    | 447        |
| Chair ##                | 125                          | 13                    | –                           | 10                       | –                    | 148        |
| Board Member            | 6                            | –                     | –                           | –                        | –                    | 6          |
| Board Member            | 5                            | –                     | –                           | –                        | –                    | 5          |
| Board Member            | 6                            | –                     | –                           | 1                        | –                    | 7          |
| Board Member            | 4                            | –                     | –                           | –                        | –                    | 4          |
| Board Member            | 8                            | –                     | –                           | 1                        | –                    | 9          |
| <b>Total</b>            | <b>517</b>                   | <b>43</b>             | <b>8</b>                    | <b>58</b>                | <b>–</b>             | <b>626</b> |

## The remuneration of the Chair disclosed above relates to the period 23 January 2012 to 30 June 2012 (full-time engagement). Prior to this, the Chair was remunerated by the Australian Defence Force for the period 19 September 2011 (date of appointed as Chair of the Authority) to 22 January 2012.

One board member is not remunerated as they are a Commonwealth public sector employee. The disclosure of the CEO's remuneration package for 30 June 2012 (the comparative) has been amended to exclude on-costs charged to the Authority as these costs do not form part of the CEO's remuneration package.

## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

#### 7. Key executive management personnel and remuneration

##### *c) Performance based payments*

There were no performance based payments made by the Authority to key management personnel.

#### 8. Supplies and services

|                                    | 2013                 | 2012                 |
|------------------------------------|----------------------|----------------------|
|                                    | \$000                | \$000                |
| Contractors – short-term technical | 12,779               | 6,561                |
| IT Managed Services                | 3,060                | 3,817                |
| Operating lease rentals            | 1,012                | 886                  |
| Travel                             | 963                  | 521                  |
| Supplies and consumables           | 599                  | 981                  |
| Other supplies and services        | 380                  | 943                  |
| Occupancy costs                    | 60                   | 73                   |
| <b>Total</b>                       | <b><u>18,853</u></b> | <b><u>13,782</u></b> |

#### 9. Depreciation and amortisation

|                     |                   |                   |
|---------------------|-------------------|-------------------|
| Plant and equipment | 160               | 178               |
| <b>Total</b>        | <b><u>160</u></b> | <b><u>178</u></b> |

#### 10. Other expenses

|   |                   |                   |
|---|-------------------|-------------------|
| Audit fees – external                                     | 191               | 185               |
| Insurance premiums – Queensland Government Insurance Fund | 25                | 23                |
| <b>Total</b>  | <b><u>216</u></b> | <b><u>208</u></b> |

External audit fees relate to the estimated cost of the Queensland Audit Office external audits of the financial statements of the Authority for 2013 of \$35,000 (2012: \$50,000) and the NDRRA Commonwealth Certificates (2012–13 and prior years) of \$156,000 (2012: \$150,000).

#### 11. Cash and cash equivalents

|                                  |                       |                         |
|----------------------------------|-----------------------|-------------------------|
| Cash at bank – NDRRA             | 155,474               | 1,790,960               |
| Cash at bank – Operating Account | 9,997                 | (29,733)                |
| <b>Total</b>                     | <b><u>165,471</u></b> | <b><u>1,761,227</u></b> |

The Authority's bank accounts are within the whole-of-Government offset facility and any interest earned on these accounts is credited to State consolidated funds rather than the Authority. See note 1(d).

Queensland Reconstruction Authority  
Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

**12. Receivables**

|                   | 2013                 | 2012                 |
|-------------------|----------------------|----------------------|
|                   | \$000                | \$000                |
| Other receivables | 136                  | 1,575                |
| GST receivable    | 49,319               | 21,360               |
| <b>Total</b>      | <b><u>49,455</u></b> | <b><u>22,935</u></b> |

**13. Property, plant and equipment**

*Plant and equipment*

|                                |                 |                   |
|--------------------------------|-----------------|-------------------|
| At cost                        | 31              | 370               |
| Less: accumulated depreciation | (31)            | (210)             |
| <b>Total</b>                   | <b><u>-</u></b> | <b><u>160</u></b> |

**Plant and equipment reconciliation**

|                                   |                 |                   |
|-----------------------------------|-----------------|-------------------|
| Carrying amount at 1 July         | 160             | 229               |
| Additions                         | -               | 109               |
| Disposals                         | -               | -                 |
| Depreciation                      | (160)           | (178)             |
| <b>Carrying amount at 30 June</b> | <b><u>-</u></b> | <b><u>160</u></b> |

The Authority was originally established for a life of two years and plant and equipment has been depreciated on this basis. The Authority has plant and equipment with a written down value of zero still being used in the provision of services.

Plant and equipment including leasehold improvements relating to the Authority's previous premises were disposed during the year. These assets had a carrying amount of zero.



## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

#### 14. Payables

|                 | 2013                 | 2012                 |
|-----------------|----------------------|----------------------|
|                 | \$000                | \$000                |
| Trade creditors | 3,021                | 1,659                |
| Grants payable  | 6,089                | 25,181               |
| Other payables  | 1,217                | 3,083                |
| <b>Total</b>    | <b><u>10,327</u></b> | <b><u>29,923</u></b> |

#### 15. Accrued employee benefit

##### Current accrued employee benefits

|                                   |                     |                     |
|-----------------------------------|---------------------|---------------------|
| Officer interchange costs payable | 1,144               | 1,393               |
| Recreation leave                  | 83                  | 61                  |
| Long service leave                | 99                  | 92                  |
| <b>Total</b>                      | <b><u>1,326</u></b> | <b><u>1,546</u></b> |

##### Non-Current accrued employee benefits

|                    |                  |                 |
|--------------------|------------------|-----------------|
| Long service leave | 30               | –               |
| <b>Total</b>       | <b><u>30</u></b> | <b><u>–</u></b> |

## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

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

|  | 2013<br>\$000             | 2012<br>\$000         |
|--|---------------------------|-----------------------|
| Operating surplus/(deficit)                    | (1,549,610)               | 634,960               |
| <i>Adjustment for non-cash items</i>           |                           |                       |
| Depreciation and amortisation                  | 160                       | 178                   |
| <i>Changes in assets and liabilities</i>       |                           |                       |
| Change in receivables                          | (26,520)                  | 88,761                |
| Change in payables                             | (19,596)                  | (2,327)               |
| Change in accrued employee benefits            | (190)                     | (285)                 |
| <b>Net cash flow from operating activities</b> | <b><u>(1,595,756)</u></b> | <b><u>721,287</u></b> |

The Authority received NDRRA advance funding from the Commonwealth and State Governments in 2010-11 and 2011-12 resulting in surpluses reported in the financial statements for these years. The net operating deficit for this financial year was funded from the prior year surpluses

#### 17. Commitments for expenditure

##### (a) Non-Cancellable Operating Lease

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

|                         |                     |                   |
|-------------------------|---------------------|-------------------|
| Not later than one year | 1,058               | 635               |
| <b>Total</b>            | <b><u>1,058</u></b> | <b><u>635</u></b> |

Operating leases are entered into as a means of acquiring access to office accommodation. Operating lease terms expire in June 2014.

## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

#### 18. Financial instruments

##### (a) Categorisation of Financial Instruments

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

##### Category

##### Financial assets

Cash and cash equivalents

Receivables

##### Total

##### Financial liabilities

Financial liabilities measured at amortised cost:

Payables

##### Total

|              | 2013<br>\$000         | 2012<br>\$000           |
|--------------|-----------------------|-------------------------|
|              | 165,471               | 1,761,227               |
|              | 49,455                | 22,935                  |
| <b>Total</b> | <b><u>214,926</u></b> | <b><u>1,784,162</u></b> |
|              |                       |                         |
|              | 11,471                | 31,316                  |
| <b>Total</b> | <b><u>11,471</u></b>  | <b><u>31,316</u></b>    |

##### (b) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of financial assets is the gross carrying amount of those assets inclusive of any provision for impairment.

The following table represents the Authority's maximum exposure to credit risk based on contractual amounts net of any allowances:

##### Category

##### Financial assets

Cash and Cash Equivalents

Receivables

##### Total

|              |                       |                         |
|--------------|-----------------------|-------------------------|
|              | 165,471               | 1,761,227               |
|              | 49,455                | 22,935                  |
| <b>Total</b> | <b><u>214,926</u></b> | <b><u>1,784,162</u></b> |

No collateral is held as security and no credit enhancements relate to financial assets held by the Authority.

Exposure to credit risk is monitored on an ongoing basis.

## Queensland Reconstruction Authority

### Notes to and forming part of the Financial Statements

For the year ended 30 June 2013

#### 18. Financial instruments

##### *(b) Credit Risk – Continued*

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

The method of calculating any allowance for impairment is based on past experience, current and expected future changes in economic conditions and changes in client credit ratings.

No impairment loss has been recognised for the 2012–13 year.

No financial assets are past due or impaired.

##### *(c) Liquidity risk*

The Authority is exposed to liquidity risk in respect of its payables.

The Authority aims to reduce the exposure to liquidity risk by ensuring the Authority has sufficient funds available to meet employee and any supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts to match the expected duration of the various employee and supplier liabilities.

All financial liabilities disclosed in the financial statements for 2012–13 are due within one year.

##### *(d) Market risk*

The Authority does not trade in foreign currency and is not materially exposed to commodity price changes.

The Authority is not exposed to interest rate risk as all interest earned is credited to State Consolidated Funds (refer note 1(d)).

##### *(e) Fair value*

The Authority 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 less any allowance for impairment.

#### 19. 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 the Authority, the results of those operations, or the state of affairs of the Authority in future financial years.

## 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:

- a) the prescribed requirements for the establishment and keeping the accounts have been complied with in all material respects; and
- b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Authority for the financial year ended 30 June 2013 and of the financial position of the Authority at the end of that year.

Graeme Newton  
Chief Executive Officer



**Signature**  
**Date** 20 August 2013

Richard Wilson AO  
Major General (Ret'd)  
Chair



**Signature**  
**Date** 20 August 2013

## INDEPENDENT AUDITOR'S REPORT

To the Board of the Queensland Reconstruction Authority

### Report on the Financial Report

I have audited the accompanying financial report of the Queensland Reconstruction Authority, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chief Executive Officer and Chair.

#### *The Board's Responsibility 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 prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

#### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### *Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

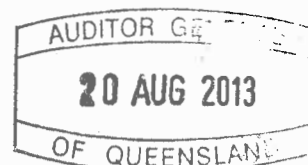
- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Queensland Reconstruction Authority for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

### **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



A M GREAVES FCA FCPA  
Auditor-General of Queensland



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(s)                          | ARRs – section 8<br>3  |
| Accessibility                                   | Table of contents  | ARRs – section 8.1<br>5  |
|   | Glossary   | ARRs – section 8.2<br>4  |
|   | Public availability  | ARRs – section 8.2<br>4  |
|   | Interpreter service statement  | <i>Queensland Government Language Services Policy</i><br>4   |
|   | Copyright notice   | <i>Copyright Act 1968</i><br>4   |
| Information Licensing                           | Information Licensing  | <i>Queensland Government Enterprise Architecture – Information licensing</i><br>ARRs – section 10.5<br>4 |
|   | General information  | Introductory Information   |
| General information                             | Agency role and main functions   | ARRs – section 11.2<br>8   |
|   | Operating environment  | ARRs – section 11.3<br>8   |
|   | Machinery of government changes  | ARRs – section 11.4<br>n/a   |
|   | Non-financial performance  | Government objectives for the community  |
| Non-financial performance                       | Other whole-of-Government plans / specific initiatives   | ARRs – section 12.2<br>11  |
|   | Agency objectives and performance indicators   | ARRs – section 12.3<br>8-9   |
|   | Agency service areas, service standards and other measures   | ARRs – section 12.4<br>9   |
| Financial performance                           | Summary of financial performance   | ARRs – section 13.1<br>10, 20  |
|   | Chief Finance Officer (CFO) statement  | ARRs – section 13.2<br>n/a   |
| Governance – management and structure           | Organisational structure   | ARRs – section 14.1<br>18  |
|   | Executive management   | ARRs – section 14.2<br>18  |
|   | Related entities   | ARRs – section 14.3<br>n/a   |
|   | Boards and committees  | ARRs – section 14.4<br>13-17   |
|   | Public Sector Ethics Act 1994  | <i>Public Sector Ethics Act 1994</i><br>(section 23 and Schedule)<br>ARRs – section 14.5<br>18           |
| Governance – risk management and accountability | Risk management  | ARRs – section 15.1<br>19  |
|   | External Scrutiny  | ARRs – section 15.2<br>19  |
|   | Audit committee  | ARRs – section 15.3<br>19  |
|   | Internal Audit   | ARRs – section 15.4<br>19  |
|   | Public Sector Renewal Program  | ARRs – section 15.5<br>19  |
|   | Information systems and recordkeeping  | ARRs – section 15.7<br>19  |
| Governance – human resources                    | Workforce planning, attraction and retention   | ARRs – section 16.1<br>18  |
|   | Early retirement, redundancy and retrenchment  | <i>Directive No.11/12 Early Retirement, Redundancy and Retrenchment</i><br>ARRs – section 16.2<br>n/a    |
|   | Voluntary Separation Program   | ARRs – section 16.3<br>n/a   |
| Financial statements                            | Certification of financial statements  | <i>FAA – section 62</i><br><i>FPMS – sections 42, 43 and 50</i><br>ARRs – section 18.1<br>45             |
|   | Independent Auditor's Report   | <i>FAA – section 62</i><br><i>FPMS – section 50</i><br>ARRs – section 18.2<br>46                         |
|   | Remuneration disclosures   | <i>Financial Reporting Requirements for Queensland Government Agencies</i><br>ARRs – section 18.3<br>38  |
| Disclosure of additional information            | Additional information to be reported online:<br>Consultancies<br>Overseas travel<br>Information systems and recordkeeping | ARRs – section 17<br>4   |
| Compliance checklist                            |  | 49   |

Under the *Queensland Reconstruction Authority Act 2011* the Authority:

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 below table lists Ministerial Directions provided to the Authority in 2011-2012, to administer the Natural Disaster Relief and Recovery Arrangements for the below disaster events:

| Event   | Date Ministerial Direction Provided                                |
|---|--|
| Central and Southern Queensland low – 25 February 2013 to 3 March 2013  | 20 March 2013  |
| Longreach flood – 20 February 2013  | 6 June 2013  |
| Tropical Cyclone Oswald and associated rainfall and flooding – 21 to 28 January 2013  | 30 January 2013  |
| Barcoo severe storm – 15 January 2013   | 30 January 2013  |
| South West Queensland wildfires – 21 December 2012  | 30 January 2012  |
| Far North Queensland bushfires – late October to December 2012  | 30 January 2012  |
| Northern and Far Northern Queensland affected by heavy rainfall and associated flooding from 15 March 2012  | 1 and 12 April 2012<br>2 June 2012*                                |
| East Coast Low from 22 March 2012   | 12 April 2012  |
| North Coast Storms and Flooding and East Coast Hybrid Low 24 February 2012 – 7 March 2012 (combination of below events)<br><i>North Coast Queensland affected by storm and localised flooding, 24 – 26 February 2012</i><br><i>East Coast of Queensland affected by the Hybrid Low and resultant heavy rainfall and associated flooding, 4 – 7 March 2012</i> | 12 April 2012<br>29 February 2012<br>5 March 2012<br>23 March 2012 |
| Localised Heavy Rainfall Northern Queensland October 2011   | 23 March 2012  |
| South East Queensland affected by heavy rainfall and associated flooding 23-26 January 2012   | 5 March 2012   |
| North West and Western Queensland affected by heavy rainfall and associated flooding from 27 January 2012 – February 2012   | 7, 13, 16 and 29 February 2012<br>5 March 2012                     |
| South East Queensland Low May 2009  | 15 February 2012   |
| Sunshine Coast, Gympie and Fraser Coast flooding April 2009   | 15 February 2012   |
| Tropical Cyclone Hamish 5-11 March 2009   | 15 February 2012   |
| Tara storms 15 February 2009  | 15 February 2012   |
| Queensland Monsoonal flooding and Tropical Cyclone Charlotte and Ellie January – February 2009  | 15 February 2012   |
| Baralaba storms 7 December 2008   | 15 February 2012   |
| Queensland Storms and associated flooding 16-22 November 2008   | 15 February 2012   |
| South West Queensland flooding June 2008  | 15 February 2012   |
| South East Queensland storms 29 May-2 June 2008   | 15 February 2012   |
| South East and Western Queensland storms and flooding 3-8 February 2008   | 15 February 2012   |
| Queensland Monsoonal flooding February – March 2008   | 15 February 2012   |
| Queensland Monsoonal flooding January 2008  | 15 February 2012   |
| South East Queensland East Coast Low December 2007 – January 2008   | 15 February 2012   |
| Central Western Queensland Storms and flooding December 2007  | 15 February 2012   |
| South West Queensland Storms and flooding 23-30 November 2007   | 15 February 2012   |
| Central and Southern Queensland storms October 2007   | 15 February 2012   |
| South East and North Queensland East Coast Low August 2007  | 15 February 2012   |
| Far Northern Queensland affected by damaging winds and heavy rainfall on 3 and 4 February 2012  | 13 February 2012, 1 April 2012                                     |
| Southern Queensland affected by heavy rainfall and associated flooding, November – December 2011  | 14 January 2012  |
| Bushfires in August, September, October and November 2011   | 14 January 2012  |
| South East Queensland Flooding 9 – 12 October 2010  | 28 November 2011   |
| South West Queensland Low and Associated Flooding September 2010  | 28 November 2011   |
| Queensland Monsoonal Flooding and Tropical Cyclones Olga, Neville, Ului and Paul January to April 2010  | 28 November 2011   |
| Northern, Central and South West Queensland Flooding, 22 December 2009 to 8 January 2010  | 28 November 2011   |
| Queensland Bushfires, September to October 2009   | 28 November 2011   |
| South West Queensland Flooding, 20 -25 November 2009  | 28 November 2011   |

\*Where more than one date is listed, additional Local Government Areas were activated for NDRRA arrangements for the same event.



