

Report on a page

This report summarises the audit results of 240 Queensland state government entities, including the 20 core government departments. It also analyses the consolidated financial performance of the Queensland Government (referred to as the 'total state sector') for 2022–23. Given the significance of the Olympic and Paralympic Games to the state, this report also provides an overview of the entities involved.

In May and December 2023, the state government announced machinery of government changes. The most recent changes took effect on 1 January 2024. As this report summarises the audit results of the 2022–23 financial year, we use the department names as at 30 June 2023.

Financial statements are reliable

In 2022–23, the financial statements of all departments, government owned corporations, most statutory bodies, and the entities they control were reliable and complied with relevant laws and standards. While some ministers tabled their financial statements earlier than in the past, the majority did not. This reduces the relevance of the financial information contained in their statements before it is released to the public.

Royalty revenue improves state's finances

In 2022–23, the total state sector reported a net operating surplus of \$11.1 billion (2021–22: a surplus of \$1.3 billion). The significant increase in royalty revenue (money paid by mining companies to Queensland in exchange for the right to mine) for coal and oil was the main contributing factor.

Entities are not managing security risks posed by third-party provider arrangements

We found entities are still not taking appropriate measures to ensure they fully understand and manage security risks posed by third parties providing services for their information systems.

We also found issues with entities' internal controls (systems and processes) similar to those we have raised in previous years. These relate to information systems, payroll, and procurement. Entities need to focus on clearing outstanding issues from previous years.

Findings reflect Coaldrake observations on culture

Professor Coaldrake's report, *Let the sunshine in*, published in June 2022, commented on the culture of the Queensland public sector. Of direct relevance to his comments on culture, we found some departments have had at least 3 changes in director-general in the last 5 years, and contractor and consultancy costs have increased dramatically. More work is also needed to ensure special payments (not required by contract or legislation) are defensible and appropriate.

The second round of machinery of government changes for 2023 impacted 12 departments and 14 functions of government. This included re-establishing a Department of Youth Justice, last abolished in 2020. Youth Justice has now moved 5 times in 6 years. It also saw the new Brisbane 2032 Coordination Office move from the Department of the Premier and Cabinet to the Department of State Development and Infrastructure. The report recommending its creation said locating the office within a central agency was critical to mitigate the risk it would not receive the full attention and resources it needed. The new department will need to ensure that it does.

