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Director-General's foreword

I invite you to read the *Department of State Development Annual Report 2015–2016*, which demonstrates how we are realising our vision for Queensland's economy to be the strongest and most diverse.

Our purpose is to lead the delivery of economic development outcomes for Queensland. We do this by:

- influencing policy and the investment environment
- facilitating a major projects pipeline
- strengthening our regions
- growing priority, new and emerging industries
- supporting enterprise and job creation.

The department continues to make a real difference to the lives of Queenslanders, with each of our groups directly contributing to our organisational objectives:

- Major Projects and Property, Office of the Coordinator-General and Special Projects Unit all facilitate major projects that generate investment and jobs growth.
- Economic and Industry Development is focused on diversifying the economy by growing new and emerging industries and creating the knowledge jobs of the future in our priority sectors—making Queensland an attractive destination for business investment.
- Regional Economic Development works across the state to strengthen regional economies and support local business and industry in winning major new contracts.
- Business Solutions and Partnerships continues to support the department in delivering our objectives and operational goals.

During the 2015–16 financial year, we:

- achieved contractual close on 16 November 2015 with Destination Brisbane Consortium for Queen's Wharf Brisbane, and introduced the Queen's Wharf Brisbane Bill 2015 into Parliament. The *Queen's Wharf Brisbane Act 2016*, *Brisbane Casino Agreement Amendment Act 2016* and *Queen's Wharf Regulation 2016* were proclaimed on 27 May 2016
- advanced development of 10-year roadmaps and action plans for priority sectors, and launched the *Biofutures 10-Year Roadmap and Action Plan*
- released a Biomedical and Life Sciences Discussion Paper in June 2016
- established a dedicated Industry Attraction team, who are actively engaging with more than 25 companies from a wide range of industries and managing the \$40 million Advance Queensland Industry Attraction Fund
- approved 42 projects with \$70.8 million of funding through the first round of the Building our Regions program, and opened the second round in April 2016 with \$70 million funding for critical infrastructure projects
- implemented 37 council-led projects with \$68.9 million of funding and creating 421 jobs as well as 14 strategic and other projects with \$104.6 million of funding and creating 368 jobs through the final round of the Royalties for the Regions program
- progressed works for the \$320.914 million venues infrastructure program for the Gold Coast 2018 Commonwealth Games (GC2018), including venues at Coomera, Chandler and Carrara, as well as the Broadbeach Bowls Club, Gold Coast Hockey Centre and Nerang Mountain Bike Trails

- progressed the development of the \$550 million Commonwealth Games Village
- progressed the North Queensland Stadium by developing the business case, completing market sounding, determining the optimal procurement solution and securing funding commitments to deliver a best-practice regional stadium
- prepared an economic transition strategy including extensive consultation for North Stradbroke Island following the decision to cease sand mining
- engaged with proponents regarding regional Integrated Resort Developments (IRDs)
- provided facilitation support for 10 projects in North Queensland, including Dugald River Zinc Mine, Kidston Pumped Storage Power Generation and Solar Farm, Carmichael Coal Mine and Rail, Northern Gas Pipeline, Cloncurry Project, Central Highlands Meat Processing Plant, Guthalungra Aquaculture, Isaac Plains East Extension, Rocklands Project and Ravenswood Extension Project. If all proceed to construction over the next 12 months, these projects may generate 7000 construction jobs and \$25 billion in private sector capital investment—this support is focused on assisting companies to secure regulatory approvals as well as site selection, provision of market intelligence and government and supplier introductions
- attracted Southern Oil Refining to Queensland, which led to the building of a \$16 million advanced biofuels pilot plant in Gladstone
- supplemented with a \$6 million contribution over four years, the establishment of the \$20 million Mining Equipment and Technology Services (METS) Industry Growth Centre at the Queensland University of Technology
- established the Engineering, Construction and Mining Innovation hub in May 2016 to partner with the private sector to assist small start-up companies and inventors in these industries with commercial-ready products and services
- established the Industry and Manufacturing Advisory Group (IMAG) to provide strategic industry advice on building as well as promoting industry and manufacturing
- progressed the \$18 million Bundaberg Port Gas Pipeline with a development agreement with the Australian Gas Networks Limited for the design, delivery and operation of the pipeline
- executed a development agreement between the state and Glencore to develop the Aurukun bauxite resource, which would generate significant construction and ongoing operational jobs
- approved the Environmental Impact Statement (EIS) for the Sunshine Coast Airport Expansion and Santos GLNG Gasfields Development Project through the Coordinator-General
- the Coordinator-General declared the Coopers Gap Wind Farm and KUR-World Integrated Eco-Resort coordinated projects
- approved 19 material change of use applications in State Development Areas (SDAs) through the Coordinator-General
- recommended to the Minister for State Development, through the Coordinator-General, the declaration of three new prescribed projects: Dugald River Project, Kidston Project and Isaac Plains Mining Complex
- completed 231 due diligence assessments as part of funding programs such as Building our Regions, the Advance Queensland Industry Attraction Fund and the Attracting Aviation Investment Fund—activities include proponent *bona fide* checks, analysis of historical financial performance, project financial analysis and commercial viability

- assessment, and adverse history and probity searches
- completed 339 foreign investment application assessments—the department coordinates whole-of-government assessment of proposals against national interest criteria
 - provided 26 economic baseline profiles, which form a key input to inform the development of economic strategies and plans as well as devising economic policies targeted at industry development
 - progressed assessment of development applications and material change of use applications in the Galilee Basin SDA, including applications from Adani, through the Coordinator-General
 - completed consultation regarding a new SDA at Bundaberg
 - approved the \$30 million SCT Logistics Project through the Coordinator-General, to establish an intermodal rail freight facility and warehouses in the Bromelton SDA
 - worked with Glencore on master planning to facilitate and coordinate development in the Townsville SDA
 - progressed legislative amendments through the *Mineral Resources (Aurukun Bauxite Resource) Amendment Act 2016*
 - supported an independent review of the GasFields Commission Queensland
 - finalised work on the Abbot Point Growth Gateway Project, enabling federal and state approvals—subject to conditions—for dredging at Abbot Point to increase the port’s capacity from 50 to 120 million tonnes per annum. Works will not begin until Adani has gained all its necessary project approvals and demonstrated the financing of its Galilee Basin projects
 - introduced the *Sustainable Ports Development Act 2015* (SPD Act), which is working to balance the protection of the Great Barrier Reef World Heritage Area (GBRWA) with the development of the state’s major regional ports
 - progressed priority ports master planning processes for the ports of Gladstone and Abbot Point
 - progressed works for the new \$30 million State Netball Centre at Nathan by engaging with the market for interest in the design and construction of the centre
 - delivered 94 Tendering for Government Business workshops during 2015—89 companies won \$57 million in tenders
 - worked with NEXUS to maximise opportunities for local businesses to participate in the Toowoomba Second Range Crossing Project
 - assessed market-led proposals such as the Queensland Aquarium and Maritime Museum, Fortitude Valley Police-Citizens Youth Club (PCYC) and Brisbane Cruise Ship terminal
 - negotiated a lease transaction with the Broncos to enable construction of a new training, administration and community facility
 - facilitated the redevelopment of the former Gold Coast Hospital site through divestment
 - through the Community Hubs and Partnerships (CHaPs) program, encouraged private sector investment, direct capital works savings, shared service and infrastructure benefits in Caboolture, Moranbah, Weipa, Yarrabilba and Maryborough
 - collaborated with the Department of Agriculture and Fisheries (DAF), the Department of Natural Resources and Mines (DNRM), Regional Development Australia Fitzroy and Central West, and the six Fitzroy region local governments on the Growing Central Queensland initiative—working to position Central Queensland for investment in agriculture and agribusiness
 - progressed investigations of concept-level proposals to improve transport and associated infrastructure in the Southern Gulf region as well as proposal reviews for water infrastructure in the region

- led the activation of the Rapid Response Team to implement the Worker Transition Scheme for Queensland Nickel in Townsville
- provided issues management assistance to businesses undergoing voluntary administration to lessen impacts on their employees and local economies
- successfully negotiated Cultural Heritage Management Plans for the Mission Beach Safe Boating Project and Commonwealth Games venues
- held business capability statement and Indigenous procurement workshops with a participating business winning up to \$500 000 of subcontracting work
- provided service to small business on behalf of the Department of Tourism, Major Events and Small Business (DTEBS) under a Service Level Agreement
- supported CCTV security and refurbishment of the PCYC in Aurukun, subsequently funded by the Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP) and the Department of Prime Minister and Cabinet
- strengthened our governance with the introduction of the Department of State Development Board
- introduced a risk-based approach to procurement
- delivered ethics and integrity workshops to 800 staff across the department and the Department of Infrastructure, Local Government and Planning (DILGP)
- rolled out tablet technology to 60 per cent of our staff and video conferencing facilities at more than 10 regional and CBD sites
- launched the department's Innovation Challenge, which contributes to developing an innovative culture.

We are successfully driving delivery of 36 of the Queensland Government's commitments that aim to achieve a prosperous, strong and diverse economy for the state and for Queenslanders. At the end of the 2015–16 financial year, we had finalised the delivery of 21 commitments, with a further 14 well under way.

The department adheres to the public service values of customers first, ideas into action, unleash potential, be courageous, and empower people.

Ultimately, our hard work and dedication is helping to build a stronger and more diverse economy that ensures opportunities for the Queenslanders of today, and for generations to come.

It has been a great first year as Director-General, and I would like to particularly thank our staff who worked tirelessly to deliver economic development outcomes for Queensland.

I look forward to continuing to work with the department, my colleagues in other agencies and our many stakeholders to ensure we are leading and delivering on economic development opportunities for Queensland's future.

Michael Schaumburg

**Director-General
Department of State Development**