

2011–12

Annual Report

**Department of State Development,
Infrastructure and Planning**





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Director-General's letter of compliance

The Honourable Jeff Seeney MP
Deputy Premier, Minister for State Development, Infrastructure and Planning
100 George Street
Brisbane Qld 4000

28 November 2012

Dear Deputy Premier

I am pleased to present the *Annual report 2011–2012* for the Department of State Development, Infrastructure and Planning.

This report is prepared on the basis of the current administrative arrangements for this department applying for the whole of the 2011–2012 financial year. That is, it reflects the structure, operations and performance of the department as it existed as at 30 June 2012.

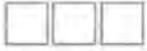
I certify that this annual report complies with the:

- prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*
- detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be accessed at www.dsdip.qld.gov.au.

Yours sincerely

David Edwards
Director-General
Department of State Development, Infrastructure and Planning
Queensland Government



Coordinator-General's letter of compliance

The Honourable Jeff Seeney MP
Deputy Premier, Minister for State Development, Infrastructure and Planning
100 George Street
Brisbane Qld 4000

23 November 2012

Dear Deputy Premier

I certify that this annual report for the Department of State Development, Infrastructure and Planning includes reporting on the operations of the Office of the Coordinator-General for the 2011-12 financial year, compliant with requirements under section 175 of the *State Development and Public Works Organisation Act 1971*.

Yours sincerely

Barry Broe
Coordinator-General
Department of State Development, Infrastructure and Planning
Queensland Government



Director-General's foreword

The 2011–12 financial year saw a change in government leading to a new direction for Queensland and clear objectives for our department. Given Queensland's financial position, we are focused on increasing economic activity and facilitating projects that drive the state's economy to grow business; as well as identifying efficiencies and savings.

We are committed to *Getting Queensland back on track* by growing a four pillar economy, delivering better infrastructure and planning, and lowering the cost of living for families by cutting waste.

The resources sector is a key driver of Queensland's economic status and diversifying the economic prosperity of this sector is a focus for the state. The department is building effective planning solutions to address issues of balanced land use, environmental resilience, population growth and diverse community and international expectations. We are taking a fundamental shift in the approach to statutory regional planning; developing a new state interest framework—including a single state planning policy and a state assessment and referral agency system; proceeding with legislative reform; and providing targeted support to local governments.

We are also committed to delivering regional economic development strategies to help local government and communities manage the impact of rapid growth in the resource sector. This includes the Royalties for the Regions program, infrastructure prioritisation and frameworks for growth regions

including the Galilee Basin, Surat Basin and the North West Minerals Province and establishing the GasFields Commission.

We have consolidated our regional presence through a fully integrated service delivery model focusing on land use planning for economic development and four pillar growth.

Our department will continue to identify efficiencies, implement refined delivery models and focus on delivery of prioritised programs and activities within approved budget.

Since the election of the new government in March, our immediate focus was delivering on election commitments contained in the *First 100 Days Action Plan*. All 11 commitments for the department were successfully delivered on time. These included:

- establishment of the framework to begin identifying projects for investment under the Royalties for the Regions initiative to benefit communities in resource regions
- the appointment of the GasFields Commissioner to better oversee the relationship between rural landholders and the coal seam gas industry
- appointment of a 'go-to' person for the property and construction industries
- establishment of Infrastructure Queensland to advise the state government on long-term infrastructure planning, prioritisation and ongoing management



- commencement of identification of state planning powers that could be transferred to local government.

We continue to deliver on our remaining government commitments, with progress on the next tranche of commitments to be reported as at 31 December 2012, as well as monthly progress reporting against the current Six Month Action Plan, July–December 2012. Highlights to date include progress towards:

- improving the effectiveness and efficiency of the planning system by amending the *Sustainable Planning Act 2009*
- progressing the preparation of a single state planning policy to clearly define the state government's interest in planning and development
- preparing draft statutory regional plans for the Darling Downs, Central Queensland and Cape York for public consultation in 2013
- receiving and assessing the first round of applications, within the Royalties for the Regions framework
- delivering legislation to support the work of the GasFields Commission
- completing the Galilee and Surat basins infrastructure plans, and progressing the Surat Basin rail project
- conducting the strategic assessment for the Great Barrier Reef including a ports strategy.

Queensland faces a tight fiscal environment, however the state has significant resources and economic growth opportunities that we can harness to build a bright future for all Queenslanders to enjoy.

In 2012–13, I look forward to embracing the opportunities our department has been given, and to grow the economy so the government can reinvest the dividends into infrastructure and services for all Queenslanders. I am thankful and privileged to work with talented, dedicated and professional staff who share this vision for our state and I look forward to working with them throughout the next year and beyond.

David Edwards
Director-General
Department of State Development,
Infrastructure and Planning



Coordinator-General's foreword

Under the *State Development and Public Works Organisation Act 1971* (SDPWO Act), the Coordinator-General has wide-ranging powers to plan, deliver and coordinate large-scale infrastructure projects to promote economic and social benefits throughout Queensland, while ensuring potential environmental impacts are properly managed.

A critical role of the Office of the Coordinator-General is to provide efficient, streamlined, thorough and appropriate reviews and assessments of those projects declared as 'significant projects' under the SDPWO Act.

I was appointed Coordinator-General by the Governor-in-Council on 3 April 2012. In the period up to 30 June 2012 I made 30 statutory approval decisions. In addition to the 39 approvals made prior to my appointment; the total number of approval decisions for the 2011–12 financial year was 69. The 2010–11 financial year saw 52 approval decisions made.

Significant projects I approved in 2011–12 included the \$6.4 billion Alpha Coal project in the Galilee Basin and the \$1.45 billion extension to the South of the Embley bauxite mine in Cape York. These two projects would generate major and long-term economic and social benefits for the state, including thousands of jobs in the construction phase and thousands more in ongoing operational jobs.

As at 30 June 2012, there were 31 projects being actively assessed by the Office of the Coordinator-General. These projects have the potential to generate \$81 billion in capital investment, 40 000 jobs in construction and 25 000 jobs in ongoing

operational roles. These are major resource, infrastructure and tourism projects that if approved, will contribute significantly to growing a four pillar economy for Queensland.

Earlier this year, I established a Fast Tracking Taskforce to identify ways to fast track all stages of the environmental assessment process, and implemented a 37-point action plan to reduce approval timeframes by up to 50 per cent, while maintaining best practice environmental standards.

Under the 37-point action plan, generic terms of reference for environmental impact statements are developed for all projects and released when a project is declared significant. These measures are contributing to significant reductions in assessment times—potentially doubling the number of project assessments each year—while continuing to maintain strict standards.

In June 2012, the Queensland Government signed a new bilateral agreement with the Commonwealth Government for environmental approvals for projects. This is intended to promote a partnership approach to environmental protection and biodiversity conservation. The agreement is already significantly streamlining the approval process for major projects by enabling the Commonwealth to rely on Queensland's environmental assessment processes, reducing duplication while ensuring the best social, environmental and economic outcomes for Queensland.

Barry Broe
Coordinator-General
Department of State Development,
Infrastructure and Planning



About the Department of State Development, Infrastructure and Planning

What we do

The Department of State Development, Infrastructure and Planning (DSDIP) exists to drive the economic development of Queensland.

The government established DSDIP with a clear objective of bringing together the functions of the Coordinator-General; economic and regional development; and infrastructure and planning into a strong central agency to grow the economy and champion the interests of business and industry for communities across Queensland.

We are committed to *Getting Queensland back on track*. Our corporate direction is consistent with the Queensland Government's five community objectives:

- grow a four pillar economy
- lower the cost of living
- deliver better infrastructure and use better planning
- revitalise front-line services
- restore accountability in government.

We will deliver innovative and economically responsible outcomes, and get the balance right between economic opportunities, the impacts of development on the environment and improving the Queensland way of life.

Our delivery is aligned with the direction and objectives outlined in our *Strategic Plan 2012–16*.¹

Our vision

Drive the economic development of Queensland.

Our purpose

Deliver major infrastructure, economic development and planning services to communities across Queensland.

Our objectives

- Champion the interests of business and industry in Queensland
- Fast track delivery of major resource and industrial development projects
- Diversify and build resilience in regional and state economies
- Assist property and construction industries to grow and flourish through streamlined planning processes
- Re-empower local governments and their communities to plan for their futures
- Improve service delivery

Our values

- Lead by example
- Focus on client service
- Communicate openly and honestly
- Take responsibility
- Recognise and reward
- Perform and deliver

¹ This About the department section reflects the current direction and agenda of DSDIP as outlined in our *Strategic Plan 2012–16*. Following machinery-of-government changes in April 2012 consideration was given to the evolution of the strategic direction of DSDIP. The full strategic plans for 2011–15 (Department of Employment, Economic Development and Innovation) and 2012–16 are available at www.dsdip.qld.gov.au



Our services

- **Coordinator-General**—large scale coordinated project delivery under the SDPWO Act.
- **State Development**—development of economic and infrastructure policies and plans, and facilitation of industry development, regional development and investment projects.
- **Major Projects Office**—management, delivery and facilitation of high priority commercial projects.
- **Planning**—reform the state’s planning framework to empower local communities and facilitate economic growth.

Our structure

Following machinery-of-government changes, DSDIP underwent a structural realignment resulting in six clearly defined business groups. These are:

The Office of the Coordinator-General—responsible for coordinating the delivery of projects under the SDPWO Act:

- facilitates major development projects
- determines if complex and important private and public projects require whole-of-government management, and the conditions under which these projects may proceed
- plans, delivers and coordinates large-scale infrastructure projects that drive economic growth, while maintaining Queensland’s environment and way of life
- managing State Development Areas (SDAs) and land acquisition for the CG.

State Development—brings together our industry development, regional economic development, infrastructure

policy and planning, and economic research capability into one group focused on growing, developing and diversifying the state’s economy:

- champions industry
- delivers Royalties for the Regions to help manage resource sector growth impacts
- facilitates development of coal seam gas (CSG)—liquefied natural gas (LNG) and other resource industries
- drives local industry participation policy
- undertakes industry and supply chain development to grow the economy and jobs
- attracts domestic and international business investment
- facilitates regional economic strategies and industry development.

Planning—established to focus our efforts on reform of the state’s planning system:

- delivers ‘best practice’ planning
- provides leadership in planning practices and processes
- assists and supports local government
- provides solutions to blockages in the system
- streamlines processes
- provides responsive regional planning.

Major Projects Office—a new group that brings together expertise and skills for the management and delivery of infrastructure, land and other property projects DSDIP is involved in, on behalf of other agencies, through:

- timely facilitation and delivery of infrastructure, land and other property to industry and the community with a focus on significant, complex and high profile



projects with a state development benefit for Queensland

- managing property and infrastructure assets
- assisting industry with project facilitation, reducing red and green tape and planning and project support.

Supporting and delivering our services

As well as delivering our departmental services, we assist a range of other Queensland Government departments to deliver services under a number of service level agreements.

Regional Services—provide a network of regional based offices that support the delivery of DSDIP’s services across Queensland as well as services and support on behalf of other government departments engaged in programs that support economic development.

Strategy and Governance—ensures coordination of policy and legislative outcomes and provides corporate services to DSDIP and the Department of Local Government (DLG).

Machinery-of-government changes

Through the April 2012 machinery-of-government changes, then Department of Employment, Economic Development and Innovation (DEEDI) became DSDIP with the functions of the Coordinator-General, state development, the Major Projects Office and planning. The functions that migrated from DEEDI included services relating to trade, employment, agriculture, mining, energy, tourism, innovation, small business and racing.

These are now provided through:

- Queensland Treasury and Trade
- Department of Education, Training and Employment
- Department of Agriculture, Fisheries and Forestry
- Department of Natural Resources and Mines
- Department of Energy and Water Supply
- Department of Science, Information Technology, Innovation and the Arts
- Department of Tourism, Major Events, Small Business and the Commonwealth Games
- Department of National Parks, Recreation, Sport and Racing.

Reporting of performance relating to the migrated services—including Service Delivery Statement (SDS) performance measures and strategic plan performance indicators—is published in the 2011–12 annual reports of the departments that now have carriage for these services.²

Portfolio responsibility for the Queensland Reconstruction Authority (QldRA) transferred to the Deputy Premier, Minister for State Development, Infrastructure and Planning. Early planning has commenced for integration of QldRA operations into government service delivery by July 2014. The Urban Land Development Authority is being combined with the activities of the Property Services Group and integrated into DSDIP as part of establishing the proposed Economic Development Queensland. South Bank Corporation’s responsibility for planning and development assessment as well as parkland management is being transferred to Brisbane City Council.

² Please see the websites of the relevant departments for further information. Please refer to the appendices for information on DSDIP’s legislative obligations.



Operating environment

DSDIP was established in April 2012 following the state election on 24 March 2012 and subsequent machinery-of-government changes.

Our department exists to drive the economic development of Queensland, including via a network of regionally based offices that support local service delivery across regional Queensland.

Since DSDIP's establishment all of the 11 election commitments contained in the *First 100 Days Action Plan* and assigned to our department were successfully delivered on time. DSDIP has since continued to deliver on its remaining government commitments.

The Coordinator-General has acted to restore his powers and authority to properly coordinate and facilitate large-scale projects. This included implementation of a 37-point fast tracking action plan to reduce timeframes across all stages of projects and time saving initiatives to speed up development of environmental impact assessments.

A new working relationship with the federal government was formed. This new assessment bilateral agreement has provided a framework for greater cooperation and efficiency, to assist in speeding up federal assessments and will provide a greater level of certainty for industry and all levels of government.

Our department has moved to be sustainable, agile and resilient enough to deliver the services required by government, ushering in a new period of stability and focus. Our realigned

organisational structure, functions and resources align with the Queensland Government's community objectives. Non-priority programs and activities have ceased and new governance arrangements established. Management levels were flattened and the scope and span of control for senior executives, senior officers and managers was expanded.

Consolidation of DSDIP's regional presence includes regional land use planning services and economic development services, and a focus on supply chain and major project facilitation.

Savings were identified through minimising the use of consultants; reducing travel, advertising, litigation and legal costs; managing future accommodation and vehicle costs; and controlling procurement costs. We must continue to ensure our resources are focused on priorities and find savings so that we can deliver our services in a tight fiscal environment.

Global economic conditions are impacting on government and industry's ability to attract financial support to commence and deliver infrastructure projects. Queensland's population continues to increase and diversify and the state requires solutions to economic, infrastructure and planning needs to support this.

Queensland saw business investment surge by a record 42.3 per cent as construction ramped up on LNG and coal projects. Along with recovery from natural disasters early in 2011, this



pushed economic growth in the state to a four-year high of four per cent. Good growing conditions also boosted rural exports to new highs.

However, the recovery has not been broad based. A high Australian dollar and softer global growth weighed on tourism, education and manufactured exports in 2011–12. Slower than previous population and jobs growth, tight credit conditions and more cautious households kept dwelling and other construction expenditure subdued for most of the year.

Prices for many commodities, particularly coal, fell sharply in mid-2012, but are expected to remain high by historical standards. This will continue to underpin efficient resource-related investment, expected to peak over the next two years, but should also mean some easing from the stresses of the ‘two-speed economy’. Growth of a further four per cent is expected in 2012–13, notwithstanding the impact of fiscal consolidation at both the Commonwealth and state levels.

The state’s medium to long-term prospects are strong in the context of rising living standards in major countries of Asia. This is boosting demand for many of the things Queensland has to offer, such as materials, energy, tourism, education, and quality foods.

The Queensland Government’s four pillars of agriculture, construction, resources and tourism directly account for about one quarter of Gross State Product. With their strong supply chain

linkages, they indirectly account for about one half of economic activity. The government’s strategy is to seek opportunities to partner with these sectors to optimise economic, social and environmental outcomes for the state; and to take advantage of strategic opportunities to facilitate change to meet the needs of business and industry for the ongoing benefit of Queensland.

The operating environment also presents significant strategic challenges such as:

- balancing development and conservation issues
- meeting key infrastructure and infrastructure planning needs
- building resilience and certainty in the Queensland economy.

We are progressing a legislative, policy and regulatory framework to enable and accelerate investment, sustainable infrastructure and employment. Regulatory burden is being reduced.

We have begun developing a simplified state planning and development assessment system with:

- a new approach to statutory regional planning
- a new state interest framework
- targeted support for local councils.

We are also balancing traditional land use expectations with emerging industries and project development.

This will enable local government and industry to deliver on the needs of Queenslanders and re-empowers local governments to make local planning decisions.



Future direction

DSDIP is committed to *Getting Queensland back on track*. The table below demonstrates how our department's objectives and strategies contribute to the Queensland Government's community objectives.

Community objective	The department's objectives and strategies
Grow a four pillar economy	<ul style="list-style-type: none"> • Champion the interests of business and industry in Queensland. <ul style="list-style-type: none"> – Remove regulatory and other bottlenecks and impediments to investment. – Facilitate the growth of business and industry. • Diversify regional and state economies. <ul style="list-style-type: none"> – Enhance access to global supply chains. • Re-empower local governments and their communities to plan for their futures. <ul style="list-style-type: none"> – Assist growth in key industry sectors through regional service delivery partnerships with local governments and stakeholders.
Deliver better infrastructure and better planning	<ul style="list-style-type: none"> • Fast track delivery of major resource and industrial development projects. <ul style="list-style-type: none"> – Deliver and facilitate significant and complex projects. – Prepare infrastructure coordination plans. – Ensure land is available for industrial development, infrastructure and major public infrastructure projects in state development areas. • Diversify regional and state economies. <ul style="list-style-type: none"> – Address strategic infrastructure needs. – Build stronger regions based on competitive advantages. • Assist property and construction industries to grow and flourish through streamlined planning processes. <ul style="list-style-type: none"> – Streamline planning, assessment and approval processes. – Facilitate major projects with benefits for Queenslanders. • Re-empower local governments and their communities to plan for their futures. <ul style="list-style-type: none"> – Work with local governments to optimise sustainable growth.
Restore accountability in government	<ul style="list-style-type: none"> • Improve service delivery. <ul style="list-style-type: none"> – Continuously review and focus departmental activities on government priorities.

Our department provides policy and services to stimulate and fast track projects that support economic development.

will identify opportunities for growth and collaborative opportunities for local businesses to invest in innovative and sustainable projects.

In 2012–13 DSDIP will maintain focus on markets demonstrating ongoing and emerging economic growth, and will encourage investment and development across Queensland. By doing this, we

To accelerate the progress of private and government funded infrastructure projects, and build infrastructure that supports Queensland's economic strength, we will work with and support local



suppliers, small businesses and industry. We will work with Infrastructure Queensland and advise the Queensland Government on long-term infrastructure planning, management and economic prioritisation of projects. With the Coordinator-General leading infrastructure delivery, we will work to ensure major infrastructure and planning projects are fast tracked and delivered.

A key focus will be diversifying the economic prosperity of the resources sector, which significantly impacts Queensland's economic status. Working with the GasFields Commission, Infrastructure Queensland, Projects Queensland and other stakeholders, we will build quality planning solutions to issues of balanced land use, environmental resilience, population growth and diverse community and international expectations. The demand for infrastructure, competition for land, the need for housing affordability measures and sustainable economic development must be provided for in line with local and regional planning objectives. Consistent with the state government's direction and election commitments and DSDIP's objectives, priority initiatives are underway in 2012–13 to:

- improving the effectiveness and efficiency of the planning system by amending the *Sustainable Planning Act 2009*
- progressing the preparation of a single state planning policy to clearly define the state government's interest in planning and development
- prepare draft statutory regional plans for the Darling Downs, Central Queensland and Cape York for public consultation in 2013

- publish new guidelines to support Royalties for the Regions and receive and assess the first round of applications
- deliver legislation to support the work of the GasFields Commission
- complete the Galilee and Surat basins infrastructure plans and progress the Surat Basin rail project
- progress the strategic assessment for the Great Barrier Reef including a ports strategy
- progress the new Mary Valley Economic Development Strategy, aimed at revitalising the valley and restoring community stability
- commence works on the redevelopment of the government administrative precinct in Brisbane.

The Queensland Government is committed to returning the budget to an operating surplus in 2013–14 and a fiscal surplus in 2014–15. During 2012–13 our department will continue to support this commitment by identifying efficiencies, implementing refined delivery models, and focusing on delivery of prioritised programs and activities within our approved budget.



Performance

Key 2011–12 achievements

Champion the interests of business and industry in Queensland

Removing regulatory bottlenecks and impediments to investments

- Approved and released the development scheme for the Surat Basin Infrastructure Corridor SDA. This enables the Coordinator-General to effectively manage land use in the area and secure a corridor for the proposed Surat Basin Rail (SBR) project.
- Prepared the Surat Basin Rail (Long-term Lease) Bill for introduction to parliament in 2012, which is designed to give certainty to the legal framework for the SBR project and address a range of regulatory and tenure issues.
- Developed and implemented three native title compensation and economic participation agreements for affected traditional owner groups within the Surat Basin.
- Supported referrals from the Assistant Minister for Planning Reform through a range of actions, including state agency liaison and provision of high-level advice to proponents.
- Facilitated over 30 private sector-initiated property and construction industry projects (with an estimated total value of \$7.9 million) through proactive coordination and resolution of state referral matters.

Facilitating the growth of business and industry

- Achieved sales of \$107 million in industrial land throughout Queensland. The industries located on these sites generated an estimated 200 jobs and created an estimated \$80 million in capital investment through on-site improvements.
- Managed development works of \$28 million across industrial estates.
- Managed an industrial land sales program to deliver: revitalisation of regional centres; private sector engagement to normalise land supply in regional centres; and land fast-tracked to market where required.
- Acquired and developed strategic land holdings in Abbot Point and Gladstone SDAs to support major industry.
- Announced a clear policy preference for two multi-user corridors to be developed to service the infrastructure needs of the Galilee basin coal development projects connecting to coastal ports.
- Continued to work with mining companies in the North West Minerals Province with a view to facilitating development by the private sector of a multi-user load-out facility near Cloncurry.
- Facilitated the successful conclusion of a government-facilitated, customer-led competitive process for the provision of a competitively priced and secure electricity supply



for Mount Isa and the North West Minerals Province.

- Administered maintenance dredging of the Grand Canal and access channel at Port Hinchinbrook, which were inaccessible due to significant siltation after a tidal surge from Cyclone Yasi in February 2011. A total of 34 000 cubic metres of silt was removed.
- Completed extensive background studies and gained preliminary approval for an aerospace and defence-related development on 140 hectares of state land adjacent to the Royal Australian Air Force Base at Amberley. Development proposals from private sector proponents are currently being assessed.
- Completed a study exploring options for a truck route to serve quarries west of Narangba. Analysis included a review of the cost, funding sources, timeframes, locations of existing and potential corridor routes, and delivery options of new routes.
- Provided advice and assistance to the Property Management Committee (PMC) to improve the governance and decision-making framework— including tools and systems for government-owned properties.
- Completed a preliminary business case for the Parklands Commonwealth Games Village Project.
- Completed preliminary planning for development of a 32 hectare site at Carrara to become part of the Commonwealth Games Precinct.
- Completed the \$7 million Whitsunday Coast Airport Upgrade Project.

- Completed the first phase of the Queensland Seismic Monitoring Network Project, leading to a centralised and coordinated earthquake monitoring scheme for the state.
- Completed the Collingwood Park Mine Remediation Technology Validation Project.
- Administered funding arrangements for fluoride dosing of 15 public potable water supplies under the provisions of the *Water Fluoridation Act 2008*, with planning commenced for a further 69 projects.

Fast track delivery of major resource and industrial development projects

Delivering and facilitating significant infrastructure projects

- The Coordinator-General made 69 statutory decisions in 2011–12 under the SDPWO Act, with 30 of these made by the current Coordinator-General in the three months since his appointment on 3 April 2012. This includes granting approval for:
 - Hancock’s \$6.4 billion Alpha Coal project in Queensland’s Galilee Basin, comprising a 30 million tonnes per year open-cut coal mine and a 495 km railway line from the mine to the Port of Abbot Point near Bowen, creating 3600 jobs in construction and 990 jobs in ongoing operational roles
 - Rio Tinto’s \$1.45 billion extension to the South of the Embley bauxite mine in Cape York, which will extend the life of the mine for another 40 years, potentially increasing production to 50 million tonnes per annum and creating



630 jobs in construction and up to 1275 ongoing operational jobs.

- As at 30 June 2012, there were 31 projects throughout Queensland being actively assessed. If approved by the Coordinator-General these will generate a combined \$81 billion in capital investment and create 40 000 jobs in construction and 25 000 jobs in ongoing operational roles.

They include:

- Arrow Energy's LNG project near Gladstone, generating \$15 billion in investment, creating 3715 jobs in construction and 600 ongoing operational jobs
- North Queensland Bulk Port's Dudgeon Point Coal Terminal, generating \$12 billion in investment, creating 1800 jobs in construction and 640 ongoing operational jobs
- Waratah's Galilee Coal Project, generating \$8.3 billion in investment, creating 3500 jobs in construction and 2360 ongoing operational jobs
- Hancock's Kevin's Corner coal mine project in the Galilee Basin, generating \$6.6 billion in investment, creating 2500 jobs in construction and 2000 ongoing operational jobs
- Adani's Carmichael Coal Mine and Rail Project, generating \$5.9 billion in investment, creating 5200 jobs in construction and 3290 ongoing operational jobs.
- Released for public comment the environmental impact statement (EIS) for SunWater's Nathan Dam project in the Surat Basin, Arrow Energy's LNG project near Gladstone, Hancock's Kevin's Corner coal mine project and the Department of Transport and Main Roads' Cross River Rail project in Brisbane.
- Facilitated the delivery of the new Queensland Children's Hospital (QCH) by granting approval for five development applications in the QCH SDA, including the QCH Foundation Building; an academic and research facility; increased capacity of a hospital energy plant; a goods, services and personnel tunnel; and extensions to staff facilities at Somerville House school.
- Released the final EIS terms of reference for North Queensland Bulk Port's Dudgeon Point coal terminal project, SunWater and Gladstone Area Water Board's Lower Fitzroy River Infrastructure project, Sunshine Coast Council's Sunshine Coast Airport Expansion, BHP Billiton's Goonyella to Abbot Point Rail project, Fitzroy Terminal Project, Boral Resources' Gold Coast Quarry, Townsville Port Expansion, Byerwen Coal Project and Harbour Island's Gold Coast International Marine Precinct.
- Draft EIS terms of reference released for Cockatoo Coal's two proposed projects in the Surat Basin, Aust-Pac Capital's Wongai coal mine, QR National's Central Queensland Integrated Rail project and the Yarwun coal terminal project.
- Approved a number of material change of use applications, including a haul road from the Yarwun Quarries site in the Gladstone SDA, expansion of the Pacific Freight facility in the Townsville SDA, construction of gas transportation infrastructure by



Gladstone LNG in the Callide Infrastructure Corridor SDA, re-establishment and expansion by North Queensland Bulk Ports of an abandoned quarry in the Abbot Point SDA and construction of bulk stores and warehouses in Gladstone SDA.

- Released change reports for BHP Billiton Mitsubishi Alliance's Caval Ridge Mine and Brisbane City Council's Legacy Way Northern Link Road Tunnel project.

Streamlining and fast tracking the assessment of major projects while ensuring best practice environmental standards

- Established a Fast Tracking Taskforce in April 2012 to identify ways to speed up and streamline the approvals process, and commenced the process of implementing a 37-point action plan to reduce approval timeframes by up to 50 per cent and potentially double the number of approval decisions historically made by the Coordinator-General.
- Project managers for each significant project regularly meet with a project control group to identify and develop solutions to bottlenecks.

Reinstating the power and authority of the Coordinator-General

- Coordinated and facilitated major infrastructure and resources projects to deliver better economic, social and environmental outcomes underpinned by a more cooperative approach to achieving the best results for local and regional communities, landholders, and resource companies.
- Signed a new bilateral agreement with the Commonwealth, providing clarity

and transparency in the roles of both governments and promoting a partnership approach to environmental protection and biodiversity conservation. The agreement embeds strong project management disciplines across all aspects of projects—for example setting strict deadlines for agencies to respond in each stage.

It is already streamlining the approvals process by enabling the Commonwealth to rely on Queensland's environmental assessment processes. This will ensure a more integrated and coordinated approach, removing duplication and promoting a more efficient, timely and effective approvals process for major infrastructure projects.

- Established proponent service delivery charters for all significant projects undergoing assessment under the bilateral agreement, with every project having program milestones for each stage that are regularly monitored.

Managing the social impact of projects on local and regional communities

Proponents of major resource projects are required to assess their project's social impacts and develop a social impact management plan (SIMP). In 2011–12, the Coordinator-General:

- assessed over 40 social impact assessments (SIA) and draft SIMPs for resource development projects declared significant under the SDPWO Act and *Environmental Protection Act 1994* with three SIMPs approved for the Gladstone LNG, Queensland Curtis LNG and Australia Pacific LNG projects
- issued three Gladstone Housing quarterly reports regarding LNG



proponents' progress in mitigating their projects' impact on housing and accommodation in the region

- released the Major Resource Projects Housing Policy, which requires resource companies to build more housing in impacted communities
- held the first roundtable meeting of Galilee Basin proponents to provide strategic cross-project coordination across the region to address cumulative social impacts.

At the same time, the Office of the Coordinator-General facilitated cross agency reference group meetings; a SIA consultant workshop to support whole-of-government coordination on SIAs and management practices; and worked with the Queensland Resources Council to identify ways to improve efficiencies in the development of SIMPs.

Acquiring land for important industrial development, infrastructure and major public infrastructure projects

- The Coordinator-General acquired 57 parcels of land to support 11 key projects, including Bundamba to Swanbank SDA, Callide Infrastructure Corridor and Stanwell to Gladstone Infrastructure Corridor SDA.
- The Coordinator-General appointed a Gladstone-based land manager for the Curtis Island Environmental Management Precinct within the Gladstone SDA to implement the annual work program using the \$20 million contribution from LNG proponents. This included re-establishing firebreaks, a hazard reduction burn of the Curtis Island Corridor sub-precinct, and an audit of built infrastructure to manage

risks and impacts to production, the environment and health and safety.

Diversify regional and state economies

Enhancing access to global supply chains

- Worked to increase access and improve the performance of local suppliers by:
 - engaging with proponents in the early stages of their projects to understand their requirements
 - supporting supply chain companies in building their capability and capacity to respond to specific opportunities: ninety-seven local suppliers won contracts valued at over \$544 million in major project supply chains
 - working with the Industry Capability Network to put forward 1178 local companies for contestable goods and services on major projects
 - increasing 771 companies' tender-readiness.

Addressing strategic infrastructure needs

- Commenced the uptake of Resources for the Regions funding by:
 - developing the Royalties for the Regions framework—the program will provide \$495 million over four years to help communities build new and improved community infrastructure, road and floodplain security infrastructure, seize economic opportunities and encourage growth



- preparing for the first round of funding applications for the Resource Community Building Fund (\$10 million), Roads to Resources (\$40 million) and Floodplain Security (\$10 million)
- consulting with key stakeholders including the Local Government Association of Queensland (LGAQ), Australian Petroleum Production and Exploration Association and Queensland Resources Council.

Building stronger regions based on competitive advantages

- Encouraged community support for industry growth by establishing the Toowoomba-based GasFields Commission to manage co-existence between rural landholders, regional communities and the CSG industry with Mr John Cotter as Commissioner from 19 April 2012.

Increasing private sector investment

- Secured new business and industry opportunities through market analysis, facilitation and support, including:
 - the successful attraction of 16 companies to Queensland, directly generating approximately 1457 jobs and \$466 million in capital expenditure
 - supporting Queensland companies to enable 41 companies to achieve aggregate results of over \$46 million in new sales, investment and efficiency savings through assistance in productivity improvement and technology take-up
 - facilitating private sector investment through project development approvals in food processing, manufacturing and oil sectors valued at \$242 million.

Assist property and construction industries to grow and flourish through streamlined planning processes

Streamlining planning, assessment and approval processes

- Established Infrastructure Queensland to advise the state government on long-term infrastructure planning, prioritisation and ongoing management and maintenance with the first meeting held on 28 June 2012. It draws expert advice from highly regarded private sector representatives and heads of key government departments that will drive the Queensland Government's infrastructure projects.
- Announced the appointment of Assistant Minister for Planning Reform, Ian Walker MP, as the 'go to' person for the property and construction industries on 20 April 2012.
- Simplified the planning and development assessment system by:
 - working to prepare a temporary state planning policy for use from 24 August 2012, that facilitates Queensland's economic growth by articulating the importance of the agriculture, construction, mining and tourism industries, and how they must be considered in the planning process
 - committing to establishing a new approach to state planning policies that simplifies and clarifies the state's interests—preparation commenced for a single state planning policy that will replace existing state planning policies and empower local



governments to make community planning and development decisions

- responding to development industry concerns and reviewing options to remove extra development limitations introduced when State Planning Policy 3/11 became part of the Queensland Coastal Plan in February 2012.

Re-empower local governments and their communities to plan for their futures

Working with local governments to optimise sustainable growth

- Commenced improvements to Queensland's planning and development assessment system to ensure it is responsive to community, industry and government needs. This included conducting six planning forums with representatives across the local government, development, housing, construction and environmental sectors to discuss targeted issues and focus on achievable reform to the *Sustainable Planning Act 2009*.
- As a result of these forums:
 - together with the LGAQ and the Council of Mayors (SEQ), we examined in detail the current Queensland Planning Provisions (QPP) and Statutory Guideline for Making and Amending Local Planning Instruments (MALPI) and identified immediate procedural opportunities to streamline local government plan making
 - we progressed the first tranche of amendments to the *Sustainable*

Planning Act 2009 (which were passed in Parliament in November 2012). These will:

- improve how state interests are identified and managed in the planning and development system
- remove masterplanning arrangements
- reduce red tape in the development application process
- improve consistency of the risk management approach to development assessment—for example enabling low risk development applications to require low risk levels of assessment
- enable the Planning and Environment Court to:
 - direct a Registrar to hear simple disputes
 - order costs in certain circumstances
- we progressed amendments to the Sustainable Planning Regulation to remove a range of triggers requiring referral of development applications to state agencies—meaning 1500 fewer referrals per year and substantial cost savings for local governments and development applicants.
- We are fast tracking the preparation of new statutory regional plans for Central Queensland, the Darling Downs and Cape York, with draft plans expected to be released in early 2013. These regional plans will foster economic opportunities, address land use conflicts and build our communities. Progress includes:



- boundaries for Central Queensland and the Darling Downs designated on 29 June 2012
- regional planning committees for Central Queensland and the Darling Downs established and operational from July 2012.
- an integrated suite of business, industry, regional development and land use planning services on behalf of, or in partnership with, other state agencies

Improve service delivery

Continuously reviewing and focusing departmental activities on Queensland Government priorities

During 2011–12 the former DEEDI's integrated governance framework ensured achievement of strategic objectives and appropriate resource allocation for cost-effective service delivery. These governance arrangements supported a high standard of transparency, accountability, efficiency, faster decision-making and probity in all business activities.

We aligned our resources to efficiently deliver on government priorities and commitments that our department is responsible for, in line with the Queensland Government's policy and fiscal objectives.

To achieve this we:

- ensured local government, industry and business are satisfied with regional service delivery, via:
 - provision of: business and industry assistance; investment facilitation and aftercare; regional market intelligence; industry development supporting a four pillar economy; regional planning for economic development; and capacity building supporting local and regional leadership and growth
- strengthened internal financial controls during the year, and effectively monitored budgets
- established a new organisational structure as part of the Business Alignment Program (BAP) to remove duplication, streamline decision making, achieve savings and consolidate regional service delivery
- worked to achieve human resource measures within acceptable levels by:
 - implementing a strategic workforce plan incorporating BAP that links human resource management strategy to business priorities
 - providing human resource policies including leave arrangements, healthy work-life balance, performance management and return to work strategies
 - benchmarking our human resource measures against whole-of-government averages and identifying improvement opportunities.



Performance against service standards

Changes to service structure

After the Queensland state election in March 2012 machinery-of-government changes were implemented and DSDIP's structure of service area delivery¹ for 2011–12 was amended as follows:

Table 1 Incoming service areas

Service area	Transferred from
Planning	Department of Local Government and Planning

Table 2 Outgoing service areas

Service area	Transferred to
Tourism	Department of Tourism, Major Events, Small Business and the Commonwealth Games
Business Development	Department of Tourism, Major Events, Small Business and the Commonwealth Games
Mines	Department of Natural Resources and Mines
Office of Racing	Department of National Parks, Recreation, Sport and Racing
Energy	Department of Energy and Water Supply
Trade Queensland	Queensland Treasury and Trade
Agriculture and food including fisheries, agri-science and biosecurity	Department of Agriculture, Fisheries and Forestry
Science research and development	Department of Science, Information Technology, Innovation and the Arts
Business Innovation	Department of Science, Information Technology, Innovation and the Arts
International Collaborations	Department of Science, Information Technology, Innovation and the Arts
Employment and Indigenous initiatives	Department of Education, Training and Employment

Details of performance for the service areas that left DSDIP are included in the 2011–12 annual report of the relevant receiving department.

¹ For complete details regarding DSDIP's current service areas, please refer to the *2011–12 Budget Paper No. 3 – Service Delivery Statements*.



Table 3 DSDIP's service structure for 2011–12 as at 30 June 2012

Service area	Service area objective/description
Coordinator-General	Delivery of large-scale projects under the <i>State Development and Public Works Organisation Act 1971</i> .
State Development	Development of economic and infrastructure policies and plans, and facilitation of industry development and investment projects.
Major Projects Office	Management, delivery and facilitation of high priority commercial projects.
Planning	Reform of the state's planning systems to empower local communities.

The following section provides details of DSDIP's performance against the *2011–12 Budget Paper No. 3 – Service Delivery Statements* as at 30 June 2012, including results against annual targets.

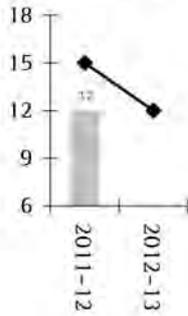


DSDIP performance statement¹

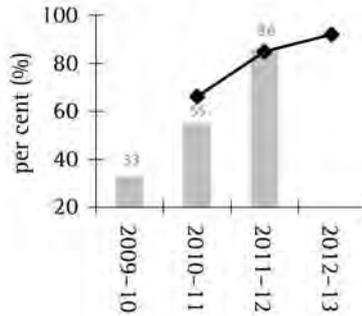
	Note	2011-12 Target / estimate	2011-12 Estimated actual	2011-12 Actual	Graph
Coordinator-General					
Service standards					
The number of statutory decisions made by the Coordinator-General	2	New measure	New measure	New measure	n/a
Other measures					
Integrated Development Assessment Scheme responses completed within statutory timeframes: (a) Local Government Planning Schemes	3	15	12	12	1
Major Projects Office					
Service standards					
Percentage of Queensland population receiving fluoridated drinking water – outside SEQ (excluding Indigenous local authorities)	4	85%	86%	86%	2
Percentage of Queensland population receiving fluoridated drinking water – within Indigenous local authorities	4	100%	92%	92%	3
Other measures					
Number of industrial land solutions implemented during the year across the state for proposed major project developments	4,5	350	98	98	4
Percentage of total number of private sector and government projects being coordinated or implemented, which met committed timeframes and milestones	4	80%	90%	90%	5
State Development					
Service standards					
Estimated value of additional capital attracted to Queensland as a result of the department's investment and business development assistance	6,7	\$227.0M	\$465.75M	\$465.75M	6
Value of new exports generated by businesses assisted by the department	8,9	\$32.0M	-	-	7
Estimated value of efficiency savings or new business generated by businesses assisted by the department	10	\$40.0M	\$46.67M	\$46.67M	8
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of the department's funded innovation and capacity development activities	11	80%	80%	80%	9
Proportion of assisted firms reporting improved performance following the department's funded innovation and capacity development activities	11, 12	55%	76%	76%	10



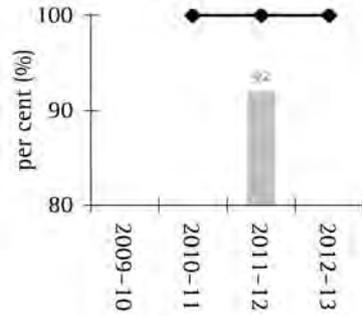
Graph 1



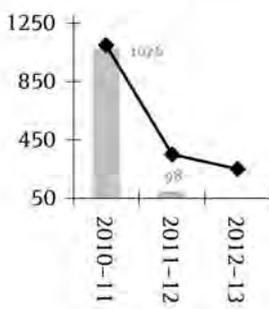
Graph 2



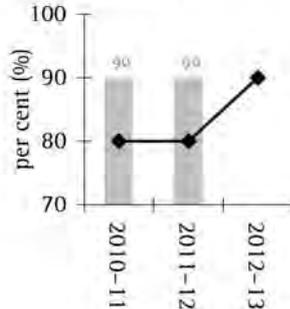
Graph 3



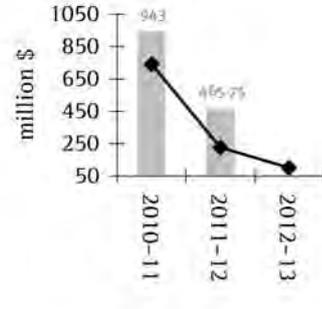
Graph 4



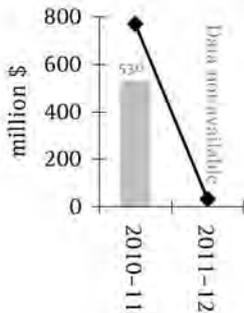
Graph 5



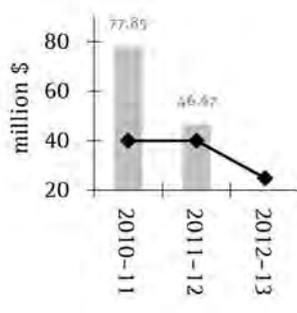
Graph 6



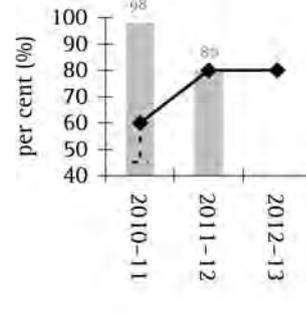
Graph 7



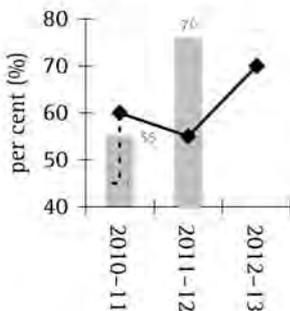
Graph 8



Graph 9



Graph 10



Actual
Target/estimate

Note:

These graphs, and those on page 29, provide additional performance information including, where available, historical data and estimates for 2012-13. They should be read in tandem with the information provided in the DSDIP performance statement table and the associated notes. When comparing performance results, consideration should be given to the impact of machinery-of-government changes on service area scope. For a more detailed explanation of performance data prior to 2011-12, please refer to the Service Delivery Statements and annual reports of the responsible department.

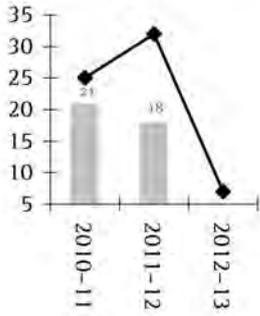


DSDIP performance statement continued

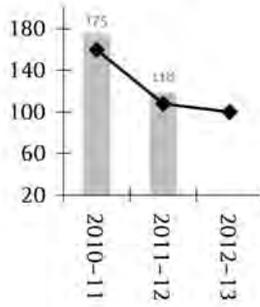
	Note	2011-12 Target / estimate	2011-12 Estimated actual	2011-12 Actual	Graph
Other measures					
Achievement of major project milestones on strategic projects	13, 14, 15	32	18	18	11
Consultative and engagement forums with industry and community stakeholders	16, 17, 18	108	118	118	12
The number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities	13, 17, 19	885	574	574	13
The number of business participants in structured development activities	13, 16, 17, 19	6786	8492	8492	14
Significant one-on-one business consultations undertaken	13, 16, 20, 21	11285	12946	12946	15
Number of businesses involved in the department's facilitated alliances, partnerships, industry networks, supply chains, clusters etc.	16, 22, 23	800	1909	1909	16
Planning					
Service standards					
Degree of stakeholder satisfaction with training and capacity building initiatives delivered to support the implementation of reforms to improve the state's planning and development framework	24	85%	93%	93%	17
Other measures					
Percentage of milestones completed on priority projects identified in regional plan implementation programs	24, 25	80%	60%	60%	18
Number of Regional Plans reviewed in accordance with statutory timeframes	24	1	2	2	19
Percentage of statutory concurrence responses provided to councils, development industry and community within statutory timeframes	24	100%	100%	100%	20
Percentage of state interest checks performed within agreed timeframes	24, 26	80%	35%	35%	21



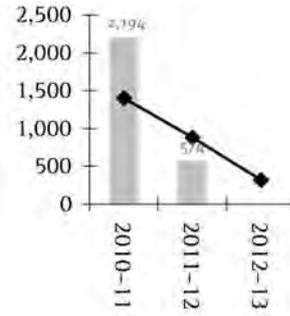
Graph 11



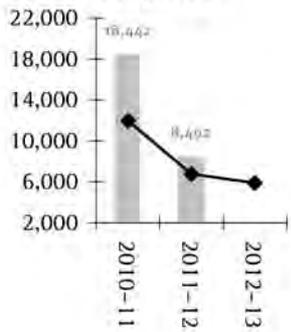
Graph 12



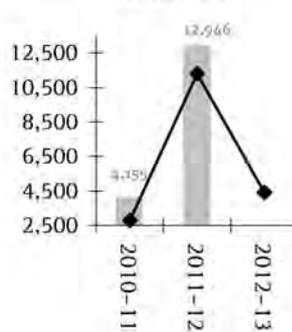
Graph 13



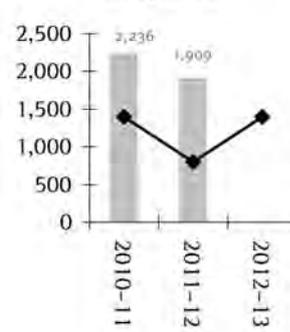
Graph 14



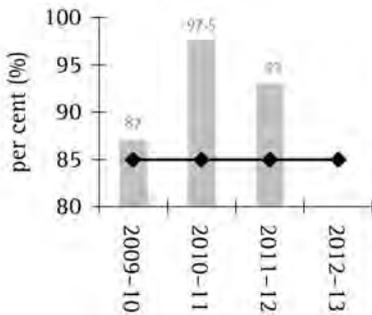
Graph 15



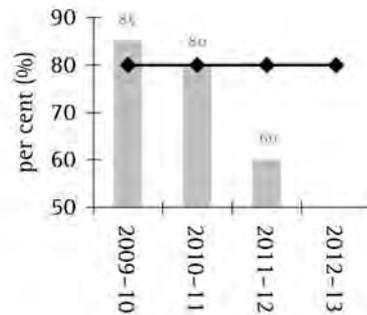
Graph 16



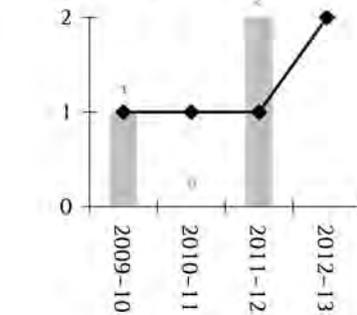
Graph 17



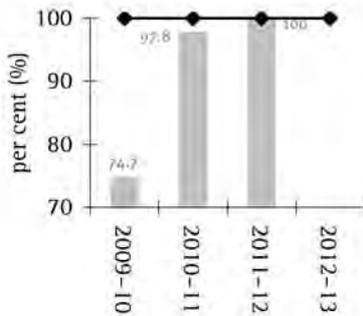
Graph 18



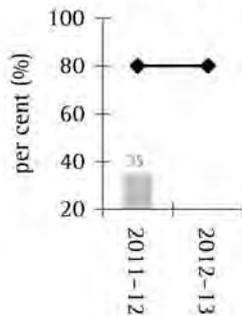
Graph 19



Graph 20



Graph 21



Actual
Target/estimate



Notes:

1. The 2011–12 target estimate and 2011–12 estimated actual financial data is only for service areas that now reside within DSDIP. Service Areas of the former Department of Employment, Economic Development and Innovation (DEEDI) that did not transition to DSDIP are not reflected in the above.
2. This performance measure replaces measure “Client and stakeholder level of satisfaction with the timeliness and quality of outcomes from the economic projects and programs delivered during the year–satisfaction and timeliness” and is introduced in line with changes in government policy and budgetary funding.
3. This performance measure was transferred from the Science, Agriculture, Food and Regional Services service area of the former DEEDI following machinery-of-government (MoG) changes. This performance measure relates to the Regional Services function only. Performance against the balance of the relevant individual function previously captured by this performance measure will be presented in the Performance Statement of the Department of Agriculture, Fisheries and Forestry (DAFF).
4. This performance measure was transferred from the Infrastructure, Land and Project Development service area of the former DEEDI following MoG changes.
5. Variance between the 2011–12 target/estimate and 2011–12 estimated actual is due to the extension of the financial close on the Surat Basin Rail Project and the cancellation of the Cedar Grove Interconnector Project. The target for the number of industrial land solutions achieved each year varies according to the demand for these services. The target for 2012–13 is based on the estimated number of (i) material change of use decisions, and (ii) parcels of land acquired. The target for 2012–13 is lower than the target for 2011–12 because the demand for land acquisition services is not expected to be as high as it was expected to be in 2011–12. Land is expected to be acquired for the Water Grid Project, Callide Infrastructure Corridor, Gladstone State Development Area, the Stanwell Gladstone Infrastructure Corridor and the Surat Basin Infrastructure Corridor during 2012–13.
6. Variance between the 2011–12 target/estimate and the 2011–12 estimated actual is due to MoG changes. This performance measure was transferred from the Employment and Economic Development service area of the former DEEDI following MoG changes. The 2012–13 target/estimate relates to Invest Queensland inward investment only. Performance against the balance of the relevant individual functions previously captured by this performance measure will be presented in the Performance Statements for the Department of Education, Training and Employment (DETE), Queensland Treasury and Trade (QTT) and the Department of Science, Information Technology, Innovation and the Arts (DSITIA).
7. Variance between the 2011–12 target/estimate and the 2011–12 estimated actual is due to differences in the level of private sector inward investment in Queensland. The 2011–12 target/estimate and the 2011–12 estimated actual figures represent both Invest Queensland and Trade and Invest Queensland. Variance between the 2011–12 target/estimate and the 2012–13 target/estimate is due to this estimate being for Invest Queensland only as per MoG changes.
8. This performance measure was transferred from Employment and Economic Development service area of the former DEEDI following MoG changes. This performance measure relates to the Economic Development function only. Performance against the balance of the relevant individual function previously captured by this performance measure will be presented in the Performance Statements of QTT, DSITIA, and the Department of Natural Resources and Mines (DNRM).
9. A 2011–12 estimated actual is not available due to industry delay in manufacturing work (under the World Class Rail Solutions industry development strategy), interstate work was counted as exports from Queensland; Downer-Bombardier won \$160 million contract to manufacture trains for Perth in July 2011 and this work was to be undertaken in Maryborough, Queensland. This work has been delayed due to budgetary constraints. A 2012–13 target/estimate has not been set for the measure due to uncertainty of future funding.
10. This performance measure was transferred from the former DEEDI following MoG changes. This performance measure relates to the Economic Development function only. Performance against the balance of the function previously captured by this performance measure will be presented in the Performance Statements of DSITIA. For programs delivered by the department, the variance between the 2011–12 target/estimate and the 2012–13 target/estimate reflects the average reported outcomes by companies which have undertaken intensive Queensland Manufacturing Institute (QMI) Solutions industry development services over the past three years.
11. This performance measure was transferred from the Employment and Economic Development service area of the former DEEDI following MoG changes. This performance measure relates to the Economic Development function only. Performance against the balance of the relevant individual function previously captured by this performance measure will be presented in the Performance Statements of DAFF and DSITIA.



12. The 2011–12 estimated actual and the 2012–13 target/estimate relate to the Economic Development function only. The 2011–12 target/estimate was 55 per cent; note, the Economic Development function component of the 2011–12 target/estimate was 70 per cent. The 55 per cent 2011–12 target/estimate also included the employment service area function.
13. Variance between the 2011–12 target/estimate and the 2011–12 estimated actual is due to alignment to new priorities and sector development activities.
14. Variance between the 2011–12 target/estimate and the 2011–12 estimated actual is due to delays in the progression of strategic projects following the 2011 natural disasters.
15. This performance measure was transferred from the former DEEDI following MoG changes. This performance measure relates to Economic Development including within Regional Services functions; and Strategic Economic Projects in Mines and Energy functions. Performance against the balance of the relevant individual function previously captured by this performance measure will be presented in the Performance Statements of DAFF, DSITIA and DNRM.
16. Variance between the 2011–12 target/estimate and the 2011–12 estimated actual is due to increased demand for services to assist businesses recover from the impacts of the 2011 natural disasters.
17. Variance between the 2011–12 estimated actual and the 2012–13 target/estimate is due to the expectation of reduced demand for business recovery services.
18. This performance measure was transferred from the former DEEDI following MoG changes. This performance measure relates to Economic Development including within Regional Services functions. Variance between the 2011–12 target/estimate and 2012–13 target/estimate and estimated actual relates to a change in government policy and budgetary funding re-allocation.
19. This performance measure was transferred from the former DEEDI following MoG changes. This performance measure relates to Economic Development including within Regional Services functions. Performance against the balance of the relevant individual function previously captured by this performance measure will be presented in the Performance Statements of DAFF, DSITIA, QTT and DNRM.
20. This performance measure was transferred from the former DEEDI following MoG changes. This performance measure relates to the Economic Development function only. Performance against the balance of the relevant individual function previously captured by this performance measure will be presented in the Performance Statements of DAFF, DSITIA, QTT and the Department of Energy and Water Supply (DEWS).
21. The Economic Development in Regional Services component of this measure is 2011–12 target/estimate of 8385 (total 11 285) and the 2011–12 estimated actual of 8938 (total 12 946). This component of this performance measure is discontinued due to MoG changes and re-allocation of budgetary funding.
22. Variance between the 2011–12 estimated actual and the 2012–13 target/estimate is due to MoG changes.
23. This performance measure was transferred from the former DEEDI following MoG changes. This performance measure relates to the Economic Development including within Regional Services functions. Performance against the balance of the relevant individual functions previously captured by this performance measure will be presented in the Performance Statements of DAFF, DSITIA and QTT.
24. This performance measure was transferred from the Planning service area of the former Department of Local Government and Planning (DLGP) following MoG changes.
25. Variance between the 2011–12 target/estimate and 2011–12 estimated actual is due to change in government policy related to regional planning and re-positioning of the forward program.
26. Variance between the 2011–12 target/estimate and the 2011–12 estimated actual is due to delays associated with potential changes in requirements for local planning instruments as a consequence of the Flood Commission of Inquiry recommendations and delays with local government consideration of state agency comments (this was administratively addressed via a timing provision implemented from January 2012).



Discontinued measures

Performance measures included in the 2011–12 Service Delivery Statements that have been discontinued or replaced by better measures are reported in the following table.

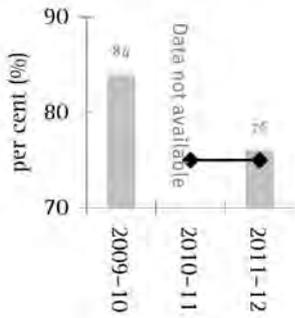
	Note	2011–12 Target / estimate	2011–12 Estimated actual	2011–12 Actual	Graph
Coordinator-General					
Client and stakeholder level of satisfaction with the timeliness and quality of outcomes from the economic projects and programs delivered during the year – Satisfaction with outcomes		75%	76%	76%	22
Client and stakeholder level of satisfaction with the timeliness and quality of outcomes from the economic projects and programs delivered during the year – Satisfaction with timeliness	1,2	65%	57%	57%	23
Planning					
Percentage of Transit Oriented Development and urban design related projects completed in agreed timeframes	3,4, 5	100%	30%	30%	24
The annual increase in hectares of Land for Public Recreation	3,4, 5	15,000 hectares	1450 hectares	1450 hectares	25
State Development					
Position of Queensland's economic growth in comparison to other Australian states and territories (1-8)	3,6	1	1	1	26
Pieces of legislation and regulatory frameworks reviewed and reformed	3,5	75	66	66	27

Notes:

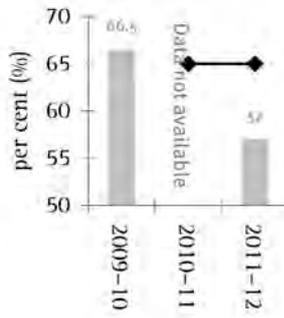
1. This performance measure is discontinued due to a change in government policy, including the associated measurement approach.
2. Refer to Note 2 in the Performance Statement.
3. This performance measure is discontinued due to a change in government policy and budgetary re-allocation.
4. This performance measure was transferred from the Planning service area of the former DLGP following MoG changes.
5. Variance between the 2011–12 target/estimate and 2011–12 estimated actual is due to a change in government policy.
6. This performance measure was transferred from the Employment and Economic Development service area of the former DEEDI following MoG changes. The source of this information is the Australian Bureau of Statistics. Due to data publication dates, the 2011–12 estimated actual is the performance for the 2010–11 financial year (data is published annually in November).



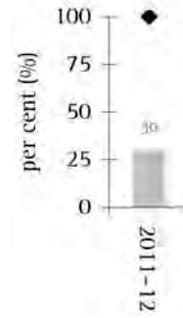
Graph 22



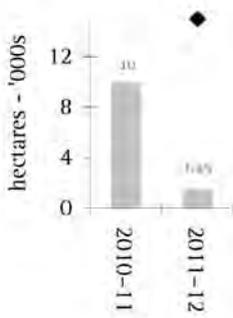
Graph 23



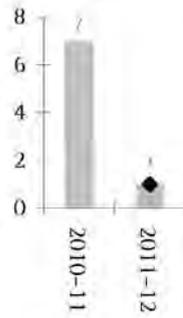
Graph 24



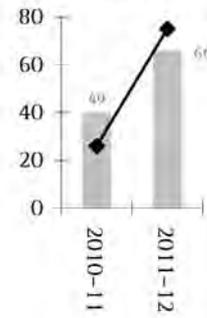
Graph 25



Graph 26



Graph 27



Actual
 Target/estimate

Note:

These graphs provide additional performance information including historical data where available. They should be read in tandem with the information provided in the discontinued measures table and the associated notes. When comparing performance results, consideration should be given to the impact of machinery-of-government changes on service area scope. For a more detailed explanation of performance data prior to 2011-12, please refer to the Service Delivery Statements and annual reports of the responsible department.



Commercialised business unit

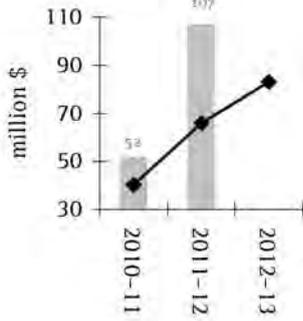
	Note	2011-12 Target / estimate	2011-12 Estimated actual	2011-12 Actual	Graph
Property Services Group					
Service standards					
Value of land sale settlements	1,2	\$66 M	\$107 M	\$107 M	28
Estimated value of capital investment created through successful land sales applications	3	\$80 M	\$80 M	\$80 M	29
Percentage of total number of land sales in regional Queensland	4,5	66%	41%	41%	30
Other measures					
Number of new land lots developed and buildings constructed	6	15	8	8	31
Number of land leases administered		103	106	106	32
Number of properties acquired	7,8	3	1	1	33
Estimated number of jobs generated through successful land sale applications	9	150	200	200	34

Notes:

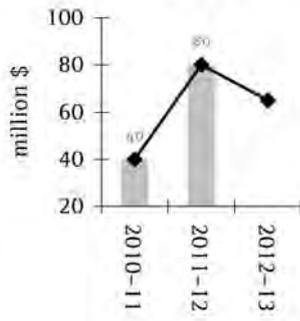
1. The higher than expected sales revenue is a result of strong sales within the Lytton Estate.
2. The 2012-13 target/estimate reflects a moderation in land sales from the strong levels of 2011-12 estimated actual.
3. The 2012-13 target/estimate reflects capital investment from the reduced sales program.
4. Variance between the 2011-12 target/estimate and the 2011-12 estimated actual is due to a larger than expected number of settled sales generated within South East Queensland during 2011-12; this reduced the overall percentage of sales for regional Queensland.
5. The 2012-13 target/estimate reflects the expectation that regional sales will return to a higher proportion of total sales, given a moderation in land sales in South East Queensland.
6. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to delays at South Mackay Industrial Estate (11 lots) due to the effects of wet weather; 2011-12 estimated actual results from the provision of lots in the Gladstone State Development Area and Yarwun. The 2012-13 target/estimate provides for the delays at South Mackay Industrial Estate (11 lots) due to the effects of wet weather and an additional eight lots in the Bundaberg Industrial Park.
7. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to delays in the identification of available and suitable sites.
8. There are no identified sites on the acquisition schedule for 2012-13.
9. Variance between the 2011-12 target/estimate and the 2011-12 estimated actual reflects an increase in number of jobs generated obtained from the stronger than expected land sales.



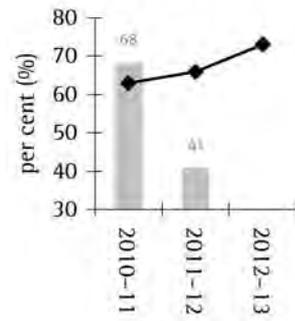
Graph 28



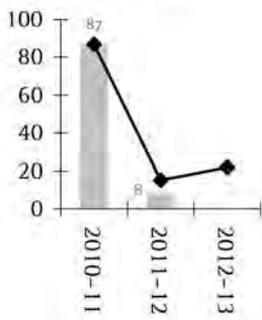
Graph 29



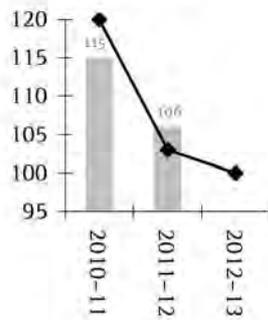
Graph 30



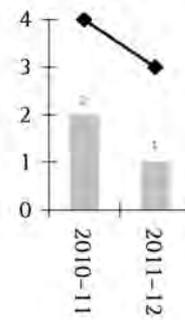
Graph 31



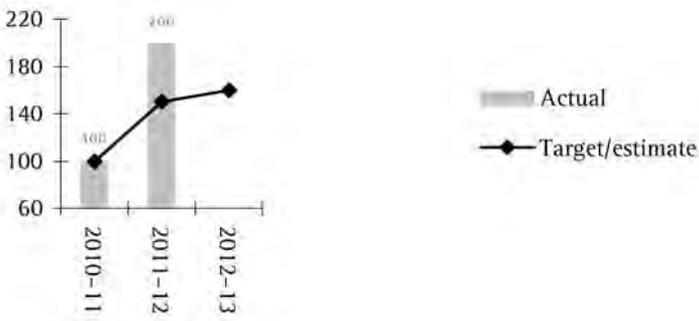
Graph 32



Graph 33



Graph 34



Note:

These graphs provide additional performance information including, where available, historical data and estimates for 2012-13. They should be read in tandem with the information provided in the Property Services Group table and the associated notes. When comparing performance results, consideration should be given to the impact of machinery-of-government changes on service area scope. For a more detailed explanation of performance data prior to 2011-12, please refer to the Service Delivery Statements and annual reports of the responsible department.



Performance against strategic plan objectives

The following performance is reported against the objectives of the previous DEEDI as laid out in its Strategic Plan 2011–15 as they now relate to DSDIP.

Objective	Performance in 2011–12
Creating the conditions for business success	<p><i>Performance indicator:</i> Strength of the Queensland economy</p> <ul style="list-style-type: none"> • Queensland economic growth is estimated to have strengthened to 4 per cent in 2011–12. This would represent a four year high, after natural disasters slowed growth to 0.2 per cent in 2010–11 and the Global Financial Crisis weighed on activity in 2008–09 and 2009–10. • Ongoing resource investment and a recovery in mineral exports are forecast to see the overall economy expand by a further 4 per cent in 2012–13. • With the mining construction boom concentrated in Queensland and Western Australia, these states are forecast to record the highest economic growth of any state in 2012–13. • Property Services Group—a commercialised business unit of the department—acquired a further 265 hectares of land at Willowbank for development of a catalyst industrial park in the Ipswich region, which demonstrates an ongoing commitment to ensure an adequate supply of industrial land across Queensland to support economic growth. • Preliminary design and master planning was undertaken for road access to the northern Aldoga precinct of the Gladstone State Development Area (SDA), which promotes economic development by providing industry access to land and infrastructure in close proximity to port, rail and road networks. The Gladstone Services Corridor (Aldoga to Yarwun) construction was also completed. • The Property Services Group proactively developed eight land lots across the state to provide a supply of industrial land to support economic growth. • The Coordinator-General acquired 57 parcels of land to meet the delivery of critical strategic infrastructure, which supported 11 key projects in Queensland, including Bundamba to Swanbank SDA; Callide Infrastructure Corridor; and Stanwell to Gladstone Infrastructure Corridor SDA. <p><i>Performance indicator:</i> Trend in Queensland’s business conditions index</p> <ul style="list-style-type: none"> • Overall business conditions were flat in 2011–12 with a net balance of zero between positive and negative respondents to the regular National Australia Bank surveys over the year as a whole. This was slightly below the national average of a +1 per cent net balance, however it was an improvement on the -4 per cent net balance in 2010–11 and the strongest improvement of any state.



Helping businesses and individuals respond to the economic challenges they face	<p><i>Performance indicator:</i> Level of employment</p> <ul style="list-style-type: none">• Employment fell by 700 persons in the year to June 2012 (trend estimate). This compares with increases in employment in Western Australia, New South Wales and Victoria, but larger falls in South Australia and Tasmania.• The department, through the Property Services Group, generated an estimated 200 jobs through successful land sale applications. <p><i>Performance indicator:</i> Trend in business investment</p> <ul style="list-style-type: none">• Private new capital expenditure increased by 57 per cent to \$43.1 billion (chain volume measure) in 2011–12. This exceeded the national increase of 30 per cent and was the most rapid growth of any state. In comparison, Western Australia achieved a 51 per cent increase.• Showcased Queensland’s competitive advantages to the global business community and facilitated investments from initial enquiry through the life-time of the investment. As a single point of contact for government interaction and support, Invest Queensland worked closely with national and international companies looking to relocate, expand or develop their businesses in Queensland.• Completed settlement of sale to GADF Management Pty Ltd of 11.58 hectares of land in the Lytton Industrial Estate the development of a major 52 000 m² Kmart distribution centre.• Value of land sale settlements through the Property Services Group: \$107 million.• Estimated value of capital investment created through successful land sales applications through the Property Service Group: \$80 million.
Integrating our service delivery to customers	<p><i>Performance indicator:</i> Percentage of services provided online</p> <ul style="list-style-type: none">• Progress was made toward the delivery of online customer services with the launch of a single, whole-of-government business and industry website: www.business.qld.gov.au.• There were 126 services available online in February 2012. Online services include information, support and processes to assist a variety of industry sectors and the business community. Fifteen customer services were specifically developed to support economic recovery after the cyclone and flood impacts. <p><i>Performance indicator:</i> Level of staff satisfaction and wellbeing</p> <ul style="list-style-type: none">• We offered a range of programs to promote staff health and wellbeing such as flu vaccinations, health assessments, workstation assessments and quit smoking and weight loss programs. <p><i>Performance indicator:</i> Balanced budget and sound financial management</p> <ul style="list-style-type: none">• Internal controls were strengthened during the year, and budgets effectively monitored.



The following performance is reported against the objectives of the previous Department of Local Government and Planning (DLGP) as laid out in its Strategic Plan 2011–15 as they now relate to DSDIP.

Objective	Performance in 2011–12
Supporting rebuilding and reconnecting communities across the state.	<p><i>Performance indicator:</i> Improved coordination and accelerated planning processes.</p> <ul style="list-style-type: none"> Facilitated over 30 private sector-initiated property and construction industry projects (with an estimated total value of \$7.9 million) through proactive coordination and resolution of state referral matters.
Sustainable, prosperous and liveable communities through effective growth management	<p><i>Performance indicator:</i> Effectively manage the impacts of population growth in Queensland by:</p> <ul style="list-style-type: none"> reducing cycle times for development applications ensuring stakeholders are informed and supportive of the department’s role in developing liveable communities supporting improving economic growth in targeted regions in Queensland ensuring regional coordination committees are operating effectively across Queensland. <p>In 2011–12 we:</p> <ul style="list-style-type: none"> designated new regional plan areas: Darling Downs and Central Queensland completed a series of industry stakeholder sessions with participants across the development industry, environmental sector and local governments to identify opportunities to improve Queensland’s planning and development assessment systems continued to help resolve state referral requirements for a broad range of development applications, saving industry time and money delivered planning services across Queensland through a network of regional offices continued to coordinate a statewide program of regional planning committee meetings.
A vibrant, innovative and focused organisation	<p><i>Performance indicator:</i> Organisational governance and business practices that promote accountability and strong performance.</p> <ul style="list-style-type: none"> During 2011–12 the department had a corporate governance framework to ensure strategic objectives were achieved and resources were allocated appropriately to maximise the cost-effective delivery of services. In particular, a business alignment process is being implemented to ensure our resources are tightly aligned to delivering our objectives. All groups have reviewed their resources, functions and activities and identified opportunities for efficiencies including flattening management levels and expanding the scope and span of control for senior executives, senior officers and managers. Our Strategy and governance group, under the former DLGP, initiated and led a multi-agency project to develop and release an ethical decision-making/code of conduct online training module to meet legislative requirements for annual education and training and promote good governance.



Structure and organisational chart

As at 31 October 2012



The department's organisational chart as at 30 June 2012 is shown at Appendix 4.



Financial summary

Chief Finance Officer statement

In overseeing the financial activities of the Department of State Development, Infrastructure and Planning, I assert that I have fulfilled the responsibilities of the *Financial Accountability Act 2009* including:

- financial resource management including the establishment, maintenance and review of financial internal controls
- budget management
- preparation of financial information including annual financial statements to facilitate the discharge of the department's statutory reporting obligations
- provision of advice on the effectiveness of accounting and financial management information systems and financial controls in meeting the department's requirements
- provision of advice concerning the financial implications of, and financial risks to, the department's current and projected services
- development of strategic options for the department's future financial management and capability.

I have provided a statement to the accountable officer confirming that the financial internal controls of the department are operating efficiently, effectively and economically as required by Section 77 of the *Financial Accountability Act 2009*.

Michael McKee
Chief Finance Officer

Summary of financial performance

This section provides an overview of the financial statements of DSDIP for the 2011–12 financial year, provided in detail at the 'financial statements' section of this report.

Understanding the financial statements

As a result of restructuring administrative arrangements (*Public Service Departmental Arrangements Notice (No.3) 2012*) dated 3 April 2012 and effective 1 May 2012, the Department of Employment, Economic Development and Innovation (DEEDI) was renamed to the Department of State Development, Infrastructure and Planning (DSDIP). Under this notice some operations and principal activities of DEEDI were transferred to DSDIP.



As a result of these machinery-of-government changes \$543.5 million of net assets were transferred as follows:

Table 4 Net assets transferred out

Received by	Amount \$ million
Agriculture, Fisheries and Forestry	424.5
Natural Resources and Mines	85.8
Energy and Water Supply	8.3
National Parks, Recreation, Sport and Racing	8.8
Science, Information Technology, Innovation and the Arts	14.9
Education, Training and Employment	9.6
Queensland Treasury and Trade	2.0
Transport and Main Roads	17.2
TOTAL	571.1

Table 5 Net assets transferred into DSDIP

Received from	Amount \$ million
Department of Local Government	27.6
TOTAL	27.6

Further information on the extent of the changes is at note 37: 'Restructuring of administrative arrangements' of the financial statements.

The financial statements contain data labelled:

- Parent entity—refers to the funds and assets of DSDIP and a commercialised business unit, the Property Services Group—acquired by the former DEEDI through machinery-of-government changes effective 1 March 2011. The Property Services Group delivers a range of services under the *Industrial Development Act 1963*. Transactions between the department and the Property Services Group are eliminated in full.
- Consolidated entity—refers to the combined operations and activities of the parent entity and the controlled entities.

Parent entity analysis—Operating result

Table 6 Parent entity analysis - Operating result

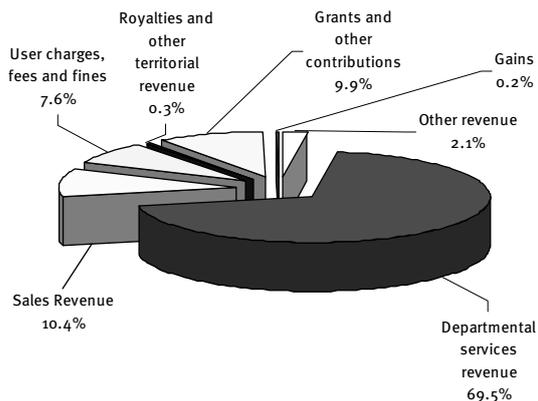
	Parent 2011-12 Actual \$'000	Parent 2010-11 Actual \$'000	Variance \$'000
Total income	1,066,817	1,111,568	(44,751)
Total expenses	1,076,573	1,408,789	(332,216)
Operating result before tax	(9,756)	(297,221)	287,465
Income tax equivalent benefit/ (expense)	(3,545)	3,738	(7,283)
Operating result after tax	(13,301)	(293,483)	280,182



Income

Income by category for the year ended 30 June 2012

Figure 1 Income by category for the year ended 30 June 2012



The department's main categories of income are departmental services and sales revenue. Overall total income decreased by approximately \$45.7 million to \$1066.8 million (2010–11: \$1111.6 million) predominantly due to:

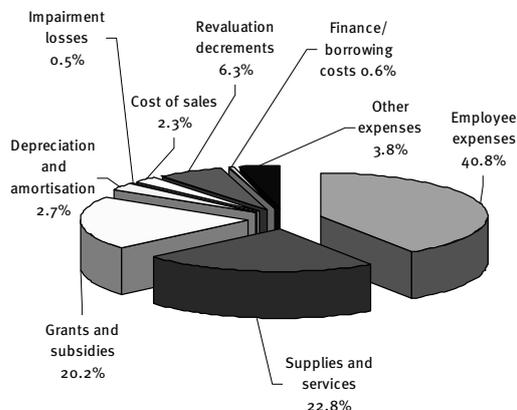
- \$742.5 million appropriated from the state government as departmental services revenue, representing a decrease of \$94.2 million (2010–11: \$836.7 million) due to a full 12 months of the larger DEEDI appropriation in 2010–11 and only 10 months received in 2011–12.
- \$110.7 million in sales revenue was recorded, representing an increase of \$96 million (2010–11: \$14.7 million) due to the Property Services Group being transferred into the former DEEDI in March 2011. That is, the 2010–11 figures disclosed four months of land sales compared to 12 months in 2011–12.
- \$105.3 million in grants and other contributions were recorded, representing a decrease of \$47.3 million (2010–11:

\$152.7 million) due to many grants programs transferring to other agencies as part of the machinery-of-government changes effective 1 May 2012.

Expenses

Expenses by category for the year ended 30 June 2012

Figure 2 Expenses by category for the year ended 30 June 2012



The department's main categories of expenses are grant and subsidies, employee expenses and supplies and services. Overall total expenses have decreased by approximately \$332.2 million to \$1,076.6 million (2010–11: \$1,408.8 million). This is mainly due to:

- \$217.4 million spent on grants and subsidies resulting in a decrease of \$79.6 million (2010–11: \$297 million) due to the transferring out of functions as a result of machinery-of-government changes effective 1 May 2012.
- \$439.7 million spent on employee expenses resulting in a decrease of \$34.7 million (2010–11: \$474.3 million) due to the machinery-of-government changes.



- \$245.4 million was spent on supplies and services resulting in a decrease of \$23.5 million (2010–11: \$268.9 million) due to the transfer out of functions as part of the machinery-of-government changes.

Parent operating result from continuing operations (after tax)

The deficit for 2011–12 of \$13.3 million was driven by revaluation decrements which included a combination of Mary Valley properties and Property Services Group land. Without the revaluation decrements, the 2011–12 operating result would have been in surplus due to an increase in sales revenue.

Statement of Financial Position—Assets and Liabilities

Table 7 Statement of financial position—assets and liabilities

	Parent 2011–12 Actual \$'000	Parent 2010–11 Actual \$'000	Variance \$'000
Total current assets	690,893	637,013	53,880
Total non-current assets	850,111	1,578,555	(728,444)
Total assets	1,541,004	2,215,568	(674,564)
Total current liabilities	164,737	208,178	(43,441)
Total non-current liabilities	158,272	226,352	(68,080)
Total liabilities	323,009	434,530	(111,521)
Total equity	1,217,995	1,781,038	(563,043)

Total assets at 30 June 2012 were \$1,541 million, representing a decrease of \$674.6 million (2010–11: \$2,215.6 million) due to the following:

- \$478 million of non-current property, plant and equipment transferred out to various departments as part of the machinery-of-government changes effective 1 May 2012 and \$52 million related to a reclassification of capital work in progress from non-current property, plant and equipment to land inventory.
- \$74 million reduction in current receivables due to a decrease in loans, trade debtors, departmental service revenue, annual leave levy and insurance claims. Each reduction is driven by machinery-of-government changes.
- \$70.9 million increase in inventory due mainly to \$52 million of Property services Group non-current property, plant and equipment (mentioned above) reclassified to inventories during 2011-12. Also impacting land inventory is \$19.1 million for the Yeerongpilly Transit Oriented Design project transferred in to the department from the Department of Local Government and Planning as part of the machinery-of-government changes effective 1 May 2012.

Total liabilities at 30 June 2012 were \$323 million, representing a decrease of \$111.5 million (2010-11: \$434.5 million) mainly due to:

- \$45.7 million decrease in current payables, which was directly related to functions transferred out as part of



the machinery-of-government changes effective 1 May 2012

- \$40.7 million decrease in other liabilities of mainly unearned revenue and security deposits, for functions that transferred out to other departments.

Consolidated entity

The consolidated entity includes balances and transactions, where material, of Biopharmaceuticals Australia (Network) Pty Ltd and Southern Regional Water Pipeline Company Pty Ltd.

Controlled entities not material and that are not consolidated are ZeroGen Pty Ltd and Queensland Water Infrastructure Pty Ltd.

Two entities were controlled by the department in 2011–12 but did not trade during the year and have not been consolidated into the financial statements: The Green Energy Corporation Pty Ltd and Queensland Trade and Investment Office Pty Ltd.

Table 8 Consolidated entity analysis

	Consolidated 2011–12 \$'000	Consolidated 2010–11 \$'000	Variance \$'000
Total income from continuing operations	1,066,104	1,136,562	(70,458)
Total expenses	1,108,049	1,453,358	(345,309)
Income tax equivalent benefit/(expense)	(3,407)	3,349	(542)
Operating result from continuing operations (after tax)	(45,352)	(313,448)	268,096

Table 9 Statement of financial position—assets and liabilities

	Consolidated 2011–12 \$'000	Consolidated 2010–11 \$'000	Variance \$'000
Total assets	1,541,004	3,135,289	(1,594,285)
Total liabilities	323,009	1,427,273	(1,104,264)
Total equity	1,217,995	1,708,016	(490,021)



Achieving outcomes for the community

Collaborating across government

On occasion whole-of-government plans or initiatives are released to address particular issues for Queensland.

Assisting people with a disability

In September 2011, the Queensland Government launched *Absolutely everybody: enabling Queenslanders with a disability* (Absolutely everybody) to assist all Queensland Government agencies in supporting Queenslanders with a disability. This was accompanied by a three-year whole-of-government action plan—the *Absolutely everybody whole-of-government action plan 2011–14* (whole-of-government action plan).

The whole-of-government action plan outlines how state agencies will work to address ten priority areas:

- rights and responsibilities
- inclusive communities
- accessible information, places and spaces
- healthy lives
- technology and innovation
- lifelong learning
- valued roles in the community and in employment
- strong natural networks
- responsive and effective disability support system
- partnerships.

Following the release of the whole-of-government action plan, the former Department of Employment, Economic Development and Innovation developed an agency specific plan to deliver the vision of Absolutely everybody. Our department is committed to supporting Queenslanders with a disability by continuing to implement the actions relevant to our services.

Protecting the community from natural hazards

Following the Queensland Flood Commission of Inquiry's (QFCoI) final report, the Queensland Government is committed to implementing all its recommendations. To achieve this, five implementation groups were established reporting to the Premier until June 2013.

Of these, the Planning Implementation Group (PI Group) is chaired by our department's Director-General. Its role is to ensure the effective and timely implementation of the QFCoI's recommendations from chapters 2 to 8 of the final report. These broadly relate to planning and development process, policy and legislation improvements.

The PI Group will coordinate, monitor and report on implementation progress of these recommendations including consideration of the QFCoI's findings and conclusions.

The recommendations were organised into eight key projects, which are being implemented by our department:

- flood studies and risk assessments—including leading the Brisbane River Catchment Flood Study



- state planning policy for natural hazards, the review and remake of *State Planning Policy 1/03—Mitigating the adverse impacts of flood, bushfire and landslide*
- flood data and information—ensuring open access to flood information and data (in partnership with the QldRA)
- delivery of flood provisions in the planning framework—covering implementation aspects of planning and development policies and procedures
- satellite planning systems—considering possible amendments to satellite planning legislation that operates outside the *Sustainable Planning Act 2009* to identify gaps and ensure consistency in how flooding and other natural hazards are addressed
- regulation of levees—working with the Department of Natural Resources and Mines to implement a framework for the regulation of levees
- national best practice—in particular, involvement in the National Flood Risk Advisory Group and assisting in the finalisation of *Managing the Floodplain: Best Practice in Floodplain Management in Australia*
- environmental considerations—determining means to best align or integrate planning policies and procedures with environmental policies dealing with flooding impacts.

To date the PI Group have completed 10 of the QFCoI's recommendations.

Council of Australian Governments responsibilities

Nationally significant policy reforms are initiated, developed and monitored by the peak Australian intergovernmental forum—the Council of Australian Governments (COAG).

In 2011–12 we progressed initiatives of COAG including:

- COAG Major cities reform agenda
 - On 23 December 2011 the COAG Reform Council (CRC) provided to COAG its report—*Review of Capital City Strategic Planning Systems*—for consideration. Publically released on 2 April 2012 the report includes a critical analysis of each jurisdiction's capital city strategic planning system and findings of consistency against nine national criteria for strategic planning, best practice highlights, outcomes of the inter-governmental workshops and observations about the Commonwealth Government's role in capital cities strategic planning. Our department contributed to the review. Its findings indicated that no jurisdiction has been found to be wholly consistent with the COAG agreed nine national criteria for strategic planning. Queensland rated 'consistent' against three criteria, 'largely consistent' against three criteria and 'partially consistent' against three criteria.

COAG considered the report on 13 April 2012 and agreed continued intergovernmental collaboration—including further work on cities—be



taken forward by the Standing Council on Transport and Infrastructure (SCOTI), which has responsibility for national strategic transport and infrastructure issues and is supported by the Transport and Infrastructure Senior Officials Committee (TISOC). On 18 May 2012, SCOTI noted and responded to the findings of the report, available at www.scoti.gov.au

- representing DSDIP—through our Planning group—and providing planning policy input on Queensland’s behalf, on the TISOC Cities Agenda working group recently established through the Australian Government Major Cities unit to progress the outcomes of the Review of Capital Cities Strategic Planning Systems and other elements of COAG’s National Urban Policy.
- holding responsibility— through our State Development group—for administration of two National Partnership Agreements that were initiated in the 2011–12 financial year. The agreements are:
 - Regional Infrastructure Fund Stream 2 – Economic Infrastructure
 - North Queensland Resources Supply Chain (value \$1.66 million)
 - Central Queensland Resources Supply Chain (\$1.5 million)
 - Construction of safe anchorage at Mission Beach (\$5.5 million)
- assisting lead agency Department of Environment and Heritage Protection through our Office of the Coordinator-General with the

implementation of the National Partnership Agreement on Coal Seam Gas and Large Coal Mining Development, which was signed in June 2012 (value \$18.5 million)

- contributing to the development of the National Infrastructure Construction Schedule (NICS) through the Infrastructure Working Group (IWG) chaired by the Australian Government Minister for Transport and Infrastructure and attended by Directors-General for state and territory infrastructure agencies. IWG provides advice and guidance to SCOTI on the coordination of national infrastructure planning and investment and best practice infrastructure planning, procurement and delivery.

In May 2012 the NICS was launched to provide a national pipeline of committed infrastructure projects from all three levels of government in Australia. The certainty and transparency that the NICS provides will support industry to invest effectively and efficiently in infrastructure in Australia.

Queensland’s listed projects include the Don River Bridge, Moreton Bay Rail Link, National Broadband Network, Cabbage Tree Creek – Carman Road and Gladstone Port Access Road. Policy and Legislation Programming in our Strategy and Governance group currently coordinates whole-of-government involvement with the NICS.

- providing support—through our State Development group—to the Deputy Premier and technical advice to



government for participation in the work of the COAG Regional Australia Standing Council (RASC). RASC aims to support real and lasting economic growth in regional communities through the establishment of national approaches to regional development. This will include RASC facilitation of more effective planning and cooperation across all spheres of government for sustainable economic, social and environmental outcomes for regional Australia.

- providing support—through our Strategy and Governance group—to the Deputy Premier and Director-General in their participation in the work of the SCOTI and its sub-committees. This work is undertaken with the assistance of our Planning and State Development groups and in close liaison with the Department of Transport and Main Roads (TMR).



Our workplace, our people

Our workforce profile

As at 30 June 2012 our department had 947.79 fulltime equivalent staff with a headcount of 980.

The average age of our male employees is 45.5 years and our female average age is 38.3 years.

Our department's permanent staff percentage was 77 per cent, comprised of both full-time and part-time staff.

Table 10 Representation of workforce target groups as at 30 June 2012

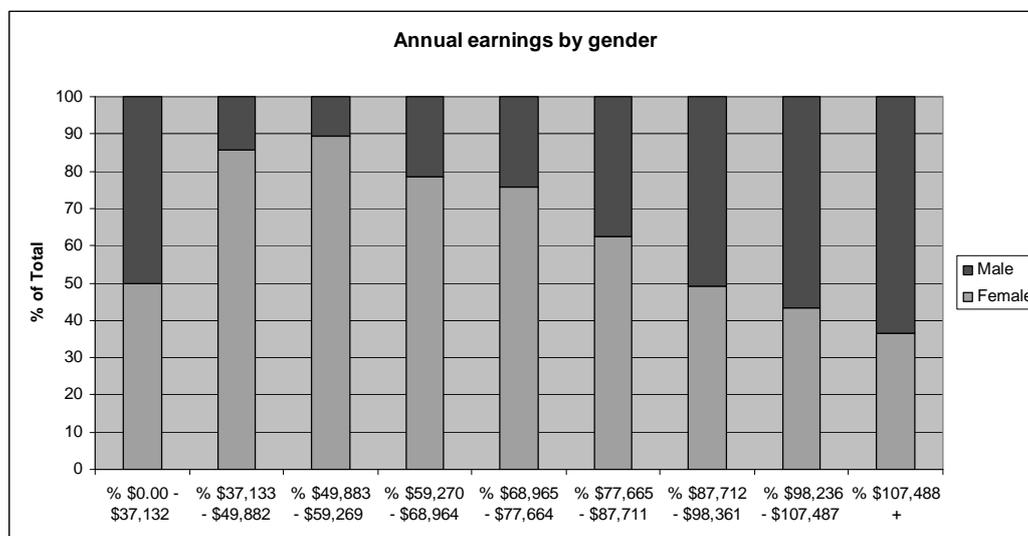
Key groups	Head count	2011-12 Workforce percentage
Men	384	39.18%
Women	596	60.82%
Non-English speaking background	80	8.16%
Aboriginal and Torres Strait Islander people	19	1.93%
People with a disability	47	4.79%

Due to the complexity of machinery-of-government changes effective 1 May 2012, annual separation and retention rates for the 2011-12 financial year are unable to be calculated and may misrepresent actual long-term agency trends.

Table 11 Representation of female workforce by classification level as at 30 June 2012

Key groups	Head count	2011-12 Workforce percentage
Women in SO classification or above	43	4.38%
Women in A08/PO6 classification (or equivalent)	73	7.44%
Women in A07/PO5 classification (or equivalent)	80	8.16%
Women in A06/PO4 classification (or equivalent)	96	9.79%

Figure 3 Staff annual earnings, showing the proportion of male and female staff in earning ranges.





Managing our workforce

Workforce planning

Our department recognises the importance of building and sustaining an agile and flexible workforce to meet current and future service delivery needs. During 2011–12, DSDIP implemented human resource policies, strategies and programs that enabled the attraction, development and retention of a range of highly skilled employees focused on service delivery.

We continued to build a culture that values and embraces health and safety, leadership and management capability, performance management, diversity and encourages work-life balance.

Attraction, recruitment and retention

Across DSDIP we worked to identify business critical roles and to embed workforce planning into business plans. Business units critically reviewed workforce needs and skills and aligned workforce planning with business and government priorities to ensure a flexible workforce and service delivery.

Succession strategies for critical roles included building internal talent through capability development, relieving opportunities and mobility programs. Demographic factors such as an ageing workforce were addressed through the recruitment and retention of graduates in critical occupational groups. Hard to fill roles were identified and targeted advertising utilised to attract and retain skill groups.

Employee performance management framework including induction and development

The online induction process for all new employees provides broad information about DSDIP and explains expected behaviours and performance. It includes an introduction to our department's structure and key personnel, conditions of employment, behaviour at work, safety at work and keeping information secure. Managers also conduct a component at the local business unit level that includes procedures, policies and any specific needs of the business area. Managers and supervisors are encouraged at this point to develop a performance and capability plan for the new employee outlining roles, responsibilities, performance expectations and professional development goals.

DSDIP has a comprehensive performance planning framework that fosters and rewards excellent performance. Supervisors and employees actively participate in processes to set clear individual and business unit goals and objectives to achieve the overall business strategy. This critical partnership between employee, supervisor and department ensures each employee has a performance and capability plan that moves through the phases of performance planning, assessment, coaching and development. The emphasis is on monitoring agreed measures, skills and competency requirements, and ongoing learning and development resulting in a motivated and high performing workforce.



Industrial and employee relations framework

Our department developed key human resources policies including a policy to support a targeted secondment and interchange program, an employee complaints procedure and a harassment, discrimination and workplace bullying prevention policy and guideline.

Developing our workforce

Our department delivered a suite of leadership programs in 2011–12 in a holistic approach to an integrated capability framework. Our learning and development framework was underpinned by two development tools—Lominger® and Human Synergistics®.

Leadership programs included: Managing People; Foundations of leadership; 360 for Senior Leaders; Leading Resilient Teams through Change; Leadership Impact; Voices; and Building Resilience.

Supporting women's career development

Women's career networking is supported, and a number of senior women participated in the Leveraging International Networks for Women breakfast and the Women in Global Business forum.

Our department's Education to Employment Program successfully engaged nine females and the graduate program welcomed 12 graduates.

Our female staff were granted a number of awards in 2011–12 including the: Queensland Rural Women's Award; Young Mycologist Award for Australasia; and Tropical Innovation Award.

Our female staff also featured in many categories of the Australia Day Awards including leadership, innovation, service and performance.

We also developed the *Mothers and Work* booklet, which was published online during 2011–12 to provide information on Queensland Government and government-funded agency services available to support mothers.

As part of acknowledging the contribution of women, staff attended International Women's Day celebrations, which were themed 'everything is possible' and included guest speakers who shared their experiences. Staff also attended the Australian Institute of Management's 2011 International Women's Day Debate: 'That you have to be an iron lady to make a mark'.

Ethics and integrity

The *Code of Conduct for the Queensland Public Service*—introduced on 1 January 2011—remained in force during 2011–12. Our department supported staff to implement the code throughout their work by providing:

- the code on our department's intranet and internet websites
- online and supplementary face-to-face training in the code and ethical decision-making
- face-to-face tailored ethics training for Senior Executive Service (SES)



officers in line with requirements of the government's State of the Service report—including training from the Queensland Ombudsman's Office

- managers and staff with a range of workshops on supporting ethical behaviour in the workplace
- policies and procedures with practical guidance
- online tools and resources and support networks
- encouragement for managers to raise ethics and integrity matters for regular discussion, which assists in highlighting employees' individual responsibilities.

Departmental policies developed or revised during 2011–12 were assessed for compliance with the code. Existing policies for making public interest disclosures, contact with lobbyists, secondary employment and employee complaints were also supplemented with policies on fraud, corruption and misconduct control and complaints management.

In addition, good governance, accountability and integrity measures were incorporated into business planning templates. Performance and capability plan templates were also enhanced to incorporate adherence to the requirements of the code.

Health and wellbeing

Injury and claims management

DSDIP worked closely with WorkCover to continuously improve our rehabilitation, return to work and injury management systems. Early intervention

strategies and the provision of best practice rehabilitation/case management also continues to ensure a high level of injury management to all staff, thus reducing worker's compensation costs.

The improved systems include:

- timely incident reporting and implementation of appropriate preventative actions
- provision of workplace health and safety (WHS) training and effective communications and information awareness strategies.

Our department established comprehensive early intervention, injury management and claims management processes that have delivered a significant reduction in lost time and associated costs. Managers and staff indicated overall satisfaction with injury and claims management processes and service.

Training and information

Information sessions by Workplace Health and Safety Queensland were held for Executive Management Group members on new nationally harmonised workplace health and safety legislation that took effect on 1 January 2012.

A new risk management package was delivered to high risk business areas. The WHS team delivered workshops to train staff in these procedures. The workshops had 204 participants from across research facilities with practical sessions to assist in identifying risks and hazards so that risk registers can be developed locally. This training aimed to ensure there is a consistent departmental approach to managing risk.



As part of our department's ongoing commitment to driver safety, a number of work-related driver safety workshops were presented statewide. These workshops were delivered by the Centre for Accident Research and Road Safety Queensland.

Health and wellness initiatives

Our department provides an environment that protects the health and safety of everyone in our workplace. In 2011–12, health and wellness initiatives included:

- corporate games participation
- healthy catering options
- stress reduction sessions
- ergonomic and posture care assessments
- flu vaccination program
- fitness and weight loss programs including:
 - encouraging gym memberships
 - yoga and pilates classes
 - bicycle user groups
 - health club access.

Safer and healthier workplaces audit

An external provider conducted an independent desktop and on-site verification of the WHS management system implemented across the agency. This included interviews with nominated business area executives and visits to sites throughout Queensland.

The audit identified that essential and best practice requirements for the majority of the Safer and Healthier

Workplace Systems were developed and implemented to varying degrees.

Work-life balance

Our department has a variety of policies to support work-life balance including flexible working hours, purchased leave, carer's leave and telecommuting.

Our department raises awareness of its work-life balance policies and programs to job candidates and through DSDIP's intranet. Parenting facilities are provided in each of the major central business district locations and in some regional locations.



Governance

Our corporate governance structures and processes, comprised of performance management processes, governance arrangements and specified financial, human resource and legislative delegations—support delivery of open and accountable high-quality services.

DSDIP is required to establish management systems and processes to support certain decisions and actions. The *Public Sector Ethics Act 1994* and the Financial and Performance Management Standard 2009 provide the basis for our Corporate Governance Framework (CGF). This framework is under review to better align with our departmental structure and functions following the April 2012 machinery-of-government changes. The following arrangements evolved from governance committees of the former DEEDI, which became our department, and the former DLGP—from which the majority of our corporate services migrated.

Framework and principles

While our CGF is being reviewed we continue to focus on delivering effective and efficient services supported by principles of good governance:

- productive stakeholder engagement
- responsible leadership and management
- ethical decision making
- effective risk and opportunity management
- integrated planning, investment and delivery
- efficient and effective resource management.

Governance committees

Executive Management Group

As our principal leadership, decision making and management forum, Executive Management Group (EMG) provides strategic direction and focus for the functions of our department. EMG:

- collaboratively plans coordinated delivery of departmental services
- provides decisive leadership in achieving our strategic objectives
- supports cross-communication between departmental groups to allow for identification of synergies, reduction of duplication and promotion of efficiency.

Members of the EMG are:

- David Edwards, Director-General—responsible for the efficient, effective and economic administration of the agency
- Barry Broe, Coordinator-General—responsible for delivery of large-scale projects under the SDPWO Act
- Jamie Merrick, Deputy Director-General of State Development—responsible for development of economic and infrastructure policies and planning and facilitation of industry development, regional development and investment projects
- Paul Eagles, Deputy Director-General of Planning—responsible for leading reform of the state's planning systems to empower local communities and facilitate economic growth



- David Eades, Deputy Director-General of Major Projects Office—responsible for the management, delivery and facilitation of high priority commercial projects
 - Kathy Schaefer, Deputy Director-General of Regional Services—responsible for leading our regional-based offices that support delivery of DSDIP’s services across regional Queensland. Regional Services also provides economic development services and support on behalf of other government departments
 - Colin Cassidy, Deputy Director-General of Strategy and Governance—responsible for coordination of policy, legislative outcomes and provision of corporate and executive services to our department and—through a Service Level Agreement—to the Department of Local Government
- internal audit findings and recommendations that are promptly addressed by management
 - evaluating the adequacy of key risk management roles and responsibilities
 - ensuring corporate and group risk registers are developed
 - ensuring key risks are monitored and reported to senior management
 - monitoring the effectiveness of our performance information
 - providing an independent review of our financial statements to ensure the integrity and transparency of the financial reporting process
 - promoting a culture of lawful and ethical behaviour.

In 2011–12 the committee undertook the following activities:

Audit and Risk Management Committee

The DSDIP Audit and Risk Management Committee (ARMC) provides independent assurance and objective advice to the Director-General in relation to our department’s risks, control and compliance frameworks, and external accountability responsibilities. The ARMC enhances our corporate governance by:

- reviewing the internal audit function, particularly in the areas of planning, monitoring and reporting—so the function provides:
 - reasonable assurance that key risks of DSDIP are adequately covered by the internal audit plan
- reviewed and endorsed the department’s 2010–11 financial statements
- endorsed the *Internal Audit Strategic Plan 2011–2014* and the *Annual Audit Plan 2011–12*
- received regular reports on internal audit activities including audits completed as part of the *Annual Audit Plan 2011–12*
- reviewed and assessed the *Queensland Audit Office Audit Plan* and Queensland Audit Office (QAO) client strategy for our department
- oversaw the scheduling, status and findings of financial and assurance audits and performance management systems audits
- endorsed our department’s *Fraud and Corruption Control Plan 2011*



- endorsed the committee's charter and the Internal Audit charter
- reviewed external audit findings and implementation of recommendations.

The committee met on three occasions providing advice and support to the Director-General in the discharge of his responsibilities pursuant to the *Financial Accountability Act 2009* and observed the terms of its charter with due regard to Queensland Treasury and Trade's *Audit Committee Guidelines*.

Current members of the ARMC are:

- Mr Eric Muir (external member and chair)
- Mr Stephen Evill, Executive Director, Industry Development
- Mr Chris Mills, Executive Director, Property Services
- Mr Colin Cassidy, Deputy Director-General, Strategy and Governance
- Mr Josh Chalmers, Partner PricewaterhouseCoopers (external member).

Invited guests include the Director of Internal Audit, Chief Finance Officer, Risk Management Coordinator and an external auditor from the QAO.

Finance and Asset Management Committee

The roles and responsibilities of the Finance and Asset Management Committee (FAMC) are to:

- identify budget and financial issues, including overseeing departmental budget processes (including Cabinet Budget Review Committee submissions and State Budget Papers)

- develop strategies and methodologies to improve resource usage and align with our department's objectives
- monitor our department's business performance and resource usage through the monthly financial report
- examine procurement issues.

FAMC is a key element of DSDIP's corporate governance program and is part of EMG's commitment to best practice in corporate governance.

Information Steering Committee

The role of the Information Steering Committee (ISC) is to ensure DSDIP's information, communications and technology (ICT) applications support departmental objectives. The responsibilities of the ISC are to:

- prioritise and assess significant ICT initiatives based on strategic value, expected benefit realisation and resourcing implications
- monitor value for money of significant ICT initiatives
- assess and provide mitigation strategies for significant ICT-related risks
- approve the ICT governance framework and ensure ICT services are delivered accordingly.

Workplace Health and Safety Committee

Established in July 2011, Workplace Health and Safety Steering Committee members included EMG members, health and safety practitioners and senior leaders from across our department.



In 2011–12 our department also had a comprehensive network of workplace health and safety representatives, trained safety advisers (previously known as WHSOs), rehabilitation and return to work coordinators, first aid officers and local/site safety committees to effectively maintain the optimal health and safety of staff.

Regional health and safety coordinators liaised with the workplace health and safety officer/safety adviser and continually ensured implementation of health and safety management systems and processes across the regions.

Following machinery-of-government changes in April 2012, a new steering committee is being established and will undertake a similar role.

Consultative Committee

The Consultative Committee facilitates meaningful consultation between management and unions on matters arising under the *State Government Departments' Certified Agreement 2009* (Core Agreement), or matters that currently, or may potentially, impact upon DSDIP's workforce.

The Consultative Committee met twice during 2011–12 and was responsible for ensuring our department implemented and complied with all relevant arrangements under the *Industrial Relations Act 1999*, the *Public Service Act 2008* and the Core Agreement.

Consultative Committee objectives:

- consultation with relevant parties in relation to our department's industrial issues, workforce strategy and organisational change

- implementation and monitoring of relevant Core Agreement provisions
- establishment of new committees following machinery-of-government changes to support good governance
- review workforce data and workforce management policies and activities, such as the establishment management program and temporary employees.

Corporate support systems and services

Risk management

Risk and opportunity management is central to DSDIP's ability to achieve its objectives. Our department's risk management is underpinned by a framework tailored to meet the needs of the diverse range of work we undertake through our services. The framework is in line with Australian Standards and Queensland Treasury and Trade guidelines and is supported by a risk register and practical 'how to' guidelines for staff.

A key principle of our approach to risk analysis and management is mainstreaming its application into business decision-making. This has the added benefit of reducing duplicated processes and perceived administrative burden. With integrated risk analysis and management, service-level risks are included within business plans and service areas have a working understanding of the key risks relevant to their business. This allows them to capitalise on opportunities and reduce the chance of negative outcomes.



At the strategic level EMG considers an overview of our department's risk profile, identifies emerging issues and evaluates the continuing effectiveness of our department's risk treatment options.

Accountability

Internal accountability

Internal Audit provides independent and objective assurance to the Director-General—as the accountable officer—to assist him discharge his statutory functions. Internal Audit is accountable to the Director-General and the ARMC and contributes to achieving our department's goals and objectives by:

- assisting management to evaluate and improve the efficiency and effectiveness of internal control systems, including compliance with internal policies
- maintaining an awareness of emerging issues relevant to internal auditing and disseminating this information appropriately to management
- promoting an ethical and values-led workplace
- assisting management to evaluate processes for identifying, assessing and managing their key operational, financial and compliance risks
- ensuring internal auditing activities are coordinated and built on reviews of other assurance providers, such as the QAO.

The scope of internal auditing coverage is set out in the *Strategic Internal Audit Plan 2011–14*. This plan follows a risk-based methodology, balancing emerging

issues against reviews of core business and transactional processes.

Achievements of Internal Audit during 2011–12 included:

- providing advisory services on legislative and policy reform, procedures and compliance
- completing audits as per the approved annual audit plan resulting in appropriate recommendations for improving governance processes
- conducting investigations and special reviews as requested by the Director-General.

DSDIP's internal audit function operates under an internal audit charter. The charter is consistent with accepted auditing and ethical standards (including the International Professional Practices Framework approved by the Institute of Internal Auditors and the Auditing and Assurance Standards Board).

During 2011–12 Internal Audit observed the terms of its charter approved by the Director-General and endorsed by ARMC with due regard for Queensland Treasury and Trade's *Audit Committee Guidelines*.

During 2011–12 the head of Internal Audit was Mr Ken Wong, who holds a Bachelor of Business. The current head is Ms Jo Buckley, who is a Chartered Accountant and holds a Bachelor of Commerce.

External accountability mechanisms

The Auditor-General's *Report 5: 2012, Results of audits: Internal control systems*, which was tabled in the Queensland Parliament on 28 June 2012, made recommendations relating to the



effectiveness of financial and fraud controls as well as IT governance of all Queensland Government departments. These recommendations are being reviewed and progressed by DSDIP.

Initiatives particularly addressing these recommendations are:

- a Fraud and Corruption Prevention Plan, which encompasses risk assessment
- a training and awareness program
- a delegations certification procedure for general purpose expenditure vouchers, whereby all vouchers cannot be processed without authorisation by a certifying officer.

During the 2011–12 financial year the Auditor-General also tabled *Report to Parliament No. 8 for 2011 – Follow up of four audits completed in 2008 and 2009* (the report). As part of the report the former Department of Local Government and Planning (DLGP) was reviewed as its planning function, now part of our department—related to the follow up regarding transport network management and urban congestion in South East Queensland (SEQ).

The report notes:

‘Each audited agency has responded to their respective recommendations and opportunities for improvement to address the concerns of the audit. All agencies state that they are continuing to improve their performance in managing their responsibilities for the transport system in SEQ.’

All the opportunities for improvement assigned to the former DLGP have been assessed as complete.

They were:

- documenting how concerns and issues underlying the recommended development of a State Planning Policy for transport and land use integration are effectively addressed through existing policies and processes.
- developing and publishing Transport Oriented Development guidelines across community, industry, state and local government entities to ensure awareness and consistency
- implementing integration of land-use and transport coordination to incorporate a greater focus on urban congestion.

On occasion our department is also the subject of review by other external accountability mechanisms including:

- right to information and the Information Commissioner
- judicial review of administrative decisions
- the Queensland Ombudsman’s Office
- the Crime and Misconduct Commission
- Queensland Parliament committees such as Estimates Committees and the Public Accounts and Public Works Committee
- the Queensland Integrity Commissioner
- the Coroner.

Fraud and corruption control

Our department has zero tolerance to fraud and corruption including fraudulent or corrupt behaviours and systemic attitudes or views that might support such activity. The rationale,



approach and integration of fraud and corruption prevention and control are detailed in our Fraud and Corruption Prevention Plan.

We have adopted this approach based on the illegality of fraudulent and corrupt behaviour, the costs and consequences (both tangible and intangible) associated with fraud and corruption, and the criticality of all public sector employees to reflect the values within the Code of Conduct and the *Public Sector Ethics Act 1994*.

Our department seeks and receives information about possible fraud and corruption through various control measures and reporting mechanisms. Concerns about such matters can be raised by staff or community members. Our Ethics and Integrity unit may be contacted by email: ethics@dsdip.qld.gov.au, mail or telephone (contact details are at the end of this report). Suspected fraud or corruption can also be reported to the Crime and Misconduct Commission. Email: mailbox@cmc.qld.gov.au.

Organisational performance management

Our organisational performance management is conducted through a cyclic process that includes stages for planning, delivery, reporting and evaluation. The strategic plan is the key instrument that articulates our objectives, service areas and priorities for performance. Our operational activities are planned in line with our strategic plan and incorporate strategies for strategic risk management.

Our delivery framework directs the services of DSDIP and aligns service areas, services, programs, projects and resources and provides program and project oversight. The *Service Delivery Statements 2012–13*, which form part of the budget documents, provide a clear overview of departmental achievements during the 2011–12 financial year and expected standards of service during 2012–13.

Throughout the year, delivery performance is monitored and reported to enable decision making and communicate outcomes. Essential to the external reporting cycle is reporting on election commitments and Cabinet decisions, and annual performance reporting through the annual report. Internally DSDIP uses a scorecard model to highlight to the senior executive team key issues and projects that may require further attention.

Evaluation of performance is undertaken internally in terms of effectiveness, efficiency and responsiveness. Identifying potential improvements in service delivery is encouraged. Evaluation and improvements are used to enhance DSDIP's contribution to achieving the Queensland Government's objectives for the community.

State procurement policy

Procurement follows the procedures and advice provided by our Procurement unit, in accordance with the *State Procurement Policy 2008* and our department's Financial Management Practice Manual.

Procurement is conducted in a way that:

- advances government priorities



- achieves value for money
- enables probity and accountability for outcomes.

A key focus of procurement throughout the year was maximising achievement of outcomes by reducing complexity and providing clear access to expertise and advice.



Statutory authorities

Table 12 Statutory authorities under the portfolio of the Deputy Premier

Name	Established under	Functions	Treatment of financial statements
Urban Land Development Authority (ULDA)	<i>Urban Land Development Authority Act 2007</i>	<p>The ULDA's role is to plan, carry out and coordinate the development of land in urban development areas (UDAs) declared by the Queensland Government. As well as planning and development assessment the ULDA develops key sites and priority infrastructure within declared UDAs in accordance with government objectives.</p> <p>DSDIP is currently working to identify state planning powers that can be transferred from the ULDA to local governments to better empower them to plan for their communities.</p>	ULDA's financial statements are contained in its annual report—reported separately from our department.
South Bank Corporation	<i>South Bank Corporation Act 1989</i>	<p>South Bank Corporation's responsibilities are to:</p> <ul style="list-style-type: none"> • manage the land and property of the area • balance commercial and non-commercial functions • ensure other public use sites in the inner city Brisbane area are complemented by the area • provide for recreational, cultural and educational pursuits for all visitors • accommodate public events and entertainment of community benefit • manage open space and park areas to a high standard. 	South Bank Corporation's financial statements are contained in its annual report—reported separately from our department.
Queensland Reconstruction Authority (QldRA)	<i>Queensland Reconstruction Act 2011</i>	<p>QldRA's mission is to reconnect, rebuild and improve Queensland communities and its economy after the series of natural disasters that struck Queensland through November 2010 to April 2011. The QldRA also has an extended role in historical and continuing disaster events in Queensland.</p>	QldRA's financial statements are contained in its annual report—reported separately from our department.