

Department of State Development, Infrastructure and Planning

2012–13 Annual Report

The Department of State Development, Infrastructure and Planning is responsible for driving the economic development of Queensland.

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Department of the Premier and Cabinet will coordinate feedback through the *Get Involved* website www.qld.gov.au/annualreportfeedback

CSS 0396 001

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

23 September 2013

Dear Deputy Premier

I am pleased to present the 2012–2013 Annual Report and financial statements for the Department of State Development, Infrastructure and Planning.

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*.

This report is prepared on the basis of the current administrative arrangements for this department applying for the whole of the 2012–13 financial year. That is, it reflects the structure, operations and performance of the department as it now exists.

A checklist outlining the annual reporting requirements can be found at page 109 of this annual report or accessed at www.dsdip.qld.gov.au

Yours sincerely



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

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Introduction

Director-General's foreword

I am very pleased to present the 2012–13 Annual Report. It has been a year of notable achievements and I'm proud to report we successfully delivered 100 per cent of our commitments under the government's rolling six-month action plans.

During 2012–13 we continued our significant reform agenda. We focused our efforts and resources on delivering the government's priorities to drive economic development. Reforming the planning sector is well underway, and we continue to cut red tape and costs for the resources sector—a major driver of the Queensland economy benefiting all Queenslanders. We also reinforced our position as the central agency to grow the economy and champion the interests of business and industry.

Successful fast-tracking delivery of major resources and industrial development projects is demonstrated by the Coordinator-General's record 128 statutory decisions in 2012–13.

To assist property and construction industries to grow and flourish we are streamlining planning processes. Our first State Planning Forum, held in March 2013 engaged 65 stakeholders to help shape the reform agenda. We released the draft State Planning Policy, replacing multiple existing policies with one cohesive document. The new State Assessment and Referral Agency commenced on 1 July 2013 and provides a coordinated, whole-of-government approach to state development assessment. Development of next generation statutory regional plans

for the Central Queensland, Darling Downs and Cape York regions also commenced in 2013.

Royalties for the Regions provided over \$49 million for projects across five councils in the first round of the program in 2012–13. Projects included a new and improved community medical centre, roads, sewerage and flood mitigation. Further to this, round 2 has now started with a total of 113 applications received. Round 2 road and community infrastructure project expressions of interest closed in August 2013 and 14 successful Round 2 flood mitigation projects have been announced.

The *Regional and Resource Towns Action Plan* deals with community issues, particularly in relation to the mining boom. The plan identifies short-term initiatives and 'on-the-ground' projects that will be implemented in the next 12 to 24 months for 13 regions and resource towns.

We have continued to support the Resources Cabinet Committee as it strives for practical solutions to regulatory issues. High on the list of the Committee's achievements is getting flood-affected mines back into production to generate jobs and economic growth.

With the establishment of Economic Development Queensland in February 2013 we are facilitating the growth of business and industry. A key project is the Commonwealth Games Village at Parklands, the first stage of a master-planned community at Southport. The

Commonwealth Games Infrastructure Authority met for the first time in March 2013 and will assist with the planning and development of venues for the Gold Coast 2018 Commonwealth Games.

In April 2013, we set up the Government Land and Asset Management group to undertake the Property Asset Utilisation Review investigating a whole-of-government approach to the management of the state's property portfolio.

The *Mary Valley Economic Development Strategy* is on track to deliver a range of projects, including the return of land for community use and residential land sales. To date, 65 Mary Valley properties have been sold and nine development leases for land have been secured, which will boost capital investment and full-time and seasonal jobs for the region. We also opened the Mary Valley economic development office in March 2013.

To diversify regional and state economies we established Defence Industries Queensland to drive investment in the local defence industry, build capabilities and connect those within the industry to take advantage of national and international supply chain opportunities.

The Public Sector Renewal Program remains a top priority and we have continued to re-focus our services on government priorities. We are playing our part through undertaking renewal activity in the areas of planning, infrastructure and economic development. Through business alignment, we are ensuring our resources are targeted to our strategic priorities, and also drive savings and productivity. We are continuing to develop an organisational culture focused on outcomes.

There is plenty to be positive about in 2013–14. Queensland is a great state of

great opportunity with significant resources and economic growth prospects.

We will continue to strive for economic growth for the benefit of all Queenslanders. The future is indeed exciting.

We are delivering on the government's priorities and, with the support of the Premier, Deputy Premier and Assistant Minister for Planning Reform, we are making a real difference for business, industry and local government in this state.

I look forward to continuing to work with the professional and committed people in our department, who share the vision of a bright future for all Queenslanders.

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

Coordinator-General's statement

I made 128 statutory decisions in the 12 months to 30 June 2013. This represents a decision rate three times greater than previously. Additionally, it exceeds the 2012–13 service standards target of 90 statutory decisions.

The substantial improvement in statutory decision making rates, including material change of use approvals, also reflects the success of the changes that the Office of the Coordinator-General has implemented. This includes the 43-point fast-tracking action plan to provide efficient, streamlined and comprehensive assessments of coordinated projects. Assessment times have reduced by 54 per cent.

The Coordinator-General has wide-ranging powers under the *State Development and Public Works Organisation Act 1971*. These include powers to plan, deliver and coordinate large-scale industry, resource and tourism infrastructure projects while managing potential environmental and social impacts. These projects promote economic development throughout Queensland.

In December 2012, amendments to the SDPWO took effect to clarify and improve the powers of the Coordinator-General. These modifications better reflect state government policies and priorities, and assist in streamlining assessment of major project proposals.

Major projects I approved during the reporting period include the Ella Bay Integrated Resort near Innisfail in North Queensland, the Great Keppel Island resort development off Yeppoon in Central Queensland, and the Kevin's Corner Project in the Galilee Basin. Combined, these projects have the potential to attract

\$6.19 billion of investment, 2631 construction jobs and 3457 operational jobs.

As at 30 June 2013, a further 32 coordinated projects were in the pipeline under active assessment. These projects have the potential to attract \$71 billion of investment, 38 000 construction jobs and 24 000 operational jobs. These are major resource, infrastructure and tourism projects which would contribute significantly to growing Queensland's four pillar economy.

The Coordinator-General also prepares and administers development schemes for each state development area (SDA). The scheme controls land-use and infrastructure planning, and ensures development in the SDA is well planned and managed. There are currently eight SDAs across Queensland, from the south-east to the far north of the state.

These achievements highlight the dedication, skills and expertise of our people and I wish to acknowledge and thank the team in the Office of the Coordinator-General. I look forward to continuing to work in partnership with proponents and key stakeholders to balance social and environmental concerns with the need for economic growth to achieve the best social, environmental and economic outcomes for Queensland.

Barry Broe
Coordinator-General

Department role and functions

Our department is responsible to Parliament through the Deputy Premier and Minister for State Development, Infrastructure and Planning and is constituted under the Administrative Arrangements.

The Department of State Development, Infrastructure and Planning (DSDIP) exists to drive the economic development of Queensland. Our work is principally governed by the following legislation:

- *State Development and Public Works Organisation Act 1971* (SDPWO)—an Act to provide for state planning and development through a coordinated system of public works organisation, environmental coordination and related purposes
- *Sustainable Planning Act 2009* (SPA)—an Act to achieve ecological sustainability through managing the process by which development takes place
- *Economic Development Act 2012*—an Act about economic development and development for community purposes. The Act also establishes the Commonwealth Games Infrastructure Authority.¹

The department was established in April 2012 with the clear objective of establishing a strong central agency to grow the economy and champion the interests of business and industry for communities across Queensland. It brings together the functions of the Coordinator-General, economic and regional

development, major project delivery, government land and asset management, and infrastructure and planning.

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

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

We deliver innovative and economically responsible outcomes, and get the right balance 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*.

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.

¹ For other legislation administered by our department view the [Administrative Arrangements](#)

- 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.

Operating environment

DSDIP is successfully delivering the government's priorities to drive economic development; reform the planning system; and cut red tape and costs for the resources sector, a major driver of the Queensland economy benefiting all Queenslanders.

Since July 2012 our department has undertaken a process of renewal and reform, transitioning to a new organisational structure to enable optimal use of our resources. Our efforts have continued to be focused around economic development, infrastructure and planning, regional development and delivering Coordinator-General projects. Diversifying the economic prosperity of the resources sector—a key pillar of the Queensland economy—remains a priority.

While the Queensland economy grew on the strength of business investment in the resources sector in 2011–12, deteriorating external conditions led to a downgrade in

economic growth outlook in 2012 that extended well into 2013.

The fall in coal demand resulted in lower coal prices and terms of trade. The weaker global economic outlook saw business remain cautious and business conditions and confidence deteriorated. The high Australian dollar and revenue write-downs limited improvement in the state's bottom line. Queensland again faced the challenge of severe weather conditions in early 2013, with impacts on economic production and gross state product.

However, there are signs of improvement outside the resources sector. Household consumption and dwelling investment are strengthening due to low interest rates, stronger income growth and faster population growth. This reinforces the government's strategy of broadening the economy through focusing on the four pillars of construction, tourism, resources and agriculture.

In the medium to long-term, economic growth is expected to grow to six per cent due to the ramp up in liquefied natural gas (LNG) production driving exports, combined with a stronger domestic sector. The strengthening household sector is also expected to drive recovery in employment growth.

Despite the challenges of ongoing global economic uncertainty, fluctuating commodity prices, rising labour costs and a tightening fiscal environment that will continue to impact on our economy and business competitiveness, we are focused on practical actions to lock in sustainable growth.

Economic development is being driven through a multi-faceted approach including Economic Development Queensland (EDQ), resource sector facilitation, land for industry and residential land for sale.

Coordinator-General projects are being delivered to promote economic and social development in Queensland. Many of these projects stem from rising world demand for Queensland's natural resources, most notably coal and coal seam gas.

We are modernising Queensland's infrastructure and planning system through legislative change, infrastructure planning and delivery, the establishment of the State Assessment and Referral Agency (SARA), local government infrastructure planning and charges reform and industry support.

Our department works closely with Queensland's regions to help build stronger regional economies. We are supporting regional development through initiatives such as the Royalties for the Regions program.

Machinery of government changes

Several changes in departmental arrangements occurred throughout the financial year, including:

- EDQ commenced on 1 February and was established under the *Economic Development Act 2012*. It brings together the two former Queensland Government bodies that handled urban residential and industrial development across the State (the Urban Land Development Authority and the Property Services Group). EDQ will continue a number of the current development activities of these bodies and identify new projects
- Government Land and Asset Management (GLAM) group was established on 1 March 2013 to drive the strategic management of the state's

real property portfolio, delivering enhanced economic and social outcomes by identifying, assessing and optimising the management of the state's assets

- a lease granted and management responsibilities transferred for South Bank and Roma Street Parklands to the Brisbane City Council on 1 July 2013
- the GasFields Commission was established as an independent body to manage and improve sustainable co-existence between landholders, regional communities and the onshore gas industry in Queensland. The *GasFields Commission Act 2013* commenced on 1 July 2013
- responsibility for the Queensland Reconstruction Authority was transferred to the Minister for Local Government, Community Recovery and Resilience as a result of the *Administrative Arrangements Amendment Order (No. 1) 2013* dated 4 February 2013, taking effect on 1 March 2013.

Future direction

Our priorities continuing into 2013–14 are:

- implementing the Governing for Growth framework, to focus actions and create conditions for the private sector to invest, innovate, grow and create wealth
- delivering significant planning reforms—in particular the operation of SARA, the single State Planning Policy (SPP) and roll out of regional statutory plans
- driving the next wave of planning reforms through replacement of SPA with the proposed *Planning for Queensland's Development Act* in 2014

- establishing dedicated case managers supporting major resource projects and increasing workload associated with the Resources Cabinet Committee
- responsibility for the delivery of all Commonwealth Games infrastructure
- redevelopment of the Government Precinct, to be integrated with the 1 William Street development
- responsibility for a range of infrastructure planning and delivery projects such as the Queensland Ports Strategy, Strategic Airports Statement and Abbot Point expansion project
- leading the development of the government's future negotiation position on the bilateral agreements and other Commonwealth/state relations regarding assessment and approvals of major projects
- delivering DSDIP's response to the Commission of Audit including a 10 year Infrastructure Plan and the Deputy Premier's Governing for Growth initiative
- launching the second round of the Royalties for the Regions program for infrastructure projects in Queensland's resource communities
- conducting a review of the state's property portfolio
- progressing the Broadwater Marine Project
- implementing regional infrastructure frameworks and supply chain projects for the Galilee and Bowen basins and the North West Minerals Province
- supporting the defence industry to build capabilities, connect to new partners and clients, and position itself to take advantage of national and international supply chain opportunities
- preparing the Great Barrier Reef Strategic Assessment
- progressing the *Mary Valley Economic Development Strategy* including funding to recommission the Mary Valley Railway Line and associated infrastructure, enabling the return of a tourism icon 'The Valley Rattler' to the Mary Valley
- implementing the *Regional and Resource Towns Action Plan*
- supporting catalyst infrastructure to facilitate the delivery of new satellite communities in Ripley Valley and Greater Flagstone
- continuing the planning for a long-term major industrial precinct at Willowbank—the 500ha development near Ipswich will be a catalyst for the expansion of a range of large-scale and general industries
- implementing a DSDIP program of red-tape reduction towards the achievement of a 23 per cent reduction in the requirements count for legislation and guideline documents by March 2018.

With a flexible and agile attitude to resource allocation, during 2013–14 DSDIP will continue to identify efficiencies, implement refined delivery models and focus on delivery of prioritised programs and activities within existing budget.

Non-financial performance

Government's objectives for the community

Our department has a vital role in the government's agenda to grow a four pillar economy, deliver better infrastructure and planning, and lower the cost of living for families by cutting waste. Our job is to increase economic activity and facilitate the projects which drive Queensland's economy by growing the business as well as identifying efficiencies and savings.

The achievement of the department's objectives is actively supported by strategies including:

- a focus on stimulating economic activity by delivering land and economic development solutions
- facilitating and delivering coordinated and complex projects
- facilitating business and industry locating and growing in Queensland
- reducing costs to business
- building stronger regions based on competitive advantages
- working with local governments to declare new priority development areas (PDAs)
- working to remove regulatory and other impediments
- continuously reviewing and focusing departmental activities on government priorities.

In particular, our department is fast tracking delivery of major infrastructure and planning projects. Streamlined delivery of private and government funded infrastructure projects is being assisted through departmental support for

local suppliers, small businesses and industry.

The Office of the Coordinator-General is coordinating and delivering large-scale industry, resource and tourism infrastructure projects of state and regional significance, including private-sector and resources infrastructure, contributing to driving Queensland's economic and social development. In line with the government's community objective to deliver better infrastructure and planning, the Coordinator-General is continuing to identify delivery efficiencies via a range of strategies and innovations, including:

- the implementation of the 43-point fast tracking action plan to provide efficiencies in the environmental impact statement (EIS) assessment process
- the development of streamlined generic terms of reference for coordinated projects requiring an EIS under the SDPWO
- the streamlining of the social impact assessment guidelines to help proponents assess the social aspects of their project, promote a risk-based approach and focus on outcomes to encourage innovative solutions to capitalise on opportunities and mitigate detrimental impacts which are directly related to the project
- the streamlining of a number of SDA development schemes to promote assessment efficiencies, as well as other

initiatives aimed at providing certainty to proponents.

Supporting the government's community objective to build a four pillar economy, the **State Development Group** is working to drive Queensland's economic growth and contribute to creating and sustaining Queensland jobs through:

- leading economic and infrastructure policy development for the state
- providing a case management service to assist the development of coal seam gas (CSG)/LNG and major resource projects
- developing policy changes to reduce red tape impacting on the resources sector
- reforming local industry policy
- undertaking industry and supply chain development to grow the economy and jobs (e.g. defence)
- providing practical facilitation to a number of industry projects that has resulted in \$226 million of capital investment and 1000 jobs in Queensland
- developing industry and supply chain sectors
- focusing on investment attraction and business assistance to secure domestic and international business investment in Queensland
- delivering the Royalties for the Regions program, which is providing funding of \$49 million in 2012-13 for new and improved community infrastructure, roads and floodplain security projects that benefit those who live, work and invest in resource regions
- producing regional economic strategies for regional industry development.

The **Major Projects Office** is also assisting delivery of the government's community objective to build a four pillar economy

(strengthening the tourism, agriculture, resources and construction sectors) by:

- providing timely assistance for the delivery of infrastructure to industry and the community
- focusing on complex and high profile projects to maximise state development benefits
- facilitating the redevelopment of the Government Precinct in Brisbane to encourage investment in the construction sector and tourism, and revitalise this part of the central business district
- attracting major tourism development to Queensland, including facilitation of the Gold Coast Broadwater Marine Project
- revitalising the Mary Valley region and restoring community stability through implementing the *Mary Valley Economic Development Strategy*.

Government Land and Asset Management contributes to the government's community objectives by driving the strategic management of the state's real property portfolio to deliver enhanced economic and social outcomes. Land will be made available to support government priorities ensuring:

- better use of government land assets by identifying surplus assets and establishing plans for divestment including implementing key land transactions and managing key properties
- fast tracking the delivery of significant and/or complex land transactions including social housing and not-for-profit projects.

Our **Planning Group** is reforming the state's planning and development assessment system to deliver a new planning framework for Queensland that

meets the government's community objective to deliver better infrastructure and planning. This comprehensive reform streamlines processes, provides greater certainty and delivers cultural and attitudinal change to realise the government's vision of having the best planning system in Australia. Key planning reform initiatives are:

- substantial amendments to SPA removing outdated provisions, expediting state assessment of development and revising the appeals framework
- development of SARA to provide a coordinated whole-of-government approach to state assessment of development by creating a central point for development applications, resulting in one application and one response, saving industry time and money. DSDIP will coordinate assessment and referrals across government, minimising delays and unnecessary costs for applicants
- development of a single SPP signalling a new approach to state planning policy making which simplifies and clarifies the state's interests. The new cohesive policy will replace multiple existing policies about various state interests in the planning and development assessment system. It will allow the state to provide clarity to local governments on how to make and amend their local planning instruments and assess development applications
- review of the local infrastructure planning and charges framework to introduce a more balanced infrastructure framework that is equitable, transparent and certain.

The new planning system will foster economic growth, prioritise infrastructure, remove development blockages, manage

environmental impacts and empower local governments to plan for their communities.

Economic Development Queensland (EDQ) is facilitating economic development and development for community purposes. It plays a key role in streamlining and fast-tracking development throughout the state, including identifying new residential, urban and industrial development projects.

EDQ is delivering a range of planning and development activities aimed at facilitating residential and mixed use development, and the expansion of industry in Queensland. These activities support the government's objective to deliver better infrastructure and planning for Queensland with a core theme of attracting industry and creating and retaining jobs across the state.

Regional Services is a regional network of staff delivering regional development, planning, business, industry and services on behalf of state government agencies with an economic development focus across Queensland. Regional Services is the Queensland Government's first point of contact for people looking to invest in Queensland, or grow a business, industry or a regional economy. Key services delivered for clients including Queensland Government departments, local government, industry organisations, chambers of commerce, businesses, developers and tourism operators include:

- regional and statutory planning as a tool to support economic development and diversification
- business and supply chain development to support growth of a four pillar economy and other key industry sectors
- regional intelligence and stakeholder engagement to provide an effective

exchange to inform policy/program development and service delivery responses

- regional development to support leadership and capacity building to deliver on economic priorities of regional communities
- project facilitation and investment attraction to pursue and provide case management of opportunities that deliver on the competitive and comparative advantages of regional Queensland.

Whole-of-government plans and specific initiatives

In addition to the government's objectives for the community, additional priorities for the department are:

- **Bilateral agreements**—in June 2012, the Queensland and Australian governments signed an updated assessment bilateral agreement under the *Environment Protection and Biodiversity Conservation Act 1999*. The purpose of the agreement is to minimise duplication in assessment when a project also requires an approval from the Commonwealth Environment Minister. The agreement covers the environmental impact assessment processes in three pieces of Queensland legislation, namely the SDPWO, the *Environmental Protection Act 1994* and SPA.
- **Royalties for the Regions (Head and Sub-Agreements)**—a Queensland government initiative investing in new and improved community infrastructure, roads and floodplain security projects which benefit those who live, work and invest in our

resource regions; over \$49 million invested in projects in the pilot round in 2012–13.

- **Regional Development Australia (RDA)**—is a joint Commonwealth and state initiative aimed at developing and strengthening regional communities. There are 12 RDA committees in Queensland. The department entered into bilateral agreements with the majority of these to provide ongoing support including cash and in-kind support through to 31 December 2013. Under the agreement, RDA committees work closely with the department on jointly aligned projects and provide advice on local development issues and opportunities.
- **National Partnership Agreements**—the department has lead reporting responsibility for two National Partnership Agreements:
 - **Regional Infrastructure Fund Stream 2 – Economic Infrastructure**
 - **North Queensland Resources Supply Chain** (\$1.25 million). The two components to be delivered under this plan are:
 - operationalising the 50 year Infrastructure Plan for North Queensland
 - developing a comprehensive demand model to enable prioritisation of projects, policy and investment decisions.The North Queensland Resources Supply Chain Steering Committee is providing oversight and guidance for the following work streams—demand analysis model, infrastructure capacity audit and supply chain coordination study. Regional stakeholder consultation is

currently underway for these work streams.

- Central Queensland Resources Supply Chain (\$1.2 million). The plan will be developed to:
 - sustainably manage regional growth in the Central Queensland Resource Supply Chain (including both Galilee and Bowen basins) by setting directions and principles to facilitate economic and social infrastructure to support the development of the Galilee and Bowen basins' resources
 - provide certainty for the coal and agricultural industries and the community and financial institutions in regard to the Queensland Government's preferred infrastructure outcomes.

The development of a water supply strategy and transport study are underway as part of the Central Queensland Resources Supply Chain project. Economic modelling is also being progressed, which will underpin future analysis on regional growth, business opportunities and industrial land needs.

- Mission Beach Safe Boating Infrastructure project (formerly known as the construction of safe anchorage at Mission Beach) to aid the development of proposals for community consideration, and if supported, the subsequent construction of a safe anchorage at Mission Beach.

A workshop was conducted in late November 2012 to assess concepts and viable options for improving

boating operations in Boat Bay, Mission Beach. The outcomes from the workshop were presented to key stakeholders at Mission Beach in March 2013. Feedback from community and interest groups was provided during site inspections in late March 2013. Tender documentation to procure design services for developing preliminary designs, preparing cost estimates and identifying a preferred solution is being finalised for release to the market.

- **Great Barrier Reef strategic assessment**—the department has lead responsibility for the completion of the strategic assessment of the Great Barrier Reef Coastal Zone under the Australian Government's *Environment Protection and Biodiversity Conservation Act 1999*. The strategic assessment is being conducted in response to the United Nations Educational, Scientific and Cultural Organisation (UNESCO) World Heritage Committee request for Australia to undertake a comprehensive strategic assessment of the Great Barrier Reef World Heritage property to ensure that its 'Outstanding Universal Value' is protected.

In addition to addressing UNESCO's request, the strategic assessment can also lay the foundations for streamlining development approval processes between the Australian and Queensland governments.

The terms of reference governing the strategic assessment were endorsed in August 2012 following a public consultation process. The strategic assessment will describe and assess the way in which Queensland's coastal management, planning and development processes identify and

protect matters of national environmental significance, including the 'Outstanding Universal Value' of the Great Barrier Reef coastal zone.

It is expected that the draft strategic assessment reports will be released for public consultation in the latter part of 2013 so that the draft reports can inform the 38th session of the UNESCO World Heritage Committee in 2014.

- **Intergovernmental Agreements**

- Fitzgibbon Stormwater Harvesting— A joint state and Commonwealth Government funded stormwater recycling project in Fitzgibbon Chase. The aim of the project is to capture stormwater runoff from a 290 hectare catchment. The water is then to be treated in a purpose built water treatment plant and reticulated to properties within the estate for non-potable uses. The system is expected to supply 89 megalitres (ML) per year. The project is 90 per cent complete and is expected to be handed over to Queensland Urban Utilities within the next 12 months. The final report is due to the Australian Government Department of Sustainability, Environment, Water, Population and Communities (SEWPaC) in February 2014.
- Fitzgibbon Rainwater Harvesting to Potable Reuse Scheme (PotaRoo)—A state government initiative jointly funded by the Commonwealth Government and the Japanese Government. PotaRoo will capture roof rainwater runoff from the majority of dwellings at Fitzgibbon Chase, ultimately for the supply of potable water to the town water network. The runoff will be collected in a number of large underground tanks and pumped to the central

storage tank and water treatment plant.

The system is expected to supply 44ML per year. The project is close to completion and is expected to be handed over to Queensland Urban Utilities within the next 12 months. The final report is due to SEWPaC in February 2014.

Agency objectives and performance indicators

Our department's objectives and strategies, consistent with our *Strategic Plan 2012–16*, are outlined in the following table. Progress toward achieving our objectives and outcomes during the 2012–13 year is also described.

Performance against the *Strategic Plan 2012–16*

Objective	Strategy
Champion the interests of business and industry	<ul style="list-style-type: none"> • Remove regulatory and other bottlenecks and impediments to investments. • Facilitate the growth of business and industry.
<p>Key performance indicators</p> <ul style="list-style-type: none"> • Legislation reviewed and key systemic blockages identified and, where appropriate, changed to meet the needs of business and industry. • Increased uptake across Queensland of targeted industry support programs in key export and non-export based industries to improve growth, competitiveness and employment. 	
<p>Our progress</p> <ul style="list-style-type: none"> • Supported the RCC to identify and address impediments to resource industry operations and growth; RCC outcomes include a pilot mine water discharge strategy; new administrative arrangements to remove unnecessary assessment of resource activities; a revised Coal Seam Gas (CSG) water management policy; extended the timeframe for refit of regulated dams from three to five years; and successfully negotiated conduct and compensation agreements with the gas industry to access state forests. • Restored the Coordinator-General's power and authority through amendments to the SDPWO to properly coordinate and facilitate major projects important to the State's development by streamlining assessment and approval processes, increasing the rate of statutory decision-making. • Appointed a facilitator for the expansion of the Abbot Point Coal Terminal project and called for expressions of interest (EOI) for the first stage. • Developed legislation to establish the independent GasFields Commission to better oversee the relationship between Queensland landholders, regional communities and the CSG industry. • Established Defence Industries Queensland and appointed the new Defence Industries Envoy to grow the local defence sector and attract more investment to Queensland. • Worked on finalising the Governing for Growth framework; setting out priority areas for economic reform to create conditions for private sector investment, innovation and growth. • Continued to develop the Queensland Ports Strategy outlining the government's approach to port planning and development to 2040. • Lead the Great Barrier Reef Strategic Assessment; a comprehensive assessment to ensure we achieve best practice in managing a balance between growth and protection of the environment. • Supported the Property and Construction Cabinet Committee to provide whole-of-government leadership to the property and construction industry, with the initial focus on resolving resourcing and cross agency matters prior to 'go live' of SARA on 1 July 2013. 	

Objective	Strategy
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 SDAs.
<p>Key performance indicators</p> <ul style="list-style-type: none"> • EIS assessment and approval times reduced. • Infrastructure coordination plans (for priority areas) completed on time. • Timely completion of SDA development schemes to meet industrial development, infrastructure and major public infrastructure needs. 	
<p>Our progress</p> <ul style="list-style-type: none"> • Parliament's passing of the <i>Economic Development Act 2012</i> and the establishment of EDQ—the department's commercialised business unit to deal in land and property; coordinate infrastructure provision; and plan, develop and manage land in PDAs. • Declared four PDAs in the Gold Coast, Redlands and Central Queensland to fast-track planning and development. • Lead the implementation of the <i>Regional and Resource Towns Action Plan</i>, released in March 2013, which aims to assist Queensland regional towns impacted by the mining boom. Highlights include the declaration of the Blackwater East PDA, gazettal of the Central Queensland University Rockhampton PDA and Toolooa PDA development schemes. • Established Infrastructure Queensland to advise on long-term infrastructure planning, prioritisation and ongoing management and maintenance. IQ has considered several infrastructure policies and strategies, providing valuable industry grounding and insight. • Completed the Galilee Basin and Bowen Basin Infrastructure Frameworks. • Established case managers to support key resource sector companies. • Streamlined the EIS assessment process to reduce overall delivery times by 60 per cent for the total environmental impact assessment processes required under the SDPWO. • Reviewed and amended the Townsville SDA and supporting development scheme to facilitate improved development opportunities. • Reduced SDA material change of use assessment times by 25 per cent. • Began to deliver the 2018 Commonwealth Games infrastructure including commencing works on the Gold Coast Aquatic Centre. • Completed the EOI phase for the Broadwater Marine Project on 5 March 2013 as part of a two stage competitive procurement process with shortlisted proponents to submit detailed proposals in late 2013. 	
Objective	Strategy
Diversify and build resilience in regional and State economies	<ul style="list-style-type: none"> • Enhance access to global supply chains. • Address strategic infrastructure needs. • Build stronger regions based on competitive advantages. • Increase private sector investment by facilitating business and industry locating and growing in Queensland.
<p>Key performance indicators</p> <ul style="list-style-type: none"> • Increasing the number of firms accessing major supply chain opportunities. • Uptake of Royalties for the Regions funding. • The Bruce Highway crisis group is supported. • Preliminary evaluation studies completed and progressed to Projects Queensland on time. • All new and revised regional plans are based on economic and infrastructure strategies. • Affordable land and housing available in mining communities. • New business and industry opportunities secured through market analysis, facilitation and support. 	

Our progress

- Established the Royalties for the Regions program to benefit communities in resource regions: delivering more than \$49 million in Round 1’s successful projects and preparing for Round 2.
- Released the *Bruce Highway Action Plan* in October 2012 to deliver an engineering-based 10 year Crisis Action Plan to upgrade the Bruce Highway, giving priority to safety and flood immunity initiatives.
- Continued delivery of the *Mary Valley Economic Development Strategy* to maximise economic development opportunities in the valley and return government-owned assets to private ownership. Four development leases have been signed, a combined valued of over \$5 million with potential to create up to 62 full time and seasonal jobs.
- Developed a pilot capability program in partnership with major resources companies to respond to the lack of connectivity between resource proponents and regional supply chains and capability of regional businesses.
- Accelerated delivery of residential land in Moranbah and Blackwater and continued delivery of residential land in Roma, Gladstone, Mackay and Townsville, contributing to land supply and normalisation of prices for land and housing.
- Facilitated sales of industrial land throughout Queensland generating \$79.9 million in private sector investment and 235 jobs.

Objective	Strategy
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.

Key performance indicators

- Industry satisfied with simplified planning system.
- SPA reviewed and reformed on time.

Our progress

- Introduced the first round of SPA amendments, including provisions for the establishment of SARA to provide a single point of contact to government in relation to the assessment of development applications and a coordinated state government response to applicants.
- Commenced the temporary SPP and released the draft single SPP, identifying the state’s interests in planning and development and how to deal with these in planning instruments, council development assessment processes and designating land for community infrastructure.
- Released the infrastructure planning and charging framework review discussion paper with a view to introducing reforms that enhance clarity, equity and consistency of the system.
- Removed approximately 2 500 to 2 700 unnecessary referral ‘triggers’ for state assessment under SPA as part of an ongoing referral reduction program aimed at reducing both the number of referral triggers and the number of development applications required to be referred.
- Prepared to roll-out the ‘Planning Healthcheck’ pilot project to Redlands, Gold Coast, Rockhampton, Mackay and Central Highlands councils to assess the ‘health’ of their planning and development systems.
- Held the first Queensland Planning Forum for industry stakeholders and local government participants on future opportunities to reform the planning and development assessment system.
- Provided more streamlined planning and development assessment processes in four new PDAs.
- Amended the SDPWO; implemented a 43-point fast-tracking action plan; developed generic terms of reference and streamlined social impact assessment guidelines to provide efficient and comprehensive project assessments; and amended SDA development schemes to promote efficiencies and provide certainty to proponents about development expectations.

Objective	Strategy
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. • Assist growth in key industry sectors through regional service delivery partnerships with local governments and stakeholders.
Key performance indicators <ul style="list-style-type: none"> • Local planning devolved to local government. • Regional statutory plans completed on time. 	
Our progress <ul style="list-style-type: none"> • Released the draft Darling Downs and Central Queensland regional plans for public consultation— plans to protect the regions priority agricultural land uses and the future of towns from incompatible resource development. • Continued to prepare the draft Cape York Regional Plan to deliver land use certainty by balancing appropriate economic development with the protection of Cape York’s natural areas and areas of high conservation value. • Amended the <i>South Bank Corporation Act 1989</i> to transfer the majority of South Bank Corporation’s statutory planning powers to Brisbane City Council, with the balance of powers to be transferred to the council following amendment of its own planning scheme. • Delegated planning and development assessment powers within SDAs to local governments under the <i>Economic Development Act 2012</i>. • Consulted with local governments about strategic planning initiatives for SDAs within their local government areas. 	
Objective	Strategy
Improve service delivery	<ul style="list-style-type: none"> • Continuously reviewing and focusing departmental activities on government priorities.
Key performance indicators <ul style="list-style-type: none"> • Organisational structure and resourcing aligns with business requirements to deliver government priorities. • Absenteeism within acceptable levels. • Local government, industry and business satisfied with regional service delivery. • Services are delivered within appropriate budget. 	
Our progress <ul style="list-style-type: none"> • Continuously reviewed business and resource alignment to focus departmental activities on government priorities. • Ensured our service delivery models are efficient and effective. • Delivered integrated and valued departmental and other government services across regional Queensland by joining the economic development investment attraction and planning arms together to provide customers with one point of contact for economic development activities. • Completed 11 service profiles and validated the volumes of those services in preparation for the commencement of mapping of DSDIP services as part of the One Stop Shop agenda. • Public Sector Renewal Program: implemented planning reform, established EDQ and increased Coordinator-General statutory decision/approval rate. 	

Agency service areas, service standards and other measures

Performance measures

Our department's performance information is presented in the following tables, which are consistent with the performance statement in the 2012–13 Service Delivery Statements. To improve accountability for performance, only measures that relate to efficiency and or effectiveness of services delivered are presented. Measures of input and/or activity, which do not demonstrate effectiveness or efficiency and are no longer relevant measures of services, are reported in the discontinued measures. As DSDIP has over 90 per cent new or amended measures and a high proportion of discontinued measures, the review of results over previous years including trend data and analysis has not been included.

	Note	2012–13 Target/Est	2012–13 Est Actual	2012–13 Actual
Coordinator-General				
Service standards				
The number of statutory decisions made by the Coordinator-General	1	90	135	128
Average percentage reduction in the assessment timeframes for coordinated projects	2	New measure	50%	54%
State Development				
Service standards				
Percentage of businesses engaged in the department's targeted industry support programs reporting positive outcomes	3	Amended measure	70%	97%
Percentage of stakeholders indicating they are satisfied with the quality of facilitation services for industry development and Invest Queensland services	4	New measure	New measure	New measure
Value of private sector capital investment leveraged through industry facilitation	5	New measure	New measure	New measure
Gross jobs generated or safeguarded as a result of project facilitation	6	New measure	New measure	New measure
Value of infrastructure investment enabled through the Royalties for the Regions program	7	New measure	New measure	New measure

	Note	2012-13 Target/Est	2012-13 Est Actual	2012-13 Actual
Major Projects				
Service standards				
Percentage of industry proponents indicating they are satisfied with services provided for the management, delivery or facilitation of projects	8	New measure	100%	100%
Percentage of projects being managed, delivered or facilitated, which meet committed timeframes and approved budgets	9	New measure	87.5%	87.5%
Percentage of land transactions being delivered, which meet committed timeframes and approved revenue targets		New measure	New measure	New measure
Planning				
Service standards				
Percentage of stakeholders indicating they are satisfied with Queensland's simplified planning system	10	Amended measure	63.8%	63.8%
Percentage improvement in time taken for referral agency responses	11	New measure	New measure	New measure
Percentage improvement in time taken for State assessment manager decisions issued	12	New measure	New measure	New measure

Notes:

1. This service standard is a continuing measure that demonstrates the efficiency of the Coordinator-General service in making statutory decisions. Statutory decisions are those made under the SDPWO. The variance between the 2012-13 target estimate and the 2012-13 actual is due to a catch-up and backlog in 2012-13.
2. This is a new service standard that demonstrates the effectiveness of the Coordinator-General in reducing assessment timeframes across the seven coordinated project stages compared to pre-April 2012. The 2013-14 target estimate will be compared to pre-April 2012. These timeframes reflect the performance of the previous and current governments.
3. This measure demonstrates the effectiveness of the department's targeted industry support programs, including the Major Projects Supplier Program and Tendering for Government Business Workshops. Positive outcomes can include firms reporting benefits such as new markets accessed, additional business won and resulting employment growth. This measure was previously worded as 'Proportion of assisted firms reporting improved performance following the department's funded innovation and capacity development activities.' The performance result reported is collected through an annual survey of manufacturing firms across the state run by Queensland Manufacturing Institute (QMI) Solutions. Variance - Outcome equals percentage of assisted companies that responded to client surveys and reported positive outcomes as a result of engaging in a support program.
4. This is a new service standard that measures stakeholder satisfaction with the effectiveness of the State Development service area in the facilitation of industry development and services of Invest Queensland (which transfer to Queensland Treasury and Trade later in 2013).
5. This is a new service standard that measures the effectiveness of project facilitation services provided by the State Development group to assist Queensland investment. Program to commence in 2013-14.
6. This is a new service standard that measures the effectiveness of the State Development group in facilitating projects, leading to jobs generation and safeguarding. Program to commence in 2013-14.
7. This is a new service standard that measures the effectiveness of the Royalties for the Regions program in facilitating infrastructure investment. Program to commence in 2013-14.
8. This is a new service standard that measures the level of industry satisfaction with the effectiveness of service delivery provided by the Major Projects Office. The 2012-13 estimated actual is based on percentage of survey respondents indicating that they are 'very satisfied'. The survey was provided to 10 recipients, of which three responded.
9. The achievement of project milestones within scheduled timeframes can be expected to be partly attributable to timely services provided by the Major Projects Office and Government Land and Asset Management groups, which deliver the Major Projects service. Of the eight projects relevant to the 2012-13 estimated actual, seven met committed timeframes and

approved budgets. The Surat Basin Rail project fulfilled state government commitments, however due to market conditions beyond state government control, Surat Basin Rail Joint Venture did not provide the estimated security and the take bid did not proceed.

10. This measure was previously worded as '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'. The 2012-13 estimated actual is an average percentage of stakeholders indicating satisfaction with 10 different planning reforms. Higher levels of satisfaction can be expected to indicate effectiveness of Queensland's simplified planning system. The percentage of stakeholders indicating satisfaction with specific reforms ranged from 100 per cent in relation to 'Giving assessment managers discretion to accept development applications as properly made, despite non-compliance with the provision of mandatory supporting information' to 37.5 per cent in relation to 'Starting the next-generation statutory regional plans'.
11. This is a new measure that demonstrates the efficiency of SARA in coordinating referral agency responses. SARA commences operations on 1 July 2013.
12. This is a new measure that demonstrates the efficiency of SARA in issuing assessment manager decisions. SARA commences operations on 1 July 2013.

Discontinued measures

Performance measures included in the 2012-13 Service Delivery Statement, which have been discontinued or replaced by better measures are reported in the following table.

	Notes	2012-13 Target/Est	2012-13 Est Actual	2012-13 Actual
Coordinator-General				
Other measure				
Integrated development assessment scheme responses completed within statutory timeframes: (a) Local Government Planning Schemes	1,2,3	12	18	14
Major Projects Office				
Service standards				
Percentage of Queensland population receiving fluoridated drinking water outside SEQ (excluding Indigenous local authorities)	4,5	92%	41%	27%
Percentage of Queensland population receiving fluoridated drinking water within Indigenous local authorities	4,6	100%	66%	8%
Other measures				
Number of industrial land solutions implemented during the year across the state for proposed major project developments	7,8	250	135	99
Percentage of total number of private sector and government projects being coordinated or implemented, which met committed timeframes and milestones	9	90%	88.75%	97%

	Notes	2012-13 Target/Est	2012-13 Est Actual	2012-13 Actual
State Development				
Service standards				
Estimated value of efficiency savings or new business generated by businesses assisted by the department	10,11	\$25 M	\$25 M	\$40.9 M
Estimated value of additional capital attracted to Queensland as a result of the department's investment and business development assistance	12	\$100 M	\$100 M	\$226,500 M
Value of new exports generated by businesses assisted by the department	1,13	-	-	-
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	10,14	80%	80%	94%
Other measures				
Achievement of major project milestones on strategic projects	1,3,15	7	11	36
Consultative and engagement forums with industry and community stakeholders	1,3	100	81	379
The number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities	3,7,16	315	320	627
The number of business participants in structured development activities	3,7,17	5900	6270	11342
Significant one-on-one business consultations undertaken	3,7,18	4400	5118	8832
Number of businesses involved in the department's facilitated alliances, partnerships, industry networks, supply chains, clusters etc.	1,3,19	1400	1681	1863
Planning				
Other measures				
Percentage of milestones completed on priority projects identified in regional plan implementation programs	1,20	80%	n/a	n/a
Number of regional plans reviewed in accordance with statutory timeframes	1,20	2	n/a	n/a

	Notes	2012-13 Target/Est	2012-13 Est Actual	2012-13 Actual
Percentage of statutory concurrence responses provided to councils, development industry and community within statutory timeframes	21,22	100%	100%	100%
Percentage of state interest checks performed within agreed timeframes	21,23	80%	78%	78%

Notes:

1. These measures have been discontinued for Service Delivery Statement reporting purposes as they are not an indication of the efficiency or effectiveness of the service areas (they measure activity).
2. The 2012-13 estimated actual reflects a higher than expected number of applications received.
3. These measures include a component that the department's Regional Services group is responsible for. In measuring the 2012-13 estimated actual performance for those components, data from 1 July 2012 to 28 February 2013 was used due to limitations of the reporting system. This resulted in less than accurate targets.
4. These measures are no longer applicable as amendments to the *Water Fluoridation Act 2008* (the Act) in December 2012 repealed the mandatory requirement for fluoridation of water supplies. The Act allows a local government to decide whether or not to add fluoride to a water supply. These measures have been replaced by new service standards to better reflect the core services provided under the Major Projects Office.
5. The 2012-13 estimated actual is based on the population estimated to be receiving fluoridated drinking water from operating fluoridation schemes outside South East Queensland (excluding Indigenous local authorities). The baseline population remains as only those local authorities previously listed in Schedule 1 of the *Water Fluoridation Regulation 2008*. The decrease from the 2012-13 target estimate reflects that some local governments have either postponed the installation of fluoride equipment due to the program date being extended to June 2014; decided not to install fluoridation equipment; or decided to cease fluoridation of a water supply. The difference between the estimated actual and the actual reflects a number of councils' recent decisions to cease fluoridation and/or not to proceed with the installation of fluoridation equipment. Additionally a number of Public Potable Water Suppliers have failed to meet original projected implementation timelines.
6. The 2012-13 estimated actual is based on the population estimated to be receiving fluoridated drinking water from operating fluoridation schemes for Indigenous local authorities. The baseline population remains as only those Indigenous local authorities previously nominated to receive fluoridated water. The decrease from the 2012-13 target estimate reflects that some Indigenous local authorities have either postponed the installation of fluoride equipment due to the program date being extended to June 2014; decided not to install fluoridation equipment; or decided to cease fluoridation of a water supply. The difference between the estimated actual and the actual reflects Indigenous local authorities fluoridation schemes not being operational within original projected timelines and Indigenous local authorities still to decide whether to commission their respective schemes.
7. This measure has been discontinued for Service Delivery Statement reporting purposes only and continues to be collected and reported either in the annual report or for internal management purposes.
8. The estimated number of parcels of land to be acquired, granted or purchased was not met as a result of ongoing negotiations with landowners in finalising easements terms.
9. This measure has been discontinued for Service Delivery Statement reporting purposes as it is not an indication of the efficiency or effectiveness of the service area (it measures timeliness). The 2012-13 estimated actual reflects the combined result of performance achieved by the Major Projects Office and the Office of the Coordinator-General. The change from 90 per cent (Mar 2013) to 97 per cent (Jun 2013) is due to three projects forecast to have potential delays in March 2013, however only one project had potential delays in June 2013.
10. These measures have been replaced by a new service standard—'Percentage of businesses engaged in the department's targeted industry support programs reporting positive outcomes' to better reflect outcomes being experienced by businesses as a result of engagement with departmental services. Variance: Companies assisted through technology diffusion services delivered by QMI Solutions reported greater than anticipated outcomes resulting from the adoption of these services.
11. The performance data informing this measure is provided by QMI Solutions, which conducts an independent annual survey of manufacturing firms that have been assisted through government-funded services delivered by QMI Solutions. Variance: Companies assisted through technology diffusion services delivered by QMI Solutions reported greater than anticipated outcomes resulting from the adoption of these services.
12. This measure provides an indication of the effectiveness of State Development group project facilitation in assisting Queensland investment. This measure has been replaced by the new service standard—'Value of private sector capital investment leveraged through industry facilitation' to better reflect the efficiency of the State Development group. Variance: Increase due to 2 large successful investment projects.
13. This measure related to the World Class Rail Solutions – Rail Growth Strategy, which concluded in 2010. No related activities were undertaken during 2012-13.
14. The performance data informing this measure is provided by QMI Solutions, which conducts an annual independent survey of manufacturing firms which have been assisted through government-funded services delivered by QMI Solutions. Companies assisted through technology diffusion services delivered by QMI Solutions reported a greater level of implementation of new or improved practices, processes, systems, products or technologies than anticipated.

15. The 2012–13 target estimate of seven consists of a 2012–13 target estimate of two from the State Development group and a 2012–13 target estimate of five from the Regional Services group, which was in relation to DSDIP's previous role as a referral agency on 'S242' applications. The State Development group actual is three. Additional Strategic Project—establishment of Defence Industries Qld. Regional Services achieved an actual of 33, which relates to residual applications submitted prior to the decision that DSDIP would no longer be a referral agency.
16. The 2012–13 target estimate of 315 consists of a 2012–13 target estimate of 160 from the State Development group and a 2012–13 target estimate of 155 from the Regional Services group. State Development group actual is 239. Increase is due to additional workshops held by QMI Solutions, including ICN Qld. Regional services achieved an actual of 388, due to the finalisation of residual program and floods support activities.
17. The 2012–13 target estimate of 5900 consists of a 2012–13 target estimate of 3400 from the State Development group and a 2012–13 target estimate of 2500 from the Regional Services group. State Development's actual is 6189 which reflects additional attendees at various sectoral and ICN Qld workshops. Regional Services achieved an actual of 5153, which is the result of realignment of the Regional Services' business model with focus shifting from structured development activities. The increase was a result of an increased number of companies being matched with major project opportunities.
18. The 2012–13 target estimate of 4400 consists of a 2012–13 target estimate of 3540 from the State Development group and a 2012–13 target estimate of 860 from the Regional Services group. State Development's actual is 5043 which reflects an increasing number of companies being matched with major project opportunities as part of ICN Qld business matching services. Regional Services achieved an actual of 3,789. This shift in focus has led to an increased number of companies taking advantage of the opportunity to engage in significant regional developments and connect into the supply chains.
19. The 2012–13 target estimate of 1400 consists of a 2012–13 target estimate of 75 from the State Development group and a 2012–13 target estimate of 1,325 from the Regional Services group. State Development's actual is seven. This measure is a legacy measure relating to industry membership of Life Sciences Queensland, a group now funded by DSITIA. Regional Services achieved an actual of 1856, which is due to concentrating efforts in developing and facilitating supply chains in line with the department's new business model.
20. An estimated actual is not available due to a change in government policy related to regional planning and re-positioning of the forward program.
21. These measures have been discontinued for Service Delivery Statement reporting purposes as they are not an indication of the efficiency or effectiveness of the service area (they measure quality).
22. This measure relates to the department's role in providing concurrence agency responses within its jurisdiction on development applications. This measure will now be replaced by new measures relating to the operation of SARA.
23. The variance between the 2012–13 target estimate and the 2012–13 estimated actual is due to a change in government approach and the repositioning of the state interest review process.

Commercialised business unit (CBU)

CBU performance information is presented in the following tables, which are consistent with the performance statement in the 2012–13 Service Delivery Statement.

	Notes	2012–13 Target/Est	2012–13 Est Actual	2012–13 Actual
Economic Development Queensland (1 Feb–30 Jun 2013)				
Service standards				
Percentage increase in private sector investment generated through successful land sales	1	New measure	New measure	New measure
Estimated number of jobs generated	2,3,4	New measure	420	557
Percentage of projects managed, facilitated or delivered that meet committed timeframes and approved budgets	5	New measure	New measure	85%

Notes:

1. This measure demonstrates the effectiveness of EDQ in generating private sector investment through land sales.
2. This measure demonstrates the effectiveness of EDQ in facilitating projects that result in jobs generation.
3. While EDQ was established on 1 February 2013, estimated actuals for the 2012–13 financial year include some data also reported in the discontinued measures for the Property Services Group.

4. The variance between estimated and actual jobs generated indicates that investment on EDQ land was higher than forecast.
5. This measure demonstrates the efficiency of EDQ in delivering projects as the achievement of project timeframes and budgets can be expected to be partly attributable to timely and efficient services provided by EDQ.

Discontinued measures

	Notes	2012-13 Target/Est	2012-13 Est Actual	2012-13 Actual
Property Services Group (1 Jul 2012 – 31 Jan 2013)				
Service standards				
Value of land sale settlements	1,2	\$83 M	\$30 M	\$30.1 M
Estimated value of capital investment created through successful land sales applications	1,3	\$65 M	\$77 M	\$76.5 M
Percentage of total number of land sales in Regional Queensland	1, 4	73%	71%	74%
Other measures				
Number of new land lots developed and buildings constructed	1, 5	22	12	12
Number of land leases administered	1,6	100	96	96
Number of properties acquired	1,7	-	-	Nil
Estimated number of jobs generated through successful land sale applications	1,8	160	220	220
	Notes	2012-13 Target/Est	2012-13 Est Actual	2012-13 Actual
Urban Land Development Authority (1 Jul – 31 Jan 2013)				
Service standards				
Average number of days to process a development application	9,10	31	37	37
Percentage of completed dwellings that are affordable for households on low to moderate incomes	9	15%	29%	42%

Notes:

1. These service standards and other measures were performance measures of the Property Services Group (PSG) and are being discontinued as the PSG was discontinued during 2012-13, with its continuing services being delivered through EDQ.
2. The 2012-13 actual sales data has been calculated until 31 January 2013 when PSG ceased and reflects softer than forecast contract settlements over December/January.
3. 2012-13 actual capital investment was bolstered by strong capital investment within the South Mackay Industrial Estate.
4. The 2012-13 actual percentage is indicative of the continued strong sales activity within Gladstone and the regions, compared to a moderation in South East Queensland sales.
5. The actual 2012-13 results comprise 11 lots developed at South Mackay and one lot at Mica Creek and are lower than the 2012-13 target estimate due to a proposed subdivision at Clinton, Gladstone not proceeding and a delay in Bundaberg development.
6. Lease numbers reflect the natural attrition of Department of Natural Resources and Mines administered operating leases over time, as the leases lapse or are forfeited.

7. There were no forecast acquisitions for PSG during the period.
8. The 2012–13 actual benefited from strong investment within the Clinton Industrial estate.
9. These service standards were performance measures of the ULDA and are being discontinued as the ULDA was replaced by EDQ during 2012–13.
10. The decision time is taken from when all information required to assess the application and make a determination is received and does not include time taken by the applicant to respond to an information request or any required statutory public notification period. The estimated actual reflects the assessment of a number of complex applications approved during this period. The average time remained less than the statutory period of 40 business days under the *Urban Land Development Authority Act 2007*.

South Bank Corporation discontinued measures

	Notes	2012–13 Target/Est	2012–13 Est Actual	2012–13 Actual
South Bank Corporation				
Service standards				
Assess South Bank’s visitor experience by:	1			
South Bank visitors rating their experience as being 3 or more (based on a scale of 1–5 (lowest to highest))	2	95%	95%	Not available
Number of repeat visits	2	90%	89%	Not available
Other measures				
Number of Brisbane Convention and Exhibition Centre events per year	3,	1,180	1,150	1,241
Lead sustainability practice in the dimensions of:				
Potable water consumption	3, 4	52% reduction on base year	51% reduction on base year	53% reduction on base year
Electrical energy consumption	3, 5	25% reduction on base year	24% reduction on base year	25% reduction on base year
Assess customer and stakeholder satisfaction by:				
Days of collaborative events and activities completed with partners	3, 6	260 days	220 days	240 days
Turnover percentage of tenancies	3	4%	8%	3%

Notes:

1. This measure is being discontinued as services of the South Bank Corporation relating to parklands management are being devolved to local government.
2. Visitor experience ratings based on visitor surveys. This research was not undertaken in the 2012–13 year. The Corporation, however, has no reason to believe that prior year standards have changed.
3. Other measures are being discontinued from reporting in the Service Delivery Statements.
4. Percentage reduction in use of potable water compared to the base year of 2005–06, mainly through the use of recycled water.
5. Percentage reduction in use of electricity compared to the base year of 2005–06, through the use of new technology.
6. Days of events and activation reduced as a result of economic conditions impacting on event partners.

Financial performance

Summary of financial performance

This section provides an overview of the financial statements of DSDIP for the 2012–13 financial year, which are provided in detail at Appendix 1 Financial statements.

Understanding the financial statements

The 2012–13 financial statements reflect the impact of significant changes to DSDIP operations. Factors to be considered when reviewing the statements include:

- machinery of government (MOG) changes in 2012 that resulted in the transfer of services to other departments offset by the return of the planning function to DSDIP. These changes impact on reducing revenue

and expenses in the Statement of Comprehensive Income during 2012–13

- inclusion of EDQ transactions and balances since 1 February 2013 and the previous seven months of the former PSG
- transfer of the Queensland Reconstruction Authority from DSDIP in early 2013. For departmental administered financial statement purposes this is deemed to have occurred from 1 March 2013.

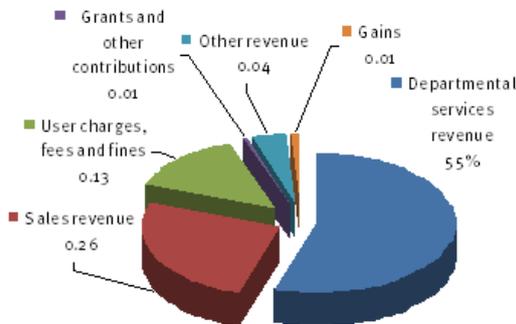
The following comparison of the 2012–13 results with the 2011–12 results was considered and accepted by the DSDIP Audit and Risk Management committee at the August 2013 meeting.

Statement of comprehensive income

	2012–13 \$'000	2011–12 \$'000	Variance \$'000
Total income from continuing operations	327 059	1 073 825	(746 766)
Total expenses from continuing operations	336 733	1 076 573	(739 840)
Operating result from continuing operations before income tax equivalent expense	(9674)	(2748)	(6926)
Income tax equivalent (expense)	(1580)	(3545)	1965
Operating result from continuing operations after income tax equivalent expense	(11 254)	(6293)	(4961)
Increase/(decrease) in asset revaluation surplus	7 975	(2821)	10 796
Total comprehensive income	(3279)	(9114)	5835

Income

Income by category for the year ended 30 June 2013

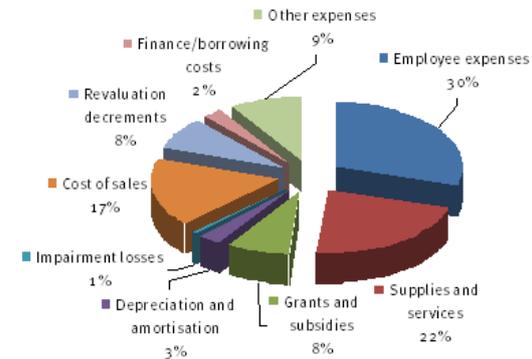


The department's main categories of income are departmental services and sales revenue. Total income of \$327.1 million is \$746.8 million less than 2011–12 due to the part year inclusion of many functions which transferred to other departments in May 2012. More specifically:

- \$180.3 million for department services revenue in 2012–13, a decrease of \$562.3 million from 2011–12
- grants and other contributions reduced by \$103 million and user charges by \$43 million from 2011–12
- \$84.4 million received in sales revenue in 2012–13, a decrease of \$26.4 million from 2011–12. The 2011–12 year included a one-off high value sale of industrial property not expected to be repeated.

Expenses

Expenses by category for the year ended 30 June 2013



The department's significant categories of expenditure are employee expenses, supplies and services and cost of sales. Total expenses are \$336.7 million and have decreased by \$739.8 million from 2011–12. As with reduction in income, most of the variance is due to MOG changes, particularly:

- \$99.7 million spent on employee expenses in 2012–13, a decrease of \$340.1 million from 2011–12
- \$73.5 million incurred on supplies and services in 2012–13, a reduction of \$171.8 million from 2011–12 largely related to MOG changes, offset by additional expenditure associated with the Gold Coast Aquatic Centre and introduction of EDQ from 1 February 2013
- \$27 million in grants and subsidies in 2012–13, a decrease of \$186.7 million from 2011–12. In addition to the function transfers, there was a reduction in 2012–13 payments for the Queensland Fluoride Assistance Scheme.

Total comprehensive income

For 2012–13 the total comprehensive result is a deficit of \$3.3 million. However, this includes an asset revaluation reserve surplus of \$8 million. Therefore the operating result from continuing operation is a \$11.3 million deficit mostly relating to

the transfer for nil consideration of an asset to Whitsunday Regional Council, net decrement on revalued land and buildings, losses and write-offs of property, plant and equipment. This is offset by licence revenue received.

Statement of financial position—assets and liabilities

	2012–13 \$000	2011–12 \$000	Variance \$000
Total current assets	609 207	691 906	(82 699)
Total non-current assets	914 496	850 100	(64 396)
Total assets	1 523 703	1 542 006	(18 303)
Total current liabilities	150 028	160 873	(10 845)
Total non-current liabilities	239 725	158 272	81 453
Total liabilities	389 753	319 145	70 608
Total equity	1 133 950	1 222 861	(88 911)

Total assets at 30 June 2013 are \$1523.7 million representing a decrease of \$18.3 million from 2011–12. The relatively small movement includes a reduction in current cash and cash equivalents as EDQ made equity withdrawal contributions to Queensland Treasury and Trade, largely offset by increases in inventories and investment properties due to recognition of EDQ from 1 February 2013.

Total liabilities at 30 June 2013 are \$389.8 million representing an increase of \$70.6 million from 2011–12 due to the recognition of additional loans and deferred tax equivalent liabilities with the recognition of EDQ liabilities from February 2013. The borrowings are used to fund residential projects which are subject to tax equivalents expense within the commercialised business unit.

Comparison of financial result with budget

Comprehensive Income for the year ended 30 June 2013

Controlled items*	Notes	2012-13 Actual \$'000	2012-13 Budget \$'000	Variance \$'000
Income				
Departmental services revenue	1	180 279	370 409	(190 130)
User charges	2	128 456	157 646	(29 190)
Grants and other contributions		2 316	4 381	(2 065)
Other revenue	3	12 696	23 068	(10 372)
Gains		3 312	-	3 312
Total income		327 059	555 504	228 445
Expenses				
Employee expenses		99 646	98 090	1 556
Supplies and services	4	131 299	192 350	(61 051)
Grants and subsidies	5	26 986	141 172	(114 186)
Depreciation and amortisation		10 654	10 969	(315)
Losses on sale/revaluation of property, plant and equipment and investments	6	29 059	19 882	7 647
Finance/borrowing costs		7 796	6 585	1 211
Other expenses	7	31 293	25 903	5 390
Total expenses		336 733	494 951	(158 218)
Surplus or deficit before related income tax		(9 674)	60 553	(70 227)
Income tax expenses	8	(1 580)	(7 989)	6 409
Operating surplus/deficit after related income tax		(11 254)	52 564	(63 818)
Increase in asset revaluation surplus	6	7 975	15 120	(7 145)
Total comprehensive income		(3 279)	67 684	(70 963)

Notes:

* 2012-13 Actual results have been presented using the same income and expense categories as the 2012-13 SDS income statement.

The variances for these controlled items can be explained as follows:

1. Reduced departmental services revenue aligns with a reduction in expenditure, particularly supplies and services and grants and subsidies.
2. Reduced sales revenue is due to a high one-off industrial sale in 2011-12.
3. Reduced other revenue is due to the 2011-12 restatement of licence fee revenue and a reclassification of licence fees from other revenue (where it was budgeted) to user charges (where it was recorded).
4. The reduction in supplies and services relates to a number of projects or infrastructure corridor acquisition funding deferred to a later year to align with revised project plans or compensation processes.
5. The decrease in grants and subsidies from budget is due to the transfer of projects to other departments, lapsing of projects and deferring of the remaining 2012-13 funding to 2013-14 or beyond to align with milestones of grant recipient.
6. The increase in revaluation decrements is due to higher than projected land decrements within EDQ for land and land inventory holdings.
7. The increase in other expenses was due to higher than anticipated land taxes, rates and stamp duty across EDQ and also losses on disposal of property, plant and equipment during 2012-13.
8. The reduction in income tax equivalent expense is due to EDQ recording a lower than expected surplus in 2012-13.

Chief Finance Officer's 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:

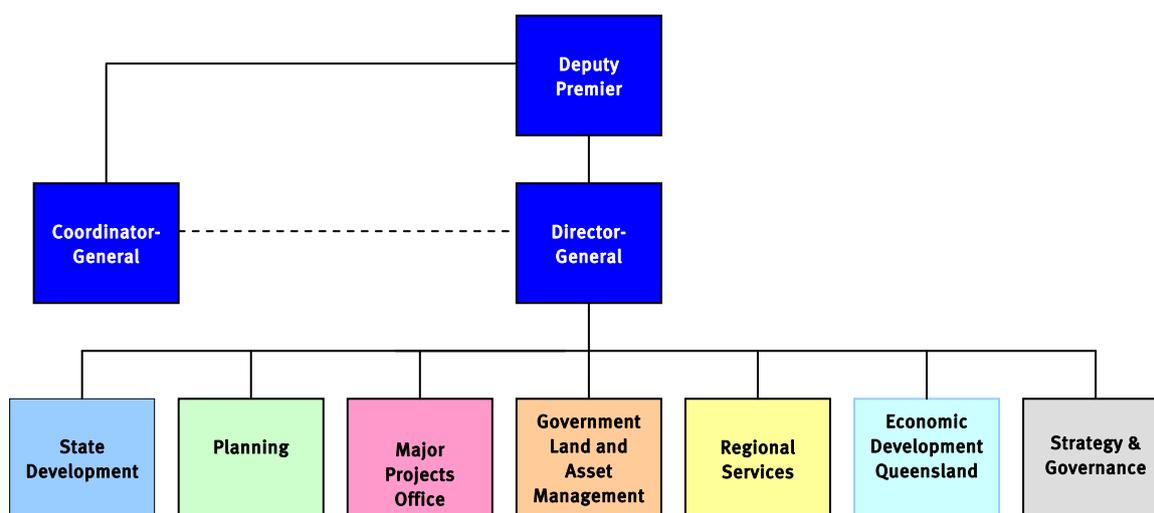
- financial resource management including the establishment, maintenance and review of financial internal controls
- budget management
- preparation of financial information including annual financial statements to facilitate the discharge of the department's statutory reporting obligations
- provision 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 in accordance with Section 57 of the *Financial and Performance Management Standard 2009*. The statement has been endorsed by the DSDIP Audit and Risk Management Committee.

Michael McKee
Chief Finance Officer

Governance – management and structure

Organisational structure



Our organisational structure ensures our efforts and resources are focused on implementing our strategies to drive Queensland’s economic development by removing duplication, streamlining decision making and consolidating regional service delivery. As part of the department’s continual business and resource alignment program a number of organisational refinements were made to more effectively align our resources to meet the challenges that lie ahead.

The Office of the Coordinator-General—plans, coordinates and delivers large scale industry, resource and tourism infrastructure projects under the SDWPO Act. It:

- 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 industry and infrastructure projects that drive economic growth, while maintaining Queensland’s environment and way of life
- plans, establishes and undertakes the ongoing management of SDAs
- acquires land for critical infrastructure projects and facilities.

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. It:

- facilitates development of the resources industries

- delivers the Royalties for the Regions program to help local government and communities manage the impacts of rapid growth in the resource sector
- undertakes industry and supply chain development to grow the economy and jobs
- facilitate strategic industry investment and expansion projects
- identifies systemic regulatory blockages that impact business costs which have a flow-on effect through the economy to families
- improves planning and prioritisation of infrastructure to support the economy.

Planning Group—delivers a new planning framework for Queensland, which includes streamlined processes, provides greater certainty and delivers cultural and attitudinal change. It:

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

Major Projects Office—provides facilitation and project management expertise for the management and delivery of the infrastructure and property projects DSDIP is involved in, on behalf of other agencies, through:

- timely facilitation, project management and delivery of high priority and complex infrastructure and property projects with a state development benefit for Queensland
- collaboration with the private sector to deliver government objectives

through private sector investment and development

- management of the *Mary Valley Economic Development Strategy*, the Government Precinct Development project and the Gold Coast Cruise Ship Terminal project.

Government Land and Asset

Management—established in February 2013, provides strategic management of the government’s property portfolio to deliver enhanced economic and social outcomes. GLAM:

- provides extensive facilitation, land solutions and policy expertise, including policy leadership of the *Economic Development Act 2012*
- provides a centralised function to facilitate the effective identification, assessment and management of the state’s property-based assets to their fullest potential
- conducts the Property Asset Utilisation Review to investigate a whole-of-government approach to the management of the state’s property portfolio, identify surplus assets and a plan for their divestment as part of a longer term strategy to ensure agencies sustainably plan for, and manage their land-based assets
- leads key property transactions on behalf of the Queensland Government.

Regional Services—through a network of regionally based offices, provides an integrated suite of business, industry, regional development and planning services on behalf of the department, and in partnership with a range of Queensland Government departments that support economic development. It provides:

- regional and statutory planning
- business and supply chain development
- regional intelligence and stakeholder engagement
- regional development
- project facilitation and investment attraction.

Economic Development Queensland—operates as the department’s commercialised business unit for streamlined planning development. Its primary focus is to facilitate economic development throughout Queensland. It:

- undertakes a strategic planning function for PDAs
- works closely with local governments to undertake planning
- facilitates and delivers projects that accelerate economic growth and investment
- fast-tracks planning and acts as a catalyst for development.

Strategy and Governance—ensures coordination of policy and legislative outcomes and provides corporate services to DSDIP and the Department of Local Government, Community Recovery and Resilience (through a Service Level Agreement).

Executive management

Director-General

David Edwards’ professional background is in economics, infrastructure, project management and public policy. Prior to being appointed Director-General of the Department of State Development, Infrastructure and Planning in April

2012, David worked in senior roles in the private sector and several government agencies including the Department of State Development and the Department of Premier and Cabinet. In addition to his role as Director-General, David is Chair of the Economic Development Board, deputy Chair of the Commonwealth Games Infrastructure Authority, a director of South Bank Corporation and a member of Infrastructure Queensland.

Coordinator-General

Barry Broe’s professional background is in infrastructure, major projects and transport across all aspects of planning, design, funding, procurement, construction, operations and maintenance. He holds a Bachelor of Civil Engineering degree and a Master of Engineering and Technology Management degree. His work history includes executive leadership roles in local and state government where he has been responsible for the planning and delivery of major infrastructure projects.

Deputy Director-General State Development

Prior to being appointed Deputy Director-General, Jamie Merrick held a number of senior economic development roles in the United Kingdom. His work has included leading strategy development for the UK’s most research intensive regional economy, innovative approaches to infrastructure prioritisation and delivery of major regeneration projects. Jamie has also worked for the UK Government on industrial policy and the future of business support arrangements, and in the private sector for a high growth technology company.

Deputy Director-General Planning

Greg Chemello has 30 years experience in the property and development sectors and has held senior professional, management and leadership roles with both public and private sector property asset owners and private sector advisory/consulting businesses. With qualifications in town planning, environmental science and business management, Greg has managed an extensive range of private and public sector development projects across the sport, leisure, entertainment, residential, retail, commercial and industrial sectors. In addition to delivery of development projects, Greg has extensive business management experience.

Deputy Director-General Major Projects Office

Stuart Pickering has over 30 years experience in capital development, strategic asset management and facilities operational management across state based and national organisations. In addition to asset and capital development projects, Stuart has extensive business management experience at executive and director level for both private and government organisations. With qualifications in architecture and commerce, Stuart has managed an extensive range of projects across retail, commercial, education, residential, health and industrial sectors.

Deputy Director-General Government Land and Asset Management

Damien Walker has significant experience in infrastructure planning, procurement and delivery, and leading complex and challenging major projects in conjunction with key partners such as local government and the private sector. Damien holds academic qualifications in

planning, property and public policy. He has held senior executive roles within state governments including leading delivery of major infrastructure projects.

Deputy Director-General Regional Services

Kathy Schaefer has diverse leadership experience, having worked in three states in two tiers of government across local, regional and state settings. Kathy's professional experience includes leading major cultural and structural reform processes. Kathy holds academic qualifications in education and business administration.

General Manager Economic Development Queensland

Chris Mills has a background in tourism, property and infrastructure, and has held senior roles in private and public sector businesses. He has facilitated property and infrastructure transactions across the state and managed a range of development, financial, retail and other operating responsibilities. Chris was admitted to the Institute of Chartered Accountants in Australia in 1992.

Deputy Director-General Strategy and Governance

Colin Cassidy has over 30 years experience in local and state government in a range of senior technical, policy and leadership roles. Colin's professional experience includes leading major structural and cultural reforms, legislation and policy and improved service delivery.

Governance committees

Executive Management Group (EMG)	
Committee	Responsibilities
<ul style="list-style-type: none"> • Director-General (Chair) • Coordinator-General • Deputy Directors-General • Director, Office of the Director-General (Secretariat) <p>The Director-General approves recommendations made by the EMG and the EMG sub-committees</p> <p>The Executive Management Group meets weekly.</p>	<p>The EMG supports the Director-General to comply with his corporate governance responsibilities by:</p> <ul style="list-style-type: none"> • advising the Director-General (as accountable officer) on strategy, goals and performance • reviewing and managing strategic risks • acting as a forum to discuss and resolve strategic issues • reviewing and considering recommendations made by EMG subcommittees • monitoring the department's performance and progress against significant projects • providing leadership in corporate governance improvement • considering and acting upon recommendations of the Audit and Risk Management Committee.

Finance and Asset Management Committee (FAMC)	
Committee	Responsibilities
<p>All members of EMG are also members of the FAMC. It meets every second month.</p>	<p>The FAMC provides the Director-General with ongoing assurance in all aspects of financial administration, reporting and control.</p>

Audit and Risk Management Committee (ARMC)	
Committee	Responsibilities
<ul style="list-style-type: none"> • Deputy Director-General, Strategy and Governance • General Manager, EDQ • Executive Director, Industry Development, State Development • Two external members • The committee Chair is an external member <p>The committee meets at least four times each year.</p>	<p>The ARMC (as required by the <i>Financial and Performance Management Standard 2009</i>) provides independent assurance and assistance to the Director-General on:</p> <ul style="list-style-type: none"> • the risk, control and compliance frameworks • the department's external accountability responsibilities as prescribed in the <i>Financial Accountability Act 2009</i>, <i>Financial and Performance Management Standard 2009</i>, and the <i>Auditor-General Act 2009</i> • the operations of the internal audit function.

Information Steering Committee (ISC)	
Committee	Responsibilities
<ul style="list-style-type: none"> • Deputy Director-General, State Development (Chair) • Deputy Director-General, DLGCR • Deputy Director-General, Strategy and Governance • Deputy Director-General, Regional Services • Executive Director, Communication Services • Executive Director, Land Acquisition and Delivery, Office of the Coordinator-General • Director, Regional Economic Programs, State Development <p>The ISC meets quarterly or as otherwise determined by the Chair.</p>	<p>The ISC provides the Director-General with advice and recommendations regarding the strategic direction and use of information and communications technologies (ICT) and provides assurance regarding ongoing IT asset management and replacement.</p> <p>The ISC is supported by the Information Management Subcommittee which provides advice and recommendations on the management of records, information, communications and technology assets as well as investment proposals for the operation of ICT activities.</p>

Consultative Committee (CC)	
Committee	Responsibilities
<ul style="list-style-type: none"> • Deputy Director-General, Strategy and Governance (Chair, alternating with Queensland Public Sector Union (QPSU) representative) • Executive Director, Corporate Services • Director, Human Resources • Together Union Representative • Principal Project Officer, State Development • Project Manager, State Development <p>The CC meets quarterly or as otherwise agreed.</p>	<p>The CC is the principal consultative body for unions and management within each agency and is created pursuant to Part 9 of the Certified Agreement 2009 (Core EB). The CC considers:</p> <ul style="list-style-type: none"> • organisational change and restructuring • workload management • training • balancing work, life and family • climate change and workplace sustainability • union encouragement • workforce data • organisational matters such as review of, changes to or introduction of new workforce management policies.

Ethics and integrity

Departmental officers uphold the values and ethical standards set out in the *Public Sector Ethics Act 1994* and the Code of Conduct for the Queensland Public Service 2011 (the code).

Our department supports managers and staff to implement the code throughout their work by providing:

- access to the code on our department's intranet and internet websites
- supplementary face-to-face training in the code and ethics and integrity topics for a number of targeted business areas
- access to external training on ethics and integrity related matters including 'Your Ethical Compass' training from the Queensland Ombudsman's Office
- managers' workshops on a range of ethics and integrity related corporate governance topics
- policies and procedures with practical guidance
- responses to requests for advice on ethics matters by telephone and email
- online tools, resources and support networks
- management of complaints and allegations of alleged breaches of the code
- maintaining close cooperation and liaison with the Crime and Misconduct Commission
- monitoring of trends and issues and implementation of improvements as a result of lessons learned from cases and complaints

- encouragement to managers to raise ethics and integrity matters for regular discussion, which assists in highlighting employees' individual responsibilities.

The department's framework of integrity policies was enhanced and revised during 2012–13. Policies and procedures for making public interest disclosures and complaints management were reviewed and new policies developed for contact with lobbyists and managing official misconduct. The *Fraud and Corruption Prevention Plan* was also developed and implemented.

Performance and learning plan templates were also enhanced to incorporate adherence to the requirements of the code.

Governance – risk management and accountability

Risk management

The department's risk management approach is conducted in line with Australian Standards and Queensland Treasury and Trade guidelines. It is focused on integrating risk management into business decision-making.

The conduct of risk management processes including objective risk identification, analysis, assessment, evaluation, treatment, monitoring, ownership and review provides assurance that:

- all departmental activities are linked to DSDIP strategies and objectives
- trends and patterns are identified and appropriate actions taken to enhance positive outcomes and limit undesirable outcomes
- the department's overall risk profile and tolerance is evident, practical and considered without being unnecessarily risk averse.

In 2012–13 risk management activities included:

- development and endorsement of a new risk management framework tailored to meet the specific needs of the department and the risk attitude, approach and reporting/discussion preferences of the EMG
- risk identification and consideration as part of business planning

- trend analysis including changes in the ratings of specific risks and the effectiveness of mitigations
- implementation of a regular risk status report
- progress in the development of an online risk register tool to enable staff to quickly and accurately assess, classify and document risks that could affect the department on a strategic, business, operational or project level and determine timely and appropriate mitigation measures and treatment strategies.

DSDIP's established ARMC provides independent assurance and assistance to the Director-General on the department's:

- risks, control and compliance frameworks
- external accountability responsibilities as prescribed in legislation and standards.

Current members of the ARMC are:

- Eric Muir—external member and Chair
- Joshua Chalmers, Partner, PwC—external member
- Colin Cassidy, Deputy Director-General, Strategy and Governance
- Chris Mills, General Manager, Economic Development Queensland
- Stephen Evill, Executive Director, GLAM.

Eric Muir was remunerated \$8,580 for his services as Chair and external member of the ARMC. PwC was remunerated \$1,800 for Joshua Chalmer's services as an external member of the ARMC.

The ARMC charter establishes its authority and responsibilities and was prepared with reference to:

- relevant provisions of the Financial and Performance Management Standard 2009 and the *Financial Accountability Act 2009*
- Queensland Treasury and Trade Audit Committee Guidelines—Improving Accountability and Performance
- better practice guidance issued by the Australian National Audit Office
- legislative, regulatory and other requirements—promoting a culture of lawful and ethical behaviour.

Key achievements for the ARMC during 2012–13 include:

- reviewed and endorsed the department's financial statements for the year ended 30 June 2012
- reviewed and endorsed the department's *Internal Audit Strategic Plan 2012–2015*, *Annual Audit Plan 2012–13*; and *Internal Audit Strategic Plan 2013–2016* and *Annual Audit Plan 2013–14*
- endorsed the ARMC Charter and the Internal Audit Charter for 2012–13 and 2013–14
- received regular reports on internal audit activities including audits and reviews completed as part of the *Annual Audit Plan 2012–13*
- reviewed and considered the QAO Strategic Audit Plan and QAO Client Strategy for the department

- considered the scheduling, status and findings of QAO financial and assurance audits
- oversaw the implementation status of internal and external audit recommendations
- endorsed the department's *Risk Management Framework 2012* and received regular reports on the department's risk status
- endorsed the department's *Fraud and Corruption Control Plan 2012*.

The ARMC met on three occasions during 2012–13. The ARMC considers that it has observed the terms of its charter and has had due regard to Queensland Treasury and Trade Audit Committee Guidelines.

External security

The Auditor-General's *Report 8: 2012–13, Online Service Delivery* was tabled in the Queensland Parliament in March 2013. The report notes that strong and growing demand exists for online public sector services, with the benefits of online services including reduced transaction time, with customers being able to conduct activities any time, any place and on any device. The audit examined the use of online services by the public sector and whether the public sector is optimising information technology for these services.

The report stated that the public sector is not meeting the increased customer expectations of more online services, and that public services cost more to deliver than they need to and that the public incur higher transaction costs when dealing with the public sector. There is no central strategy at the state level to guide departments to align their

channel capabilities with services and customer expectations. Generally, departments lack systems to accurately record and monitor the cost of service delivery across different channels. The One Stop Shop program is intended to create a customer-centric service delivery model, across the public sector focusing on the customers' perspective.

The department supports the whole-of-government One Stop Shop agenda and is working with Shared Services Queensland, on their creation of an agency roadmap to ensure consistency. We have completed 11 service profiles and validated the volumes of those services in preparation for the commencement of mapping.

The Auditor-General's *Report 9: 2012-13, Fraud risk management* was also tabled in the Queensland Parliament in March 2013. The audit examined whether agencies are effectively managing fraud risks and assessed the control measures for preventing, detecting and responding to fraud. Whilst the department was not part of the audit assessment, recommendations are directed to all agencies to help improve fraud resistance.

The department has undertaken a review of its fraud and corruption controls concluding that the department has a sound internal control framework and appropriate policies, procedures and internal control processes in place. The department has a current *Fraud and Corruption Prevention Plan* in place, with the annual review of this plan underway. We have also commenced action in regard to a self-assessment of fraud risk and Corporate Services have commenced development of a data analytics capability.

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 Parliamentary Committees such as Estimates Committees and the Public Accounts and Public Works Committee
- the Queensland Integrity Commissioner
- the Coroner.

Internal audit

Internal Audit provides independent and objective advice directly to the Director-General. Through its assurance activities, Internal Audit aids the Director-General in the discharge of his statutory functions and duties as accountable officer.

The scope of internal audit coverage is set out in the *Strategic Internal Audit Plan 2012-15*. This plan follows a risk-based methodology, balancing emerging issues against reviews of core business and transactional processes.

Following the MOG changes in mid 2012, the Internal Audit Charter and Strategic Audit Plan/Internal Audit Plan were repositioned for the department for 2012-13. During 2012-13:

- Internal Audit operated under an ARMC-endorsed and Director-General approved charter consistent with accepted auditing and ethical

- standards, including the International Professional Practices Framework approved by the Institute of Internal Auditors and better practice guidance provided by the Australian National Audit Office
- systems were in place to ensure the effective, efficient and economical operation of the function, including the oversight role of the ARMC and regular performance reporting of progress
 - the internal audit function was independent of management and the authorised auditors, with direct responsibility to the Director-General on all audit related matters
 - the approach taken to identifying any significant operational and financial risk and mitigation strategies was via periodic review of the department's risk register, conversations with management, results of audits and participation in ARMC discussions regarding the department's management of risk
 - Internal Audit has followed Queensland Treasury and Trade Audit Committee Guidelines.

Ms Jo Buckley CA B.Com has been the Head of Internal Audit since late September 2012.

Achievements of Internal Audit during 2012–13 include:

- providing advisory services to the department in order to improve risk management, control and governance, and improve business operations
- completing audits and reviews as per the approved annual audit plan, resulting in appropriate management recommendations for improving

governance processes and business operations

- proactive follow-up with management regarding their timely implementation of internal and external audit recommendations
- providing of secretariat services as outlined in the ARMC Charter
- adopting a co-sourced service delivery model for the provision of an effective internal audit function.

Information systems and recordkeeping

Good recordkeeping practices assist the department to efficiently capitalise on departmental knowledge and experience. It also supports consistency, continuity, efficiency and productivity in customer service and in program delivery, management and administration.

DSDIP maintains best practice records management policy, procedures and systems including an electronic document records management system (eDRMS) to capture, maintain and protect the accuracy and reliability of its records for as long as they are required to support business, regulatory, social and cultural needs.

Our department is committed to meeting our responsibilities under the *Public Records Act 2002*. Our record keeping policy protects the department's information assets and ensures that departmental records are the basis for organisational accountability, current and future policy formation and management decision-making. It supports compliance with legislative and regulatory requirements and documentation of departmental

activities, developments and achievements. Records protect the interest of the department and the rights of employees and customers. Records kept as archives also form part of the department's information assets and the state's cultural heritage.

Our records management approach includes:

- implementing and maintaining a records management framework that includes clear and concise policy, procedures and work instructions
- managing programs and recordkeeping systems that comply with legislation and government directives including collaboration and sharing of tools
- implementing paper-light approaches to records management including digitisation and electronic processing of information
- establishing realistic performance goals and effective monitoring programs
- leading cultural reform across the department by creating supportive recordkeeping awareness resources and system training to proactively provide staff with assistance, guidance and awareness of legislative responsibilities
- retaining and disposing of public records in accordance with the *Public Records Act 2002* and the General Retention and Disposal Schedule for Administrative Records.

The department uses TRIM as an eDRMS that provides secure, effective and efficient management of correspondence, documents and records.

The department also uses the whole-of-government SAP system for financial management and the Aurion system for human resource management.

Governance – human resources

Workforce planning, attraction and retention, and performance

As at 30 June 2013, our department had 831 full-time equivalent staff with a head count of 868. The average age of our male employees is 46 years and our female average age is 40. Full-time and part-time staff make up 76 per cent of the department's permanent staff.

The annual retention and permanent separation rates for the 2012–13 financial year are 61.5 per cent and 20.6 per cent respectively. This is due largely to voluntary redundancies.

Figure 1 Staff annual earnings, showing the proportion of male and female staff in earnings ranges for 2012–13

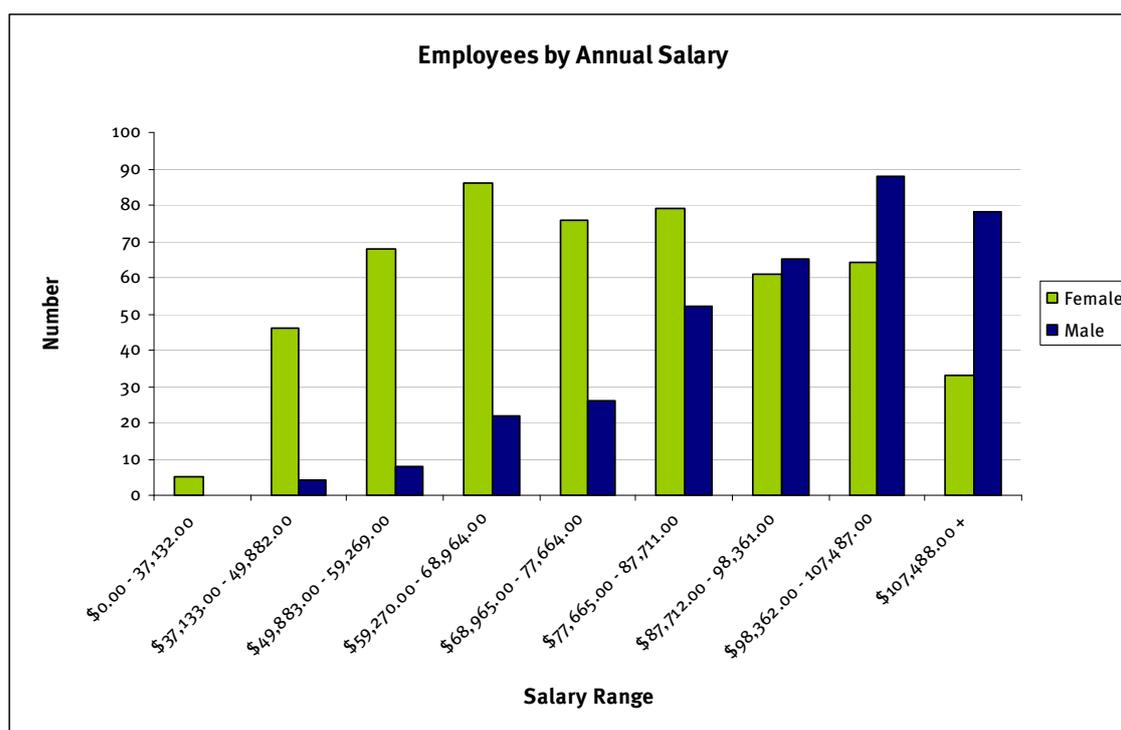


Figure 2 Representation of workforce target groups as at 30 June 2013

Key groups	Head count	Percentage of workforce 2012–13
Men	343	39.8%
Women	518	60.2%
Non-English speaking background	56	6.5%
Aboriginal and Torres Strait Islander people	20	2.3%
People with a disability	22	2.6%

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 2012–13, DSDIP continued with its business alignment strategies, which resulted in efficiencies being gained via structural and functional realignments. 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. Closer scrutiny of staff appointments was managed via an Establishment Management Program.

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 work to identify business critical roles and to embed workforce planning into business plans. Business units critically review workforce needs and skills and align workforce planning with business and government priorities to ensure a flexible workforce and efficient service delivery. Succession strategies for critical roles include building internal talent through capability development, relieving opportunities and mobility programs.

Employee performance management framework including induction and development

The induction process for all new employees and their managers provides broad information about DSDIP and

explains expected behaviours and performance. It includes links to the department's intranet, which provides all required information on our department's structure and key personnel, conditions of employment, behaviour at work, safety at work and keeping information secure.

Managers are required to utilise the induction kit guidelines to conduct local business unit level induction over a three month period, which 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. Where required, customised in-house induction workshops are also delivered.

DSDIP is adopting a more practical and timely approach to the management of performance for the benefit of both the department and its employees. Our Human Resources branch is currently reviewing the Performance Management Framework to ensure it is consistent with the Public Service Commission (PSC) direction to streamline performance management processes. The refreshed performance framework will contain a range of practices which appropriately support effective performance management and will be embedded into our core business.

Industrial and employee relations framework

As well as maintaining existing policies, our department reviewed its policy framework to ensure policies are relevant and consistent with industrial implements and government policy. The

department's consultative committee met on a number of occasions in 2012–13, in particular to discuss the implementation of a new organisational structure for the department and its potential impact on staff.

The department was a party to two industrial disputes lodged with the Queensland Industrial Relations Commission. These were in relation to a whole of sector dispute regarding the entitlements of temporary employees on termination and a dispute seeking more detailed consultation about an intended change to the department's organisational structure.

During 2012–13 there were no disciplinary actions taken by the department and no employees were suspended. There were three employee complaints lodged—two were found to be unsubstantiated; one was substantiated and resolved by management action.

Developing our workforce

In 2012–13 our department provided access to a suite of sector-wide and in-house development programs and activities aligned to the PSC's capability and leadership framework. Specific areas addressed included business planning, complaints management, culture-wise practice, ethical and good decision-making, financial management essentials, governance and risk management, recordkeeping awareness, panel and recruitment selection, performance management, parliament, team building, and writing skills.

Study and research assistance was accessed by a number of staff to gain or improve qualifications in role-related capabilities including masters and bachelor degrees.

Injury and claims management

DSDIP works 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 for all staff, thus reducing worker's compensation costs. The systems in place include:

- timely incident reporting and implementation of appropriate preventative actions
- prompt intervention when issues are reported
- emergency management training and effective communications and information awareness strategies.

Health and wellness initiatives

Our department provides an environment that protects the health and safety of everyone in our workplace.

In 2012–13, health and wellness initiatives included:

- corporate games participation
- ergonomic and posture care assessments
- flu vaccination program.

Safer and healthier workplaces audit

We conducted an analysis of the department's compliance with workplace health and safety statutory requirements. Following this audit a revised *Workplace Health and Safety Plan* was developed with attention on compliance related activities. A full review of emergency management arrangements, including emergency teams and training, was undertaken. Revised policy, procedures and forms have also been published on the department's intranet.

Work and life balance initiatives

The department provides work and life balance options to assist employees. Employees can access flexible hours of work arrangements and various leave types for a range of reasons such as study, travel, parental, care for immediate family or household members during illness or unexpected emergencies, personal and professional development, cultural leave to attend an Aboriginal or Torres Strait Island ceremonies, career break or on emergency or compassionate grounds.

Other options available to address employee work and life balance needs include: compressed working week, part-time arrangements, job sharing and telecommuting.

The department provides employees with access to facility space that can be used for carers and breastfeeding.

Early retirement, redundancy and retrenchment

A program of redundancies was implemented during 2012-13 and 134 employees received redundancy packages at a cost of \$8 904 779. The 16 employees who did not accept an offer of a redundancy were offered case management for a set period of time, where reasonable attempts were made to find alternative employment placements. Twelve employees were permanently placed, two employees have secured long-term temporary engagement, and two are yet to be placed. At the conclusion of this period, and where it is deemed that continued attempts of

ongoing placement are no longer appropriate, employees yet to be placed will be terminated and paid a retrenchment package. During the period, no employees received retrenchment packages.

Voluntary Separation Program

A Voluntary Separation Program was implemented during 2011-12. The program ceased during 2011-12. No employees received a voluntary separation package during 2012-13.