

About our department

Introducing Environment and Science

The Department of Environment and Science (DES) works with government, stakeholders and communities to achieve a better environmental, economic and social future for Queensland. We are responsible for:

- protecting and sustainably managing Queensland's environment and natural, cultural and heritage values
- safeguarding the state's environmental values, and reducing impacts from environmental harm
- promoting the development of, and engagement with, science, heritage and the arts.

Our vision is for our environment, science and the arts to enrich Queenslanders' lives now and into the future.

We are the custodian and joint manager of approximately 13 million hectares of protected areas and forests; and we facilitate the protection of 3.8 million hectares of nature refuges.

In conjunction with the Australian Government, we also manage 356,000 square kilometres of Great Barrier Reef and state marine parks. We also manage 12,000 square kilometres of declared fish habitat areas.

Queensland's national parks and forests attract 50 million domestic and 8 million international visitors each year, including 1.4 million guests in overnight camper stays.

Our state-owned arts and cultural facilities attract more than 7 million visitors annually.

We monitor legislative and regulatory compliance relating to the impact of industrial or commercial

activity on the environment, regulating over 17,500 sites under environmental authorities. This number comprises all locations where an environmentally relevant activity is being undertaken, as well as mobile and temporary environmentally relevant activities.

We provide comprehensive digital maps and information systems to Queensland businesses, industry and individuals that support sound decision making, with 132,150 maps downloaded in 2017.

We've collected and curated, at the Queensland Herbarium, over 860,000 plant specimens representing 150 years of species discovery to support the management of the state's mega biodiversity.

We recognise our important role as stewards of our beautiful natural environment, particularly the Great Barrier Reef, and cultural and built heritage, to ensure these unique assets are protected and sustainably managed for future generations to enjoy.

We monitor, as part of the Great Barrier Reef Catchment Loads Monitoring Program, water quality at 43 sites across 20 key catchments for sediment and nutrients and 20 sites for pesticides to inform the health of the Great Barrier Reef.

We make a notable contribution to Queensland's economic prosperity through enabling ecologically sustainable development, facilitating eco, nature-based, heritage, arts and cultural tourism, and investing in and supporting the science and arts sectors.

We enrich Queensland's social and community life through supporting vibrant cultural experiences, protecting significant heritage places and facilitating opportunities to connect, recreate and re-energise in our stunning natural landscapes and marine environments.

We engage, collaborate and partner with a diverse range of stakeholders, including the Australian Government, other Queensland Government agencies, local government, industry groups, Traditional Owners and Aboriginal and Torres Strait Islander peoples, research and educational bodies and local communities.

Machinery-of-government changes

DES was established in December 2017 under the *Public Service Act 2008*, Part 2, Division 2 – Administrative Arrangements Order (No.3) 2017.

As a result of the machinery-of-government changes, the former Department of Environment and Heritage Protection was renamed Department of Environment and Science.

DES brings together Environment, Heritage Protection, National Parks, Science and the Arts. The new department provides an opportunity to capitalise on, and harness, the inherent synergies and combined capability.

Incoming and outgoing divisions or functions

The following table outlines those divisions or functions that form the new department. There were no functions that left the department as a result of the machinery-of-government changes.

Joined the department	Left the department
Arts Queensland 12 December 2017	
Corporate Administration Agency – 12 December 2017	
Queensland Parks and Wildlife Service – 12 December 2017	
Office of the Queensland Chief Scientist – 12 December 2017	
Science – 12 December 2017	

Related annual reports

The following table outlines where the financial statements for the incoming functions can be located for the period 1 July 2017 to 12 December 2017.

Division/function and reporting period	Related annual report
Arts Queensland – 1 July 2017 to 12 December 2017	Department of the Premier and Cabinet 2017–18
Corporate Administration Agency – 1 July 2017 to 12 December 2017	Department of the Premier and Cabinet 2017–18
Queensland Parks and Wildlife Service – 1 July 2017 to 12 December 2017	Department of National Parks, Sport and Racing Final Report 2017
Office of the Queensland Chief Scientist – 1 July 2017 to 12 December 2017	Department of Science, Information Technology and Innovation Final Report 2017
Science – 1 July 2017 to 12 December 2017	Department of Science, Information Technology and Innovation Final Report 2017

The financial statements for the Environment and Heritage Protection functions of the department are reported for the full 1 July 2017 to 30 June 2018 period within this Annual Report.

Outgoing divisions or functions – non-financial performance information

No functions have been transferred out of DES.

Our strategic direction

During the reporting period, Environment, Heritage Protection, National Parks, Science and the Arts were focused on:

- conserving nature at both the species and landscape levels
- protecting the Great Barrier Reef
- ensuring that Queensland's outstanding parks and forests are protected, enjoyed and cherished
- avoiding, minimising or mitigating negative impacts on the environment
- growing the arts sector and foster a community that values the arts
- protecting significant heritage places
- advancing Queensland through innovation
- improving services for government
- providing efficient, responsive and integrated services
- a cohesive, capable and agile, customer-centric organisation delivering public value
- maintaining a high-performing workforce
- improving our organisation.

As the newly formed Department of Environment and Science, we have identified the following objectives:

- protection measures through robust policy, standards and insight
- partnerships that assist betterment of natural and cultural assets
- appropriate community and industry behaviours through targeted advice and regulation
- stewardship fostered through investment and collaboration
- high-performing organisation delivering value to the community.

Our operating environment

Our department works with government, stakeholders and communities to achieve a better environmental, economic and social future for Queensland. Environmental factors impacting on the department include:

- the imperative to secure Queensland's future through planning to mitigate and adapt to climate change, including the impacts on the Great Barrier Reef
- digital transformation, including artificial intelligence, mobility, social media and data analytics
- knowledge management, creating opportunities to transform our customer experience and the way we do business.

Challenges identified from these environmental factors include:

- balancing environmental protection with economic development
- building and maintaining agility to anticipate and respond to emerging trends and issues, and to balance a future focus with current demands
- adapting our service delivery models and workforce profile to respond to major economic and social shifts brought about by technological transformation, and government and community expectations.

This, however, presents us with opportunities to:

- provide stewardship for future generations through early engagement in the environment, science and the arts
- transform our customer experience and the way we do business through new digital technologies
- collaborate and build partnerships beyond traditional boundaries—global, government and community—to deliver best practice and solutions to complex problems.

In June 2018, the Queensland Government's new objectives for the community were tabled in the Legislative Assembly. Our department will contribute to priorities identified in *Our Future State: Advancing Queensland's Priorities*:

- Protect the Great Barrier Reef
- Create jobs in a strong economy
- Keep Queenslanders healthy
- Keep communities safe
- Give all our children a great start
- Be a responsive government.

Our leaders



Jamie Merrick

Director-General

As Director-General, Jamie leads the government's sustainability agenda in relation to Queensland's environment, national parks and heritage; and ensures the delivery of robust scientific services and a vibrant and sustainable arts sector in Queensland.

Under the *Financial Accountability Act 2009*, the Director-General is accountable to the Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts for the efficient, effective and financially responsible performance of the Department of Environment and Science.



Tony Roberts

Deputy Director-General, Environmental Policy and Planning

Tony is responsible for the development and review of policy and legislation to support the Queensland Government's environment and heritage agenda. Tony leads the department's environmental legislation and policy priorities in relation to: climate change; water quality; the Great Barrier Reef; waste management; delivery of the Container Refund Scheme and ban on lightweight plastic bags; sustainable planning and development; coastal management; built heritage; air and chemicals; environmental protection and State of the Environment reporting. Tony also leads the Office of the Great Barrier Reef, which is responsible for coordinating the implementation of Great Barrier Reef programs and investment across the Queensland Government.



Dean Ellwood

Deputy Director-General, Environmental Services and Regulation

Dean leads the department's regulatory program, ensuring that it is targeted, consistent and transparent in its facilitation of sustainable development and strong environmental performance. Dean ensures that relevant frameworks and service delivery mechanisms are in place to support both the implementation of legislation and policy and environmental assessments for development and resource projects across the state. Dean is also responsible for managing environmental risks through a proactive compliance and enforcement program, which includes 24/7 issues reporting mechanisms and incident response networks, and strong litigation capabilities to respond to serious breaches.



Ben Klaassen

Deputy Director-General, Queensland Parks and Wildlife Service

Ben leads the management of Queensland's parks and forests in partnership with Traditional Owners, protecting natural and cultural values, supporting sustainable use of these areas and providing nature-based and eco-tourism opportunities. He is also responsible for the operational delivery of the Great Barrier Reef Joint Field Management Program, in partnership with the Australian Government, to protect and maintain the marine and island ecosystems of the Great Barrier Reef.



Wade Oestreich

Deputy Director-General, Protected Area Innovation, Engagement and Policy

Wade is responsible for leading the department's policy development and engagement functions as they relate to Queensland's protected areas. He also leads the department's innovation function which is aimed at embedding innovative culture and practices. Wade is also responsible for the coordination and oversight of the development of commercial ecotourism facility proposals, including building more collaborative partnerships with the Department of Innovation, Tourism Industry Development and the Commonwealth Games and the Queensland tourism industry.



Kirsten Herring

Deputy Director-General, Arts Queensland

Kirsten oversees the activities of Arts Queensland, including the Queensland Government's investment in the South Bank Cultural Precinct, the funding of the major arts companies, the corporate governance support for the state's arts statutory bodies and government-owned companies, and the delivery of the arts investment and infrastructure funding programs.



Rob Lawrence

Deputy Director-General, Corporate Services

Rob is responsible for leading the delivery of corporate services within the department under the Business and Corporate Partnership model. These services include finance, asset management, human resources, corporate communications, and governance and strategy. Corporate Services includes the delivery of procurement, right to information, privacy and internal audit services to multiple departments.

This also involves leading the delivery of corporate performance and reporting, integrity and governance frameworks.



Mark Jacobs

Acting Assistant Director-General, Science

Mark leads the Science Division, which provides environmental, natural resource and climate scientific and technical advice and services to government agencies to underpin their decision-making and legislative responsibilities.

The division, in close collaboration with the Office of the Queensland Chief Scientist, also informs Queensland Government's science policy and provides strategic leadership for the government's investment in science.



Nick Weinert

Acting Deputy Director-General, Conservation and Sustainability Services

Nick is responsible for the implementation of programs to conserve and enhance the health of the state's natural environment and managing the interaction between people and protected species. Nick is also responsible for promoting the sustainable management of Queensland's terrestrial and marine biodiversity values and wetlands, oversight of World Heritage management (with the exception of the Wet Tropics of Queensland and Great Barrier Reef World Heritage Areas), litter and illegal dumping programs, conservation grants and the Queensland Indigenous Land and Sea Ranger Program.



Christine Williams

Acting Queensland Chief Scientist

Christine is responsible for providing leadership in science policy development and implementation and provides high-level, strategic advice to the Queensland Government on the role of science, research and innovation in meeting the state's economic challenges.

The Queensland Chief Scientist is a whole-of-government position that also provides advice on maximising opportunities from the government's investment in research and development.

Our services

Our department delivers its services through the following six service areas:

Environmental protection services

Environmental protection services works to avoid, minimise or mitigate negative impacts on the environment, through the design, application and monitoring of strategic direction, standards and regulations that guide the operation and control the activities of businesses, individuals, and state and local governments.

Species and ecosystem protection services

Species and ecosystem protection services focuses on ensuring the diversity and integrity of Queensland's natural ecosystems are preserved, the conservation status of native species is maintained or enhanced, the use of native species is adequately controlled, and negative interactions between humans and wildlife are minimised.

Heritage protection services

Heritage protection services focuses on protecting the state's significant historical cultural heritage in line with key directions in the *Queensland Heritage Strategy: protecting, investing in and connecting Queensland's story*. This service area ensures that the value of Queensland's heritage is conserved and its value is promoted for present and future generations.

National parks

National parks focuses on managing our parks and forests to sustain natural and cultural values, building environmental resilience to ensure healthy species and ecosystems, facilitating nature-based and ecotourism, recreation and heritage experiences, and delivering joint field management in the Great Barrier Reef in partnership with the Australian Government.

Science

Science focuses on providing support for science and research partnerships in Queensland, and providing trusted scientific knowledge, information and advice to support the achievement of government priorities.

The service area collaborates with the Office of the Queensland Chief Scientist, which is responsible for informing the development of science strategy across government; leading science engagement and communication on a range of issues, including science, technology, engineering and mathematics (STEM) education; and promoting Queensland science.

Arts Queensland

Arts Queensland focuses on supporting a vibrant and sustainable arts and cultural sector that delivers on the Queensland Government's Advancing Queensland's Priorities.

This is achieved through Arts Queensland's management of investment programs that support individual artists and arts and cultural organisations; support of capital infrastructure that provides public spaces for arts production and engagement; maintenance of Queensland's premier cultural assets; and the provision of arts and cultural policy and strategy advice to the Queensland Government.

Our contribution

The department contributes to the Queensland Government's objectives for the community which focus on four key areas:

Protecting the environment by:

- reducing Queensland's contribution to climate change and the delivery of transition and adaptation programs
- improving water quality through the Queensland Reef Water Quality Program
- delivering field management of the Great Barrier Reef Marine Park jointly with the Australian Government
- identifying and investigating allegations of non-compliance against Queensland's environmental laws
- conserving nature and heritage, managing parks and forests, protecting marine and island ecosystems
- providing opportunities for children to learn about and experience the natural environment and cultural and heritage values
- undertaking best practice science to inform our decision making
- ensuring that the best available science and applied technical innovations are used to provide credible, evidence-based information to support decision making.

Creating jobs and a diverse economy by:

- facilitating sustainable development
- identifying opportunities to support growth in eco, nature-based, heritage, arts and cultural tourism
- supporting partnerships with Traditional Owners for services on protected areas and for land and sea management
- building and maintaining park management
- ensuring safe, productive and fair workplaces
- ensuring our science investment supports high-skilled knowledge jobs and transitions to a knowledge-based and low-carbon economy
- managing Queensland's major arts and cultural assets
- supporting and growing individual artists, arts and cultural organisations.

Delivering quality frontline services by:

- providing safe sustainable and enjoyable visitor experiences
- monitoring and regulating for clean and healthy air, land and water
- investigating and implementing innovative service delivery practices and technologies
- designing and delivering improved customer-focused services
- partnering with the research sector to leverage techniques, skills and resources
- supporting arts programs and developing science, technology, engineering and mathematics (STEM) learning pathways for young children.

Building safe, caring and connected communities by:

- promoting active recreation in parks and forests
- supporting life sciences sector research, technologies and arts engagement that improve health outcomes
- protecting urban and natural areas through fire management in parks and forests
- engaging, collaborating and partnering with Traditional Owners and key stakeholders
- responding to natural disasters and threats to the environment, including pollution
- managing interaction with dangerous wildlife such as crocodiles
- maintaining data systems and networks of air, water, storm tide and wave monitoring stations to ensure the health and safety of all Queenslanders
- advocating for Queensland research and its commercialisation for the economic, environmental and community benefit of the State
- working with local councils and communities to support access to quality arts and cultural experiences.

Our values



Customers first

- Know your customer
- Deliver what matters
- Make decisions with empathy



Ideas into action

- Challenge the norm and suggest solutions
- Encourage and embrace new ideas
- Work across boundaries



Unleash potential

- Expect greatness
- Lead and set clear expectations
- Seek, provide and act on feedback



Be courageous

- Own your actions, successes and mistakes
- Take calculated risks
- Act with transparency



Empower people

- Lead, empower and trust
- Play to everyone's strengths
- Develop yourself and those around you

Our government champion role

The Queensland Government is committed to increasing the capability of government to deliver innovative, efficient, effective and integrated services for Aboriginal people and Torres Strait Islander people across Queensland, particularly those who live in remote and discrete Indigenous communities. The Government Champions program brings together Chief Executives of departments and government ministers to partner with individual communities.

Our Director-General is the Government Champion for the Wujal Wujal community in Cape York, a role he has held since the program's inception in 2016. In close partnership with the Wujal Wujal Aboriginal Shire Council, Traditional Owners and the broader community, a number of initiatives have been progressed to help the community deliver its priorities. This has included the development of a Community Plan.

In the past 12 months, the community has been recognised for its achievements, particularly in the area of emergency management, through a number of awards:

- Employer Support Award from the Queensland Defence Reserves Support Council—Not for Profit category
- Local Government Managers Australia Queensland Awards for Excellence—Innovation category
- National Climate Change Adaptation Research Facility 2017-18 Climate Adaptation Champions Award—Government category
- 2018 National Awards for Local Government—Achieves Big Things in Small Communities category
- 2018 National Award for Excellence in Local Government



Image: Wujal Wujal Aboriginal Shire Council CEO Eileen Deemal-Hall and Director-General Jamie Merrick with the 2018 Employer Support Award trophy from the Queensland Defence Reserves Support Council.

Our summary of financial performance

This financial summary of the department's performance and position provides an overview of the key financial information for the year ended 30 June 2018. A complete view is provided in the financial statements included separately in this report.

This is the first set of financial statements for DES, that was created as a result of transfers of functions into the former Department of Environment and Heritage Protection pursuant to the Public Service

Departmental Arrangements Notice (No. 3) issued 12 December 2017. The financial information for 2017–18 includes operations for the whole year for the environment division of DES, whereas, in relation to operations that were transferred in (National Parks and Wildlife Service, Science, Arts Queensland and the Corporate Administration Agency), the financial disclosures are only for the period 13 December 2017 to 30 June 2018.

Financial performance snapshot

Table 1 Summary of financial results of the department's operations

Category	2018 Actual \$'000	2017 Actual \$'000	2018 Adjusted budget* \$'000
Total revenue	626,643	233,850	547,666
Total expenses	547,303	231,267	557,169
Other comprehensive income	56,269	-	-
Total comprehensive income	135,609	2,483	(9,503)

Table 2 Summary of financial position of the department

Category	2018 Actual \$'000	2017 Actual \$'000	2018 Adjusted budget* \$'000
Total assets	5,778,071	77,520	5,584,692
Total liabilities	91,186	26,918	59,693
Net assets/total equity	5,686,885	50,602	5,524,999

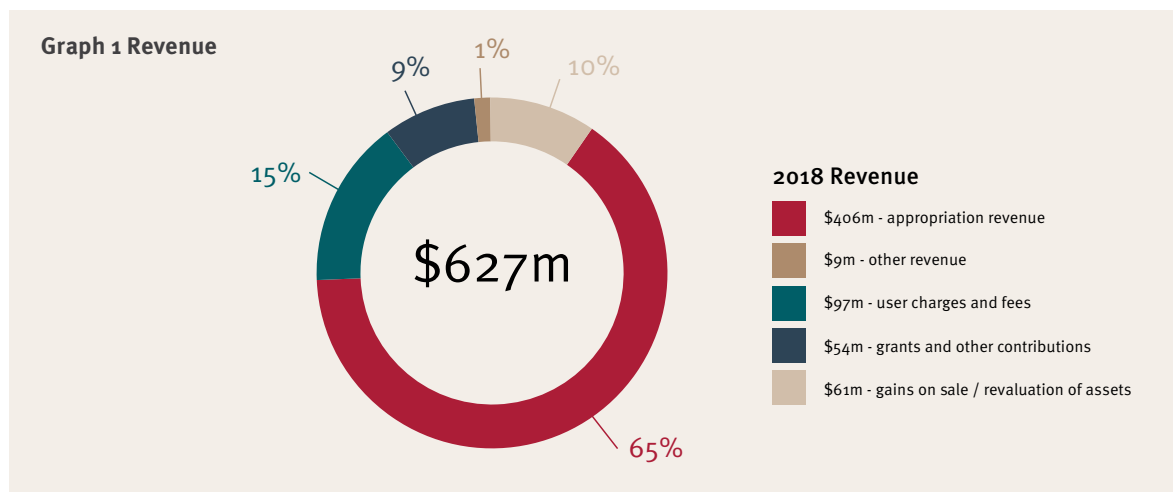
**the budget figures used for the annual financial statements represent the adjusted budget figures for the financial year as published in the latest Service Delivery Statements tabled in Parliament. The original budget figures were before machinery-of-government changes, and no longer serve as a useful basis to compare the department's actual results.*

Financial performance

Revenue

The primary source of the department's revenue is received as appropriation from the Queensland Government (65%). The department operated within its appropriated budget for the year. User fees and charges account for 15% of total revenue and consists of income streams associated with the issue of licences, permits and other fees

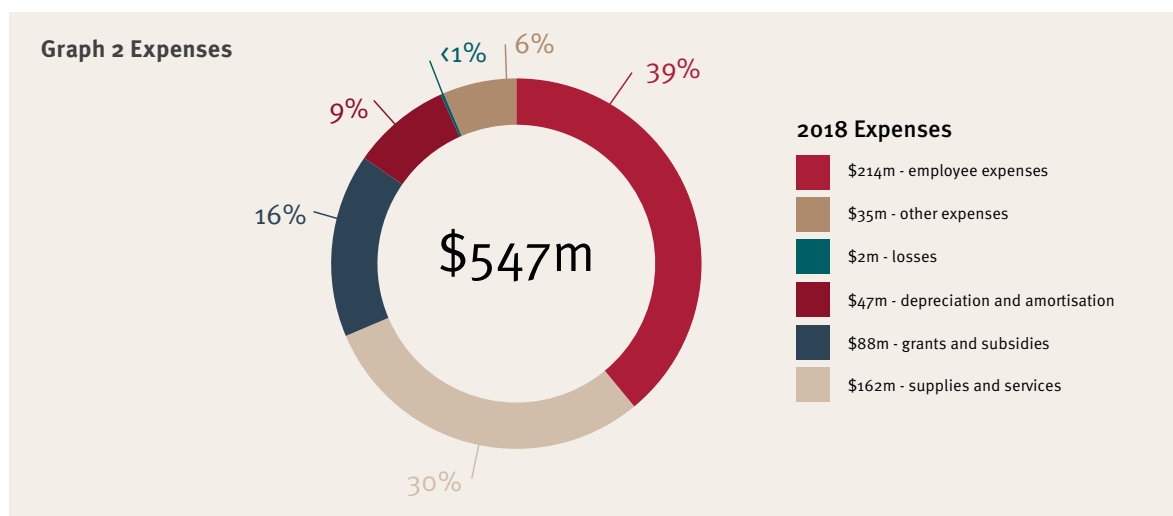
primarily for environmentally relevant activities and national parks. The department also received significant grant income from the Commonwealth and other external bodies. These include grants associated with managing the environment including restoration, climate change and the Great Barrier Reef accounting for a further 9% of the total income.



Expenses

The labour resourcing costs to administer departmental activities accounts for 39% of total expenditure. Machinery-of-government changes resulted in an increased full-time equivalent (FTE) from 1,211 in 2017 to 2,982 FTE at the reporting

date – a 146% increase. Accordingly, the Financial Statements report significant comparative variances from 2017 to 2018 for employee expenses. The department operated within the adjusted budget for this category.



The second largest expense category is supplies and services that represents 30% of all expenditure. This major expense types include IT costs, legal expenses, outsourced services/contractors, repairs and maintenance, and office accommodation needs for the department across the state.

The department also manages the allocation of grants for the purposes of environmental assistance and support for the arts, representing 16% of total

expenses. Of the \$87.1 million, 56% of grants paid supported the environment (\$48.6 million), while 37% supported the arts (\$32.5 million).

Furthermore, with a significant asset base of \$5.61 billion, depreciation and amortisation accounts for 9% of the total expenses.

Budget result

Table 3 – Summary of operating result for the year

Category	2018 Adjusted budget* \$'000	2018 Actual \$'000	Variance 2018 Actual to Adjusted budget \$'000
Total revenue	547,666	626,643	78,977
Total expenses	557,169	547,303	(9,866)
Operating result for the year	(9,503)	79,340	88,843
Reconciliation to Statement of Comprehensive Income			
Other comprehensive income	-	56,269	
Total comprehensive income	(9,503)	135,609	

The total revenue exceeded expectations largely in regard to new grant revenue received from external sources. The overall increase to actual revenue over budget was \$17.6 million (3% positive variance). Additionally, with the large transfer of assets, and subsequent revaluation and reconciliation of asset movements, a further \$61.4 million was identified as unbudgeted revenue. This increased the overall positive variance of \$79 million, an improvement of 14%.

All expenses were managed and kept within budget, however with the deferral of some programs as a result of timing differences to planned activities,

supplies and services were underspent resulting in approximately \$30 million deferred to future periods. Total expenses were \$9.9 million underspent resulting in an overall 2% positive variation to budget.

The operating result for the year is a surplus of \$88.9 million, against a predicted budget deficit of \$9.5 million.

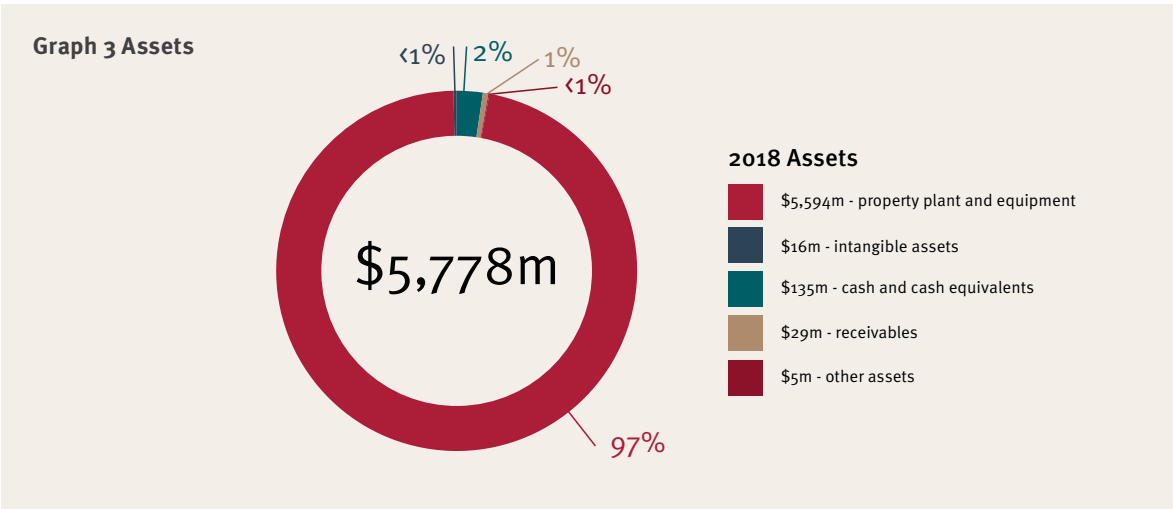
The difference between the actual operating result of \$79.3 million and the total result recorded for the Statement of Comprehensive Income of \$135.6 million is the increase to the asset revaluation reserve of \$56.3 million.

Financial position

Assets

For the reporting period, the total assets increased to \$5.778 billion from the 2017 amount of \$77.5 million as a result of transfers due to machinery-of-government changes. Property, plant and equipment (including intangible assets) represents 97% of total assets. During the year, the department applied a revaluation increase of \$117.6 million which

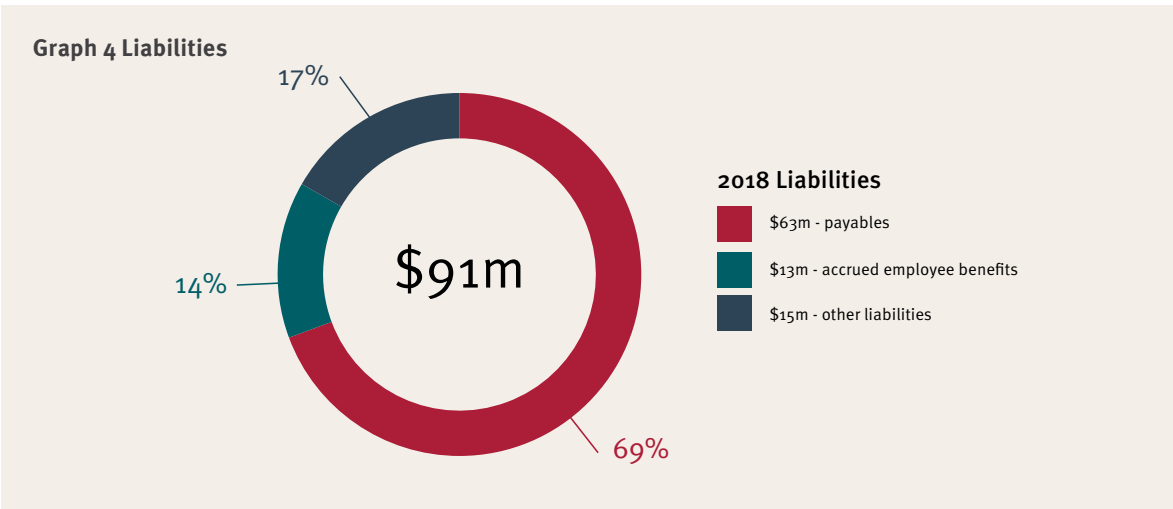
impacted more than 99% of national parks assets, principally in relation to road revaluations that occurred across the state. Additionally, the bank account (representing 2% of total assets) and other receivables (1%) also increased from \$41.8 million in 2017 to \$168 million in 2018.



Liabilities

The department's liabilities are predominately creditors representing 69% of the \$91.1 million owing at 30 June 2018. What is due to employees in relation to wages

due, annual leave and long service leave represents 14%, with the major item within other liabilities representing an advanced contribution of \$14.4 million.



Overall, the department's financial position is very healthy due to the large asset portfolio and no debt. Generally, the aim would be to have a current ratio of at least 1 to meet short-term commitments. The department's ratio of 1:1.8 is a key liquidity indicator and supports the view that the department has enough resources to meet its short-term obligations.

Administered

The department administers, but does not control, certain activities on behalf of the Queensland Government. The administrative responsibility resides with the department, however the monies are reported separately and outside of the department's controlled financial reporting. The department returns all monies received to Queensland Treasury and therefore records a balanced result for the year. Further information is contained within the notes to the Financial Statements.

Statement by the Chief Finance Officer

In accordance with the requirements of the Section 77 (2)(b) of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement confirming the financial internal controls of the department are operating efficiently, effectively and economically. This is also in conformance with Section 57 of the Financial and Performance Management Standard 2009.

The Chief Finance Officer has fulfilled the minimum responsibilities as required by the *Financial Accountability Act 2009*.