

Managing our department

Summary of financial management

The financial amounts summarised below reflect the department's key financial information for the year ended 30 June 2019. A complete view is provided in the Financial Statements which are included separately in this report.

The financial performance snapshot highlights the significant change to the department's operations since the machinery-of-Government (MoG) on 12 December 2017. The 2018-19 actuals represent the first full year of activities as a new department and are considerably higher than the comparative figures. The 2017-18 year actuals were affected by the MoG and only include

activities covering 12 months for the Environment services of the department and six months of all other services (Science, Arts Queensland, Corporate Administration Agency, and the Queensland Parks and Wildlife Service).

Overall, the department reported a net deficit for the year of \$64 million, compared to a surplus of \$135.6 million in 2017-18. The deficit position for 2018-19 was impacted by net revaluations of \$81.4 million, which is mainly attributable to road infrastructure asset valuation decreases. This was offset by an increase in grant revenue of \$26.5 million.

Financial performance snapshot

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

Category	2019 Actual	2018 Actual	Variance
	\$'000	\$'000	\$'000
Total revenue	1,002,063	626,643	375,420
Total expenses	1,043,422	547,303	496,119
Other comprehensive income	(22,669)	56,269	(78,938)
Total comprehensive income	(64,028)	135,609	(199,637)

Table 2 – Summary of financial position of the department

Category	2019 Actual	2018 Actual	2019 Budget
	\$'000	\$'000	\$'000
Total assets	5,694,086	5,778,071	(83,985)
Total liabilities	102,076	91,186	10,890
Net assets/total equity	5,592,010	5,686,885	(94,875)

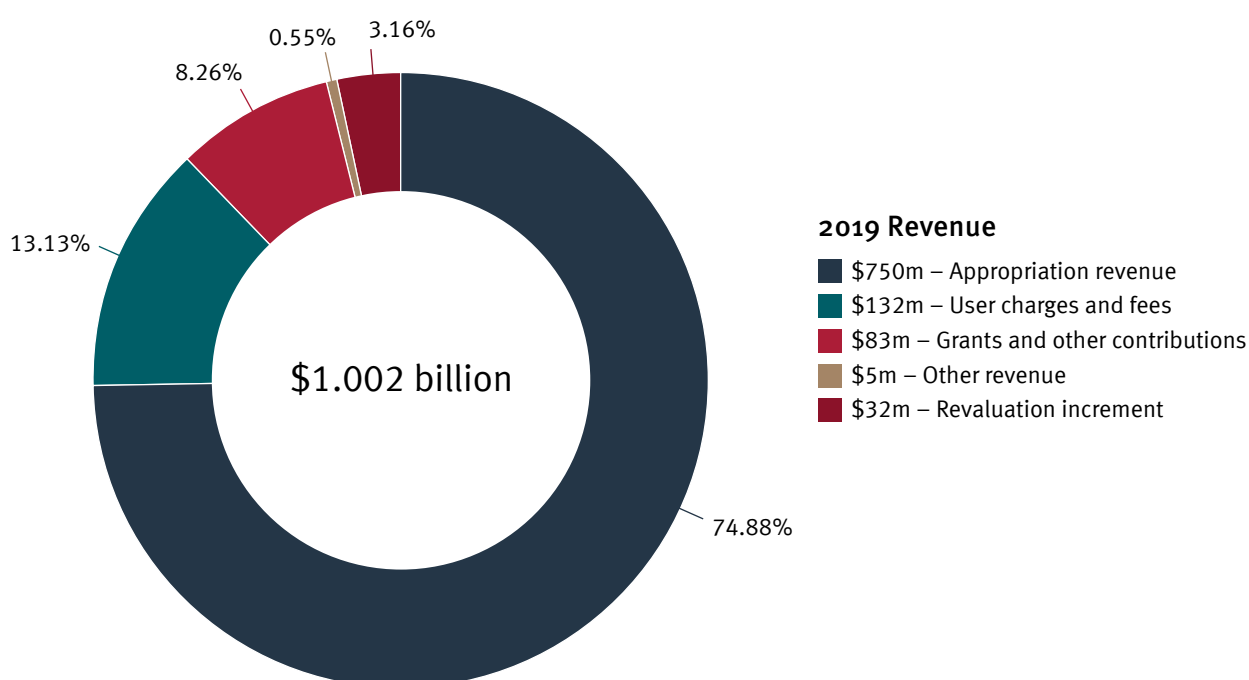
Financial performance

Revenue

The primary source of the department's revenue is received as appropriation from the Queensland Government which accounts for 74.88% of the department's total revenue. User fees and charges represents 13.13% 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 8% of the total income.

Graph 1 Revenue



Expenses

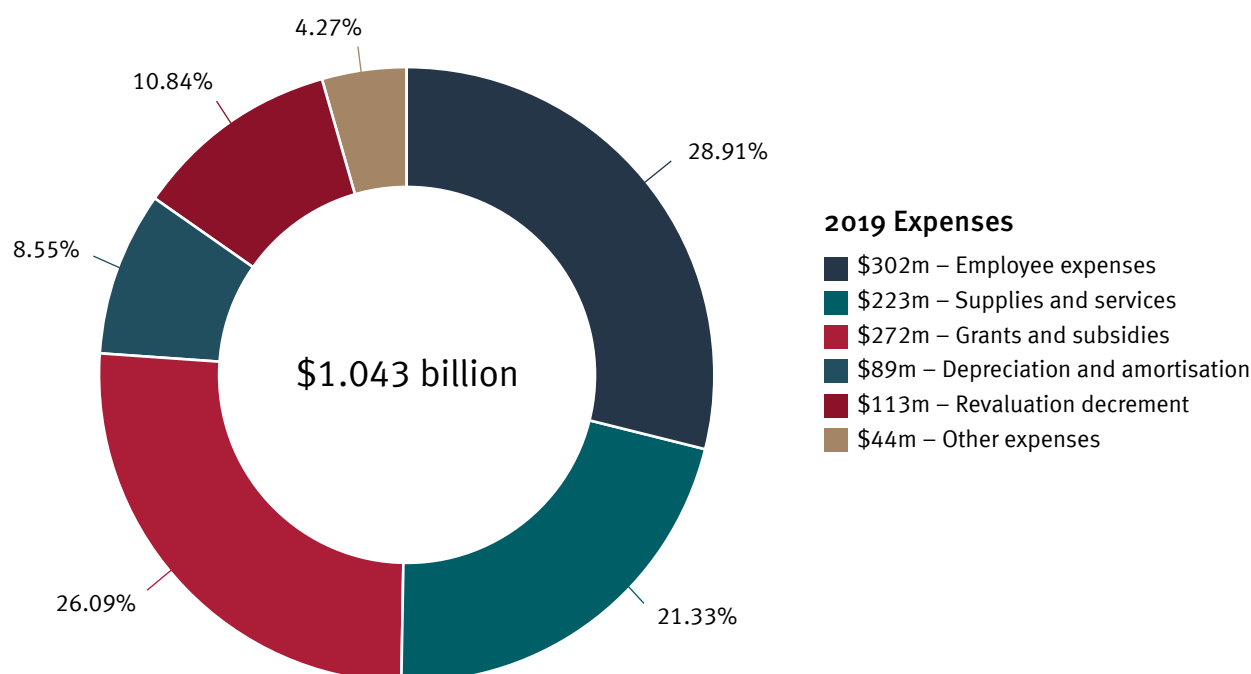
Labour costs to administer departmental activities accounts for 28.91% of total expenditure. The second largest expense category is grants and subsidies that represents 26.09% of all expenditure. With total grant and subsidies being \$272 million, 74% was paid to support the environment, totalling \$201.7 million. This includes \$143.5 million paid to Local Governments for Waste Levy compensation. Grants paid to support the Arts was over \$52 million.

Supplies and services represents 21.33% of all expenditure.

The major expense types include information technology costs, legal expenses, outsourced services/contractors, repairs and maintenance, and accommodation needs for the department across the state.

Furthermore, with a significant non-current asset base of \$5.49 billion that represents property, plant, equipment and intangibles, the department incurred a significant revaluation decrement (10.84% of total expense) that related to road infrastructure within Queensland National Parks. Depreciation and amortisation accounts for 8.55%.

Graph 2 Expenses



Budget result

Table 3 – Summary of operating result for the year

Category	2019 Budget	2019 Actual	Variance 2019 Actual to Budget
	\$'000	\$'000	\$'000
Total revenue	820,662	1,002,063	181,401
Total expenses	824,855	1,043,422	218,567
Operating result for the year	(4,193)	(41,359)	(37,166)

Total revenue exceeded expectations by 22%, largely due to the timing of appropriation received for payments to local councils to compensate for Queensland Waste levy costs, which resulted in a \$111.5 million variance. The department also had a positive variance for grants and other contributions primarily due to unbudgeted income from environmental offsets of \$26.5 million, and funding from the Queensland Reconstruction Authority for the restoration of departmental assets as a result of natural disasters. Revaluation adjustments are not budgeted for but impacted total revenue by a further \$31.7 million.

Total expenditure exceeded budget figures by 26%. This variance predominantly related to the grants made to local councils for the commencement of the Queensland Waste Levy (\$111.5 million). The remaining variance is reflective of the revaluation decrement of \$113.2 million. As revaluation adjustments are not budgeted for, this is the contributing factor to the net overall budget variance of \$37.2 million.

Financial position

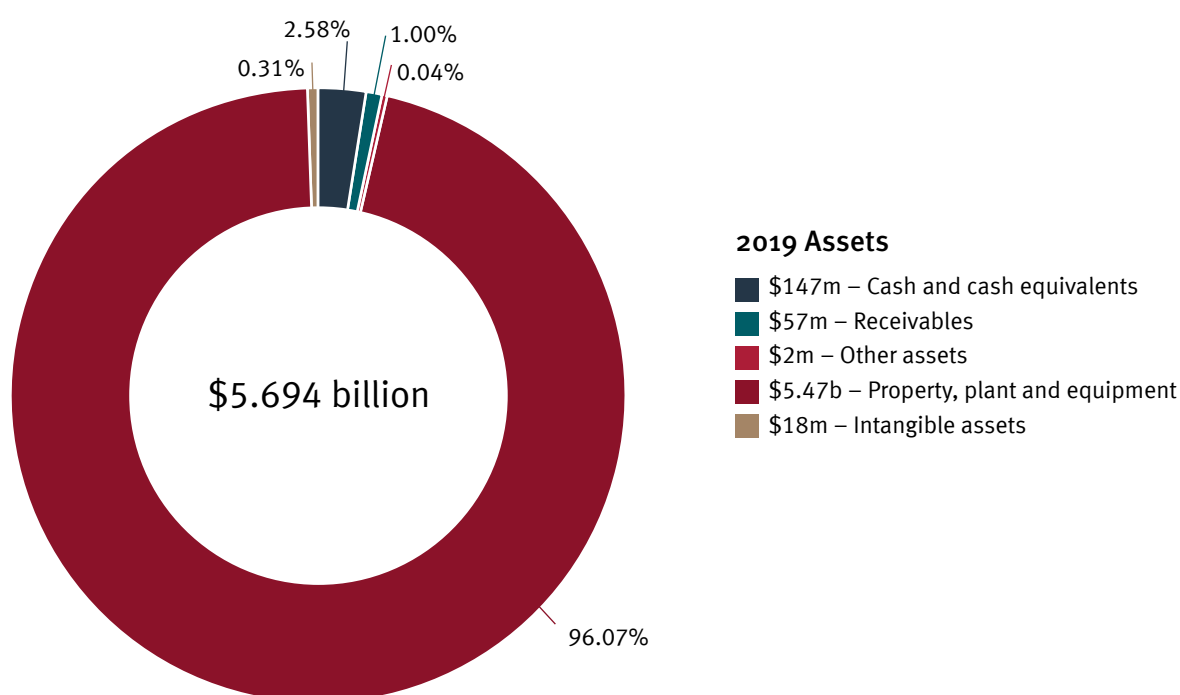
Assets

Assets were steady with only revaluation adjustment resulting in a slight decrease to the total asset position at 30 June 2019 of \$5.694 billion. With road infrastructure representing more than \$2.8 billion of the total assets, the department is continually reassessing use and lengths of road infrastructure to improve asset assessment and valuation outcomes. The department

annually endorses the Road Infrastructure Valuation Program that supports a sound methodology to apply for overall road category assessment.

In addition, both the cash and other receivables were impacted by the Container Refund Scheme loan of \$35 million which assists CoEx to make payments to operators of container refund points.

Graph 3 Assets

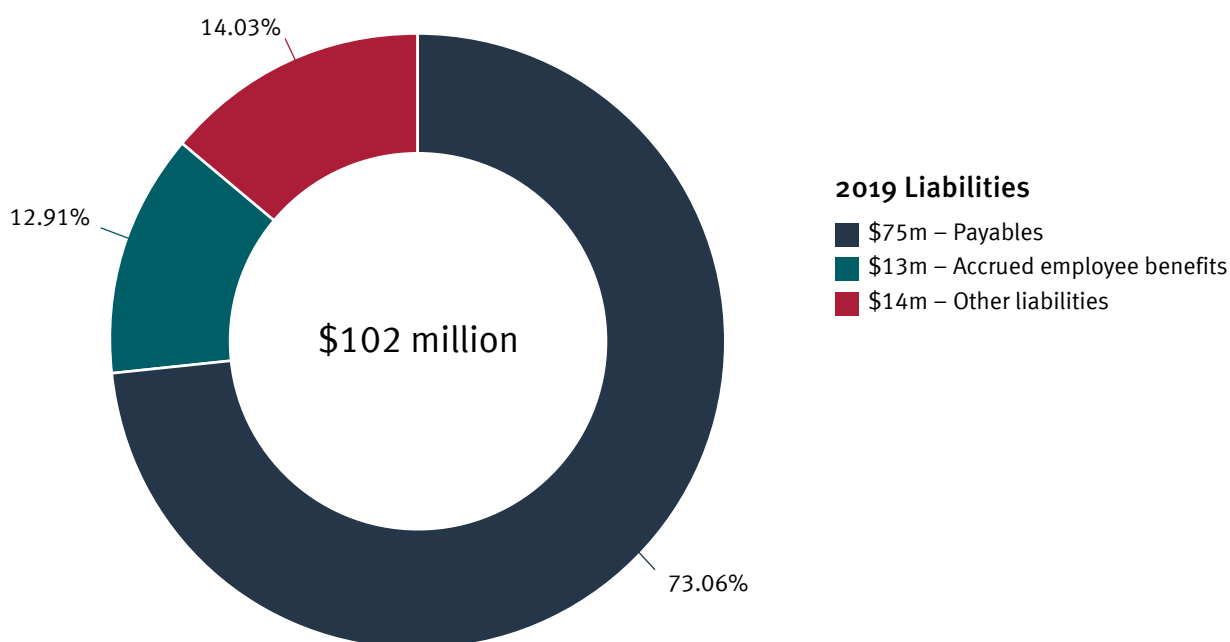


Liabilities

The department's liabilities are consistent with the prior year results representing \$102 million at 30 June 2019. Payables are the major contributor representing 73.06% of total liabilities. The department also has \$13.2 million

of accrued employee entitlements which is due to employees for wages, annual leave and long service leave. Other liabilities represents 14.03%, with the major item representing an advanced contribution of \$13.8 million.

Graph 4 Liabilities



Overall, the department's financial position is very healthy due to the large asset portfolio and minimal liabilities.

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 record 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*.

Corporate governance

Our corporate governance framework sets the department's direction and performance oversight arrangements.

The framework is based on the Australian National Audit Office *Public Sector Governance guides* and *Australian Standard AS 8000-2003 Good Governance Principles*. It is aligned with the Queensland Government Performance Management Framework and the Queensland Audit Office's *Leading Accountability – Governance*.

The department obtains information about its operational and financial performance through its performance management framework, governance structure and financial systems.

Ethics and accountability

The department recognises that employment in the public service is a position of trust and, as such, we hold ourselves to a high standard. We ensure our staff are aware of the importance of ethical decision-making and accountability as key factors in strong performance and effective governance. Our strategies, plans, systems and procedures promote a culture of integrity. Together with ethics-focused training, they help staff undertake their roles in an impartial and apolitical manner. Our ethics resources and strategies include:

- Code of Conduct for the Queensland Public Service 2011—the standard for ethical behaviour expectations
- Code of Conduct online training—mandatory for all staff at induction and annually
- fraud and corruption awareness training—mandatory at induction and regular refreshers
- dedicated ethics intranet page—including ethics resources for managers and staff
- information on the department's website for staff and public—includes how to report alleged wrongdoing by employees, right to information, complaints handling, role of the Queensland Ombudsman, and judicial review
- fraud and corruption risk assessment—conducted department-wide this year to identify and mitigate potential fraud and corruption risks
- new DES Fraud and Corruption Awareness module
- tailored fraud and corruption awareness training—for DES managers to prevent, detect and mitigate risks.

Organisational performance

The department's strategic objectives and outcome indicators are detailed in our Strategic Plan 2018–22 and delivered through service areas:

- Environmental Protection Services
- Species and Ecosystems Protection Services

- Heritage Protection Services
- National Parks
- Science
- Arts Queensland.

Divisional business plans support our strategic plan and identify service priorities each year. Quarterly performance reports enable the department to monitor its progress against these priorities, strategic objectives and outcome indicators.

Governance committees

These groups and committees are at the core of the department's governance arrangements. They ensure that the department has a clear direction, operates efficiently and fulfils its legislative responsibilities. They oversee all major activities and decision-making:

- Executive Leadership Team
- Finance Committee
- Strategic HR Sub-committee
- Health and Safety Strategy Group
- Digital Investment Sub-committee
- Policy and Legislative Strategy Sub-committee
- Compliance and Regulatory Strategy Group
- Audit and Risk Committee.

Executive Leadership Team

Chaired by the Director-General, the Executive Leadership Team (ELT) oversees the effective management and administration of the department, to ensure outcomes in line with the department's strategic priorities. It meets fortnightly to:

- ensure departmental activities align with, and achieve, the government's priorities and the department's strategic objectives
- prioritise resources and capabilities to deliver key strategies and programs
- provide strong leadership, direction and guidance to the department.

In supporting the Director-General to comply with corporate governance responsibilities, the ELT's responsibilities also include:

- setting the strategic direction of the department and developing the DES Strategic Plan
- stewardship of the department's strategic direction, including managing strategic and key operational issues
- managing the corporate planning cycle, including setting and monitoring risk, key performance indicators and corporate priorities

- overseeing the department's corporate governance framework and the work of ELT sub-committees
- setting and exemplifying expectations about the department's culture, values and working environment.

Finance Committee

The Finance Committee meets monthly and as required, and is chaired by the Deputy Director-General, Corporate Services. Its role is to:

- provide governance over the department's financial resources
- develop the department's financial strategies
- review and coordinate the allocation of operating and capital budgets
- make recommendations to the Director-General on a range of financial issues.

Throughout the year, the Finance Committee:

- monitored the department's performance against fiscal targets
- decided on strategies to manage key departmental financial risks.

Strategic HR Sub-committee

The sub-committee meets every six weeks and is chaired by the Deputy Director-General, Arts and Heritage. It assists the department to discharge its duties under the *Public Service Act 2008* and other legislative requirements. This sub-committee also identifies and manages key challenges, opportunities and priorities affecting DES' people and culture. This includes providing strategic input into, and championing, key human resource initiatives across the department and in the divisions.

The Strategic HR Sub-committee considers strategic human resource matters, including:

- the department's human resources direction and annual priorities
- strategic workforce planning
- organisational design and associated changes
- department-wide change management programs
- organisational culture
- human resource reporting and analytics.

Key achievements this year include the:

- Diversity and Inclusion Strategy
- Anytime, Anywhere Workplace Transformation
- relationship with Job Access to improve accessibility
- 'Hot Tasks' to increase workforce capability and development
- Leadership Development Capability Framework
- LEAD4QLD framework
- talent mapping, identification and succession planning
- learning and development initiatives

- position description changes to increase focus on cultural capabilities
- Women in Leadership Program
- Women on Boards action plan.

Health and Safety Strategy Group

The Health and Safety Strategy Group meets every six weeks or as determined by the chair, Deputy Director-General, Queensland Parks and Wildlife Service and Partnerships. It is a key part of the department's workplace health and safety (WHS) governance arrangements, and helps the department discharge its duties under the *Work Health and Safety Act 2011*. The group makes recommendations and provides advice to the Director-General and ELT in relation to WHS strategy, governance, policy and procedures, and performance. This year, the group:

- championed and drove the department's WHS agenda
- developed and reviewed the department's Work Health and Safety Management System, including policies, procedures and programs, with a focus on continuous improvement
- promoted and consulted on health and safety matters across the department and between management and staff
- ensured risks to staff health and safety are reduced or mitigated as much as reasonably practicable
- reviewed critical incident briefings.

Digital Investment Sub-committee

The sub-committee meets monthly and is chaired by the Deputy Director-General, Science and Technology. Its role is to provide strategic leadership and ongoing governance of digital investments and strategies in DES, ensuring that all investments are aligned with whole-of-government priorities. In fulfilling its role, the sub-committee:

- provides oversight of the information and communication technology (ICT) governance framework to ensure appropriate controls exist over initiatives managed by the department
- assesses and determines investment priorities for digital initiatives and ICT service activities
- provides assurance that service performance standards of digital operations are efficient, effective and economical, meet the business requirements of the department and are aligned with whole-of-government ICT policies, standards and guidelines
- reviews the performance of the digital portfolio to ensure progress is appropriate, risks and issues are identified and addressed, and benefits are identified and monitored
- oversees supporting governance entities and digital working groups
- provides assurance that risks to information, applications and technologies are managed using an information security management system.

This year the sub-committee:

- considered and approved digital investment proposals including 15 concepts, five projects and five business cases
- introduced the Starting Up a New Initiative governance and delegations framework
- established governance groups on:
 - » digital strategy
 - » information protection security audit
 - » drones
 - » workforce mobility and flexibility
 - » information management
- oversaw the department's initiatives on the Queensland Government Digital Dashboard and internal ICT Datapoint dashboard
- maintained oversight of the department's at-risk digital systems.

Policy and Legislative Strategy Sub-committee

The Policy and Legislative Strategy Sub-committee met as determined by the Chair. Its role was to ensure that departmental policy and legislation development is of high quality, is exemplary in government, and defensible to community and stakeholders.

The sub-committee was initially chaired by the Executive Director, Science Strategy and Partnerships.

Key responsibilities of the sub-committee are to:

- drive a three-year strategic approach for policy and legislation activity
- develop and advocate for a departmental standard for policy and legislation development, and review and implementation processes
- provide oversight during the policy and legislation development of all priority projects and election commitments
- establish and implement processes to ensure the department is engaged with other agencies on policy and legislation development.

This year, the sub-committee:

- undertook an analysis of international jurisdictions with similar governance structures to Queensland, which have transformed their policy-making processes after undertaking comprehensive research of their experiences
- formed a policy working group to examine the research findings and recommendations on how best to improve the quality of policy advice provided within the department
- commenced the development of a policy/evaluation program to better connect policy processes with practice and implementation.

The role and purpose of the Policy and Legislative Strategy Sub-committee was reviewed in the first half of the year, as part of the implementation of the Designing DES process. In July 2019, it will be replaced by a new Policy and Insights Leadership sub-committee, which will be chaired by the Director-General and is scheduled to commence monthly meetings in August 2019.

The Policy and Insights Leadership sub-committee has been established to assist in advising and supporting the Director-General and the Executive Leadership Team (ELT) on DES policy professionalism, strategic policy development, and policy evaluation.

The sub-committee ensures that DES policy development processes and activities will be:

- consistently informed by the best available policy approaches, including demonstrated principles, methods, tools, and frameworks
- underpinned by science and research and other available robust knowledge and applicable evidence, citizen science, and exemplary consultation
- enabled by open and creative enquiry, commitment to complex problem-solving and a collaborative solutions focus
- informed by clarity of purpose, continuous reflection and feedback, phased review and formal evaluation, to deliver greater impact, value for money, and facilitate organisational learning
- supported by its organisational structure, staffing capabilities and operational culture to build whole-of-agency capacity for best practice and professionalised policy development, and critical analysis of strategic issues and challenges.

Compliance and Regulatory Strategy Group

The Compliance and Regulatory Strategy Group meets monthly and is chaired by the Deputy Director-General, Science and Technology. Its role is to ensure a consistent and best-practice approach to compliance and regulation across DES. The group also provides advice to the Director-General and ELT on innovative and evidence-based approaches to compliance.

This year, the group:

- shared compliance and regulatory information from across the department, raised awareness and connected departmental approaches
- completed a review of current compliance and regulatory activities in DES.

Audit and Risk Committee

DES' Audit and Risk Committee (ARC) meets quarterly and is chaired by a member from outside the department. It was established as required by section 35(1) of the Financial and Performance Management Standard 2009. ARC's role is to provide assurance and assistance to the

Director-General regarding the department's risk, control and compliance frameworks, external accountability responsibilities and integrity framework. The committee also has responsibilities in relation to financial statements, misconduct prevention, performance management, audits and reporting.

ARC is directly responsible and accountable to the Director-General, and has authority to:

- conduct or authorise investigations into matters within its scope of responsibility
- access information, records and personnel of the department for such purposes
- request the attendance of any employee, including executive staff, at committee meetings
- conduct meetings with the department's internal auditors and external auditors, as necessary
- seek advice from external parties, as necessary.

The functions and role of the committee do not affect the statutory and regulatory duties and responsibilities of the Director-General, nor do they detract from management's responsibilities in corporate governance, internal control, fraud prevention and risk management.

ARC comprises internal and external members. The following external members were appointed by the Director-General and were remunerated for their services:

- Marita Corbett—ARC chair entitled to be paid \$3,000 (GST exclusive) per meeting to prepare for, and attend, up to five meetings per annum, up to a maximum of \$15,000 (GST exclusive) per calendar year.
- Peter Dowling—external member entitled to be paid \$600 (GST exclusive) per meeting to prepare for, and attend, up to five meetings per annum, up to a maximum of \$3,000 (GST exclusive) per calendar year.
- Karen Prentis—external member entitled to be paid \$600 (GST exclusive) per meeting to prepare for, and attend, up to five meetings per annum, up to a maximum of \$3,000 (GST exclusive) per calendar year.

The following departmental officers were also members of ARC in 2018–19, and are not remunerated for their roles on the committee:

- Director-General
- Executive Director, Southern Parks and Forests
- Deputy Director-General, Corporate Services
- Deputy Director-General, Arts and Heritage.

ARC convened four times during 2018–19, providing a forum for discussion between external members, the Director-General, senior management, Internal Audit Services and the Queensland Audit Office (QAO).

The ARC observed its terms of reference and had due regard to Queensland Treasury's *Audit Committee Guidelines*. It gave consideration to all audit recommendations by QAO, reviewed the implementation of external audit recommendations accepted by management and ensured that risks associated with audit findings were addressed.

Business and Corporate Partnership board

The Business and Corporate Partnership (BCP) delivers corporate services and business programs to support four partnering Queensland Government departments to deliver on their priorities. The focus of this model is to ensure economies of scale, service integration, consistent service delivery, scalability, flexibility and responsiveness.

The BCP operates through three corporate hubs embedded in the departments of Agriculture and Fisheries (DAF), Natural Resources, Mines and Energy (DNRME), and Environment and Science (DES). Each hub is managed by a Head of Corporate, who is responsible for delivering a set of core services (to the host agency) and a selection of cooperative services (to partnering agencies).

As at 30 June 2019, the BCP board comprised the Corporate Services Deputy Directors-General of DAF, DNRME and DES, as well as the Deputy Director-General, Digital Technology and Science from the Department of Housing and Public Works and the Director, Governance and Assurance, Department of Innovation, Tourism Industry Development and the Commonwealth Games.

The board is collectively responsible for the long-term performance and business success of the BCP. Its role is to provide leadership and set the strategic direction of the partnership to enable its goals and objectives to be met.

Accountability and risk management

Internal audit

Internal Audit Services (IAS) provides an independent, objective assurance function to the Director-General in discharging responsibilities under section 78 of the *Financial Accountability Act 2009*. Its functions include:

- developing an internal audit charter
- planning an internal audit program
- reporting internal audit issues
- managing the department's relationship with external audit
- supporting the Queensland Audit Office with its annual audit of agency financial statements.

These functions are provided to DES and three other departments under the BCP. This year, IAS delivered its role and responsibilities in line with the Internal Audit Charter and conformed with the *Audit Committee Guidelines* issued by Queensland Treasury.

IAS operates in accordance with an Internal Audit Annual Plan, a risk-based plan endorsed by the ARC and approved by the Director-General. IAS assists the ARC with independent assurance of its responsibilities, including risk management, internal controls, governance, performance and audit matters, which support the integrity of the financial statements. The internal audit function is independent of management and the external auditors.

This year, IAS completed the following reviews:

- Camping and Vehicle Access Permits Billing
- Corporate Card Expenses
- Contract (Supplier) Management
- Post MoG Policies and Procedures
- Grant Framework and Management
- Firearms Management
- Management of Cabinet-in-Confidence Information
- Commercial Tour Operators
- Financial Reporting
- Continuous Controls Monitoring—Corporate Card, Payroll, Purchases to Payables.

External scrutiny

Independent scrutiny of government performance may be carried out by a number of external entities. Significant external audits and reviews undertaken during the year are detailed below:

Queensland Audit Office—Follow-up of Managing water quality in Great Barrier Reef catchments (Report 16: 2017–18) (Tabled 26/06/2018)

(This review is included in the 2018–19 annual report as it was not captured in the 2017–18 reporting period).

In 2017–18, the Queensland Audit Office (QAO) performed a follow-up audit that examined whether departments have implemented the recommendations in Managing water quality in Great Barrier Reef catchments (Report 20: 2014–15). The QAO also assessed whether the actions taken addressed the underlying issues in that report. The department had accepted all five recommendations in the original report.

The QAO's follow-up audit found that the department had made significant efforts to address the original recommendations, with four fully completed and one partially completed. The audit scope covered DES, including the Office of the Great Barrier Reef.

The QAO's follow-up recommendations are:

1. acquit actual expenditure against planned investment for Queensland's Reef Water Quality Program, in future annual investment reports, to increase transparency and accountability
2. obtain reliable, timely and adequate practice change information from relevant industry groups to understand the progress made, measure the degree of practice change and account for outcomes for the public funds invested
3. work with the Commonwealth Department of Environment and Energy to refine over time the land management targets in the Reef 2050 Water Quality Improvement Plan 2017–2022 to define the increase in the percentage of riparian vegetation and the increase in stakeholder engagement targeted.

As at June 2019:

- Recommendation 1 was completed, with the Annual Investment Plan 2018–19 and the Annual Investment Report 2017–18 approved by the Director-General and the Minister and the reports published in February 2019
- Recommendation 2 was completed, with all practice change contracts having a standard clause requiring reporting of data to Paddock to Reef, with standard operating procedures in place
- Recommendation 3 is on track for completion by the end of January 2022.

Queensland Audit Office—Delivering shared corporate services in Queensland (Report 3: 2018–19) (Tabled 27/09/2018)

In 2018–19, the QAO assessed whether the Queensland Government's shared service providers were delivering value for money and positioned to successfully deliver into the future. The QAO reviewed whether a sample of shared corporate services providers was:

- guided by a clear whole-of-government shared corporate services strategy and governance structure
- delivering the right type and range of corporate services
- efficiently and effectively meeting customer and whole-of-government needs
- focused on continuous improvement and the future needs of customers.

The audit scope included the Corporate Administration Agency (CAA), and the BCP.

The following recommendations for Queensland Government shared corporate service providers are in progress and on track for completion by December 2019:

1. each Queensland Government shared corporate service provider is to formalise agreements with customers to clarify the type and range of services, performance standards and exit criteria
2. each customer of a Queensland Government shared corporate service provider is to contribute to driving the effectiveness and efficiency of shared corporate services within the Queensland Government
3. for each service provided:
 - » define a clear strategy, acknowledging external factors (such as innovation in service delivery models and technology), user demand and future funding challenges
 - » establish an understanding of the full cost per service
 - » establish and monitor standards for volume, quality and time
4. maintain a well-defined catalogue of services aligned to the Queensland Government's Business Service Classification Framework so that demand, efficiency savings and performance standards can be compared across providers
5. establish a transparent pricing strategy, if funded through fee for service, that includes efficiency, behavioural and sustainability objectives
6. work with the cross-government governance arrangement for the Queensland Government's shared corporate services to establish and maintain business, technology and people strategies that are aligned to the ongoing success of shared corporate services at the whole-of-government level.

Queensland Audit Office—Conserving threatened species (Report 7: 2018–19) (Tabled 13/11/2018)

In 2018–19, the QAO assessed whether Queensland public sector entities were effectively identifying, protecting and recovering Queensland's threatened species. The QAO focused primarily on DES, which has overall responsibility for those functions. The QAO assessed whether DES:

- identified and listed Queensland's threatened species
- is transitioning effectively to the Common Assessment Method (a nationally consistent method for assessing and listing threatened species)
- has strategies and plans in place to effectively protect threatened species and their habitat
- is effectively monitoring and reporting on threatened species outcomes.

The QAO found that the department's response to conserving threatened species lacked cross-program coordination and was unlikely to effectively conserve and recover many threatened species. QAO recommended the department:

1. proactively nominate species for listing or reclassification under the Nature Conservation (Wildlife) Regulation 2006—classification reviews should be periodical
2. review the *Nature Conservation Act 1992* to ensure timely listing of threatened species—this should include amending the legislation so that the Minister's decision of whether to add, delete or reclassify a species is reflected in the Nature Conservation (Wildlife) Regulation 2006 within a specified timeframe after receiving the Species Technical Committee's recommendation
3. increase the transparency of the threatened species assessment process by publishing online
4. further develop and implement its draft project governance framework and project plan for the Common Assessment Method project, to ensure the department meets all its obligations under the Memorandum of Understanding
5. review the classification status of Queensland's native species currently listed in the Nature Conservation (Wildlife) Regulation 2006, to prepare for the transition to the Common Assessment Method
6. develop an integrated and comprehensive conservation strategy for Queensland to meet the requirement of the *Nature Conservation Act 1992*
7. monitor and report on the population and trends of threatened species.

Recommendation 4 is complete, with a project governance framework and project plan finalised in December 2018. Recommendation 2 is partly complete—the review of the *Nature Conservation Act 1992* has been completed and a Bill proposing the amendment of the Act is currently under Parliamentary committee consideration. All other recommendations are on track to be completed between 2019 and 2022.

Crime and Corruption Commission—Managing corruption risks associated with secondary employment (August 2018)

This year, the Crime and Corruption Commission (CCC) evaluated departments and statutory bodies across two ‘scope areas’:

- managing secondary employment risks
- dealing with (i.e. investigating) secondary employment matters.

The QPWS component of the department was included in both scope areas.

The CCC report found that QPWS had the best fraud and corruption risk management practices of the eleven agencies reviewed in the audit. The report went on to recommend that DES take action in relation to two of the eight generic areas for improvement: corruption risk assessment and detection control mechanisms.

As a result, the department plans to:

- include secondary employment as a specific issue in the next DES fraud risk assessment process
- investigate advanced analytical techniques to identify potential undeclared secondary employment of staff.

Crime and Corruption Commission—Review of non-reportable corrupt conduct

This year, the CCC commenced an audit of departments’ non-reportable corrupt conduct matters with a view to potentially making changes to directions issued by the CCC under section 40 of the *Crime and Corruption Act 2001*. The audit has not yet been finalised.

National Association of Testing Authorities—Chemistry Centre Laboratories

This year, the National Association of Testing Authorities, Australia (NATA) undertook an audit of chemistry centre laboratories. NATA is responsible for accrediting laboratories, inspection bodies, calibration services, producers of certified reference materials and proficiency testing scheme providers throughout Australia. It provides independent assurance of technical competence through an established network of best practice industry experts for customers who require confidence in the delivery of their products and services.

DES’ laboratory accreditation was maintained following the audit, with the auditor noting that the chemistry centre was, ‘analytically one of the best labs I have ever audited’.

Risk management

The department continues to strengthen its risk management practices. Our risk management policy and framework, based on the international risk management standard ISO 31000:2018 and Queensland Treasury’s risk management guidelines, ensure risks are managed consistently across the department.

The department’s risk appetite statement is applied to all risk management decision making, encouraging prudent risk-taking and escalation. Key strategic risks and opportunities are identified as part of our annual strategic planning process. All business areas identify risks that may impact on their business objectives as part of their business planning. These challenges are maintained in the enterprise risk register, which covers both operational and strategic risks.

Risks are reviewed regularly to monitor the progress of risk treatments and the overall efficiency of controls. The Three Lines of Defence framework provides clarity on identifying and improving appropriate controls that contribute to the management of risk. Significant risks are reported quarterly at the ARC.

During the year, we have increased accessibility to the enterprise risk register and further developed the existing risk awareness culture of the department.

Control self-assessments

The department undertakes control self-assessments to enhance its risk management and governance processes, and provide assurance that it is meeting its internal control and risk management obligations. The assessments are a first-line system of checks and balances for business areas to safeguard against fraud and corruption, and ensure compliance. They complement IAS and QAO audits by focusing on frequently used, lower-risk systems, assets and processes, particularly those involving financial transactions.

Legislative Compliance Framework

The department’s Legislative Compliance Framework identifies legislation for which DES has compliance responsibility, assigns primary responsibility within the department and sets out a process for compliance reporting. The framework includes criteria for breaches of legislative responsibility.

Recordkeeping

The department has a comprehensive records management framework that is consistent with the *Public Records Act 2002*, *Public Service Act 2008* and the Queensland State Archives Records Governance Policy. The framework includes:

- appraisal and disposal programs
- recordkeeping policies
- management of legacy paper records (both internal and off-site)
- digital delivery of legacy records
- electronic document and records management systems
- records training and support
- records appraisal of business systems
- an active program of transfers to Queensland State Archives.

eDOCS is the corporate document and records management system for all DES functions, except for the Arts and CAA functions that use Micro Focus Content Manager (formerly HP Content Manager and HP Trim). All documents are held in file structures with appropriate security access according to the Information Security Policy. There have been no serious security breaches of this system.

Our Digital Recordkeeping Futures plan outlines the key strategic directions for recordkeeping in the department. Our approach supports business areas applying new technologies to maximise the use of digital records in business processes.

The department captures high value records from business systems and other desktop applications into the corporate recordkeeping system. We also apply new technology to automate access, security, integrity and preservation where possible. For example, records stored on SharePoint are identified and harvested automatically into eDOCS. There is an ongoing program to ensure digital recordkeeping requirements are met when new business systems are acquired and old business systems are decommissioned.

Our Digitisation Disposal Policy guides the disposal of paper after it has been digitised and saved into eDOCS or other approved business systems. Paper recordkeeping has declined and legacy paper records are being digitised. The number of records transferred to off-site storage has also declined and current holdings are being reviewed to identify records for disposal.

Departmental records are covered by a number of approved retention and disposal schedules, reviewed in 2018 following the last machinery of government changes:

- Environment QDAN 733
- Parks QDAN 740
- Heritage Conservation QDAN 741.

In addition, Queensland State Archives subsequently approved the use of the University Sector Retention and Disposal Schedule for the department's science function.

Information systems

The department maintains a number of critical information systems to support its services, including:

- Wetland/Info—first-stop-shop for wetland management resources in Queensland
- Coastal Data System—wave and storm tide information from remote monitoring stations
- Strandnet—information relating to stranded animals
- National Parks Booking System—easy public access to National Parks camping and vehicle permits services
- Living Heritage Information System—information related to places on the Queensland Heritage Register, as well as other places of cultural heritage significance around the state

- Littering and Illegal Dumping Online Reporting System—allows members of the public to report littering or illegal dumping online
- HerbreCs—taxonomic and herbarium specimen data on Queensland's flora
- Corporate systems—managing correspondence, finances and human resources
- DES intranet and internet—information and services to employees and the public.

This year, we also developed new systems to improve information access and services:

- Augmented Ranger Mobile App 'MyRanger'—to enrich visitors' engagement, experiences and understanding of National Parks
- Wildlife Platform—to increase the quality and availability of information related to wildlife sightings (in particular crocodiles)
- Queensland Waste Disposal Levy System—to support legislative arrangements for a waste disposal levy, including recording of waste data and reconciliation with levy liabilities.

Our people

Workforce profile

We employ a diverse range of talented people who work together to ensure the environment, science and the arts enrich the lives of Queenslanders. We strive to create workplaces where diversity is celebrated, health and safety is valued, the wellbeing of employees is a priority and career development is encouraged.

Our workforce statistics as at 30 June 2019*

2,977.79 Full time equivalents (FTEs)

3,115 Headcount

84.41% Permanent (2,513.64 FTE)

13.80% Temporary (410.84 FTE)

1.23% Contract (36.6 FTE)

0.56% Casual (16.71 FTE)

**The FTE figure reflects Minimum Obligatory Human Resource Information (MOHRI) collected and reported by the Queensland Public Service Commission as at 30 June 2019.*

45 years old Average age of permanent employees

50.05% Women headcount (1,539/3,121 total active/paid actual staff)

49.95% Permanent (2,513.64 FTE)

62 years old Average retirement age

4.69% Permanent separation rate

49% Employee opinion survey response rate

Workforce planning

We are committed to strategic workforce planning and strategies to attract and retain a workforce that is inclusive, diverse, engaged, agile and high performing. To meet the challenges of the future, the department is focused on key areas including:

- talent acquisition
- maximising performance
- building capabilities needed for the workforce of the future
- leadership and management development
- developing a diverse and inclusive culture
- employee health and wellbeing.

Talent acquisition

Onboarding

All new employees undertake an induction process to:

- provide a smooth transition into the department and the work environment
- provide information on employment conditions and entitlements
- help new starters understand the responsibilities and behaviours expected of them by the Queensland Government and the department
- provide an understanding of the function and operations of the department as well as the business group or work unit.

The induction process includes online courses for new employees:

- Introductory Onboarding module
- Code of Conduct
- Emergency Safety
- Workplace Health and Safety
- Fraud and Corruption Awareness
- Starting the Journey
- Privacy Awareness
- Procurement 101
- Domestic and Family Violence Awareness.

Career pathway programs

The department supports a range of career pathway programs to ensure we have the right people with the right skills in the future. In the 2019 graduate program, eight graduates from a range of disciplines undertook a structured leadership development program with exciting, challenging and rewarding opportunities.

Work placement opportunities were also provided for 14 university students as part of their degree requirements. These students came from a range of disciplines including environmental management and law. Students were given opportunities to apply their knowledge and skills, gain valuable workplace experience, and learn about careers available in the department.

Maximising performance

Planning for performance

All employees are encouraged to participate in performance and development processes throughout the year. Managers and their staff are strongly encouraged to have regular and meaningful conversations about achievements and development needs.

The department has a range of tools and support mechanisms to assist managers and employees to have

meaningful conversations about development. Employees are encouraged to consider a range of development options, including on-the-job training, relieving, short-term projects, coaching and mentoring, as well as participation in formal training activities.

Reward and recognition

The department values its employees and recognises that their success and achievements contribute to the department's high performance. A Reward and Recognition Framework supports a workplace culture that motivates and rewards behaviours through the acknowledgement of successes, achievements and employment milestones. Formal initiatives supported under this framework include:

- DES Excellence Awards
- Australia Day Achievement Awards
- Public Service Medals
- Premier's Awards for Excellence in Public Service Delivery
- Director-General's Safety Behaviour Awards
- Certificates of Service.

Supervisors and managers are also encouraged to informally recognise the value and contributions their staff bring.

2018 DES Excellence Awards

The 2018 DES Excellence Awards included six award categories upon which nominated teams, initiatives and individuals were judged. Outstanding nominations were also considered for the special Director-General's Award. Out of the 74 nominations received, there were 9 winners and 11 finalists announced at an awards presentation in Brisbane in August 2018. Winners in the DES Excellence Awards were also entered into the 2018 Premier's Awards for Excellence.

Customer Focus

Smithfield Mountain Bike World Championships, Queensland Parks and Wildlife Service for successfully delivering this international event, which showcased the Smithfield Conservation Park to the world as a best-practice mountain biking destination.

Inclusion

Conor Harrington, Conservation and Sustainability Services for playing an instrumental role in creating and supporting a culture of inclusion through participation in the Aboriginal and Torres Strait Islander Employee Resource Group.

Innovation

Fort Bribie Drone Survey 2018, Queensland Parks and Wildlife Service for innovatively using technology to preserve historic sites or artefacts and engage and educate visitors.

Leadership

Office of the Great Barrier Reef, Environmental Policy and Planning for transforming the way Queensland responds to the challenge of poor water quality flowing to the Great Barrier Reef.

Performance

Linc Energy Litigation and Investigation Team, Environmental Services and Regulation for delivering the largest and most complex environmental investigation ever conducted in Queensland's history, leading to a successful prosecution and conviction.

Sustainability

Queensland's Plastic Bag Ban, Environmental Policy and Planning for successfully developing and implementing this high-profile and complex initiative, which involved legislative reform, consultation and collaboration and a broad-scale communication program.

Director-General's Award

Bioavailable Particulate Nutrients Project Team, Science for developing innovative techniques to measure and model the contribution of the source of bioavailable nitrogen to the Great Barrier Reef.

Reducing wildfire costs and risks with remotely operated cameras, Queensland Parks and Wildlife Service for protecting more than 700,000 hectares of national park and State forest by installing cameras that rapidly detect the earliest signs of fire and provide accurate cross bearings that reveal the exact location of a fire.

Regional Arts Service Network, Arts Queensland for fostering, facilitating and promoting the sustainable growth and development of regional arts across Queensland, through consultation, engagement and supporting local service delivery.

Ethical behaviour and the Code of Conduct—it's not just about what we do, but how we do it

The department expects all employees to demonstrate high ethical standards and values. These are clearly explained in the Code of Conduct and are underpinned by the ethical principles set out in the *Public Sector Ethics Act 1994*:

- integrity and impartiality
- promoting the public good
- commitment to the system of government
- accountability and transparency.

To ensure all employees are aware of expected behavioural standards, all new employees are required to complete Code of Conduct training as part of their induction. Refresher training occurs at regular intervals. Face-to-face information sessions on appropriate workplace behaviour are also delivered to employees. The sessions assist employees to recognise inappropriate behaviour in the workplace, identify who has responsibility for addressing the behaviour and consider ways it could be addressed.

Building capability

The department supports staff to develop critical skills and assists them in their career development. We coordinate and deliver a broad range of training and development opportunities for our staff, using the 70:20:10 model of

learning and development. Opportunities cover technical, management and leadership development, as well as business and interpersonal skills.

Employees have access to a range of other opportunities, including further education, conferences and seminars. Staff also make use of on-the-job development opportunities through self-directed learning, stretch projects, secondments and higher duties arrangements.

For example, in 2018–19 the department continued to address the attraction and retention of rangers through the Ranger Development Framework and the implementation of the accredited training program for rangers.

Mentoring programs

This year, we launched three mentoring programs for (1) all staff (2) women in leadership and (3) Aboriginal employees and Torres Strait Islander employees. These programs attracted 200 nominations and included mentors from all levels of leadership within the department and from other departments. Mentors focused on building confidence, capability and capacity. Employees who were not matched in a mentoring partnership will be receiving additional development opportunities with our mentoring program provider.

Leadership and management development

We recognise the vital role our leaders and managers plan in building our people capability. The department continues to identify talent and meet its succession needs by developing our employees' leadership and management capabilities. The LEAD program builds the foundational leadership capabilities of employees with or without team responsibilities. The program uses a combination of face-to-face training, online learning, coaching and on-the-job activities. It helps employees build knowledge and skills in working with people, self-awareness and driving outcomes in the workplace. This year, 58 employees completed the program.

In 2018–19, 67 employees completed the People Matters program. This is a three day, hands-on development program that equips emerging leaders with foundational leadership skills to support their journey into management. The program covers important skills such as managing people, performance and change, and recruitment and selection.

A diverse and inclusive culture

We are working to create a diverse and inclusive workplace that truly reflects the communities in which we live and serve. Such a workplace embraces differences of thought and life experience. Our efforts to build an inclusive culture that supports diversity are supported by various plans, including the Cultural Capability Action Plan, Reconciliation Action Plan and Disability Service Plan.

Outlined right is the percentage of our workforce that identifies with our Equal Employment Opportunity groups.

3.11%	Aboriginal people and Torres Strait Islander people
3.14%	People with a disability
7.31%	People from a non-English speaking background
43.38%	Women in senior leadership roles (CEO, SES, SO)

The department has a number of Employee Reference Groups, made up of staff who identify or have an interest in diversity. These groups are supported by senior leaders who act as champions. Some of the groups' key achievements during 2018–19 include:

- supporting participation in NAIDOC week
- developing an Access Ability intranet page and action plan with practical activities to improve employment outcomes for people with a disability
- celebrating Queensland Women's Week with events in Brisbane and Cairns on the topic #balanceforbetter
- supporting employees to participate in the annual Brisbane Pride Rally and March in September 2018 and a liaison program, training people to support their LGBTIQ+ colleagues.

Taking a stand against domestic and family violence—Not now, not ever. We're putting an end to domestic violence.

In 2018–19, we achieved accreditation as a White Ribbon Workplace, demonstrating our commitment to preventing violence against women. The department is working to embed White Ribbon principles by promoting a respectful workplace culture and providing support to those employees whose lives are affected by domestic and family violence. Major departmental milestones in the accreditation journey included:

- publishing a domestic and family violence policy and related guides for managers and other employees on their roles and responsibilities
- communicating external referral services and the support available from the department's Employee Assistance Service for those employees affected by violence
- providing face-to-face domestic and family violence training courses for managers and supervisors, with 84% of our leaders trained
- encouraging all employees and contractors to complete the online Recognise, Respond, Refer training course, with almost 40% of our people trained
- finalising a plan to manage the risks of violence or abuse against employees.

We also engaged with the issue of domestic and family violence in the community by:

- supporting the Allison Baden-Clay Foundation with the Strive to Be Kind speaking event and fundraiser, with the Department of Local Government, Racing and Multicultural Affairs and the Department of Aboriginal and Torres Strait Islander Partnerships

- fundraising by DES staff, including a departmental Hi Vis Day that resulted in over \$1,700 for two women's shelters
- attending the White Ribbon Breakfast and joining the Coffee for a Cause initiative to raise \$1,125 by DES staff for White Ribbon Australia
- attending the Remembrance Candle Lighting Ceremony at Kangaroo Point in May 2019
- taking part in the Australian CEO Challenge Darkness to Daylight event in 2019, promoting awareness and raising over \$4,900 for frontline support services.

Flexible working arrangements

Providing flexible working arrangements is a key enabler of an inclusive and productive workplace. In the 2018 Working for Queensland Survey, more than half the respondents reported positively about their ability to access and use flexible work arrangements. Since then, the department has been working to implement the Public Service Commission's Flexible by Design framework.

The department simplified its flexible work policy and procedure to enable employees to easily navigate flexible work options. The range of flexible work arrangements now available to staff supports a diverse workforce and enables employees to balance work and personal demands. The department aims to achieve cultural change by challenging assumptions and myths about flexible work. Initiatives this year included:

- awareness sessions for teams and managers
- challenging senior executives to adopt flexible work in a six-week challenge
- encouraging all employees to think about working flexibly on the annual Flexible Working Day
- ensuring information about flexible work is provided in job advertisements, during induction and throughout the employment cycle.

Our Workforce Health and Safety team is putting flexible work arrangements into practice every day with two team members working from a regional office, three working from home one day a week and one team member working part time. The team undertook a team-based approach to find working arrangements that suited both the personal needs of the employee and the business needs of DES. The team uses a number of technologies including skype, email, phones and Office 365 Teams to stay connected throughout the day. With the support of their manager, the team will continue to seek ways to balance their work and life integration to achieve a productive, happy and safe workplace.

Health, safety and wellness—it's not just actions, it's an attitude!

During the year, we continued to develop our focus on managing workplace risks. A review of the department's Safety Strategy was completed to align with the whole-of-government *Be healthy, be safe, be well* framework. A new safety behaviour initiative aimed at injury prevention

was released and continues to build momentum across the department.

Key initiatives completed this year include:

- continued promotion of the department's safety behaviour and injury prevention initiative The Safe 7, encouraging employees to focus on seven key behaviours, beliefs and attitudes regarding their own safety and the safety of others
- enhancing our positive safety culture by hosting the Director-General's Safety Behaviour Awards during Work Safe Month (October 2018)
- strengthening the skills and capability of our safety personnel by hosting the Annual Trained Safety Advisor Network Workshop with a focus on incident management, incident investigations and recordkeeping
- continuing our wellness program, ensuring employees have access to skin cancer checks, flu vaccinations, mental health awareness sessions, nutritional information, financial fitness seminars and corporate memberships for health insurance
- offering support services to all employees and their families for people affected by domestic and family violence
- commencing an external review of our workplace health and safety system and practices.

Industrial and employee relations framework

The *Industrial Relations Act 2016* (IR Act) provides a framework for cooperative industrial relations and sets out the minimum employment standards for employees. The *Public Service Act 2008*, in conjunction with the IR Act, prescribes arrangements and responsibilities specific to public service employees. Associated industrial instruments detail employee conditions:

- Queensland Public Service Employees and Other Employees Award—State 2015
- Parks and Wildlife Employees Award—State 2016
- General Employees (Queensland Government Departments) and Other Employees Award—State 2015
- Civil Construction, Operations and Maintenance General Award—State 2016.

The department engages with employees and their representatives through the Agency Consultative Committee. People and Culture branch, within Corporate Services, has responsibility for overall management of industrial relations in consultation with business areas. The unit is also responsible for liaising with central agency departments, such as the Office of Industrial Relations and the Public Service Commission, in relation to whole-of-government matters, including enterprise bargaining, directives, industrial instruments and legislative changes.

Early retirement, redundancy and retrenchment

No early retirement, redundancy or retrenchment packages were paid during the reporting period.