

ANNUAL REPORT 2022–23



Communication objective

The Department of Environment and Science acknowledges Aboriginal peoples and Torres Strait Islander peoples as the Traditional Owners and custodians of the land. We recognise their connection to land, sea and community, and pay our respects to Elders past and present.

The department is committed to respecting, protecting and promoting human rights, and our obligations under the *Human Rights Act 2019*.

This annual report provides information about the Department of Environment and Science's financial and non-financial performance for 2022–23. It has been prepared in accordance with the *Financial Accountability Act 2009*.

The report records the significant achievements against the strategies and services detailed in the *Department of Environment and Science Strategic Plan 2022–26*, the former *Department of Children, Youth Justice and Multicultural Affairs Strategic Plan 2022–26* and the *2022–23 Service Delivery Statements*.

This report has been prepared for the Minister to submit to Parliament. It has also been prepared to meet the needs of stakeholders including the Australian and local governments, industry and business associations, community groups, staff, and individuals.

Copies of this publication and the *Government Bodies Report 2022–23* can be obtained at

www.des.qld.gov.au/our-department/corporate-docs.

or by phoning 13QGOV (13 74 68) or submitting an enquiry form at

www.des.qld.gov.au/contactus/feedback-forms/feedback-form-enquiry.

Disclaimer

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Contents

Message from the Director-General	1
Who we are.....	3
Our vision and purpose	3
Our key objectives	3
Our strategic risks and opportunities	3
Our operating environment.....	4
Our values	5
Our services and contribution.....	5
Our leadership team	8
Our structure.....	9
Our performance	10
Conserve and restore Queensland's unique biodiversity, heritage and protected areas	10
Support job creation and the diversification of the Queensland economy.....	19
Protect World Heritage areas including the Great Barrier Reef	24
Strengthen and harness Queensland's scientific excellence.....	28
Deliver a world class environmental, heritage and biodiscovery regulatory system.....	34
Multicultural Affairs Queensland.....	37
Cross-government initiatives	39
Managing our department	40
Summary of financial management.....	40
Corporate governance.....	43
Accountability and risk management	47
Our people.....	50
Human rights—Respect. Protect. Promote.	54
Statutory reports	55
Government bodies	55
Queensland Heritage Council Annual Report 2022–23	56
Financial statements.....	59
Glossary.....	139
Compliance checklist.....	141

11 September 2023

The Honourable Leanne Linard MP
Minister for the Environment and the Great Barrier Reef
Minister for Science and Minister for Multicultural Affairs
GPO Box 2454
Brisbane Qld 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2022–23 and financial statements for the Department of Environment and Science. This report is prepared on the basis of the current administrative arrangements for this department applying for the whole of the 2022–23 financial year. That is, it reflects the structure, operations and performance of the department as it now exists.

I certify that this Annual Report complies with the:

- prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2019, and
- detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements is provided at the end of this annual report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jamie Merrick', with a stylized flourish at the end.

Jamie Merrick
Director-General

Message from the Director-General

I'm pleased to present the Department of Environment and Science annual report for 2022–23.

Throughout the reporting period the department worked to manage and protect Queensland's natural environment and heritage; strengthen our scientific excellence; and promote Queensland as a unified, harmonious and inclusive community.

In May, Machinery of Government changes saw the department welcome Multicultural Affairs Queensland into the portfolio. Machinery of Government changes also saw the Office for Youth and the Safer Schoolies Initiative transition out of the department. This annual report highlights our priorities and achievements as well as our contributions to the Queensland Government's objectives for the community. Across the breadth of our expansive work program, we are actively supporting the state's economy through good jobs and better services and protecting the great lifestyle that is synonymous with Queensland.

During 2022–23, we made important progress on a number of strategic priorities, including:

- delivered climate action programs to help communities, businesses and government contribute to emissions reduction and renewable energy targets
- released the Land Restoration Fund's third investment round and invested in the Queensland Natural Capital Fund to maintain Queensland's leading position in the carbon market
- supported Australia's first Reef Credit Scheme through the Reef Credit Fund
- continued to implement Reef Water Quality Program and water quality protections
- delivered the Let's Get It Sorted campaign to improve recycling behaviours
- work to expand the container refund scheme and single-use plastics bans
- increased the number and diversity of places on the Queensland Heritage Register
- continued to grow the protected area system which increased by about 300,530 hectares to cover 8.38% of the state's land area
- delivered capital works investment and visitor infrastructure upgrades across the protected area estate
- released the *Ecotourism Plan for Queensland's Protected Areas 2023–2028*
- expanded the Indigenous Land and Sea Ranger program to total 154 rangers
- continued to improve the Queensland Parks and Wildlife Service and Partnerships fire management capability by investing in enhanced training to prepare staff for the key roles including Incident Controllers, firefighting response and incident communication
- as part of a \$16 million, four year investment to increase bushfire management capability, completed recruitment to a dedicated six person enhanced fire team, additional firefighting appliances and new planned burn guidelines. An additional five positions have been dedicated to fire management activities on K'gari to improve on ground capability
- exceeded our prescribed burn target despite challenging conditions
- significantly increased investment in our strategic pest management program
- released the *Queensland First Nations World Heritage Strategy*
- released the *Conserving Nature—a Biodiversity Conservation Strategy for Queensland*
- continued to manage and conserve native wildlife and delivered recovery programs for priority threatened species through the Queensland Threatened Species Program
- implemented actions to progress the delivery of the South East Queensland Koala Conservation Strategy
- invested in scientific research and development, infrastructure, capability and partnerships including \$3 million (GST inclusive) in a new Decarbonisation Hub drawing on the capability of all Queensland universities
- expanded the statewide air quality monitoring network to provide more real-time information to the community and improve disaster readiness and response
- released the *2019–20 Statewide Land and Tree Study report* including, for the first time, regrowth monitoring detail
- delivered programs to engage Queenslanders in science, citizen science and STEM subjects
- continued investment in the Community Sustainability Action grants program
- delivered a range of initiatives and opportunities to help build an inclusive, united and harmonious Queensland, including Multicultural Queensland Month.

This year, the Queensland Government made an important commitment to a Path to Treaty. This provides the opportunity for all Queenslanders to unite and make a joint commitment to deliver a reframed relationship with First Nations peoples.

I'm pleased to say that the department—through the vision of the *Gurra Gurra Framework 2020–2026* and our partnerships with First Nations peoples to co-steward Country—has already begun the journey of Treaty Readiness. Our Path to Treaty Steering Committee and Treaty Readiness team has been established. The team will help guide the department through Truth-telling and Healing initiatives as well as organisational and cultural change. We are committed to walking forward together, from two paths to one, in a partnership founded on respect, trust and First Nations peoples' vision for Country and people.

Finally, I would like to express my thanks to all of our dedicated employees across the state. Their unwavering commitment to service and excellence allows us to deliver better outcomes for the people and environment of Queensland.

Jamie Merrick

Director-General

Who we are

As a result of Machinery of Government changes, our 2022–23 annual report reflects the *DES Strategic Plan 2022–26*. Additionally, the commitments made to the community in the strategic plan for the former *Department of Children, Youth Justice and Multicultural Affairs* in relation to Multicultural Affairs Queensland are also presented and reported on in our 2022–23 annual report.

Our vision and purpose

The vision of the Department of Environment and Science (DES) is to ensure one of the world's most diverse natural environments is maintained for the health and prosperity of current and future generations. We aim to be effective leaders and partners in managing, protecting and restoring Queensland's natural environment and heritage. We do this by:

- using leading scientific, behavioural and data insights to improve decision-making and actions
- strengthening our partnerships with First Nations peoples, local government, community and Industry stakeholders
- promoting and supporting good governance and the ethical conduct of all employees
- embedding First Nations peoples' knowledge and leadership in our systems, policies and programs through the Gurra Gurra Framework
- ensuring the safety and wellbeing of staff and creating an inclusive working environment
- delivering efficient and agile services supported by best-in-class Corporate Services
- respecting, protecting and promoting human rights in all that we do.

Our key objectives

- Conserve and restore Queensland's unique biodiversity, heritage and protected areas
- Support job creation, and the diversification of the Queensland economy
- Protect World Heritage areas including the Great Barrier Reef
- Strengthen and harness Queensland's scientific excellence
- Deliver a world class environmental, heritage and biodiscovery regulatory system
- Implement, influence and invest in equitable, accessible and inclusive policies, programs and services that support and empower Queenslanders from culturally and

linguistically diverse backgrounds to participate in, benefit from and contribute to the economy and the community.

These six objectives are assessed through efficiency and effectiveness measures for DES service areas and are outlined in the 'Our Performance' section of this report.

Our strategic risks and opportunities

We manage our strategic risks by:

- continuously improving our preparedness, response and recovery capability for bushfire and extreme weather events
- acting as an exemplar in climate change mitigation and adaptation
- recognising, respecting and embedding First Nations peoples' knowledge and culture in our work
- delivering a regulatory framework that can adapt to the evolving standards of contemporary environmental regulation and community expectations
- harnessing leading-edge science, technology and innovation to deliver value to the community
- building staff capability to anticipate and respond to emerging risks and opportunities
- communicating clearly, effectively and in a timely manner.

We embrace opportunities to:

- effectively partner with First Nations peoples to better steward Country and culture and deliver economic, social and cultural impact for all Queenslanders
- provide stewardship for future generations through early engagement in the environment, science and heritage
- transform our customer experience and the way we do business through new digital technologies and leading edge science and social science
- build partnerships beyond traditional boundaries—global, government and community—to deliver best practice solutions to complex problems.

Our operating environment

The context of the department's activities in 2022–23 included:

- responding to growing community expectations that all levels of government will be more responsive to issues pertaining to the environment and climate change
- working with Queenslanders to expand the opportunities of a circular economy to eliminate waste and ensure resources are reused and recycled at their highest practicable value for as long as possible
- following the passage of the historic Path to Treaty legislation, working across the department to reframe the department's relationship with First Nations peoples and move towards treaty readiness
- working to ensure sustainability and climate positive initiatives are embedded across critical areas of Queensland's responsibility for the 2032 Olympic and Paralympic Games
- finalising the business case and preparing for a government decision on the establishment of an independent Environmental Protection Agency
- delivering on significant new investments in expanding the protected area estate and protecting threatened species, as well as a reframing of the reef water quality program
- pursuing opportunities for policy development and legislative reform in areas including circular economy, waste management and resource recovery, climate action and environmental protection
- continuing to monitor and adapt to changing situations in relation to COVID-19, for efficient and effective service delivery
- adapting our workforce and services to respond to changes made to the structure of the department and Queensland Government which occurred on 18 May 2023.

Machinery of Government changes

The department was established in December 2017 under the *Public Service Act 2008*, Part 2, Division 2–Administrative Arrangements Order (No. 3) of 12 December 2017.

As a result of Machinery of Government changes that came into effect on 18 May 2023, the department welcomed Multicultural Affairs Queensland into the portfolio and also saw Youth Engagement (comprising the Office for Youth and the Safer Schoolies Initiative) transfer to the

Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts.

Incoming divisions or functions

The following table outlines the division that joined the department due to Machinery of Government changes on 18 May 2023, and the related annual reports where the financial statements can be located for the 2022–23 reporting period.

Joined the department	Date of transfer	Related annual report*
Multicultural Affairs	18 May 2023	Department of Child Safety, Seniors and Disability Services

*Financial statements for the period 1 July 2022 – 31 May 2023 can be found in the related annual report.

Outgoing divisions or functions

The following table outlines the function that left the department due to Machinery of Government changes on 18 May 2023, and the related annual reports where the non-financial performance information and financial statements can be located for the 2022–23 reporting period.

Left the department	Date of transfer	Related annual report*#
Youth Affairs	18 May 2023	Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and Arts

*Financial statements for the period 1 June 2023–30 June 2023 can be found in the related department annual report.

Non-financial performance information for the 2022–23 reporting period can be found in the related annual report.

Our values

The department's work is underpinned by government-wide values:

	Customers first <ul style="list-style-type: none">• Know your customer• Deliver what matters• Make decisions with empathy
	Ideas into action <ul style="list-style-type: none">• Challenge the norm and suggest solutions• Encourage and embrace new ideas• Walk across boundaries
	Unleash potential <ul style="list-style-type: none">• Expect greatness• Lead and set clear expectations• Seek, provide and act on feedback
	Be courageous <ul style="list-style-type: none">• Own your actions, successes and mistakes• Take calculated risks• Act with transparency
	Empower people <ul style="list-style-type: none">• Lead, empower and trust• Play to everyone's strengths• Develop yourself and those around you

The *DES Strategic Plan 2022–26* is available on our website www.des.qld.gov.au/our-department/corporate-docs.

The former *Department of Children, Youth Justice and Multicultural Affairs Strategic Plan 2022–26* is available at www.cyjma.qld.gov.au/about-us/our-department/corporate-publications/strategic-plan.

Our services and contribution

Our department's services are grouped into high level service areas which are used to communicate the broad types of services delivered by DES. Each service area's programs and projects contribute to the achievement of the department's strategic objectives identified in the *DES Strategic Plan 2022–26*.

Our department delivers its services through five service areas, each with a key objective:

Environmental Programs and Regulation Services

- Enable improved environmental outcomes through effective policy, programs and regulation.

Parks, Wildlife and Conservation Services

- Expand and conserve protected areas in partnership with First Nations peoples. Identify and provide sustainable, nature-based recreation and tourism. Protect biodiversity and threatened species.

Science

- Provide leading-edge scientific services and support science engagement and translation.

Heritage Protection Services

- Protect, promote and ensure Queensland's cultural and built heritage is conserved and enjoyed.

Multicultural Affairs

- Implement, influence and invest in equitable, accessible and inclusive policies, programs and services that support and empower Queenslanders from culturally and linguistically diverse backgrounds to participate in, benefit from and contribute to the economy and the community.

These service areas are assessed through measures as outlined in the performance tables of the 'Our Performance' section of this report.

The achievement of the department's strategic objectives in turn contribute to the achievement of the Queensland Government's objectives for the community—Good jobs, Better services, Great lifestyle.

Department objectives	Contributing department service areas	Government's Objectives for the Community
<ul style="list-style-type: none"> Conserve and restore Queensland's unique biodiversity, heritage and protected areas 	<ul style="list-style-type: none"> Parks, Wildlife and Conservation Services Heritage Protection Services 	<ul style="list-style-type: none"> Protecting the environment Supporting jobs Honouring and embracing our rich and ancient cultural history Backing our frontline services Growing our regions
<ul style="list-style-type: none"> Support job creation and the diversification of the Queensland economy 	<ul style="list-style-type: none"> Environmental Programs and Regulation Services Parks, Wildlife and Conservation Services Science Services 	<ul style="list-style-type: none"> Protecting the environment Supporting jobs Honouring and embracing our rich and ancient cultural history Backing our frontline services Growing our regions Backing small business
<ul style="list-style-type: none"> Protect World Heritage areas including the Great Barrier Reef 	<ul style="list-style-type: none"> Environmental Programs and Regulation Services Parks, Wildlife and Conservation Services 	<ul style="list-style-type: none"> Protecting the environment Supporting jobs Honouring and embracing our rich and ancient cultural history Backing our frontline services Investing in skills Backing small business
<ul style="list-style-type: none"> Strengthen and harness Queensland's scientific excellence 	<ul style="list-style-type: none"> Science Services 	<ul style="list-style-type: none"> Protecting the environment Supporting jobs Investing in skills Keeping Queenslanders safe
<ul style="list-style-type: none"> Deliver a world class environmental, heritage and biodiscovery regulatory system 	<ul style="list-style-type: none"> Environmental Programs and Regulation Services Heritage Protection Services Science Services 	<ul style="list-style-type: none"> Protecting the environment Supporting jobs Honouring and embracing our rich and ancient cultural history Investing in skills Backing our frontline services Backing small business Keeping Queenslanders safe

Department objectives	Contributing department service areas	Government's Objectives for the Community
<ul style="list-style-type: none"> • Implement, influence and invest in equitable, accessible and inclusive policies, programs and services that support and empower Queenslanders from culturally and linguistically diverse backgrounds to participate in, benefit from and contribute to the economy and the community. 	<ul style="list-style-type: none"> • Multicultural Affairs 	<ul style="list-style-type: none"> • Keeping Queenslanders safe • Investing in skills • Growing our regions • Supporting jobs • Backing our frontline services • Connecting Queensland.

Our leadership team

Jamie Merrick **Director-General**

Consistent with the *Financial Accountability Act 2009*, Jamie is accountable to the Minister for the Environment and the Great Barrier Reef, Minister for Science and Minister for Multicultural Affairs for the efficient, effective and financially responsible performance of DES, including delivery of the government's commitments and priorities.

Karen Hussey **Deputy Director-General, Environment and Heritage Policy and Programs**

Karen leads the development and coordination of policy, strategy and legislation relating to the environment and conservation. Karen oversees the delivery of strategic programs such as protection of world heritage areas including the Great Barrier Reef, circular economy, waste management and resource recovery, and the Land Restoration Fund. Karen also leads policy and programs in areas such as heritage, climate change, a Climate Positive Brisbane 2032 Olympic and Paralympic Games, environmental offsets, biodiversity, koala conservation and State of Environment reporting.

Rob Lawrence **Deputy Director-General, Environmental Services and Regulation**

Rob leads the department's regulatory program and is responsible for administering and enforcing a range of legislation that manages the impact of human activity on the environment. The regulatory program involves assessing and permitting a range of activities, spanning mining to sewage treatment plants, waste management facilities, and agriculture. Rob is also responsible for managing environmental risks through a proactive compliance and enforcement program. This includes 24/7 issues-reporting and incident response, and strong litigation capabilities to prevent and respond to serious environmental harm.

Susan Chrisp **Deputy Director-General, Corporate Services**

Susan is responsible for DES' corporate capabilities and governance frameworks that enable the department to meet its strategic

objectives. Susan's role develops and implements best practice policies, programs and systems to manage the department's financial, digital, human, information, governance and physical resources.

Ben Klaassen **Deputy Director-General, Queensland Parks and Wildlife Service and Partnerships**

Ben leads the management of Queensland's parks and forests, including partnerships with First Nations peoples to protect cultural values, support sustainable land use and provide nature-based recreation and ecotourism opportunities. Ben is responsible for protecting threatened species, managing interactions between people and protected species, managing selected World Heritage areas, and leading the Queensland Indigenous Land and Sea Ranger program. Ben is also responsible for the delivery of the Great Barrier Reef Joint Field Management Program, in partnership with the Great Barrier Reef Marine Park Authority.

Mark Jacobs **Deputy Director-General, Science**

Mark leads the provision of scientific and technical advice and services to government agencies on environmental, natural resource and climate matters. This advice underpins agency decision-making and legislative responsibilities for the *Gene Technology (Queensland) Act 2016* and the *Biodiscovery Act (2004)*. Mark is also responsible for administration of the gene technology and biodiscovery legislation, the development of international research alliances and partnerships and managing the department's investment in the science sector in collaboration with the Queensland Chief Scientist.

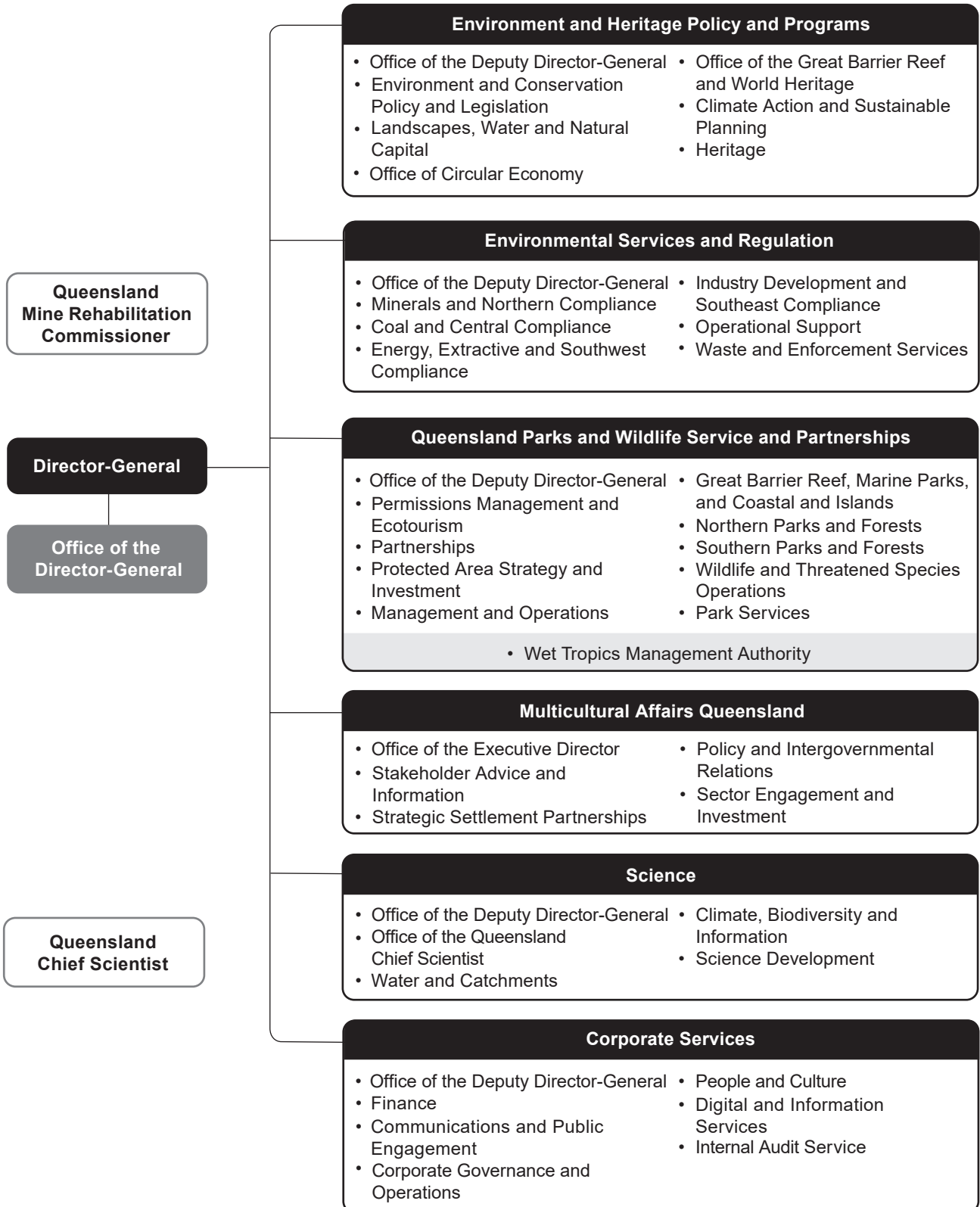
Wayne Briscoe **Executive Director, Multicultural Affairs Queensland**

Wayne leads the development and coordination of policy, strategy and legislation relating to multiculturalism and cohesive communities.

Wayne is also leading and strengthening the Queensland Government's engagement and ability to partner with State and Commonwealth Government agencies and non-government organisations to remove barriers to economic and community participation for culturally and linguistically diverse Queenslanders.

Our structure

Following Machinery of Government changes, the department realigned its functions, resulting in the organisational chart below as at 30 June 2023.



Our performance

This section highlights the department's achievements and performance. It aligns with the *DES Strategic Plan 2022–26*, the former *Department of Children, Youth Justice and Multicultural Affairs Strategic Plan 2022–26* and the *2022–23 Service Delivery Statements* for both agencies.

Conserve and restore Queensland's unique biodiversity, heritage and protected areas

The Queensland Government is dedicated to conserving our unique biodiversity and our important natural, heritage and cultural values. We are committed to protecting our ecosystems and values in partnership with First Nations peoples, the stewards of Country for many thousands of years. For First Nations peoples, Country and culture are indivisible.

Much of Queensland's economic strength depends on our natural assets. Our multibillion-dollar tourism industry relies on our remarkable natural environment. The productivity of our agricultural sector, and much of the culture and heritage of our regional communities are underpinned by healthy ecosystems. There is an increasing awareness of the value of this natural capital and the economic risks associated with its degradation.

Despite their importance, the strength and resilience of our ecosystems are under threat. Delivering conservation actions and strategies will ensure that we deliver a coherent and coordinated set of effective actions to manage biodiversity in Queensland across portfolios, local jurisdictions, landscapes, habitats and ecosystems. The Queensland Government is committed to improving the management of biodiversity, threatened species and protected areas, and safeguarding our heritage and cultural values.

Key achievements for 2022–23

Conserve and protect Queensland's biodiversity, threatened species and critical natural assets. This year we:

- completed the Strategic Fire Management Program with 535 planned burns totalling 666,464 hectares of Queensland's parks and forests
- responded to 187 bushfires resulting in approximately 442,638 hectares of burnt Queensland Parks and Wildlife Service and Partnerships (QPWS&P) managed estate
- published an updated Planned Burn Guidelines: Southeast Queensland Bioregion of Queensland and developed a new Planned Burn Guidelines Introductory Volume
- actioned 15 of the Office of Inspector-General Emergency Management *K'gari (Fraser Island) Bushfire Review* recommendations
- commenced a full review of the department's fire information management system with a view to providing modern field capable, situationally aware, and interoperable solutions for QPWS&P rangers
- delivered two recommendations from the Royal Commission into National Natural Disaster Arrangements for nationally consistent climate change projections and fauna and flora information
- reviewed the Aviation Policy Framework contributing to staff safety when undertaking a range of operational aviation management activities
- delivered the Strategic Pest Management Program (SPMP), by completing approximately 72 SPMP pest projects on QPWS&P managed estates
- implemented the Values-Based Management Framework program including the development of a Management Plan
- co-designed two Management Statements with First Nations partners
- completed seven interim key values and levels of services assessments for 20 parks and forests
- completed six interim management directions
- developed 80 thematic strategies
- completed all 145 projects for riverine and coastal rehabilitation and pest and weed management for the Environmental Recovery Program post the 2019 monsoon trough under the Commonwealth/State jointly funded Disaster Recovery Funding Arrangements
- awarded grants for 67 projects for riverine rehabilitation, biodiversity conservation, and pest and weed management as part of the Environmental Recovery Program post the 2021–22 severe weather events under the

- Australian Government and State Disaster Recovery Funding Arrangements
- allocated recovery funding across South East Queensland in response to 2022 rainfall weather events with the Queensland Reconstruction Authority
- continued the *Great Sandy Marine Park Zoning Plan* and *Moreton Bay Marine Park Zoning Plan* reviews
- developed a contemporary marine park zoning plan review process in collaboration with the Queensland Chief Scientist
- continued work to expand the Cleveland Bay declared fish habitat area
- implemented the statewide aerial survey program to monitor the abundance of harvest macropods
- entered into a partnership with Friends of Parks Queensland to enhance community engagement and volunteering in protected areas
- delivered the *Nature Conservation and Other Legislation Amendment Act 2022*
- declared 12 new nature refuges under the *Nature Conservation Act 1992* adding 106,438 hectares to Queensland's protected areas
- awarded 80 Nature Refuge Landholder Grants to support the management and protection of significant natural and cultural values on existing nature refuges
- awarded 11 Nature Refuge Disaster Recovery Grants to nature refuge landholders in local government areas impacted by disaster events that occurred in 2021 and 2022 (in partnership with the Australian Government)
- continued to deliver the Private Protected Area Program Landholder Services pilot with Ecosure, including the completion of 66 property visits, co-delivery of three workshops with NRM (Natural Resource Management) partners and five webinars
- constructed the Wongari Deterrent Fence working with the Butchulla people to protect dingoes (wongari) and the Orchid Beach community on K'gari
- eradicated introduced mice from North West Island, Capricornia Cays National Park
- updated the *State Government Supported Infrastructure Koala Conservation Policy* to ensure that state infrastructure projects are subject to koala conservation requirements
- commenced consultation on a post-implementation review of the koala habitat regulations
- invested in 28 pest management projects to reduce pest impacts on park and community values
- invested in fire management projects to reduce the risk of wildfires to park and community values
- developed and upgraded management and visitor infrastructure across the protected area estate
- intensive area surveying was completed on new acquisition 'The Lakes' with external specialists identifying five rare ecosystems and possibly the discovery of one new ecosystem
- continued implementation of the *Threatened Species Program 2020–2040* including recovery programs for priority species such as koala, northern hairy-nosed wombat, greater bilby, bridled nail-tail wallaby, marine turtles and Nangur skinks
- continued to support the bridled nail-tail wallaby management program on Taunton National Park (Scientific) resulting in the population thriving and continued to monitor the bilby and kowari population at Astrebla Downs National Park
- delivered a timely, transparent, and scientifically accurate threatened species listing process based on the nationally recognised Common Assessment Methodology – aligning the conservation status of wildlife with other jurisdictions in Australia
- implemented actions through the *South East Queensland Koala Conservation Strategy 2020–2025*
- developed new recovery action plans to protect threatened species
- awarded 11 grants to research organisations to fill knowledge gaps relating to threatened species such as grey nurse sharks, Carpentarian grass wrens, spectacled flying foxes and a suite of threatened plants
- developed new partnerships with Griffith University, James Cook University, Bush Heritage Australia, the Queensland Museum and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to undertake monitoring of over 25 threatened species
- signed a new collaborative deed with the Save the Bilby Fund to protect the bilby. The deed includes a captive breeding program at Charleville, management of bilbies and their predators in and around the enclosure at Currawinya National Park and building on populations at Astrebla Downs National Park assessed and selected Powrunna State Forest as the site for the establishment of a third population of the critically endangered northern hairy-nosed wombat

- extended funding and partnership arrangements with the Queensland Trust for Nature to deliver the Koala Habitat Restoration Partnerships Program to support the establishment of restoration projects at a further eight sites, leading to the revegetation or regeneration of koala habitat over 174 hectares in South East Queensland
 - continued management of the koala habitat restoration properties and progressed formal negotiations for the legal protection and transfer of these properties to the Queensland Trust for Nature
 - continued to partner with Griffith University to co-design and implement community engagement and threat mitigation initiatives in partnership with local governments to support koala conservation in South East Queensland
 - awarded 6 grants through the Community Sustainability Grants Program Round 7: Koala Applied Research South East Queensland in April 2023 to support applied research and koala conservation in South East Queensland
 - developed a koala sighting App which provides a streamlined platform for collecting koala sightings data
 - developed a curriculum-based Koala Education Program's Teacher Pack to increase awareness of the plight of koalas and programs and opportunities to contribute to the conservation and recovery of koalas in Queensland
 - extended funding and partnerships arrangements to support the operations of the South East Queensland Wildlife Hospital Network in the rescue, treatment, care, and rehabilitation of sick, injured and orphaned wildlife for eventual return to the wild
 - funded 17 flying fox projects across Queensland through the state's Flying-Fox Roost Management – Local Government Grants Program
 - continued delivering Crocwise messaging to promote public safety in Croc country
 - considered and accepted all 22 recommendations made by a Crocodile Management Independent Expert Evaluation Committee in relation to the department's crocodile management program with the implementation of responses to these recommendations underway
 - held a Crocodile Roundtable with stakeholders in Cairns in March 2023 and developed the draft Be Crocwise public safety strategy for consultation
 - completed a study into the genetic structure and connectivity of the estuarine crocodile population in Queensland, which redefines what is known about the connectivity and movement patterns of estuarine crocodiles in Queensland and more broadly
 - developed a model of Queensland's crocodile population which was peer reviewed by the International Union for Conservation of Nature-Species Survival Commission, Crocodile Specialist Group
 - undertook crocodile management response in keeping with the *Queensland Crocodile Management Plan*
 - released *Conserving Nature—a Biodiversity Conservation Strategy for Queensland*
 - conducted an ecological planned burn of critical habitat on the MacPherson Range along the Queensland (QLD) New South Wales (NSW) border in the Gondwana World Heritage Area to enhance habitat for the endangered Eastern Bristlebird
 - delivered excellent conservation outcomes in the Sunshine Coast Area through the Yurol Ringtail State Forests Conservation Project
 - funded a carbon offset company to revegetate the plantation areas of the Yurol and Ringtail State forests
 - transitioned 1,021 hectares of state forest to Tewantin National Park, with 260 hectares planted as part of the restoration works
 - strengthened the lease and partnership arrangements with the Gidarjil Development Corporation at Mon Repos Conservation Park
 - developed and launched an 'ePIN' App for the issuance of electronic penalty infringement notices via email by departmental officers to alleged offenders
 - established environmental values and water quality objectives for the waters of the South East Queensland region under the Environmental Protection (Water and Wetland Biodiversity) Policy 2019.
- Continue to grow the protected area estate.**
This year we:
- developed a *National Park Investment Prioritisation Framework* that guides decision-making relating to the prioritisation of acquisitions for national parks and other public protected areas by considering the best available science, cultural and management factors
 - acquired six properties, totalling over 29,900 hectares, for addition to existing protected areas
 - established an inter-departmental working group to support the ongoing assessment of Unallocated State Land for inclusion in the protected area estate

- completed eight amendment regulations resulting in a net growth of the protected area estate of over 300,000 hectares.

Partner with First Nations peoples to steward Country and incorporate traditional knowledge in program delivery. This year we:

- continued to embed the principles and values of *The Gurra Gurra Framework 2020–2026* across the business to create permanent and productive relationships with First Nations peoples and communities across Queensland
- partnered with First Nations organisations in 13 additional communities to employ 54 new Indigenous Land and Sea Rangers
- distributed grants to 19 First Nations organisations (representing 24 communities) for the 100 existing Indigenous Land and Sea Rangers and supported the ongoing growth of the Queensland Indigenous Women’s Ranger Network
- supported 22 Indigenous communities with grant funding, through the Looking After Country Grant Program to undertake projects to protect and conserve natural and cultural resources
- partnered with the Bunya Peoples’ Aboriginal Corporation through the Indigenous Land and Sea Ranger Program to deliver on-ground management activities on eight nature refuges located on Country
- finalised negotiations with Atambaya, Gudang Yadhaykenu and Angkamuthi (Seven Rivers) people to create and jointly manage Apudthama National Park (Cape York Peninsula Aboriginal Land) an area of 319,231 hectares and Yamarrinh Wachangan Islands (Denham Group) National Park (Cape York Peninsula Aboriginal Land) an area of 69 hectares
- granted 6,704 hectares of Aboriginal freehold land (ALA) to Ipima Ikaya Aboriginal Corporation registered native title body corporate (RNTBC) and 36,095 hectares of ALA to Atambaya Aboriginal Corporation
- secured joint working arrangements between Atambaya Aboriginal Corporation and QPWS&P through a Fire License (underpinned by an Indigenous Land Use Agreement (ILUA)) to undertake controlled burns on the Corporation’s ALA to protect Atambaya (Heathlands) Ranger Base infrastructure
- finalised negotiations with Angkamuthi (Seven Rivers), Gudang Yadhaykenu and Atambaya people on Cape York Peninsula to deliver the Apudthama Ikaya land dealing
- continued to negotiate the transfer of land at Captain Billy Landing and around Cooktown (including Mount Cook National Park and Endeavour River National Park) to Aboriginal ownership and protected area under the Cape York Peninsula Tenure Resolution Program
- completed a co-designed management plan for the Noosa Area national parks with the Kabi Kabi People, a management statement for Undara Volcanic National Park with the Ewamian People, and for Forty Mile Scrub National Park with the Wakaman People and Ewamian People
- delivered the Management Plan for the Boodjamulla National Park aggregation in collaboration with the Waanyi Native Title Aboriginal Corporation RNTBC
- completed Tranche 1 negotiations with the Waanyi Native Title Aboriginal Corporation RNTBC to resolve the 2016 claim over Boodjamulla (Lawn Hill) National Park under the *Aboriginal Land Act 1991* including development of an ILUA, Perpetual Lease, a Cooperative Management Agreement and Protocols
- continued negotiations with the Butchulla Aboriginal Corporation RNTBC over the protected area estate on K’gari
- continued to implement the Minjerribah (North Stradbroke Island) and Mulgumpin (Moreton Island) Indigenous joint management arrangements for the maintenance and protection of cultural and conservation values on Minjerribah and Mulgumpin
- continued to manage Quandamooka Sea Country in Moreton Bay, delivering on the commitments in the associated Memorandum of Understanding
- commenced development of the K’gari Recreation Area Management Plan working with Butchulla Aboriginal Corporation to endorse the key values for K’gari
- continued with the development of dingo (wongari) management and fire management protocols and completed development of Caring for Country protocol with Butchulla Aboriginal Corporation
- finalised the draft Cooloola Recreation Area Management Plan working with Kabi Kabi people in preparation for community consultation
- worked with ten Traditional Owner groups to manage Sea Country in the Great Barrier Reef under Traditional Use of Marine Resources Agreements
- provided 25 Land and Sea Rangers diver training in order to progress towards undertaking reef health surveys

- completed Land and Sea Ranger work placements for a minimum of six months each with Darumbal, Mandubarra, and Gunggandji Mandingalbay Yidinji Traditional Owners
- produced two cultural etiquette videos in collaboration with Traditional Owners highlighting respectful ways to visit Country, bringing the total number of videos to seven
- managed five fee-for-service agreements with Traditional Owner groups (Girringun, Wulgurukaba, Yirrganydji, Jabalbina and Juru) to deliver field activities on Country in the Great Barrier Reef
- partnered with the Wulgurukaba Traditional Owners under a works contract for a range of activities on Magnetic Island National Park, including the collaborative delivery of walking track projects and incorporation of Yunbenu Land and Sea rangers into the management unit
- provided 282 days employment for Wuthathi and Meriam Nation (Ugar, Mer, Erub) rangers and cultural advisors working on Country on the Raine Island Recovery Project and the Raine Island Beacon Restoration Project
- supported the employment of the Raine Island First Nations Coordinator – a step towards Traditional Owner led management
- provided continued funding to the Gidarjil Development Corporation for ongoing delivery of the Traditional Owner-led inshore water quality monitoring project in the southern Great Barrier Reef
- supported Traditional Owners to return to Country to deliver field management activities and strengthened Traditional Owner presence on Great Barrier Reef Joint Field Management Program vessels (number of person-days on vessels was 484 in the southern Great Barrier Reef (GBR) and 438 in the northern GBR)
- delivered authorised officer training to 20 Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC) and Butchulla Aboriginal Corporation (BAC) First Nations Rangers to enable them to be subsequently appointed as conservation officers under the *Nature Conservation Act 1992*, authorised officers under the *Recreation Areas Management Act 2006* and as inspectors under the *Marine Parks Act 2004*
- implemented Indigenous Management Agreements with Traditional Owners for jointly managed national parks (CYPAL)
- incorporated Traditional Owners on vessel patrols to support joint work programs within the Great Barrier Reef and Marine Parks region
- continued working collaboratively with First Nations communities, organisations and local governments to identify strategic pathways and actions that facilitate climate adaptive, resilient communities able to drive and embrace low carbon jobs and opportunities, manage climate risks, and reduce emissions across the economy
- worked with the Northern Basin Aboriginal Nations to conduct Aboriginal Waterways Assessments with the Bidjara Nation and Mandandanji Nation at significant waterway locations of cultural significance within the Queensland Murray-Darling Basin
- continued priority focus on fostering productive relationships with First Nations partners including the Gudjala People for the new acquisition area 'The Lakes', and formation of the Boodjamulla Cooperative Management Council (bringing staff and Waanyi people together to cooperatively manage Boodjamulla National Park)
- continued cultural burning and weed management with Barada Barna Traditional Owners on Dipperu National Park (Scientific) as part of a program collaboratively funded with Fitzroy Basin Association and Greening Australia
- reinvigorated or established working groups (under ILUAs) or advisory groups, supported by Terms of Reference, with Traditional Owners in South East Queensland including the Jinibara, Kabi Kabi, Danggan Balun and the Port Curtis Coral Coast Trust on behalf of the Bailai, Gurang, Gooreng Gooreng and Taribelang people
- strengthened the partnership with Danggan Balun (Yugambeh language group) for Gold Coast area parks
- recommenced the Carnarvon National Park Partnership Management Committee focusing on strong governance and Terms of Reference for future joint management decision-making
- relationships were strengthened with the Budjiti working group recognising their strong desire for increased on-ground implementation of the *Currawinya National Park Management Plan* and a need for improved communication and early involvement in park management activities
- progressed the negotiation of an ILUA with the Ewamian People for all protected areas within their native title determination area, providing for cooperative management and native title consent for the development of new national parks
- supported two Queensland female Indigenous rangers to attend the first ever Indigenous Women in Fire Training Exchange with women from the Karuk tribe in California,

USA, where they spent an intensive 12 days sharing knowledge of cultural burning practices

- provided grants under the 2023 Cape York Heritage Assessment Grant Program to Western Yalanji Aboriginal Corporation, Balnggarrawarra Country, Muunthiwarra Aboriginal Corporation and Binthi Land Holding Group Aboriginal Corporation, to undertake cultural heritage assessments on their Country.

Connect people with, and improve accessibility to, Queensland's national parks and our cultural and built heritage. This year we:

- delivered the Capital Works Program including over 300 projects
- invested in ecotourism projects with work progressing on the Ngaro walking track in the Whitsunday Islands National Park, as part of a multi-year capital program to upgrade and promote nature-based and world heritage tourism opportunities
- completed the Lady Musgrave Island amenities upgrade
- issued 269,360 camping permits and 197,576 vehicle access permits for Queensland national parks and forests
- showcased safe and sustainable visitation to our parks and forests, including to our World Heritage Areas, hidden gems throughout the state and Gateway Visitor Centres while also featuring our workforce's contribution to our protected areas through distribution of the *Naturally Queensland* e-newsletter to over 161,600 subscribers, and over 1,368 posts regarding national parks to our six social media platforms reaching a combined audience of more than 27 million people
- completed significant upgrades to the Lake Barrine Twin Kauris Track including a new walking track and viewing platform to cater for wheelchair access and to greatly enhance the visitor experience
- continued to upgrade the Daisy Hill Conservation Park including expansion of the mountain bike trail network, new amenities, signage and car parking
- completed major upgrades to walking tracks on Magnetic Island and enhanced trailhead facilities including signage, seating and car parking
- upgraded visitor facilities, day-use areas, campgrounds and car parks at Bunya Mountains National Park

- installed additional public moorings and no-anchoring zone markers in the Whitsunday and Townsville areas
- restored the structural integrity of the Raine Island Beacon's stonework
- completed a major upgrade to the Natural Bridge visitor precinct with new amenities, information shelter, boardwalks, signage and parking including persons with disability parking
- opened the Alligator Creek redevelopment, providing access by persons of all abilities to Alligator Creek Beach
- welcomed 66,106 total visitors to Gateway Visitor Centres—David Fleay Wildlife Park and Walkabout Creek Discovery Centre
- delivered curriculum-linked conservation education programs to 11,046 people at two Gateway Visitor Centres
- developed new Gateway Visitor Centre ranger presentations to showcase protected area, threatened species and wildlife education
- completed facility upgrades to wildlife enclosures (crocodile, macropod and cassowary) at David Fleay Wildlife Park to enhance wildlife welfare and visitor education experiences
- completed facility upgrades to Walkabout Creek Discovery Centre including a new entryway and immersive education room
- oversaw a construction project at Newstead House (a state heritage-listed property) to address significant structural integrity issues and ensure it can be re-opened to the public (working with the Board of Trustees of Newstead House)
- partnered with the Local Government Association of Queensland and Fraser Coast Regional Council to deliver a Local Government Heritage Conference in Maryborough in March 2023, involving local governments and heritage professionals from around Queensland.

Enhance strategic land use planning in Queensland to support sustainable development. This year we:

- entered into a Memorandum of Understanding with the Australian Government to work on three bioregional plans in Queensland to better protect areas that matter for the environment and allow for faster development decisions
- improved and incorporated mapping of significant marine turtle nesting areas and significant seabird and migratory shorebirds roosting and feeding sites into the *State Planning Policy*

- completed 26 coastal hazard adaptation strategies for local governments under the QCoast₂₁₀₀ funding program to inform coast planning and commenced Round 3 of the program.

Arrangements that will enhance resilience of waterways to future disasters

- continued to decarbonise our parks and forests, by upgrading and expanding the remote area power system at Blackdown Tableland National Park
- undertook the replacement of diesel power generation with alternative green energy technology where appropriate.

Facilitate solutions that build environmental and economic resilience to climate change and extreme weather events. This year we:

- rolled out an Environmental Recovery Program under the Australian Government and State Disaster Recovery Funding

Summary of performance for 2022–23

The following results document performance highlights against outcome indicators as outlined in the *DES Strategic Plan 2022–26*.

Outcome indicators	Performance highlight
Increased percentage of Queensland's land area that is protected <i>SDS service standard included below</i>	During 2022–23, the state's protected area system increased by 300,530 hectares through the dedication and declaration of protected areas under the <i>Nature Conservation Act 1992</i> and including: <ul style="list-style-type: none"> additions to the Pinnacles National Park and Mount Walsh National Park expansion of the Artemis Antbed Parrot Nature Refuge declarations of the new Norfolk Nature Refuge, Herbertvale Nature Refuge and Mount Gibson Nature Refuge.
Increased number and diversity of places with State cultural heritage significance listed in the Queensland Heritage Register <i>SDS service standard included below</i>	As at 30 June 2023 there were 1,797 places listed in the Queensland Heritage Register including: <ul style="list-style-type: none"> sites of public recreation, parks and gardens rural homesteads, suburban houses, flats, caravan parks community halls, theatres, picture theatres, showgrounds churches, places of worship, sites of public commemoration, burial places commercial and government buildings including schools, police stations, courthouses, post offices factories, industrial sites, mining sites roads, bridges, railways, railway infrastructure.
Maintained or improved key natural, cultural and heritage values	A total of 77% of the natural and heritage key values of priority parks and forests ¹ were assessed to have maintained or improved during 2022–23. This outcome indicator gauges if the QPWS&P on-ground management actions are maintaining or improving the condition of key values on priority parks and forests ² . Fluctuations in condition can occur due to unplanned events such as cyclones, drought or severe wildfire. In addition to allowing the impacts of ongoing rehabilitation to be monitored, any decline in condition is used to flag where further management action is needed.

Notes:

- Priority parks and forests are those which have a very high to exceptional Level of Service (LoS).
- The condition assessments were undertaken on four priority parks over 2022–23 and will be expanded over time across additional parks and forests in accordance with the *Values Based Management Framework Roadmap 2022–25*.

Service Standards

The following service standards in DES's 2022–23 *Service Delivery Statement*, were used by the department to assess overall performance as at 30 June 2023.

SDS Service Standards	2022–23 Target/Est	2022–23 Actual	Target met/not met
Service Area: Parks, Wildlife and Conservation Services			
Protected area management, expansion and experiences			
Percentage of the prescribed Protection Zone fuel management treatment achieved on QPWS managed areas to protect life and property ¹	90%	71%	Target not met
Area of the QPWS managed estate with fuel loads reduced by planned burning, to reduce fire risk to life and property and protect biodiversity	637,463 ha	666,464 ha	Target met
Percentage of Queensland's land area that is protected	8.3%	8.38%	Target met
Number of camper nights hosted on national parks and forests	1.4M	1,438,696	Target met
Number of hectares of State land and national parks transferred to Traditional Owners in Cape York Peninsula ²	382,000 ha	362,100 ha	Target not met
Percentage of key Queensland protected area locations with average user experience ratings of 4 stars or higher	90%	98%	Target met
Cost per session for the Queensland wetland information system (<i>WetlandInfo</i>)	\$1.00	\$0.52	Target met
Average cost of processing protected area-related authorities: <ul style="list-style-type: none"> • General protected area authorities • Camping and vehicle permits 	\$1,500 \$10	\$1,414 \$6.27	Targets met
Wildlife management and habitat protection			
Median time taken to resolve declared problem crocodiles	≤7 business days	1 business day	Target met
Average cost of processing protected plant and animal authorities: <ul style="list-style-type: none"> • General authorities • Macropod authorities³ 	\$200 \$80	\$209 \$82	Targets not met

SDS Service Standards	2022–23 Target/Est	2022–23 Actual	Target met/ not met
Service Area: Heritage Protection Services			
Percentage of departmental heritage recommendations, for inclusion in or removal from the Heritage Register, accepted by the Queensland Heritage Council ⁴	90%	83%	Target not met
Average cost per Heritage Register entry reviewed and updated ⁵	\$235	\$183	Target met

Notes:

1. Wet conditions and restricted access reduced the windows of opportunities for fuel load management. In total 960 hectares of the protection zone was treated to protect life and property of the managed estate. Although the 2022–23 target was not met, work is ongoing in preparation for the 2023 bushfire season.
2. This result includes hectares of land transferred under part of the Thayanaku dealing. Land transfers that were not completed during 2022–23 have been carried over to 2023–24 to enable ongoing consultation with Traditional Owners and finalisation of the land dealings.
3. The 2022–23 result for processing the general plant and animal authority component is higher than Target/Estimate due to a slightly smaller than average total number of authorities issued during 2022–23.
4. Six recommendations were made to the Queensland Heritage Council (QHC) during 2022–23, of which five were accepted. One of those sites recommended was accepted by QHC as a place of cultural heritage significance but was not listed on the register due to its poor physical condition and structural integrity preventing preservation of its cultural heritage significance.
5. The 2022–23 actual result exceeded the Target/Estimate due to an increase in the number of reviews completed during the year as part of an ongoing program of work to improve the information contained in the register and related to heritage boundary descriptions and associated boundary map accuracy.

Support job creation and the diversification of the Queensland economy

The Queensland Government is dedicated to strong action on climate change and remains committed to its targets—reducing emissions by 30% below 2005 levels by 2030 and achieving zero net emissions by 2050. Delivering on these targets will make an important contribution to global action on climate change and help attract new investment, industry development and sustainable job creation across the Queensland economy. Current National Greenhouse Gas Inventory data shows Queensland has reached a 29% reduction of emissions on 2005 levels. That is, Queensland has almost achieved its 2030 interim emissions reduction target nine years ahead of time.

In 2022–23, the government continued to deliver the *Queensland Climate Action Plan 2020–2030* (QCAP), which incorporates the *Queensland Climate Adaptation Strategy*. The QCAP builds on previous actions and sets priorities for further action across seven sectors: energy, resources, manufacturing, transport, land and agriculture, the built environment and tourism. Climate action in these sectors provides the strong foundation needed for Queensland to meet its targets, attract investment, and create more jobs in the future economy, while supporting and strengthening our communities and protecting our natural environment.

Our department leads collaborative work across the Queensland Government to develop and implement the QCAP.

Our department is also collaborating with other Host Partners and the Brisbane Organising Committee for the 2032 Olympic and Paralympic Games (OCOG) to deliver a climate positive and sustainable Brisbane 2032 Games. This is in line with the International Olympic Committee's Sustainability Strategy and will accelerate progress towards Queensland's emissions reduction and renewable energy targets.

Our department continues to support the growth and competitiveness of Queensland's science sector, working with its state-based universities to identify key science capabilities in the state and connect these with industry and the community to ensure widespread translation and impact from research.

Key achievements for 2022–23

Enable the continued growth of a strong and compliant resource recovery and recycling manufacturing industry. This year we:

- undertook a statutory review of *Queensland's Waste Management and Resource Recovery Strategy* that focused on 2019 to 2022 and examined progress towards achieving targets and resultant outcomes, assessed the ongoing relevance, identified issues affecting implementation and identified opportunities to improve
- amended the *Waste Reduction and Recycling Act 2011* to give effect to the decision to remove the clean earth levy exemption; change the definition of waste to allow a thing to be prescribed in regulation to not be a waste and introduced the circular economy principle into legislation
- provided funding to support development of eight Regional Waste Management Plans (noting that the SEQ Waste Plan was released in November 2021) and First Nation plans through the Recycling and Jobs Fund
- commenced the Let's Get it Sorted pilot campaign focusing on improving recycling behaviours for yellow top bins across 19 local government areas in South East Queensland, Townsville, Mackay, Cairns, Bundaberg, Rockhampton, Fraser Coast and Gladstone
- worked in partnership with Container Exchange (COEX) and consulted on the expansion of the container refund scheme to include glass wine and pure spirit bottles
- leveraged joint investment opportunities with the Australian Government, such as the Queensland Recycling Modernisation Fund to maximise the value of the Recycling and Jobs Fund
- commenced the Food Waste for Healthy Soils fund which mobilised Queensland and Australian Government funding to reduce the volume of organic waste sent to landfill and reduce greenhouse emissions, by supporting several businesses to upgrade or establish high quality organics processing facilities
- commenced a partnership funding the Smart Energy Council to design a solar panel recovery pilot to provide information to better understand the solar panel supply chain and potential collection and processing opportunities
- released a draft e-Products Action Plan for consultation, which focuses on actions to avoid e-waste and reuse, repair, refurbish and

remanufacture e-Products that can't be avoided

- continued to undertake waste industry compliance, including waste levy investigations, volumetric surveys, on-site inspections and successful enforcement actions. In 2022–23, the department completed 56 volumetric surveys and audits of landfill operators, and issued 76 direction notices, 43 penalty infringement notices, 13 environmental protection orders, and 2 compliance notices as a result of waste industry compliance activities
- continued administration of the Local Government Illegal Dumping Partnership Program involving 46 councils funded under Round 2, with 434 penalty infringement notices issued
- commenced implementation of a new waste tracking system in partnership with NSW and the contractor, including beginning to build the system and undertake stakeholder engagement.

Support job and business opportunities through national park capital works programs and innovative and sustainable ecotourism.

This year we:

- developed the *Ecotourism Plan for Queensland's Protected Areas 2023–2028* that provides a framework and actions for supporting the ecotourism industry within and adjacent to national parks
- implemented the Ecotourism Program Assurance Framework to ensure ecotourism facilities on protected areas monitor and report on their contributions to park management, maintenance and planning
- continued to engage with Kabi Kabi First Nations people on the Cooloola Great Walk Ecotourism Project to deliver a product that promotes awareness of Traditional Owner cultural values
- partnered with the Department of Tourism, Innovation and Sport (DTIS) to achieve project milestones of the Wangetti Trail including referral under the *Environment Protection and Biodiversity Conservation Act 1999* and worked with a contractor to complete the detailed design for the southern section of the trail
- released to market expressions of interest for delivery of three capital projects including the camp site developments for the Ngaro Walking Track on Whitsunday Island and site clean of the former resort infrastructure on Wild Duck Island

- created three new positions to undertake management responsibilities at the new 'The Lakes' acquisition area.

Stimulate natural capital markets and jobs through the Land Restoration Fund, Queensland Natural Capital Fund and the Reef Credits Program. This year we:

- finalised the second investment round of the Land Restoration Fund which resulted in eight contracted high quality carbon projects delivering environmental, socio-economic and First Nations co-benefits for Queenslanders
- launched the third investment round of the Land Restoration Fund seeking to invest in carbon farming projects that achieve co-benefits, prioritising projects with a targeted focus on vegetation and threatened ecosystems outcomes
- partnered with NRM Regions Queensland and Queensland Farmers' Federation to deliver workshops and webinars to over 300 Queensland landholders and industry participants in support of the third investment round of the Land Restoration Fund
- supported the Carbon Market Institute to deliver training to build capacity within the finance and professional services sectors to support uptake of carbon farming in Queensland
- participated in landholder workshops and industry events in regional locations including Mackay, Toowoomba, Cairns, Charters Towers, Monto, Gayndah, Gin Gin and Stanthorpe to educate stakeholders on the Land Restoration Fund and carbon farming opportunities
- invested in the Queensland Natural Capital Fund managed by Queensland Investment Corporation to facilitate private sector co-investment in natural capital asset acquisitions that generate both commercial and environmental market returns while also producing positive environmental and socio-economic co-benefits
- awarded contracts to two brokers to help kick-start the state's emerging Reef Credit market to reduce nutrient and sediment flowing to the Great Barrier Reef
- supported innovative work by the University of Queensland to develop metrics to measure the condition of bird communities, as well as investigate the feasibility of applying the methodology to other fauna groups
- supported Accounting for Nature Limited (AfN) to further develop the AfN environmental accounting framework for measuring the condition of natural capital and cultural assets

- partnered with Sunshine Coast Council and Unitywater in a significant blue carbon project in the Blue Heart under a grant through the Department of Climate Change, Energy, the Environment and Water (Commonwealth), Blue Carbon Ecosystem Restoration Grants
- collaborated with CSIRO on strengthening social co-benefit measures and verification from natural capital investments
- supported Terrain NRM in further piloting and development of Cassowary Credits
- provided science support and advice as part of consultation relating to the Australian Government Nature Repair Market, in collaboration as part of the Natural Capital Program
- provided support to the Indigenous Carbon Industry Network to lead key industry events including the National Indigenous Carbon Forum and the North Australian Savanna Fire Forum, and create resources to help Indigenous people better engage in the carbon industry
- worked with Regen Farmers Mutual Limited to deliver five landholder workshops on carbon farming in the Traprock region and support 14 local landholders to assess the suitability of their properties for protection and restoration projects, such as carbon farming.
- contracted Business Chamber Queensland (formerly Queensland Chamber of Commerce and Industry) to continue to deliver the ecoBiz Program which provides guidance to small-medium enterprises on emission and cost reductions achieved through sustainability actions and a carbon emissions snapshot tool
- collaborated with Brisbane 2032 Olympic and Paralympic Games delivery partners, in line with the commitment to deliver a climate positive games, including in the infrastructure planning for the Gabba redevelopment and Games procurement and supply chain policy development
- partnered with other government agencies and industry bodies to ensure all new Brisbane 2032 infrastructure projects and major upgrades target the Green Building Council of Australia 6 Star Green Star for ratings
- delivered the Low Carbon Accelerator program (LCA) in partnership with the Office of the Queensland Chief Entrepreneur and Innovation Architects supporting Queensland innovators and entrepreneurs to develop market readiness of their low carbon products and services that address key decarbonisation challenges for the economy
- provided climate action grants to 39 community organisations and released a further funding round to support local projects that help reduce emissions and energy costs and build resilience.

Enable the growth of the biodiscovery industry through best practice legislation and streamlined permitting. This year we:

- continued to administer the *Biodiscovery Act 2004* efficiently and effectively, providing timely and constructive responses to inquiries and continuing to improve business practices
- continued to deliver support for biodiscovery entities and First Nations peoples to implement the traditional knowledge protections in the *Biodiscovery Act 2004*, through engagement and development of additional support tools such as awareness raising materials and template documents.

Enable a strong, resilient Queensland by supporting communities, businesses and government to reduce carbon emissions, manage climate risk and seize the opportunities of a low carbon economy. This year we:

- contracted Griffith University to support three Queensland Government entities to enhance their strategic management of climate risks
- funded the Local Government Association of Queensland to continue to deliver innovative products and services to Queensland local governments to strengthen their governance and staff capability to manage climate risk

Summary of performance for 2022–23

The following results document performance highlights against outcome indicators as outlined in the *DES Strategic Plan 2022–26*.

Outcome indicators	Performance highlight
<p>Contribution towards the government's target of:</p> <ul style="list-style-type: none"> • 30% reduction in net greenhouse gas emissions by 2030 • zero net emissions by 2050 	<p>In July 2021 the Queensland Government launched the <i>Queensland Climate Action Plan 2020–2030</i> (QCAP). The QCAP sets out the priority sectors for action over the next decade to achieve zero net emissions by 2050, power Queensland with 50% renewable energy by 2030 and reduce greenhouse gas emissions by at least 30% below 2005 levels by 2030.</p> <p>In the latest available data from the National Greenhouse Gas Inventory, released 14 April 2023, Queensland's emissions for 2021 were 29% below 2005 levels. Queensland has almost achieved its 2030 interim emissions reduction target.</p>
<p>Contribution towards the government's waste reduction target for 2050</p>	<p>In 2021–22, Queensland's overall recovery rate was 51.5%, a 4.7% decrease from 2020–21, with waste diversion for the headline waste streams being:</p> <ul style="list-style-type: none"> • 27.3% for municipal solid waste (the current target is 55% by 2025) • 49.4% for commercial and industrial waste (the current target is 65% by 2025) • 78.1% for construction and demolition waste (the current target is 75% by 2025).
<p>Increased economic and job opportunities arising from Queensland's investment in environmental outcomes</p>	<p>In 2022–23, the Department of Environment and Science, through the Land Restoration Fund:</p> <ul style="list-style-type: none"> • Finalised Investment Round 2, contracting 8 projects to the value of over \$14.9 million • Launched Investment Round 3, with up to \$50 million offered to the market to deliver carbon projects • Announced the third round of its Carbon Farming Advice Scheme, offering up to \$10,000 to landholders to receive carbon farming advice from one of 110 LRF Approved Advisers. <p>Committed \$45 million in the Queensland Natural Capital Fund (QNCF), facilitating private sector co-investment in natural capital asset acquisitions, to generate commercial and environmental market returns. The QNCF made its first acquisition in December 2022.</p>

Service Standards

The following service standards in DES's 2022–23 *Service Delivery Statement*, were used by the department to assess overall performance as at 30 June 2023.

SDS Service Standards	2022–23 Target/Est	2022–23 Actual	Target met/not met
Service Area: Environmental Programs and Regulation Services			
Waste regulation and resource recovery programs			
Percentage of waste operators compliant with the environmental obligations specified in an enforcement notice issued by the administering authority	70%	85%	Target met
Annual percentage reduction in the amount of waste disposed to landfill ¹	2.2%	4.6%	Target met
Administration cost per dollar of annual waste levy revenue received	≤2.7 cents	1.7 cents	Target met

Note:

1. Due to the timing of available data, the result for this service standard is reported one year in arrears and reflects the 2021-22 actual result. The positive variance between the 2022–23 target and actual for the Queensland levy zone is attributable to the effectiveness of targeted waste programs. The service standard reflects waste disposed to leviable landfills in Queensland's waste levy zone and excludes such things as waste disposed at mine sites and disaster waste received from New South Wales. This result may differ to the figures reported in the whole-of-Queensland Recycling and Waste in Queensland report.

Protect World Heritage areas including the Great Barrier Reef

We work in genuine partnerships with First Nations peoples, the Australian Government and many other land managers, partners and stakeholders to protect and manage Queensland's five World Heritage areas - K'gari, the Wet Tropics of Queensland, Gondwana Rainforests of Australia (Queensland section), the Australian Fossil Mammal Sites (Riversleigh section) and the Great Barrier Reef.

Queensland's World Heritage Areas are internationally treasured natural wonders and Australian icons with significant cultural, tourism and recreational values. The Great Barrier Reef alone has special significance to over 70 First Nations peoples groups, who have lived across the Reef and its catchments for tens of thousands of years and who maintain a continuing connection to their land and sea Country.

The Reef is facing significant threats, including climate change and land run-off. Compared to previous summers, cumulative impacts were low during the 2022–2023 summer. Slightly above average water temperatures led to minor levels of coral bleaching across the Reef during summer and a higher likelihood of bleached coral recovering. Some rivers in the catchment reached major flood levels, with flood plumes reaching offshore reefs in the northern region and the Whitsunday Islands. Climate change is escalating, and the Reef is experiencing the consequences of this. The events that cause disturbances on the Reef are becoming more frequent, leaving less time for coral recovery. Queensland is actively tackling these challenges. This includes action to reduce emissions that contribute to global climate change, reducing sediment and nutrient run-off under the *Reef 2050 Water Quality Improvement Plan*, implementing the updated *Reef 2050 Long-Term Sustainability Plan 2021–2025* and the Field Management Program with the Australian Government.

Key achievements for 2022–23

Protect and maintain the value of Queensland's World Heritage areas. This year we:

- co-designed the Boodjamulla National Park Management Plan with the Waanyi First Nations People which includes the Australian Fossil Mammal Sites World Heritage Area—Riversleigh site
- supported the Waanyi First Nations People with their successful National Heritage grant application for the Riversleigh Fossil Dreaming Project—a cultural heritage virtual experience of the Riversleigh World Heritage Area
- supported four successful First Nations recipients to undertake Heritage Assessment projects on their Country in the Cape York Peninsula through the Cape York Heritage Assessment Grant program
- worked with regional representative bodies and Traditional Owners to establish the principles and governance arrangements to progress a pathway to World Heritage listing for parts of the Cape York Peninsula
- organised the event to celebrate the 30th anniversary of the inscription of K'gari on UNESCO's World Heritage List
- partnered with the Butchulla People and the CSIRO to continue to develop a Climate Adaptation Plan for the K'gari World Heritage Area (due for completion by end of 2023)
- secured Commonwealth grant funding to deliver a co-designed cultural values

assessment with the First Nations peoples of the Gondwana Rainforest World Heritage Area (Githabul, Yugambeh and Yuggera Ugarapul peoples)

- secured Commonwealth grant funding to deliver a climate adaptation planning and integration assessment of Gondwana Rainforest World Heritage Area to assess climate change impacts, vulnerabilities, adaptation pathways and adaptation planning, including establishing governance structure with First Nations peoples
- released the Queensland First Nations World Heritage Strategy which demonstrates how Country and people will be at the heart of all World Heritage business
- held three meetings of the Riversleigh and four meetings of the K'gari World Heritage Advisory Committees during this year.

Lead the protection and restoration of the Great Barrier Reef through the implementation of reef reforms, water quality programs and regulation. This year we:

- coordinated the Queensland Government response to the UNESCO World Heritage Centre and International Union for Conservation of Nature Reactive Monitoring Mission Report
- supported Reef Traditional Owners to release their Reef 2050 Traditional Owner Implementation Plan and the Reef Traditional Owner website

- continued to ensure that Reef 2050 Plan implementation is guided by the expert advice provided by the Reef 2050 Advisory Committee and Independent Expert Panel
 - commenced review of the Reef 2050 Water Quality Improvement Plan and the statutory review of the Reef protection regulations as required under the *Environmental Protection Act 1994*
 - expanded implementation of the Reef protection regulations for the sugarcane, grazing and banana industries across the last tranche of Reef catchments in December 2022 with requirements applying for some industries for the first time in the Burnett Mary region and Fitzroy
 - continued to deliver the Queensland Reef Water Quality Program, working with landholders, communities, industry and Traditional Owners to improve the quality of water flowing to the Great Barrier Reef
 - commenced the second phase of the Reef Assist program, as part of the Queensland Reef Water Quality Program
 - finalised Phase 2 of the Banana Best Management Practice (BMP) program, with the Australian Banana Growers Council working with growers in the Wet Tropics and Cape York, including 68 projects on-ground under the grants fund
 - finalised Smartcane BMP Phase 3 with accredited sugar cane businesses covering approximately 40% of cane lands in Reef regions
 - finalised Hort 360 GBR Phase 1 with Reef certified horticulture businesses covering approximately a third of horticulture lands in Reef regions
 - finalised the inaugural Grazing Resilience and Sustainable Solutions (GRASS) program and accompanying incentive program, supporting graziers to improve management of 720,890 hectares of poor and degraded land and 150 land and erosion management projects on-ground
 - established contracts until 2026 to continue the next phases of the GRASS program and the BMP initiatives including Smartcane BMP, Hort360 GBR BMP, and Banana BMP
 - implemented an updated and expanded Paddock to Reef Perceptions of Practices social survey to improve reporting against the Human Dimensions target of the Reef 2050 Water Quality Improvement Plan and better inform project design and delivery
 - commenced the Queensland Government's investment in streambank remediation to deliver major remediation works and reduce sediment loss in priority catchments of the Great Barrier Reef
 - continued support for the Burdekin and Wet Tropics Major Integrated Projects to harness momentum gained through the first phase of the projects
 - partnered with the Australian Government to design and deliver a new joint investment in landscape repair to address sediment impacts to the Great Barrier Reef
 - continued implementation of the targeted Reef compliance program, including successful enforcement action taken with the issue of 18 warnings, one statutory notice and three penalty infringement notices
 - continued assessment of the new environmentally relevant activity 13A, which regulates commercial cropping and horticulture in the Great Barrier Reef catchment, with eight new environmental authorities issued
 - established environmental values and water quality objectives for the waters of the Burdekin, Don and Haughton regions, and the Mackay and Whitsundays regions under the Environmental Protection (Water and Wetland Biodiversity) Policy 2019.
- Facilitate new job opportunities and improve environmental outcomes through the delivery of targeted programs in reef catchments and World Heritage areas. This year we:**
- created over 150 jobs through the second phase of the Reef Assist program, with some projects being delivered by First Nations organisations, and half of the jobs filled by First Nations peoples
 - commenced delivery of the next phase of the Agricultural Extension Work Placement Program supporting the engagement of the next cohort of graduate extension officers in the Reef catchments.
- Deliver a world class Joint Field Management Program together with the Great Barrier Reef Marine Park Authority. This year we:**
- delivered Phase 2 of the Raine Island Recovery Project including monitoring of adaptive management actions, marine turtle numbers and seabird populations
 - continued to monitor Reef health in the field and remotely (with the use of technology) over the 2023 summer with partner organisations
 - delivered a new 12 metre mid-shelf support vessel "Jakarra" to focus on compliance activity in the central Great Barrier Reef. The vessel was constructed from composite material to significantly increase its service life

- developed a new edition of the e-magazine 'Insight Stories' showcasing highlights of the Programs work to key public stakeholders
- commenced a five-year review of the Reef Joint Field Management Program to assess performance and identify priority work for the future
- expanded the public mooring network around islands and on reefs providing more locations for visitors to enjoy the Great Barrier Reef
- delivered nine priority pest programs across seven Reef islands such as deer eradication on Wild Duck Island to protect flatback turtle nesting habitat and reducing impacts of pigs on Hinchinbrook Island
- upgraded and delivered new visitor infrastructure across six Reef islands including an amenities upgrade at Lady Musgrave Island and construction of a new walking track at Orpheus Island.
- continued implementation of the Wet Tropics Restoration Program with key partners and stakeholders to increase restoration works and facilitate greater collaboration in land management
- eradicating a further three yellow crazy ant infestation sites, with the support of Queensland and Commonwealth funding
- supported Queensland parliament to amend Legislation that ensures mining activity cannot happen in the Wet Tropics of Queensland World Heritage Area
- partnered with Tourism Tropical North Queensland and the Indigenous Experiences Cluster Group to support the development of the *Tropical North Queensland First Nations Tourism Action Plan 2023–2025*.

Continued to deliver on strategies to protect and present the World Heritage Values of the Wet Tropics of Queensland World Heritage Area. The Wet Tropics Management Authority has:

- partnered with Rainforest Aboriginal Peoples to ensure participation in the management of Country, including co-designing the Bama Country and Culture Project which will help tell the stories of the Traditional Custodians of the lands

Summary of performance for 2022–23

The following results document performance highlights against outcome indicators as outlined in the *DES Strategic Plan 2022–26*.

Outcome indicators	Performance highlight
Contribution towards the government's target of: <ul style="list-style-type: none"> • 60% reduction in anthropogenic end-of-catchment dissolved inorganic nitrogen loads • 25% reduction in anthropogenic end-of-catchment sediment loads <i>SDS service standard included below</i>	The most recent results available were published in the Reef Water Quality Report Card 2020: <ul style="list-style-type: none"> • The anthropogenic sediment load leaving catchments showed a cumulative reduction of 15.2% to June 2020, a modelled average annual reduction of 0.6% (approximately 37 kilotonnes) from July 2019 to June 2020. According to the modelling, we are more than halfway to the sediment target however, did not meet the annual target of $\geq 1\%$. • The dissolved inorganic nitrogen load leaving catchments showed a cumulative reduction of 27.7% to June 2020, a modelled average annual reduction of 2.2% (approximately 118 tonnes) from July 2019 to June 2020. • According to the modelling, we are almost halfway to the dissolved inorganic nitrogen target.

Service Standards

The following service standards in DES's 2022–23 *Service Delivery Statement*, were used by the department to assess overall performance as at 30 June 2023.

SDS Service Standards	2022–23 Target/Est	2022–23 Actual	Target met/not met
Service Area: Environmental Programs and Regulation Services			
Great Barrier Reef water quality programs			
Queensland contributes to progress towards 2025 targets of:			
<ul style="list-style-type: none"> 60% reduction in anthropogenic end-of-catchment dissolved inorganic nitrogen loads 	≥2%	2.2%	Target met
<ul style="list-style-type: none"> 25% reduction in anthropogenic end-of-catchment sediment loads^{1,2} 	≥1%	0.6%	Target not met
Administration cost per dollar of the Queensland Reef Water Quality Program funding distributed for the previous financial year ³	≤20 cents	\$0.51	Target not met

Notes:

- The 2022–23 Actual reflects the Reef Water Quality Report Card 2020 results, published in April 2022 at www.reefplan.qld.gov.au/tracking-progress/reef-report-card/2020. Reporting on this whole-of-government water quality improvement measure is done in arrears due to the required level of data collation and analysis, with results to be published every 2 years, or when approved by the State and Australian Governments.
- The variance between the 2022–23 Target/Estimate and the 2022–23 Actual for the end-of-catchment sediment load is due to the magnitude of the problem being addressed. While many landholders have improved their land management practices with the assistance of Government programs, the results reflect the large scale of change required to meet the water quality targets. There are significant challenges in addressing extensive gullies that have eroded over many years. New landscape repair projects targeting gully and streambank erosion are currently being commissioned which should produce additional sediment savings in coming years.
- The actual for 2022–23 is based on the ratio of administration expenses and funds distributed in the previous 2021–22 financial year. The higher administration costs to funding distributed ratio were attributed to administration/salary costs being relatively fixed and a delay in project funding distributions as a consequence of a review into the impact of the Queensland Reef Water Quality Program.

Strengthen and harness Queensland's scientific excellence

Our department provides leading-edge science, data, information, and advice to support Queensland Government priorities. We deliver the best available science through complex modelling, monitoring, data analysis and projections in relation to climate, water, emissions, natural disasters, koala habitats, vegetation management, the Great Barrier Reef and natural capital markets.

Our department invests in science research, capability and infrastructure and delivers strategies and initiatives that maximise the value from the Queensland Government's local, national and international science partnerships to further develop the State's science sector.

Our department also invests to modernise data, technology and scientific information systems and has active partnerships with universities and other research organisations to ensure the best available information is available for decision-making. The Office of the Queensland Chief Scientist supports the Queensland Chief Scientist in promoting Queensland's science and research capabilities, engaging with the science, research, and industry sectors to identify opportunities for collaboration and innovation, and engaging with the community, including students and young people, to raise participation in science, technology, engineering and maths, and increase scientific knowledge and awareness.

Key achievements for 2022–23

Harness Queensland's scientific excellence to support improved government decision-making and services, strengthen disaster recovery and resilience, and respond to climate change. This year we:

- undertook downscaling to 10km resolution of CMIP6 global climate models for 15 models under three emission scenarios and evaluation of added value of high-resolution climate simulations for Queensland (datasets yet to be published)
- continued to support ten leading edge National Collaborative Research Infrastructure (NCRIS) capabilities in Queensland through the Research Infrastructure Co-investment Fund
- continued the partnership with The University of Queensland to deliver state-of-the-art climate projections data to support climate risk assessments and decision-making
- expanded the Queensland Future Climate science resources to include a new Tropical Cyclone Hazard Dashboard—a visualisation platform that provides information on the future wind speed hazard associated with Tropical Cyclones for Queensland's regions to 2090
- published the fifth annual *Great Barrier Reef Catchment Loads Monitoring Program Story Maps*
- released updated land use mapping (current to 2021) for Great Barrier Reef catchments to inform water quality monitoring and modelling initiatives and protection of the Reef
- completed a collaborative project with Griffith University and Greening Australia, supported by Reef Trust, to improve understanding of how gully remediation influences sediment and nutrient loads from Great Barrier Reef catchments
- monitored nutrients, sediments and/or pesticides at more than 60 sites in 25 basins in major Great Barrier Reef and South East Queensland catchments
- continued partnering with The University of Queensland to develop tools for the early assessment of minimum ground cover in grazing lands and catchment restoration through water quality offsets to provide governments and stakeholders with greater confidence in the management of the Great Barrier Reef
- conducted extensive water quality modelling to inform the Reef Water Quality Report Card, provided on time and within budget
- released the *2019–20 Statewide Landcover and Trees Study (SLATS) report*, which included regrowth monitoring for the first time, in addition to the land clearing figures
- advanced the science informing Queensland's river management policies and programs, releasing the *Queensland River Rehabilitation Management Guideline*, the *Aquatic Ecosystem Rehabilitation Process* and the Interim Queensland River Classification Scheme to ensure recovery works achieve outcomes that maximise benefits for the environment and communities
- funded seven collaborative projects through the Queensland Water Modelling Network, bringing together partners from local and state government, the private sector, Traditional Owners and custodians, NRM groups and universities

- advanced the science supporting the Point Source Water Quality Offset Policy through collaborative projects with Griffith University and water industry partners, to develop a strong evidence-based foundation for decision-making on water quality management across Queensland
 - processed 3,245 water samples through the department's Chemistry Centre to inform water quality in South East Queensland and the Great Barrier Reef
 - published the Pesticide Risk Metric Dashboard via an online platform
 - assessed soil carbon stocks in Queensland's cropping and grazing lands to support sustainable agricultural decision-making and inform emissions reduction strategies
 - completed Version 2.5 of the Model of Effluent Disposal for Land Irrigation (MEDLI) model to support the regulation of environmental impacts from wastewater disposal for small communities, industry and feedlot applications
 - commenced the enhancement of the Soil and Landscape Information system (SALI Enhancement) to improve internal systems and provide data to the Australian National Soil Information System (ANSIS) a key component of the *National Soil Strategy*
 - provided approximately 50,000 property scale FORAGE reports requested by landholders, agribusiness, natural resource management groups and government extension providers
 - doubled the state-wide air quality monitoring network from 42 to 87 locations with more than 70% deployed in regional communities to provide Queenslanders with local real-time air quality information and health protection advice during bushfire smoke episodes
 - expanded the air quality monitoring network through the installation of a further three new air quality monitoring stations at Cairns, Maryborough and Nambour
 - successfully completed upgrades of the tide and wave sites coastal monitoring networks by the Queensland Government Hydraulics Laboratory, including the full rollout of TriAxys buoys to enhance navigation safety at four Queensland ports
 - undertook tsunami inundation modelling for the City of Gold Coast to assist with disaster management for this hazard
 - released the *Terrestrial Vertebrate Fauna Survey Guidelines for Queensland*
 - achieved a milestone of over 900,000 specimens of plants, fungi and algae accessioned, managed and maintained within the Queensland Herbarium collection
 - delivered a milestone of over 295,000 plant specimens of the Queensland Herbarium digitally imaged and available online on the Atlas of Living Australia
 - published the *Census of the Queensland Flora and Fungi 2022*, which underpins the names applied in the *Nature Conservation Act 1992*
 - published two new editions of the taxonomic journal *Austrobaileya*, including descriptions of 18 new species for Queensland
 - completed and released an annual update of the Koala Habitat Areas mapping for the *South East Queensland Koala Conservation Strategy 2020–2025*, identifying the best quality koala habitat
 - contributed to the Commonwealth-funded Bushfire Recovery Program assessing the effects of fires on threatened species and ecosystems, including Cooloola, Sunshine Coast hinterland, Bulburin and the Gondwana area
 - provided annual updates for regional ecosystems, high value regrowth, essential habitat, and protected plants maps
 - continued to provide behavioural and social science expertise into the Drought and Climate Adaptation Program, to inform the design of science-based drought decision support tools developed for use by the Queensland grazing industry
 - facilitated and coordinated the development of the Queensland Disaster Research Alliance of seven universities to pool funding and work together on disaster recovery and resilience
 - developed a Wetland Condition Assessment Tool (WetCAT) that provides a fast and effective measure of wetland conditions in response to events such as flood or bushfire, that can also be used to track effectiveness of management and restoration activities
 - contracted James Cook University to understand how heatwaves impacted mortality and calls to ambulance services in Queensland between 2010 and 2019
 - building modelling capability to provide coordinated greenhouse gas emissions modelling services to the whole of government and integrate whole-of-economy modelling with bottom-up sub-sector emissions modelling.
- Contribute to diversifying Queensland's economy by supporting the translation and commercialisation of Queensland science. This year we:**
- supported the attraction of the Sanofi Translational Science Hub and the formation of the Statement of Cooperation Steering

Committee to drive biomedical ecosystem development in Queensland

- supported the University of Queensland's successful bid for the Australian Research Council Centre of Excellence in Quantum Biotechnology
- supported the ARC Centre of Excellence for Indigenous and Environmental Histories and Futures to combine Indigenous knowledge and practices with western science to transform environmental monitoring and management
- launched the Research and Development Linkage Opportunities 2023, as a partnering opportunity with Queensland-based university and researcher institutes on Australian Research Council Linkage Projects aligned with priority research themes
- convened four roundtables to engage with regions on the opportunities to draw upon regional university capability
- delivered international research programs to establish new research partnerships in key subject areas. This includes the launch of a new Bioeconomy related research partnership program with the Federal Republic of Germany, and new program rounds with the Chinese Academy of Sciences and the Smithsonian Institution
- signed a new collaborative science agreement between Queensland and the Bavarian State Government, Germany to support university-level collaborative research in agreed priority areas including those that will help Queensland effectively manage risks associated with climate change, and capture opportunities arising from transitioning to a net-zero emission economy
- established a new initiative with three regional innovation hubs to grow research and business solutions that develop the scale and efficiency of Queensland's circular economy
- supported the ongoing development of the Queensland Defence Science Alliance (QDSA) to assist Queensland universities attract more defence related research funding from the Australian Government
- established and provided ongoing support for the Queensland Disaster Research Alliance to increase engagement between researchers and disaster management agencies and enable greater access to Australian Government funding for natural disasters
- established a Partner Up Queensland Regional Science and Innovation Network comprising hubs based in Toowoomba, Gladstone and Cairns to increase collaboration between scientists and industry

for innovation that leads to greater economic outcomes for the regions

- hosted the inaugural meeting of the Queensland Research Leaders forum comprising leaders of the state's eminent research groups, including nine universities, the Australian Institute of Marine Science, QIMR Berghofer Medical Research Institute, the Translational Research Institute, and CSIRO
- published the Queensland Government research and development expenditure report for 2021–22
- facilitated and hosted three meetings of Queensland's Scientific Collections Reference Group of state significant collections to strategically align and build on the historic and contemporary value of these resources and to maximise future impact
- continued to lead the Boggo Road Precinct Collaboration Group, to drive coordinated development of the Boggo Road-Princess Alexandra Hospital Precinct by optimising and coordinating critical initiatives to achieve the Precinct's vision and objectives
- continued delivery of data and reporting products through Maps Online (over 180,000 reports annually) and WildNet (over 2 million requests for data via Open Data API)
- implemented a refresh of the Queensland Science website, to increase the level of knowledge and engagement with stakeholders which has resulted in a significant increase in users.

Promote science and support Queensland scientists to engage the community and improve science literacy. This year we:

- partnered with the National Environmental Science Program (NESP2) Climate Systems Hub to deliver a Climate Science Knowledge Broker service to drive engagement with climate science resources and to increase understanding of climate science
- commenced seven new multi-year Reef water quality monitoring projects that will inform sustainable agricultural practices and provide data that enables accurate and relevant reporting
- provided funding to 41 Engaging Science Grants recipients to increase community engagement with scientists and participation in science-based activities.
- profiled award-winning scientists to promote the great work being carried out by Queensland's outstanding scientists
- partnered with Wonder of Science to bring Flying Scientists to regional and remote

locations to engage with the community to increase science literacy

- published the *Wetlands of Queensland* book showcasing the variety, beauty and complexity of the wetlands in Queensland, which helps readers understand why wetlands are such a critical component of our environment, and the many ecosystem services they provide
- funded Griffith University's Cities Research Institute to undertake Citizen Science Cooler Schools (CS2) project with two Queensland Primary Schools Year 5 and 6 STEM classes to design and test heat risk reduction toolkit and present to the school community to raise awareness of impacts of heat on health.

Implement the Natural Capital Framework underpinned with best practice scientific evidence, monitoring and modelling of the condition and quality of our environment and natural resource assets. This year we:

- worked collaboratively as part of the Natural Capital Program towards developing the multi-disciplinary science, robust economic expertise, strategy and investment pathways to harness Queensland's diverse landscapes and ecosystems for the benefit of our environment, economy and communities
- developed a conceptual framework for Natural Capital Science, including business drivers, requirements, capabilities and solutions.

Encourage greater participation in Science, Technology, Engineering and Mathematics (STEM) subjects. This year we:

- coordinated visits to schools by the Queensland Chief Scientist and a number of other scientists under the Meet a Scientist in Schools Program during National Science Week to celebrate the great science happening across our state
- delivered Sustainability and Science Schools Showcase for students from across Queensland to inspire sustainability and citizen science action in schools
- supported students to attend STEM initiatives such as the Hydrogen Grand Prix (H2GP) through the Partner Up Queensland Regional Science and Innovation Network to inspire participation in STEM studies and future careers.

Summary of performance for 2022–23

The following results document performance highlights against outcome indicators as outlined in the *DES Strategic Plan 2022–26*.

Outcome indicators	Performance highlight
Increased leveraging of national and international science collaborations and partnerships	<p>National and International science collaborations include:</p> <ul style="list-style-type: none"> • a Declaration of Intent on research collaboration with the Bavarian Ministry of Science and the Arts to support collaborative university-level research on a wide range of priority topics including green hydrogen, synthetic fuels and energy storage, cleantech and emission reduction technologies. Outcomes will help Queensland in its drive towards the goals of the Queensland Climate Action Plan 2030 • four Financial Incentive Agreements with the University of Queensland and Griffith University, recipients of the co-funded Queensland—Chinese Academy of Sciences Collaborative Science Fund 2022 Round. This funding supports Queensland researchers to work with researchers from the Chinese Academy of Sciences on innovative and practical collaborative research projects that will benefit the environment and help combat climate change • two funding agreements with two recipients of the Queensland-Smithsonian Fellowships Program. This Program supports Queensland researchers with access to the Smithsonian Institution, the world's largest museum, education and research complex to complete their research projects.
<p>Maintain high client satisfaction with science services</p> <p><i>SDS service standard included below</i></p>	<p>The level of customer satisfaction with the natural resource and environmental science services and information provided to government agencies continues to be highly valued with a 2022–23 result of 92%.</p>
Greater access to and use of science data	<p>There has been a concerted effort to identify and publish new datasets during 2022–23 with over 40 new sets available on the Open Data portal.</p>
Greater promotion of STEM education	<p>STEM promotion included the Queensland Women in STEM Prize awards, the Queensland Young Poppy Science Awards, National Science Week, World Science Festival events, the Flying Scientists school program and the Sustainability and Science Schools Showcase. The importance of STEM subjects continues to be promoted through targeted engagement and events. A total of 102,786 STEM subjects were completed at the year 12 level, for the 2022 calendar year, with an increase of 2.67% completion rate compared to the 2021 calendar year¹.</p>

Note:

1. STEM subject data is sourced from the Queensland Curriculum & Assessment Authority

Service Standards

The following service standards in DES's 2022–23 *Service Delivery Statement*, were used by the department to assess overall performance as at 30 June 2023.

SDS Service Standards	2022–23 Target/Est	2022–23 Actual	Target met/not met
Service Area: Science Services			
Percentage of customers from government agencies satisfied with the natural resource and environmental science services and information provided (overall satisfaction)	≥90%	92%	Target met
Percentage of laboratory tests completed and made available within agreed timeframes and quality specifications to support Reef 2050 Water Quality Improvement Plan and other government priorities	≥89%	93%	Target met

Deliver a world class environmental, heritage and biodiscovery regulatory system

Our department continues to regulate environmentally relevant activities, waste management and resource recovery in Queensland and places on the Queensland Heritage Register and the standard to which they are maintained.

We deliver consistent and transparent regulations that target industry-specific strategies and facilitate sustainable development in Queensland whilst maintaining Queensland's high environmental standards by actively monitoring and managing environmental risks, with robust assessment, compliance, investigation, and enforcement programs.

We also ensure the rehabilitation of environmental impacts and provide timely and comprehensive environmental information to state and local stakeholders.

Key achievements for 2022–23

Provide strong protection for the environment, and human health and wellbeing. This year we:

- scheduled environmental values, water quality objectives and aquatic ecosystems mapping under the Environmental Protection (Water and Wetland Biodiversity) Policy 2019
- continued to undertake vegetation management compliance activities in partnership with the Department of Resources. This includes property scale mapping to support investigations and proactive compliance through early detection using regular satellite monitoring
- continued to coordinate whole of government input to the national Gene Technology Regulator on applications under the National Gene Technology Scheme, to manage risks to human health and the environment while enabling the world leading genetic research in Queensland
- continued to administer the *Biodiscovery Act 2004* to support the sustainable use of native biological material for biodiscovery, encourage the development of value added biodiscovery in the State and protect First Nations peoples' rights in relation to their traditional knowledge, ensuring the benefits of biodiscovery are shared with all Queenslanders, and ensuring biodiscovery enhances knowledge of the State's biological diversity
- progressed the Queensland Government's commitment to investigate and consult on the establishment of an independent Environmental Protection Agency to protect our environment, create jobs, and support economic growth.

Maintain a 'fit for purpose' and streamlined regulatory framework to support economic recovery. This year we:

- delivered the *Environmental Protection and Other Legislation Amendment Act 2023* to enhance the effectiveness of the department's regulatory framework
- finalised the Guidance for Resource Industry Project (GRIP) in partnership with the Department of Resources and the Office of the Coordinator-General, with key deliverables completed including a current state report, customer journey maps, and review of guidance material
- continued to negotiate with the Department of Agriculture, Water and the Environment (Commonwealth) on an approvals bilateral agreement for a single touch approach framework, underpinned by National Environmental Standards
- implemented the Aboriginal and Torres Strait Islands Local Government, Environmental Services Support Program, to deliver a new co-designed service delivery model
- continued enhancements to the Public Register Portal to provide increased public access to a wider range of data and documents related to environmental authorities and enforcement activities
- completed an independent review of the *Environmental Protection Act 1994* to ensure it has adequate powers and appropriate penalties to protect the environment and community from environmental harm and nuisance issues
- developed and released the Queensland Heritage Implementation Strategy as a roadmap to delivery on the 22 recommendations made by the Queensland Heritage Advisory Panel, a committee of the Queensland Heritage

- Council charged with reviewing the adequacy of Queensland's heritage protection system
- continued to provide input to the reform of the National Gene Technology Scheme (the Scheme). This includes supporting progression of legislative amendments to give effect to recommendations of the Third Review of the Scheme and development of guidance for potential environmental release of genetically modified gene drive organisms
- continued to deliver support for biodiscovery entities and First Nations peoples to implement the traditional knowledge protections in the *Biodiscovery Act 2004*, through engagement and development of additional support tools such as awareness raising materials and template documents.

Enhance enforcement activities and incident response. This year we:

- undertook proactive and reactive compliance activities in relation to the regulated take, use and keep of protected plants and animals under the *Nature Conservation Act 1992* in accordance with the Annual Compliance Plan
- undertook overt and covert compliance audits of commercial whale watching operations to ensure all operators were conducting activities in accordance with the regulated marine animal separation distances and consistent with the conditions of their relevant authorities
- undertook assessment and compliance activities as a Technical Advice Agency to the State Assessments and Referrals Agency in relation to development in koala habitat areas in South East Queensland in accordance with State Code 25
- worked cooperatively with the Queensland Police Service and the Department of Climate Change, Energy, Environment and Water (Commonwealth) to investigate and progress enforcement action in relation to domestic and international trafficking of wildlife
- responded to the marine animal strandings and hosted the annual Stranded Marine Animal Response Training exercise at Kawana Beach to maintain capability and preparedness of all organisations involved in responding to marine animal strandings
- published the *Environmental Services and Regulation Annual Strategic Compliance Priorities 2022–2023* and the *Annual Strategic Compliance Priorities 2021–2022 final report*

- continued to undertake targeted compliance actions in relation to identified focus areas and in response to community issues.

Continue to implement rehabilitation reforms and identify and promote best practice rehabilitation. This year we:

- continued development of the public interest evaluation guideline relating to post mining land use
- continued implementation of mining rehabilitation reform relating to the Progressive Rehabilitation and Closure Plan requirements with nine transition notices issued, 48 applications reviewed, and 15 schedule approvals issued
- published the new Estimated Rehabilitation Cost calculators and guideline following finalisation of the major review.

Summary of performance for 2022–23

The following results document performance highlights against outcome indicators as outlined in the *DES Strategic Plan 2022–26*.

Outcome indicators	Performance highlight
Increased public access to a wider range of online compliance and enforcement data	As at 30 June 2023, there were more than 12,000 documents published on the Public Register Portal with an average of over 20,000 searches a month. During the 2022–23 financial year, Estimated Rehabilitation Cost and Suitable Operator records were added to the portal, the information request process was improved, and access to cancelled, surrendered and disclaimed environmental authorities was enhanced.
Reduction in overall risk to the environment	85% of operators were compliant with the environmental obligations specified in an enforcement notice issued by the administering authority during 2022–23.
<i>SDS service standards included below</i>	85% of waste operators were compliant with the environmental obligations specified in an enforcement notice issued by the administering authority during 2022–23.

Service Standards

The following service standards in DES's *2022–23 Service Delivery Statement*, were used by the department to assess overall performance as at 30 June 2023.

SDS Service Standards	2022–23 Target/Est	2022–23 Actual	Target met/not met
Service Area: Environmental Programs and Regulation Services			
Environmental assessment and compliance			
Percentage of compliance and assessment original decisions upheld after internal review	90%	96%	Target met
Percentage of operators compliant with the environmental obligations specified in an enforcement notice issued by the administering authority	70%	85%	Target met
Percentage of matters finalised with a conviction or a successful application	85%	91%	Target met
Percentage of briefs of evidence reviewed and decision made on whether charges can be laid, within 12 weeks of receipt	90%	92%	Target met
Average cost per compliance action finalised	\$5,500	\$4,732	Target met
Average cost per assessment application finalised ¹	\$11,500	\$6,106	Target met

Note:

- The baseline target of \$11,500 was set prior to the implementation of improved data capture systems. This measure has been discontinued and reintroduced as an improved two-part measure for 2023–24. Reporting standardised and complex assessments are separated, each with their own Target/Estimates.

Multicultural Affairs Queensland

Multicultural Affairs Queensland leads the development, and provides leadership on the implementation of, the Queensland Government's multicultural policies. It provides advice on barriers impacting the full inclusion of people from culturally and linguistically diverse communities in Queensland, facilitates partnerships across all levels of government and with industries, non-government organisations and communities to address barriers, administer investment programs, and maintain engagement with communities to promote positive community relations.

Key achievements for 2022–23

Work with communities, sector and industry partners and Government agencies to influence, facilitate and promote efforts to build welcome, belonging and economic and social inclusion of people from migrant, refugee, asylum seeker backgrounds and Australian South Sea Islander peoples. This year we:

- increased the recognition and support for Australian South Sea Islanders (ASSI), including establishing a dedicated Senior Community Engagement Officer role (ASSI identified) and collaborating with the Queensland United Australian South Sea Islander Council on a range of initiatives
- supported the establishment of a Holocaust Museum and Education Centre at an interim site in Brisbane
- established the Strategic Settlement Partnerships team within Multicultural Affairs Queensland, under the *Good People. Good Jobs: Queensland Workforce Strategy 2022–2032* to advocate and improve workforce outcomes for migrants and refugees in Queensland
- supported stronger welcome and inclusion practices through our engagement with Welcoming Australia, particularly in regional areas
- strengthened connections regarding workers' rights and small business, delivering on Government Election and Charter Letter commitments.

Lead by example across the Queensland public sector in supporting diversity and inclusion through leveraging and cultivating stakeholder relationships supporting fair and accessible opportunities, pathways and services for all. This year we:

- worked with key non-government organisations, government agencies and local communities to support humanitarian arrivals, including refugees granted permanent or temporary protection, and people seeking asylum
- provided funding to the Ukrainian Community of Queensland to support refugees and displaced persons coming to Queensland because of the conflict in Ukraine.

Increased proportion of Queensland Government stakeholders satisfied with the advice and support relating to multicultural issues, which supports them to effectively meet their obligations under the *Multicultural Recognition Act 2016*. This year we:

- launched the third *Queensland Multicultural Action Plan 2022–23 to 2023–24*
- provided leadership across Queensland Government agencies through the implementation of the Action Plan, including engaging with stakeholders to develop a whole of government target for the representation of people from culturally and linguistically diverse backgrounds on Queensland Government boards
- appointed the third term of the Multicultural Queensland Advisory Council for three-years from October 2022.

Summary of performance for 2022–23

The following results document performance highlights against outcome indicators as outlined in the former *Department of Children, Youth Justice and Multicultural Affairs Strategic Plan 2022–26*.

Outcome indicators	Performance highlight
<p>Increased proportion of Queensland Government stakeholders satisfied with the advice and support relating to multicultural issues, that supports them to effectively meet their obligations under the <i>Multicultural Recognition Act 2016</i>.</p> <p><i>SDS service standard included below</i></p>	<p>The proportion of stakeholders identified as being satisfied with advice provided by Multicultural Affairs (Queensland) again exceeded expectations with a result of 92% of respondents reporting themselves to be satisfied or very satisfied.</p>

Service Standards

Service standards outlined in the former *Department of Children, Youth Justice and Multicultural Affairs Service Delivery Statement 2022–23*, were used to assess overall performance as at 30 June 2023.

SDS Service Standards	2022–23 Target/Est	2022–23 Actual	Target met/not met
<p>Proportion of Queensland Government stakeholders satisfied with the advice from Multicultural Affairs to effectively support them meeting their obligations under the <i>Multicultural Recognition Act 2016</i></p>	70%	92%	Target met
<p>Average cost per hour of policy advice and support</p>	\$76	\$75	Target met

Cross-government initiatives

During the reporting period, the department collaborated on the following inter-governmental agreements and whole of government initiatives:

- 'Act Eco' initiative
- Advancing Small Business Queensland Inter-Agency Reference Group
- Australian and Queensland Government Reef 2050 Water Quality Improvement Plan 2017–2022
- Australian Government Disaster Recovery Funding Arrangements (DRFA)
- Australian Government's Draft 2021 National Research Infrastructure Roadmap
- Australian Underwater Cultural Heritage Program
- Australian Warning System Inter-Departmental Working Group
- Biodiversity Alignment Project
- Countering Violent Extremism Sub Committee of the Australia-New Zealand Counter-Terrorism Committee
- Drought and Climate Adaptation Program (DCAP) Steering Committee
- Inspector-General, Emergency Management's review into Queensland's Disaster Management Arrangements
- Inspector-General, Emergency Management's review into the K'gari bushfire
- Industry Development Policy Inter-Departmental Committee
- Inter-Jurisdictional Steering Committee for Environmental Economics
- Mulgumpin (Moreton Island) protected areas Indigenous Joint Management Area (IJMA) arrangements
- National Accreditation Authority for Translators and Interpreters
- National Action Plans for the National Disaster Risk Reduction Framework
- National Environmental Science Program Climate Systems Hub
- National Partnership on Climate Projections
- National Soil Strategy Steering Committee
- Native Vegetation Scientific Expert Panel
- Paddock to Reef Integrated Monitoring, Modelling and Reporting Program
- Police Service Administration and Other Legislation Amendment Bill 2021
- Queensland Climate Action Plan
- Queensland Climate Ready
- Queensland Ecotourism Trails Program
- Queensland Environment Functional Recovery Group
- Sustainable and climate positive Brisbane 2032 Olympic and Paralympic Games commitments
- Queensland Reef Water Quality Program
- Queensland-Smithsonian Fellowships Program
- Queensland-Chinese Academy of Sciences Collaborative Science Fund
- Queensland-Cooper Hewitt Fellowship Program
- Queensland Sanofi Translational Science Hub Statement of Cooperation Steering Committee
- Queensland Strategy for Disaster Resilience
- Queensland Trade and Investment Strategy 2022–2032 through the Queensland-Germany Bioeconomy Collaborative Science Program
- Queensland Water Modelling Network Advisory Board
- *Reef 2050 Long-Term Sustainability Plan 2021–2025*
- Reef Catchments Science Partnership Steering Committee
- Resilient Rivers Initiative
- Royal Commission into National Natural Disasters Arrangements
- Senior Officials Settlement Outcomes Group State Development Assessment Provisions (SDAP v3.0) of the *Planning Act 2016*
- Tweed River Sand Bypassing Project Advisory Committee
- QLD/NSW cross-border fire agencies meeting
- QLD/NSW cross-border national parks and Gondwana WHA committee
- Queensland Security and Counter-Terrorism Committee
- Queensland Workforce Strategy Inter-Departmental Committee
- *2021–22 Southern Queensland Floods State Recovery and Resilience Plan 2022–24.*

Managing our department

Summary of financial management

This financial summary provides an overview of the department's performance for the year ended 30 June 2023 and position as at 30 June 2023. A complete view is provided in the Financial Statements which are included in this report.

The department was impacted by a Machinery of Government on 18 May 2023 with an effective transfer date of 1 June 2023. The 2022–23 years actuals include the financial information for twelve months for the departmental services of Environmental Policy, Programs and Regulation; Parks, Wildlife and Conservation; Science; Heritage Protection, and as a result of the Machinery of Government eleven months of Youth Engagement and one month of Multicultural Affairs Queensland. The 2021-22 year includes the financial information for twelve months for the departmental services of Environmental Policy, Programs and Regulation; Parks, Wildlife and Conservation; Science; Heritage Protection, and Youth Engagement.

Financial performance snapshot

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

Category	2023 Actual	2022 Actual	Variance
	\$'000	\$'000	\$'000
Total revenue	871,209	1,549,498	(678,289)
Total expenses	860,800	1,469,844	(609,044)
Operating Result from continuing operations	10,409	79,654	(69,245)
Other comprehensive income	683,800	267,236	416,564
Total comprehensive income	694,209	346,890	347,319

Revenue

The primary source of the department's revenue is appropriation from the Queensland Government which accounts for 77.4% of the department's total revenue. This has decreased from 2022 primarily due to the decision of Government to make an advance lump sum payment in 2021-22 of four years of annual payments to councils under the waste reform program of \$672.4 million, in addition to the \$153.6 million annual payment for 2021–22. In 2022–23 a further lump sum annual payment for the 2026–27 year was made for \$139.6 million. User charges and fees represent 12.3% of total revenue and consist of income streams associated with the issue of licences, permits and other fees for environmentally relevant activities and related to national parks. The department also received significant grant income, accounting for 9.1% of total revenue. These include grants associated with managing the environment including the Great Barrier Reef, the Wet Tropics Management Authority and Natural Disaster Relief.

Expenses

The labour resourcing costs to administer departmental activities accounts for 39.4% of total expenditure. Supplies and services represent 24.3% of all expenditure. The major expense types include accommodation and operating leases, repairs and maintenance, outsourced services, service costs to other agencies and shared service providers, and information and communication technology costs. Grants and subsidies represent 29.9% of all expenditure of which 61% represents grants relating to waste reform. The department recorded depreciation and amortisation of \$48.8 million which represents 5.7% of total expenditure and mainly reflects the significant value of the department's property, plant and equipment of \$6.07 billion.

Budget result

Table 2 – Summary of operating result for the year

Category	2023 Budget	2023 Actual	Variance 2023 Actual to Budget
	\$'000	\$'000	\$'000
Total revenue	754,021	871,209	117,188
Total expenses	749,794	860,800	111,006
Operating result for the year	4,227	10,409	6,182

Total revenue exceeded expectations by \$117.2 million which was primarily due to a \$139.6 million increase in appropriation revenue to fund the lump sum payment in 2022–23 for the 2026–27 annual payment to councils under the Waste reform program. Grants and other contributions also saw a positive variance of \$30.6 million due to higher than budgeted contributions for natural disaster programs and Commonwealth Government grants, and other external funding providers to undertake agreed

programs related to ecosystem restoration, reef protection, natural disaster recovery and wildlife conservation.

Total expenditure was over the original budget with a variance of \$111 million. This variance was predominantly related to grants and subsidies which was higher than budget by \$116.9 million also related to the payment to local councils to mitigate the impact of the waste disposal levy on households.

Financial position

Table 3 – Summary of net assets as at 30 June

Category	2023 Actual	2022 Actual	Variance
	\$'000	\$'000	\$'000
Total assets	6,340,776	5,622,796	717,980
Total liabilities	50,827	59,790	(8,963)
Net assets	6,289,949	5,563,006	726,943

Assets

Assets increased with property, plant and equipment making up most of the \$718 million variance. The increase was mainly due to the impact of the asset revaluation process in 2022–23 which resulted in a net revaluation increment of \$683.8 million which also increased the department's asset revaluation surplus.

Liabilities

The department's liabilities decreased by \$9 million. This decrease predominately relates to the decrease in payables of \$10.5 million, particularly a reduction in deferral of state government funding as at the end of the year.

Overall, the department has a strong financial position due to the large asset portfolio with minimal liabilities.

Administered

Table 4—Summary of the department's Administered activities

Category	2023 Actual	2022 Actual	Variance
		\$'000	\$'000
Total revenue	404,035	359,741	44,294
Total expenses	404,035	359,741	44,294
Total assets	83,913	82,330	1,583
Total liabilities	83,913	82,330	1,583

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 Government's Consolidated Fund and therefore records a balanced result for the

year. Further information is contained within the notes to the Financial Statements.

The administered revenue and expenses increased from the previous year due to an increase in revenue collected from the Queensland waste disposal levy due to more leviable waste being disposed.

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 54 of the Financial and Performance Management Standard 2019.

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's *Public Sector Governance* guides and the *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 impartially and apolitically. Our ethics resources and strategies include:

- fraud and corruption awareness training—mandatory training for all staff at induction, followed by annual refresher training
- an independent external reporting channel—available to staff as an additional option to report workplace concerns and behaviour that may be inappropriate
- fraud and corruption awareness and prevention website—resources to identify and mitigate risks
- online conflict of interest awareness module—made available for all employees
- online misappropriation or misuse of assets and resources module—available for all employees
- applying the risk management framework online module—to build employees' capability in identifying and managing risks
- financial fraud control online module—available for all employees
- tailored fraud and corruption risk mitigation training—available to business areas with functions identified as at higher risk
- information for staff on the management of lobbyist contacts and record-keeping requirements, including links to the Lobbyist Contact Register Policy and Procedure
- awareness raising initiatives—including regular communications through an all-staff communique
- the Respectful Workplaces program—including initiatives, support services and resources that promote a fair and ethical work environment for staff
- DES Fraud and Corruption Control Plan
- Corrupt Conduct Management Policy and Procedure
- Public Interest Disclosure Policy and Procedure.

Governance committees

The groups and committees below are 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 and inform all major activities and decision-making and include:

- Executive Leadership Team
- Audit and Risk Committee
- Finance Committee
- Health and Safety Strategy Group
- Digital Strategy and Security Committee
- Policy and Insights Leadership Committee
- Steering Committee for Path to Treaty and Gurra Gurra Implementation
- Business and Corporate Partnership Board.

Executive Leadership Team

Chaired by the Director-General, the Executive Leadership Team (ELT) is the senior leadership body overseeing management and administration of the department. 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.

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

- setting the strategic direction of the department and developing the 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 the ELT sub-committees
- setting and exemplifying expectations about the department's culture, values and working environment.

Audit and Risk Committee

The Audit and Risk Committee is chaired by a member from outside the department and meets five times in the year, including a special meeting to review the department's annual financial statements. It was established as required under section 24(1) of the Financial and Performance Management Standard 2019. The committee's role is to provide independent assurance and assistance to the Director-General on risk, control

and compliance frameworks, external accountability responsibilities and the integrity framework. The committee also has responsibilities relating to financial statements, misconduct prevention, performance management, audits and reporting. It actively contributes to the improvement of the department's management of risks and the risk framework.

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

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

- Marita Corbett, chair until 30 March 2024—paid \$3,000 (GST exclusive) per meeting to prepare for, or attend, five meetings, totalling \$15,000 (GST exclusive) for the year
- Peter Dowling, external member and acting chair—paid \$600 (GST exclusive) per meeting

to prepare for, and attend one meeting, and paid \$3,000 (GST exclusive) per meeting as acting chair for two meetings, totalling \$6,600 (GST exclusive) for the year. Term ended 13 December 2022

- Karen Prentis, external member—paid \$600 (GST exclusive) per meeting to prepare for, and attend, four meetings, totalling \$2,400 (GST exclusive) for the year. Term ended 6 December 2022
- Alicia Tuppack, external member until 15 March 2026—paid \$1,700 (GST exclusive) per meeting to prepare for, and attend, three meetings, totalling \$5,100 (GST exclusive) for the year
- Julie-Anne Schafer, external member until 15 March 2026—paid \$1,700 (GST exclusive) per meeting to prepare for, and attend, three meetings, totalling \$5,100 (GST exclusive) for the year.

The following departmental officers were also members of the committee in 2022–23 and were not remunerated for their roles on the committee:

- Director-General
- Deputy Director-General, Corporate Services
- Executive Director, Operational Support, Environmental Services and Regulation
- Executive Director, Northern Parks and Forests Regional Operations, Queensland Parks and Wildlife Service and Partnerships.

Finance Committee

Chaired by the Deputy Director-General, Corporate Services, the Finance Committee typically meets monthly and is required to:

- provide governance over the department's financial resources
- develop the department's financial strategies
- monitor the department's performance against fiscal targets and initiate appropriate action
- perform in-depth reviews of financial risks and key financial indicators
- determine strategies to manage key departmental pressures
- make recommendations to the Director-General on financial issues.

Health and Safety Strategy Group

Chaired by the Deputy Director-General, Queensland Parks and Wildlife Service and Partnerships, the Health and Safety Strategy Group is an integral part of the department's workplace health and safety (WHS) governance arrangements. It helps discharge the department's duties under the *Work Health and Safety Act 2011*.

Meeting every six to eight weeks, or as determined by the chair, the group advises the Director-General and ELT on WHS strategy, governance, policy and procedures, whole of agency wellbeing initiatives and systems performance.

Digital Strategy and Security Committee

Co-Chaired by the Deputy Director-General, Science and Deputy Director-General, Corporate Services, the committee meets monthly and provides governance over the department's digital portfolio (following Director-General approval) and ensures the department addresses its information management and security obligations, including the performance of the Information Security Management System (ISMS).

Policy and Insights Leadership Committee

The Policy and Insights Leadership Committee is chaired by the Deputy Director-General, Environment and Heritage Policy and Programs, and comprises key Executive Directors and Directors involved in higher-level policy development. The committee meets quarterly and coordinates and improves policy and strategy development activities across the department. It ensures that policy development is:

- consistently informed by the best available policy approaches, including demonstrated principles, methods, tools, and frameworks
- underpinned by the best available science, research and consultation
- enabled by open and creative enquiry, commitment to complex problem-solving and a focus on collaborative solutions
- appropriately supported by the department's structure, human resources and culture.

Steering Committee for Path to Treaty and Gurra Gurra Implementation

DES is strongly committed to working in partnership with First Nations people to achieve stronger outcomes for Country and people, as reflected in our Gurra Gurra Framework.

The Steering Committee for Path to Treaty and Gurra Gurra Implementation provides advice and leadership to support DES' journey to Treaty Readiness and support the continued implementation of the Gurra Gurra Framework. Chaired by the Director-General, the committee meets quarterly, and the key focus areas include:

- providing leadership, oversight and direction on implementation of the Gurra Gurra Framework and initiatives

- preparing for, progressing and positively contributing to the whole of government commitment to reconciliation and Treaty with First Nations peoples
- supporting the department's representation on the Government Treaty Readiness Committee (GTRC)
- coordinating the department's reporting against related whole of government plans.

Business and Corporate Partnership Board

The Business and Corporate Partnership (BCP) delivers corporate services and business programs to a number of Queensland Government departments. The BCP Board is 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.

The BCP operates through three corporate hubs—DES, Department of Agriculture and Fisheries, and Department of Resources. 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. The intent of this model is to ensure economies of scale, service integration, consistent service delivery, scalability, flexibility and responsiveness.

Accountability and risk management

Internal audit

Internal Audit Services provides an independent and 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 the internal audit program
- reporting internal audit issues
- managing the department's relationship with the Queensland Audit Office (QAO) and other external auditors
- supporting the QAO with its annual external audit of agency financial statements.

Internal Audit operates in accordance with the Internal Audit Charter, Audit Committee Guidelines issued by Queensland Treasury and Internal Audit Annual Plan—a risk-based plan endorsed by the Audit and Risk Committee and approved by the Director-General. Internal Audit assists the Audit and Risk Committee obtain independent assurance of its responsibilities, including risk management, internal controls, financial statements, internal and external audit matters, and governance. The internal audit function is independent of management and the external auditors.

External scrutiny

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

Queensland Audit Office—Improving grants management (Report 2: 2022–23) (Tabled 19 July 2022)

In 2020–21, Queensland Government entities distributed \$2.8 billion in grants to community groups, local governments, businesses, and others to support the objectives and priorities of the government. This report provides insights into where Queensland Government grants go. It analyses the strengths and weaknesses of the internal controls (people, systems, and processes) used by five departments in managing eight grants programs. While DES was not one of the department's reviewed, the report provided seven whole of government recommendations.

Queensland Audit Office—Managing workforce agility in the Queensland public sector (Report 6: 2022–23) (Tabled 15 November 2022)

In this audit, QAO examined the effectiveness of the Queensland public sector's workforce planning to support an agile and flexible workforce that can meet changing needs and government priorities. Agile working is about getting work done with maximum flexibility and minimum constraints so that the right people are in the right place at the right time. QAO made seven recommendations, the first four recommendations were directed to the former Public Service Commission (now Public Sector Commission) as the entity responsible for supporting Queensland public sector agencies to effectively manage their workforce, and to prepare for and respond to strategic workforce challenges.

Recommendations five to seven were whole of government recommendations.

Queensland Audit Office—State entities 2022 (Report 11: 2022–23) (Tabled 16 March 2023)

This report summarises the audit results of 253 Queensland state government entities, including the 20 core government departments.

The financial statements of all departments, government owned corporations, most statutory bodies and the entities they control are reliable and comply with relevant laws and standards. However, ongoing delays in the tabling of annual reports mean the financial statements of departments and statutory bodies are dated and less relevant by the time they are released to the public.

QAO recommended that all audit committees actively monitor the implementation of audit recommendations (including internal audit recommendations) and encourage the timely resolution of outstanding internal control weaknesses.

As at March 2023, this recommendation is complete.

Queensland Audit Office—Protecting our threatened animals and plants (Report 9: 2022–23) (Tabled 23 February 2023)

This report examined the department's effectiveness in implementing previous recommendations made by the QAO in the *Conserving Threatened Species (Report 7: 2018–19)*.

The report found that while progress has been made in implementing the recommendations, there is more to be done and improvements to populations of threatened animals and plants are not yet realised. Two out of seven of the original report's recommendations have been fully implemented, with five still in progress.

External factors have contributed to delays in implementing these recommendations, including the need to coordinate across jurisdictions, competing priorities and COVID-19 restrictions.

Queensland Audit Office—Growing ecotourism in Queensland (Report 12: 2022–23) (Tabled 9 May 2023)

This report examined whether the state's tourism and environmental entities are effectively developing sustainable ecotourism in Queensland.

The report makes four recommendations, aimed at effectively balancing the state's environmental protection and ecotourism development priorities and developing and implementing roadmaps and plans to achieve the government's vision. The department will work to deliver these recommendations in collaboration with the Department of Tourism, Innovation and Sport, and Tourism and Events Queensland.

Risk management

Risk management for the department supports our decision-making process, accountability, planning, and improves service delivery to successfully achieve our objectives.

The risk management framework for the department has been established on the basis of the International Standard *ISO 31000:2018 Risk management—Guidelines*, and the Queensland Treasury's risk management guidelines.

This ensures risks to the department's objectives are regularly identified and assessed as part of business planning and operations. As part of our annual strategic planning process, management also considers the key strategic risks that can affect our vision and purpose.

Strategic and operational risks are regularly monitored and reported quarterly to executive management and the Audit and Risk Committee.

We have taken steps to improve our risk management this year by reviewing and updating our risk framework, including developing a "risk universe" to facilitate risk identification and enhancing our risk appetite statement. We also

increased the level of engagement with senior and executive leaders on risk management and reporting to drive improvements in organisational risk management maturity.

The Enterprise Risk Management System was also enhanced this year with a climate change risk module to commence monitoring our climate-related physical and transition risks.

Information Security Attestation

During the mandatory annual information security reporting process, the Director-General attested to the appropriateness of information security risk management within the department to the Queensland Government Chief Customer and Digital Officer, noting that appropriate assurance activities have been undertaken to inform this opinion and the department's information security risk position.

Open data

The following datasets are published on the Open Data Portal at www.data.qld.gov.au:

- consultancies
- overseas travel expenditure
- Queensland Language Services Policy.

For the 2022–23 reporting year, there was no data to report for Queensland Language Services Policy.

Annual Report 2021–22

For the 2021–22 reporting year, there was no data reported for overseas travel. One instance of overseas travel expenditure did occur, and the data is published on the Open Data Portal.

Other annual reporting

Other reports published annually by our department are now tabled separately and can be found on our website www.des.qld.gov.au:

- Report on the administration of the *Marine Parks Act 2004*
- Report on the administration of the *Environmental Protection Act 1994*
- Report on the administration of the *Nature Conservation Act 1992*
- Regulator Performance Framework Annual Report.

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 (QSA) Records Governance Policy. Departmental policies are in place which allocate responsibilities for recordkeeping.

Strategic Recordkeeping Enhancement (2022–25) focuses on new ways to optimise and automate recordkeeping to minimise end-user effort and maximise continuity, security, accessibility and use. A new user interface for the corporate eDRMS is being configured for the department.

There is an end-to-end recordkeeping service supporting business areas to develop an effective recordkeeping culture. Digital recordkeeping is enabled through use of the corporate eDRMS, automated capture of records, and assessment of business systems for records compliance allowing recordkeeping in place.

The Digitisation Disposal Policy supports digital recordkeeping by enabling the early disposal of paper records which have been digitised and are managed securely. Key legacy email records are being identified and captured into the corporate eDRMS. Identification of permanent and high value records for improved recordkeeping practices and risk mitigation is ongoing.

The records held in the corporate eDRMS have file structures with appropriate security markings and access controls according to the Information Security Policy. Regular audit of the access controls is in place for the department. There have been no security breaches of this system. Online eDRMS and records awareness training is available for all staff.

The department uses the QSA ArchivesGateway to administer retrievals of files and access controls for permanent departmental records held at QSA. Storage and retrieval of paper records is managed and monitored.

Records are retained in accordance with the General Retention and Disposal Schedule (GRDS) and the approved core business retention and disposal schedules that were developed for the department. There is an active appraisal and disposal program, and permanent records are identified for transfer to QSA.

Information systems

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

- Macropods Online—online platform for macropod harvesting and dealer licences, payment of fees, and maintenance of statutory record-keeping requirements
- Parks and Forests Permitting Hub—online permit system for activities in areas managed by Queensland Parks and Wildlife Service and Partnerships
- Environmental Authorities Hub—electronic lodgement and processing of Environmental Authority applications and annual returns
- Compliance Hub—contains community notification and compliance records for Environmental Services and Regulation Division
- Living Heritage Information System—places on the Queensland Heritage Register and other places of significant cultural heritage value
- Property (Lot on Plan) Searches—allows the public to search for coastal development, contaminated land and heritage affect
- Air Quality Database—downloads and manages weather and air pollution data from stations statewide
- Public Register Portal—provides access to public registers searchable online
- Waste Tracking—collects, stores, manages and audits waste tracking data
- National Parks Booking System—National Parks camping and vehicle permits
- PINS Ranger App—enables electronic issue of Penalty Infringement Notices and Formal Warning Notices
- Herbarium Records System—Repository of the taxonomy of Queensland's foundational data on the flora of Queensland
- Coastal Data System—monitoring wave, storm and tide information via remote monitoring
- The Accelerating Science Delivery Innovation (ASDI) program delivering platforms, technologies and standards to remediate and modernise Science Division's systems.

Our people

Workforce profile

DES employs a diverse range of talented people who work together to provide services to Queenslanders and deliver the government's strategic priorities. We strive to create workplaces where diversity is celebrated, career development is encouraged, and wellbeing, health and safety are valued.

Figure 1: Gender

Gender	Number (Headcount)	Percentage of total workforce (Calculated on headcount)
Woman	1532	50.8%
Man	1475	48.9%
Non-binary	9	0.3%

Figure 2: Diversity target group data¹

Diversity Groups	Number (Headcount)	Percentage of total workforce (Calculated on headcount)
Women	1532	50.8%
Aboriginal Peoples and Torres Strait Islander Peoples	120	4.0%
People with disability	159	5.3%
Culturally and Linguistically Diverse – Speak a language at home other than English (including Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages)	124	4.1%

Notes:

1. To ensure privacy, in tables where there are less than 5 respondents in a category, specific numbers should be replaced by <5.

Figure 3: Target group data for Women in Leadership Roles

	Women (Headcount)	Women as percentage of total leadership cohort (Calculated on headcount)
Senior Officers (Classified and s122 equivalent combined)	55	50.5%
Senior Executive Service and Chief Executives (Classified and s122 equivalent combined)	21	53.9%

Workforce planning and performance

We are committed to attracting and retaining a workforce that is inclusive, diverse, engaged, agile and high performing. To meet the challenges of the future, DES has developed a four-year strategic workforce plan based on:

- embracing change—to remain an innovative, dynamic and agile workforce
- creating an inclusive and engaged workforce—marked by diversity, flexibility and well-being
- acquiring skilled talent and encouraging growth—through leadership, staff development and career pathways
- future-proofing our workforce—using evidence-based decision-making through analytical insights and effective workforce planning and management.

Talent acquisition

Onboarding

All new employees undertake an induction process to:

- provide a smooth transition into DES 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 DES
- provide an understanding of the function and operations of DES as well as their business group or work unit.

The induction process includes online courses for new employees:

- Welcome to DES
- Code of Conduct
- Emergency Safety
- Fraud and Corruption Awareness
- Work, Health and Safety
- Cultural awareness
- Information Privacy Awareness
- Starting the Journey
- Public Entities and the Queensland *Human Rights Act 2019*
- Disability Awareness
- Procurement 101
- Financial Delegations
- Information Security
- Recognise, Respond and Refer—Domestic and Family Violence Awareness.

Career pathway programs

DES supports a range of career pathway programs to ensure we have the right people with the right skills in the future. For example, in 2023, 13 First Nations school leavers were recruited to participate in the DES First Nations Gap Year program. The Gap Year Program is an 18-month entry-level employment program that allows young Aboriginal and Torres Strait Islander high school graduates to enter the DES workforce. As a talent pipeline, the program strengthens the representation of First Nations peoples in DES by providing equitable and tailored opportunities for young First Nations peoples.

Industry placement opportunities were also provided for 21 university students as part of their degree requirements. These students came from a range of disciplines including environmental management and law.

To support DES to engage the best people to deliver on our objectives and strategies, we have focused on building the recruitment capability of hiring managers and panels across the department. This focus has seen the development of tools, resources, and training across the state, to support contemporary best practice recruitment, a better candidate experience and ensure the consideration, promotion, and progression of equity and diversity.

We have specific First Nations and Diverse Ability recruitment policies to improve the attraction and selection of two of our target diversity groups. These policies support Aboriginal peoples and Torres Strait Islander peoples and/or people with disability who meet the minimum requirements for a role to be progressed within the selection process, enabling a more diverse candidate pool.

Maximising performance

Planning for performance

All employees participate in performance and development planning (P&DP) processes throughout the year. Consistent with the positive performance principles in the *Public Sector Act 2022*, managers and staff are required to have regular and meaningful conversations about achievements and development needs. Employees are encouraged to consider a range of development options, including on-the-job training, self-directed eLearning modules via iLearn, Hot Tasks, relieving, short-term projects, coaching and mentoring, as well as participation in formal development activities.

Reward and recognition

DES values its employees and recognises that high performance depends on the success and achievements of staff. The DES reward and recognition initiatives support a healthy and positive workplace culture and include:

- DES Excellence Awards
- Director-General's Safety Behaviour Awards
- Certificates of Service
- divisional and local awards
- informal initiatives by supervisors and managers to recognise and celebrate the value and contributions of their staff.

Building capability

DES continues to support staff to develop critical skills and assist them in their career development. We provide a broad range of training and development opportunities for our staff, using the 70:20:10 model of learning and development and aligned to the Leadership Capabilities for Queensland. Development opportunities cover technical training, management and leadership, cultural capability training, disability awareness, and 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.

In 2022–23 the corporate training calendar included virtual course offerings to remain accessible to individuals utilising flexible work arrangements, as well as those who are geographically dispersed. The corporate training calendar was also further focused on initiatives and programs that help foster respectful workplaces across DES.

Mentoring programs

This year we have continued to offer DES staff an online mentoring platform, allowing employees to self-source mentors and drive their own development. The mentoring app enables employees to connect with each other across the state and develop meaningful relationships.

Ongoing promotion and awareness of the program is planned for 2023–24.

Leadership and management development

In 2022–23, DES focused on the development and rollout of the Leading at DES program, which supports leaders to develop the foundational and functional skills they require for their roles. The

program, designed in collaboration with leaders and subject matter experts across the department, is aligned to the Leadership Competencies for Queensland, and includes topics such as Self-leadership, Managing for Success, Governance, Recruitment, Finance, Strategic Planning, Systems for Managers, as well as the MATE Bystander program. The program is available to all staff at all levels and in 2022–23, 140 people attended the facilitated foundational modules (Self-Leadership and Managing for Success).

The Leading at DES program forms part of the greater Respectful Workplaces program of work.

Several other leadership development programs were also offered this year:

- eight employees attended the Women in Leadership Symposium
- seven performance conversations sessions have been held for DES staff this financial year, and 106 employees attended. These sessions give leaders an opportunity to further develop their capability in developing staff and conducting quality performance conversations.

Two other leadership initiatives continued to be offered to all employees. LEAD4QLD is a paid leadership capability assessment, providing employees with insights to their leadership strengths and development areas. Competency Compass is a free, interactive online tool that helps employees reflect on their leadership skills and prioritise areas for development.

In addition, 43 employees are currently participating in the EZRA coaching program for senior level managers. In this program, participants receive unlimited access to a professional leadership coach for three months to focus on their development and help work through leadership challenges they may be facing.

A diverse and inclusive culture

In 2022–23, DES continued to focus on building a workforce that is inclusive and reflects the communities we serve. We continued to integrate diversity and inclusion considerations in all our programs and initiatives, including through our Cultural Capability Action Plan, the whole of Government Reconciliation Action Plan, Multicultural Action Plan and Disability Service Plan.

On 22 April 2023, we marked the two-year anniversary of the launch of the DES Gurra Gurra Framework 2020–2026. This framework has been integral in reframing our relationships with First

Nations peoples and incorporating their perspectives in everything we do. We progressed the First Nations Employment and Development Action Plan 2020–25, working across DES to strengthen the attraction and retention of First Nations employees.

We recognise the importance of acknowledging and celebrating days of cultural significance, to increase cultural awareness and recognise the importance of diversity. This year we promoted and celebrated:

- NAIDOC week—recognised and celebrated virtually in July 2022
- Disability Action Week—during which employees and supervisors could attend disability confidence sessions as well as participate in online learning such as the SBS Disability Inclusion Program
- International Women’s Day and Queensland Women’s Week—was recognised with a live Teams event with approximately 700 employees who heard from the Honourable Meaghan Scanlon, former Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs, the DES Director-General and a panel of DES employees who discussed the 2023 theme of Cracking the Code—Innovation for a gender equal future.

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

DES is committed to raising awareness and building capability in recognising the signs of Domestic and Family Violence (DFV), responding to those who use harmful, abusive or violent behaviour, and supporting those affected. We continued our work towards a safe and respectful workplace through White Ribbon reaccreditation which was achieved in April 2022.

This year, we:

- communicated ELT’s statement of commitment to a workplace free from sexual harassment
- facilitated two DFV Specialist sessions to ensure that employees have the skills and awareness to recognise the signs of DFV, respond with empathy and refer those affected to appropriate support. This year, 23 employees completed the training
- continued to deliver the MATE Bystander program. A total of 266 employees have completed the program this year and 277 are part of the Bystander Teams channel

- ensured employees were aware of the support available from support services, including the Employee Assistance Service for employees affected by violence
- launched Module Two and continued to promote the Recognise, Respond, Refer—Domestic and Family Violence Awareness course, as well as continuing to promote Module One. A total of 523 employees have completed Module One.

There has been an ongoing review and consideration of the risks of violence and/or abuse against employees, with this incorporated into our risk register.

Our staff also actively volunteered to help address DFV in the community by:

- fundraising \$3,700 to support two women’s shelters within Queensland—Maybanke in Brisbane and Flora House in Townsville
- participating in the Darkness to Daylight CEO Challenge, with 25 employees raising \$2,825 for frontline support services.

Respectful workplaces program

To ensure that DES continues to grow a workplace where people feel safe, included and respected, we maintained our focus on our respectful workplaces program. As part of this we raised awareness and empowered staff to speak up through our ‘all our voices matter’ campaign, reviewed resources and promoted a range of channels to report inappropriate behaviour.

We launched the Employee Alternative Reporting Service (EARS), which provides staff access to an additional option to report workplace concerns and behaviours that may be inappropriate.

Employee health and wellbeing

This year, we implemented a new Work Health and Safety (WHS) incident and corrective actions tracking system called SHINE and further improved our compliance processes. We also:

- refreshed our WHS reporting by developing a PowerBI WHS Dashboard
- established the DES Mental Health Support Officer Network by training an additional 16 staff in Mental Health First Aid across the state
- continued the Employee Support Office role to provide guidance and assistance to staff involved in complex HR processes and provide support to those experiencing a mental health crisis
- continued our wellness program, ensuring employees have access to skin cancer

checks, flu vaccinations, mental health awareness sessions, nutritional information and financial fitness seminars

- held the Director-General's Safety Behaviour Awards during Work Safe Month (October 2022) to reinforce our positive safety culture.

Early retirement, redundancy and retrenchment

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

Human rights—Respect. Protect. Promote.

Actions taken to further the objects of the Act

The implementation of human rights in the department has progressed to a 'business as usual' approach, continuing to ensure actions and decisions across the agency are consistent with the *Human Rights Act 2019* (or limitations are justifiable), and supporting and promoting human rights through its work. There is an ongoing focus on addressing specific issues as they arise, or resolving implementation questions across policy, program and service areas in the department.

The department is a member of the re-established Queensland Government Inter-Departmental Committee for Human Rights, and continues to take a lead role in recognising and protecting the Cultural Rights-Aboriginal peoples and Torres Strait Islander peoples under section 28 of the *Human Rights Act 2019*.

The department continues to monitor new legal analysis, policy and practice advice on human rights. This is used to inform a continuous improvement approach towards human rights. A review of the objectives and membership of the department's internal Human Rights Working Group is underway to ensure its ongoing capacity in this regard.

The department maintains a requirement for all new staff to complete mandatory training regarding human rights responsibilities, as part of their induction. Customised refresher workshops have also been held for staff in key policy and program areas across the department. The department is also exploring further tailored training options for staff in various functions and levels to continue to build a human rights culture within the agency.

Human Rights complaints received by the agency

Over the past year, the department received eight preliminary human rights complaints. These involved members of the public submitting concerns about the department's actions, decisions or services, where a potential human rights aspect was identified by the department. Of the eight preliminary complaints received, one has been substantiated as limiting a human right. The complaint related to section 15 of the *Human Rights Act 2019* (Recognition and Equality before the law) and concerned restricted access to a track which impacted on some people with disability. The department has committed to undertaking a review of disability access assessments to resolve the issue.

Reviews for compatibility with human rights

Existing legislation administered by the department has previously been assessed as being compatible with the *Human Rights Act 2019*. In response to section 97(2)(c) of the *Human Rights Act 2019*, and under the supervision of its internal Human Rights Working Group, the department has previously completed a full review of all policies and procedures. The review found that these were generally compliant with the Act, although a small number of documents are being updated to fully align with the legislation. All new legislation and policies developed are routinely assessed for such alignment.

Following the recommendation of the President of the Land Court in the *Waratah Coal Pty Ltd v. Youth Verdict Ltd and Others* case, in part on human rights grounds associated with the impacts of climate change, the department's delegate decided to refuse to grant the Environmental Authority for the project, and the department continues to consider any implications which may arise from the case.

Statutory reports

Government bodies

As part of the Minister's portfolio, the following bodies have annual report arrangements as indicated:

Name of body	Constituting	Annual Report arrangements
Board of Trustees of Newstead House	<i>Newstead House Trust Act 1939</i>	Separate annual report prepared ¹
Board of Wet Tropics Management Authority	<i>Wet Tropic World Heritage Protection and Management Act 1993</i>	Separate annual report prepared ²
Cape York Peninsula Regional Protected Area Management Committee	<i>Nature Conservation Act 1992</i>	See Government bodies report
Gondwana Rainforests of Australia Community Advisory Committee		See Government bodies report
Gondwana Rainforests Technical and Scientific Advisory Committee		See Government bodies report
K'gari (Fraser Island) World Heritage Advisory Committee		See Government bodies report
Koala Advisory Council		See Government bodies report
Land Restoration Fund Investment Panel		See Government bodies report
Multicultural Queensland Advisory Council	<i>Multicultural Recognition Act 2016</i>	See Government bodies report
Queensland Climate Advisory Council		See Government bodies report
Queensland Heritage Council	<i>Queensland Heritage Act 1992</i>	Included in DES's annual report See also Government bodies report
Queensland Species Technical Committee	<i>Nature Conservation Act 1992</i>	See Government bodies report
Rehabilitation Commissioner	<i>Environmental Protection Act 1994</i>	Separate annual report prepared ³
Riversleigh World Heritage Advisory Committee		See Government bodies report
Tweed River Entrance Sand Bypassing Project Advisory Committee		See Government bodies report

Notes:

1. The annual report from the Board of Trustees of Newstead House is published annually at www.newsteadhouse.com.au/annual-reports/.
2. The Wet Tropics Management Authority is required to report on its performance through a separate annual report published at www.wettropics.gov.au/annual-reports.
3. The Queensland Mine Rehabilitation Commissioner publishes a report annually on their website outlining work undertaken as required by legislative requirements, independent from the department's work program. The report can be found at www.qmrc.qld.gov.au.

Queensland Heritage Council Annual Report 2022–23

Introduction

Aspects of Queensland's cultural heritage are conserved for the community and future generations through the provisions of the *Queensland Heritage Act 1992* (the Heritage Act), which establishes the Queensland Heritage Council (Heritage Council), a 12-member independent and impartial body with the main functions of:

- deciding places to be entered in or removed from the Queensland Heritage Register (Heritage Register)
- advising the responsible Minister about conserving Queensland's cultural heritage
- advising and making recommendations to relevant Ministers on development proposed by State Government departments on State Heritage Places
- encouraging community interest in and understanding of Queensland's cultural heritage
- advising government and community organisations on appropriate management of Queensland's cultural heritage, and
- performing other functions given to the Heritage Council by the responsible Minister.

The department supports and funds the Heritage Council's operations through the Heritage Branch in the Environment and Heritage Policy and Programs division. Heritage Council members are remunerated in accordance with the *Remuneration Procedures For Part-Time Chairs and Members of Queensland Government Bodies* as approved by the Governor in Council.

In Queensland, the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts (DTATSIPCA) has responsibility for cultural heritage protected under the *Aboriginal Cultural Heritage Act 2003* and the *Torres Strait Islander Cultural Heritage Act 2003*. The Heritage Council, in consultation with DES, works with DTATSIPCA on matters where their respective responsibilities overlap (for example, where a place of Aboriginal or Torres Strait Islander cultural heritage significance is also listed on the Heritage Register).

Membership

The Governor in Council appoints the 12 Heritage Council members, with the Heritage Act requiring that five members represent specific organisations and relevant interests, and seven members be appointed for their heritage knowledge, expertise and interest. Terms of appointment are up to three

years, with a maximum six years' continuous membership possible.

In 2022–23, four new appointments and one re-appointment to the Heritage Council occurred. On 30 June 2023, the Heritage Council members were:

- Ms Leslie Shirreffs PSM, Chair, a former executive leader in the public sector with extensive board member experience across the environment sector
- Mr Stuart Lummis, Deputy Chair and representing the interests of property owners and managers (**reappointment and appointment as Deputy Chair**)
- Mr Andrew Ladlay, representing the National Trust of Australia (Queensland)
- Cr Marnie Doyle, representing the Local Government Association of Queensland
- Ms Ann-Marie Allan, representing the Queensland Council of Unions
- Ms Melissa Barnett, representing the interests of rural industries
- Ms Ashleigh Hyland, a proud Anaiwan woman and Project Manager with experience in sustainability, climate change resilience and First Nations engagement
- Mr Andrew Barnes, a structural engineer and authority on heritage conservation
- Mr David Gole, an architect specialising in heritage conservation (**new appointment**)
- Ms Susan Hill, an experienced heritage practitioner and historian (**new appointment**)
- Mr David Nicholls, a retired lawyer with extensive experience in planning and environment law, including heritage (**new appointment**)
- Prof. Celmara Pocock, an academic with extensive experience in the heritage sector (**new appointment**).

The Heritage Council warmly welcomes its new members and acknowledges the significant contribution of outgoing members Cr George Seymour (Deputy Chair 2017–2022), Ms Judy Brien (expert representative 2017–2022), Ms Alice Hampson (expert representative 2017–2022) and Dr Katie McConnel (expert representative 2017–2022) for their service and commitment to conserving Queensland's heritage.

Key activities

Key Heritage Council activities during 2022–23 included:

- entering two new places in the Heritage Register
- removed two destroyed places from the Heritage Register (destroyed by fire and flood respectively)
- providing heritage advice to the Queensland Government and other relevant agencies on major construction projects affecting State Heritage Places, including the Warwick Court House and Police Complex, and All Ages Learning Centre at the Queensland Art Gallery (Queensland Cultural Centre)
- attendance by Ms Shirreffs, Chair, at the Heritage Chairs and Officials of Australia and New Zealand meeting in Fremantle and Perth on 24–25 November 2022
- attendance by Ms Leslie Shirreffs and Cr Marnie Doyle at the 2023 Local Government Heritage Conference in Maryborough on 22–23 March 2023.

Meetings and business continuity

The Heritage Council met nine times during 2022–23. Meetings in 2022 were held on 29 July, 9 September, 7 October, and 2 December. Meetings in 2023 were held on 20 January, 24 February, 24 March, 5 May and 16 June.

The Heritage Council visited Ipswich in August 2022. Members met with Mayor Theresa Harding, councillors and officers of the Ipswich City Council. Members also met with heritage owners and custodians and inspected local heritage places including the Walter Burley Griffin Incinerator (former), which has been adapted into a successful theatre space.

At its final meeting of 2022, the Heritage Council met with stakeholders at the Thomas Dixon Centre, West End to inspect its recent redevelopment and adaptive reuse project for the Queensland Ballet.

The Queensland Heritage Register

The Heritage Register is the Heritage Act's main mechanism for protecting Queensland's cultural heritage. A key function of the Heritage Council is to decide on applications to enter places in the Heritage Register.

Each application is carefully considered by the Heritage Council to ensure the Heritage Register is a representative and comprehensive record of Queensland's historic cultural heritage places. The Heritage Register contains a diverse range of places such as community halls, theatres, rural

and suburban homes, commercial and government buildings, places of worship, roads, bridges, railways, mining sites, burial places, sites of public recreation, parks and gardens.

There were 1,797 places on the Heritage Register as of 30 June 2023, with the Heritage Council deciding to enter two new places in 2022–23. Details of decisions made regarding the Heritage Register are below.

Places entered

New entries in the Heritage Register during 2022–23 are:

- Wavell Heights Presbyterian Church, Wavell Heights (1966)—a suburban church designed in a bold Modernist style that demonstrates the evolution of Presbyterian church architecture during the post-WWII period. The church also has a special association with its architect, James Gibson, as it represents the culmination of his ideas to incorporate renewed worship practices into Protestant Church designs.
- Sandstone Point Hydrographic Survey Bench Mark, Sandstone Point (1867)—comprising two broad arrows and a U shape inscribed on a sandstone ledge in the intertidal zone, was created during the British Admiralty's hydrographic survey of Moreton Bay. The bench mark is important surviving physical evidence of the survey of Queensland's coastal waters, harbours and rivers, from the 1860s to the 1920s, which was essential for safe shipping navigation and the colony and state's economic development.

Places not entered

- Anzac Pool, Bundaberg.
- Cairncross Graving Dock, Morningside

It is essential that Heritage Register entries for State Heritage Places remain current. In its statutory role, the Heritage Council considers proposed amendments to entries so that information about the significance of heritage places and their evolution over time is correctly recorded. During 2022–23, the Heritage Council made decisions to update the entries listed below.

Register entries revised with agreement from the Heritage Council and place owners

- Birdsville Aboriginal Tracker's Hut, Courthouse and Police Complex (former)
- Gracemere Homestead, Gracemere
- Woollongabba Police Station, Woollongabba.

Places removed (as destroyed places)

- Tramway Lift Bridge over Maroochy River, Maroochy River (substantially destroyed by flooding impacts)
- Herberton Uniting Church, Herberton (destroyed by fire).

Heritage Register appeal matters

On Friday 28 October 2022, Her Honour Judge Kefford delivered judgment in the Planning and Environment Court in relation to Scenic Rim Regional Council's appeal against the decision of the Heritage Council to enter the Beaudesert Pig and Calf Saleyard (Saleyard) in the Heritage Register.

Her Honour ordered that the decision of the Heritage Council to enter the Saleyard in the Heritage Register be set aside and replaced with a decision not to enter the Saleyard on the Heritage Register.

On 7 June 2023, an appeal against the decision of the Heritage Council to enter Willard's Farm (former), Birkdale in the Heritage Register was settled by consent of the parties, with Her Honour Judge McDonnell deciding to reduce the heritage boundary for the place (to an area agreed between the Queensland Heritage Council and Redland City Council).

Strategic direction

The Heritage Council welcomed the November 2022 release of DES's *Queensland Heritage Implementation Strategy: Delivering the recommendations of the Queensland Heritage Advisory Panel*. The strategy has been developed to deliver on the 2021 Queensland Heritage Advisory Panel's (a committee of the Heritage Council) recommendations to improve Queensland's heritage protection system. The 22 recommendations are arranged around three themes:

- legislative reform to strengthen Queensland's heritage framework
- support for heritage stakeholders
- better communication, understanding and engagement about Queensland's heritage places.


The implementation of all report recommendations is considered crucial to improving Queensland's heritage protection system. The delivery of the Local Government Heritage Conference in Maryborough was an important early action and reinforced the importance of ensuring local government heritage officers are better supported to undertake the important work they do in their communities across Queensland.

The Heritage Council looks forward to working closely with the Queensland Government and other key stakeholders to progress this important initiative.

Despite fewer nominations over the period, it has been a significant year for the Heritage Council as it worked towards achieving the recommendations of the 2021 Queensland Heritage Advisory Panel Report. The gaps identified in the protection of heritage were emphasised, with communities seeking to protect places when a development approval severely restricts future options. This made for difficult and contentious decisions by the Heritage Council and highlighted the need for more proactive nominations, and for improved mechanisms to protect heritage places.

The Heritage Council also committed to better reflecting and enriching the stories of places on the Heritage Register through progressing the recommendations of the national *Dhawura Ngilan: A vision for Aboriginal and Torres Strait Islander heritage in Australia*. A program of work proceeded to identify and progress recognition of places of shared cultural heritage significance and to broaden statements of significance to better reflect the custodianship, impacts, associations and alienation of First Nations peoples from these places and from Country.

The Heritage Council will continue to address the contemporary challenges of protecting heritage places, putting it at the forefront of community thinking.



Leslie Shirreffs PSM

Chair, Queensland Heritage Council

DEPARTMENT OF ENVIRONMENT AND SCIENCE

Financial Statements
for the year ended 30 June 2023



**Department of Environment and Science
for the year ended 30 June 2023
Table of Contents**

		Page
Financial	Statement of Comprehensive Income	1
Statements	Statement of Comprehensive Income by Major Departmental Service	2
	Statement of Financial Position	4
	Statement of Assets and Liabilities by Major Departmental Service	5
	Statement of Changes in Equity	7
	Statement of Cash Flows (Including Notes to the Statement of Cash Flows)	8
Notes to the Financial Statements	A1 Basis of Financial Statement Preparation	10
	A1-1 General Information	10
	A1-2 Compliance with Prescribed Requirements	10
	A1-3 Presentation	10
	A1-4 Authorisation of Financial Statements for Issue	11
	A1-5 Basis of Measurement	11
	A1-6 The Reporting Entity	12
	A2 Departmental Objectives	12
	A3 Machinery-of-Government Changes	13
	A4 Associated Entities	14
	A5 Land Restoration Fund Trust	15
	B1 Revenue	16
	B1-1 Appropriation Revenue	16
	B1-2 User Charges and Fees	17
	B1-3 Grants and Other Contributions	17
	B1-4 Other Revenue	18
	B2 Expenses	19
	B2-1 Employee Expenses	19
	B2-2 Supplies and Services	21
	B2-3 Grants and Subsidies	22
	B2-4 Other Expenses	23
	C1 Cash and Cash Equivalents	24
	C2 Receivables	25
	C2-1 Impairment of Receivables	26
	C3 Non-Current Assets Held for Sale	28
	C4 Property, Plant and Equipment and Depreciation Expense	29
	C4-1 Closing Balances and Reconciliation of Carrying Amount	29
	C4-2 Recognition and Acquisition	31
	C4-3 Measurement using Historical Cost	32
	C4-4 Measurement using Fair Value	33
	C4-5 Depreciation Expense	33
	C4-6 Impairment	34
	C5 Intangibles and Amortisation Expense	35
	C5-1 Closing Balances and Reconciliation of Carrying Amount	35
	C5-2 Recognition and Measurement	36
	C5-3 Amortisation Expense	36
	C5-4 Impairment	36

Department of Environment and Science
for the year ended 30 June 2023
Table of Contents (continued)

		Page	
Notes to the Financial Statements (continued)	Section 3	C6 Leases	37
	Notes about our Financial Position (continued)	C6-1 Leases as Lessee	37
		C6-2 Leases as Lessor	39
		C7 Payables	40
		C8 Accrued Employee Benefits	41
		C9 Equity	41
		C9-1 Contributed Equity	41
		C9-2 Appropriations Recognised in Equity	41
		C9-3 Revaluation Surplus by Asset Class	42
		Section 4 Notes about Risk and Other Accounting Uncertainties	D1 Fair Value Measurement
D1-1 Accounting Policies and Inputs for Fair Values	43		
D1-2 Categorisation of Assets and Liabilities Measured at Fair Value	47		
D2 Financial Risk Disclosures	48		
D2-1 Financial Instrument Categories	48		
D2-2 Financial Risk Management	49		
D2-3 Liquidity Risk - Contractual Maturity of Financial Liabilities	51		
D3 Contingencies	52		
D4 Commitments	52		
D5 Events After Balance Date	53		
Section 5 Notes on our Performance compared to Budget	D6 Future Impact of Accounting Standards Not Yet Effective	53	
	E1 Budgetary Reporting Disclosures - Controlled Activities	54	
	E1-1 Statement of Comprehensive Income - Budget to Actual Comparison	54	
	E1-2 Statement of Comprehensive Income - Explanation of Major Variances	55	
	E1-3 Statement of Financial Position - Budget to Actual Comparison	56	
	E1-4 Statement of Financial Position - Explanation of Major Variances	57	
	E1-5 Statement of Cash Flows - Budget to Actual Comparison	58	
E1-6 Statement of Cash Flows - Explanation of Major Variances	59		
Section 6 What we look after on behalf of whole-of-Government and third parties	F1 Administered Items	61	
	F1-1 Schedule of Administered Income and Expenditure	61	
	F1-2 Schedule of Administered Assets and Liabilities	62	
	F1-3 Waste Disposal Levy	62	
	F1-4 User Charges and Fees	63	
	F1-5 Administered Activities - Budget to Actual Comparison	63	
	F1-6 Administered Activities - Explanation of Major Variances	64	
F2 Trust Transactions and Balances	64		
Section 7 Other Information	G1 Key Management Personnel (KMP) Disclosures	66	
	G2 Related Party Transactions	70	
	G3 First Year Application of New Accounting Standards or Change in Accounting Policy	71	
	G4 Taxation	71	
	G5 Climate Risk Disclosure	72	
Certification	Management Certificate	73	

**Department of Environment and Science
Statement of Comprehensive Income
for the year ended 30 June 2023**

OPERATING RESULT	Notes	2023 ⁽¹⁾	2022
		\$'000	\$'000
Income from continuing operations			
<i>Revenue</i>			
Appropriation revenue	B1-1	674,526	1,297,399
User charges and fees	B1-2	107,130	102,245
Grants and other contributions	B1-3	78,971	86,066
Royalties and land rents		1,307	1,345
Other revenue	B1-4	9,169	6,543
Total revenue		871,103	1,493,598
Gains on disposal		106	963
Gains on fair value movement of investments	A5	-	2
Revaluation increment	C4-1	-	54,935
Total income from continuing operations		871,209	1,549,498
Expenses from continuing operations			
Employee expenses	B2-1	339,549	310,806
Supplies and services	B2-2	208,846	181,666
Grants and subsidies	B2-3	257,146	925,219
Depreciation and amortisation		48,799	47,582
Loss on fair value movement of investments	A5	417	-
Other expenses	B2-4	6,043	4,571
Total expenses from continuing operations		860,800	1,469,844
Operating result from continuing operations		10,409	79,654
Other comprehensive income			
Items that will not be reclassified to operating result			
Increase in asset revaluation surplus	C9-3	683,800	267,236
Total other comprehensive income		683,800	267,236
Total comprehensive income		694,209	346,890

The accompanying notes form part of these financial statements.

⁽¹⁾ The department was impacted by a machinery-of-Government on 18 May 2023. Refer to Note A3.

Department of Environment and Science
Statement of Comprehensive Income by Major Departmental Service
for the year ended 30 June 2023

	Environmental Programs and Regulation	Parks, Wildlife and Conservation	Science	Youth Engagement ⁽¹⁾	Heritage Protection	Multicultural Affairs ⁽¹⁾	Corporate Partnership	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from continuing operations								
Appropriation revenue	262,758	298,004	97,930	3,829	8,132	1,629	2,244	674,526
User charges and fees	72,189	33,119	1,569	34	219	-	-	107,130
Grants and other contributions	16,326	51,272	10,959	407	7	-	-	78,971
Royalties and land rents	-	1,307	-	-	-	-	-	1,307
Other revenue	872	8,214	47	1	35	-	-	9,169
<i>Total revenue</i>	352,145	391,916	110,505	4,271	8,393	1,629	2,244	871,103
Gains on disposal	2	32	116	-	(44)	-	-	106
Total income from continuing operations	352,147	391,948	110,621	4,271	8,349	1,629	2,244	871,209
Expenses from continuing operations								
Employee expenses	104,819	175,291	51,602	1,826	3,707	477	1,827	339,549
Supplies and services	56,160	109,677	38,696	2,447	1,391	79	396	208,846
Grants and subsidies	174,690	69,066	9,237	81	3,000	1,072	-	257,146
Depreciation and amortisation	3,233	36,929	8,545	11	60	-	21	48,799
Loss on fair value movement of investments	417	-	-	-	-	-	-	417
Other expenses	1,746	3,692	542	18	44	1	-	6,043
Total expenses from continuing operations	341,065	394,655	108,622	4,383	8,202	1,629	2,244	860,800
Operating result from continuing operations	11,082	(2,707)	1,999	(112)	147	-	-	10,409
Other comprehensive income								
Increase in asset revaluation surplus	-	683,800	-	-	-	-	-	683,800
Total other comprehensive income	-	683,800	-	-	-	-	-	683,800
Total comprehensive income	11,082	681,093	1,999	(112)	147	-	-	694,209

⁽¹⁾ The department was impacted by a machinery-of-Government on 18 May 2023. Refer to Note A3.

Department of Environment and Science
Statement of Comprehensive Income by Major Departmental Service
for the year ended 30 June 2022

	Environmental Programs and Regulation	Parks, Wildlife and Conservation	Science	Youth Engagement	Heritage Protection	Multicultural Affairs ⁽¹⁾	Corporate Partnership	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from continuing operations								
Appropriation revenue	913,980	281,219	88,305	3,541	6,728	-	3,626	1,297,399
User charges and fees	69,814	30,776	1,469	27	159	-	-	102,245
Grants and other contributions	25,173	51,648	8,685	559	1	-	-	86,066
Royalties and land rents	-	1,345	-	-	-	-	-	1,345
Other revenue	1,019	5,499	12	5	8	-	-	6,543
<i>Total revenue</i>	1,009,986	370,487	98,471	4,132	6,896	-	3,626	1,493,598
Gains on disposal	5	900	58	-	-	-	-	963
Gains on fair value movement of investments	2	-	-	-	-	-	-	2
Revaluation increment	-	54,935	-	-	-	-	-	54,935
Total income from continuing operations	1,009,993	426,322	98,529	4,132	6,896	-	3,626	1,549,498
Expenses from continuing operations								
Employee expenses	94,736	162,966	46,155	1,775	3,469	-	1,705	310,806
Supplies and services	45,916	97,899	32,989	2,315	838	-	1,709	181,666
Grants and subsidies	853,816	60,026	8,945	26	2,406	-	-	925,219
Depreciation and amortisation	3,552	35,760	8,201	10	59	-	-	47,582
Other expenses	868	2,849	582	20	40	-	212	4,571
Total expenses from continuing operations	998,888	359,500	96,872	4,146	6,812	-	3,626	1,469,844
Operating result from continuing	11,105	66,822	1,657	(14)	84	-	-	79,654
Other comprehensive income								
Increase in asset revaluation surplus	-	267,236	-	-	-	-	-	267,236
Total other comprehensive income	-	267,236	-	-	-	-	-	267,236
Total comprehensive income	11,105	334,058	1,657	(14)	84	-	-	346,890

⁽¹⁾ The department was impacted by a machinery-of-Government on 18 May 2023. Refer to Note A3.

**Department of Environment and Science
Statement of Financial Position
as at 30 June 2023**

	Notes	2023 ⁽¹⁾ \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	C1	185,411	186,690
Receivables	C2	34,745	28,121
Prepayments		5,246	4,964
		<u>225,402</u>	<u>219,775</u>
Non-current assets classified as held for sale	C3	-	945
Total current assets		<u>225,402</u>	<u>220,720</u>
Non-current assets			
Receivables	C2	65	22
Property, plant and equipment	C4-1	6,071,400	5,371,904
Intangible assets	C5-1	23,626	25,092
Other financial assets	A5	15,952	335
Right-of-use assets	C6-1	4,331	4,723
Total non-current assets		<u>6,115,374</u>	<u>5,402,076</u>
Total assets		<u>6,340,776</u>	<u>5,622,796</u>
Current liabilities			
Payables	C7	34,635	45,105
Accrued employee benefits	C8	11,145	9,433
Lease liabilities	C6-1	1,146	942
Other current liabilities		615	463
Total current liabilities		<u>47,541</u>	<u>55,943</u>
Non-current liabilities			
Lease liabilities	C6-1	3,286	3,847
Total non-current liabilities		<u>3,286</u>	<u>3,847</u>
Total liabilities		<u>50,827</u>	<u>59,790</u>
Net assets		<u>6,289,949</u>	<u>5,563,006</u>
Equity			
Contributed equity		4,927,386	4,894,652
Accumulated surplus		233,943	223,534
Asset revaluation surplus	C9-3	1,128,620	444,820
Total equity		<u>6,289,949</u>	<u>5,563,006</u>

The accompanying notes form part of these financial statements.

⁽¹⁾ The department was impacted by a machinery-of-Government on 18 May 2023. Refer to Note A3.

Department of Environment and Science
Statement of Assets and Liabilities by Major Departmental Service
as at 30 June 2023

	Environmental Programs and Regulation	Parks, Wildlife and Conservation	Science	Youth Engagement ⁽¹⁾	Heritage Protection	Multicultural Affairs ⁽¹⁾	Corporate Partnership	General not attributable	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets									
Cash and cash equivalents	-	-	-	-	-	-	-	185,411	185,411
Receivables	13,536	14,640	6,311	-	258	-	-	-	34,745
Prepayments	1,414	3,086	731	-	15	-	-	-	5,246
Total current assets	14,950	17,726	7,042	-	273	-	-	185,411	225,402
Non-current assets									
Receivables	-	65	-	-	-	-	-	-	65
Property, plant and equipment	5,114	6,012,642	53,622	-	22	-	-	-	6,071,400
Intangible assets	8,403	6,281	8,868	-	74	-	-	-	23,626
Other financial assets	15,952	-	-	-	-	-	-	-	15,952
Right-of-use assets	391	3,719	206	-	15	-	-	-	4,331
Total non-current assets	29,860	6,022,707	62,696	-	111	-	-	-	6,115,374
Total assets	44,810	6,040,433	69,738	-	384	-	-	185,411	6,340,776
Current liabilities									
Payables	7,534	20,155	6,717	-	229	-	-	-	34,635
Accrued employee benefits	3,595	5,641	1,799	-	110	-	-	-	11,145
Lease liabilities	177	869	93	-	7	-	-	-	1,146
Other current liabilities	-	569	-	-	-	46	-	-	615
Total current liabilities	11,306	27,234	8,609	-	346	46	-	-	47,541
Non-current liabilities									
Lease liabilities	235	2,918	124	-	9	-	-	-	3,286
Total non-current liabilities	235	2,918	124	-	9	-	-	-	3,286
Total liabilities	11,541	30,152	8,733	-	355	46	-	-	50,827
Net assets	33,269	6,010,281	61,005	-	29	(46)	-	185,411	6,289,949

⁽¹⁾ The department was impacted by a machinery-of-Government on 18 May 2023. Refer to Note A3.

Department of Environment and Science
Statement of Assets and Liabilities by Major Departmental Service
as at 30 June 2022

	Environmental Programs and Regulation	Parks, Wildlife and Conservation	Science	Youth Engagement	Heritage Protection	Multicultural Affairs ⁽¹⁾	Corporate Partnership	General not attributable	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets									
Cash and cash equivalents	-	-	-	-	-	-	-	186,690	186,690
Receivables	9,849	13,213	4,446	172	441	-	-	-	28,121
Non-current assets classified as held for sale	-	945	-	-	-	-	-	-	945
Prepayments	2,765	1,268	844	27	60	-	-	-	4,964
Total current assets	12,614	15,426	5,290	199	501	-	-	186,690	220,720
Non-current assets									
Receivables	-	22	-	-	-	-	-	-	22
Property, plant and equipment	5,190	5,314,596	52,029	16	73	-	-	-	5,371,904
Intangible assets	10,286	7,102	7,591	7	106	-	-	-	25,092
Other financial assets	335	-	-	-	-	-	-	-	335
Right-of-use assets	359	4,157	187	6	14	-	-	-	4,723
Total non-current assets	16,170	5,325,877	59,807	29	193	-	-	-	5,402,076
Total assets	28,784	5,341,303	65,097	228	694	-	-	186,690	5,622,796
Current liabilities									
Payables	12,036	25,753	6,778	164	374	-	-	-	45,105
Accrued employee benefits	2,956	4,824	1,489	4	108	-	52	-	9,433
Lease liabilities	125	747	64	2	4	-	-	-	942
Other current liabilities	-	463	-	-	-	-	-	-	463
Total current liabilities	15,117	31,787	8,331	170	486	-	52	-	55,943
Non-current liabilities									
Lease liabilities	251	3,451	132	4	9	-	-	-	3,847
Total non-current liabilities	251	3,451	132	4	9	-	-	-	3,847
Total liabilities	15,368	35,238	8,463	174	495	-	52	-	59,790
Net assets	13,416	5,306,065	56,634	54	199	-	(52)	186,690	5,563,006

⁽¹⁾ The department was impacted by a machinery-of-Government on 18 May 2023. Refer to Note A3.

Department of Environment and Science
Statement of Changes in Equity
for the year ended 30 June 2023

		Contributed	Accumulated	Asset Revaluation	
		Equity	Surplus	Surplus	Total
Notes		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022		4,894,652	223,534	444,820	5,563,006
Operating result					
Operating result from continuing operations		-	10,409	-	10,409
Other comprehensive income					
Increase in asset revaluation surplus	C9-3	-	-	683,800	683,800
Total comprehensive income for the year		-	10,409	683,800	694,209
Transactions with owners as owners					
Appropriated equity injections	C9-2	54,469	-	-	54,469
Appropriated equity withdrawals	C9-2	(30,115)	-	-	(30,115)
Non appropriated equity adjustments		8,404	-	-	8,404
Net transfers (out) to other Queensland Government entities	A3	(24)	-	-	(24)
Net transactions with owners as owners		32,734	-	-	32,734
Balance at 30 June 2023 ⁽¹⁾		4,927,386	233,943	1,128,620	6,289,949

		Contributed	Accumulated	Asset Revaluation	
		Equity	Surplus	Surplus	Total
Notes		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021		4,855,160	144,509	177,584	5,177,253
Operating result					
Operating result from continuing operations		-	79,654	-	79,654
Net effect of changes in accounting policy / prior year adjustments		-	(629)	-	(629)
Other comprehensive income					
Increase in asset revaluation surplus	C9-3	-	-	267,236	267,236
Total comprehensive income for the year		-	79,025	267,236	346,261
Transactions with owners as owners					
Appropriated equity injections	C9-2	63,452	-	-	63,452
Appropriated equity withdrawals	C9-2	(30,115)	-	-	(30,115)
Non appropriated equity adjustments		6,155	-	-	6,155
Net transactions with owners as owners		39,492	-	-	39,492
Balance at 30 June 2022		4,894,652	223,534	444,820	5,563,006

The accompanying notes form part of these financial statements.

⁽¹⁾ The department was impacted by a machinery-of-Government on 18 May 2023. Refer to Note A3.

**Department of Environment and Science
Statement of Cash Flows
for the year ended 30 June 2023**

	Notes	2023 \$'000	2022 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
Service appropriation receipts	B1-1	658,729	1,317,020
User charges and fees		105,074	104,468
Grants and other contributions		78,745	86,061
GST input tax credits from ATO		33,276	30,554
GST collected from customers		4,401	4,255
Interest receipts		3,312	385
Other income		4,381	5,628
<i>Outflows:</i>			
Employee expenses		(336,755)	(310,700)
Supplies and services		(205,092)	(181,799)
Grants and subsidies		(247,889)	(914,014)
GST paid to suppliers		(33,578)	(28,969)
GST remitted to ATO		(4,714)	(4,562)
Other expenses		(5,122)	(4,794)
Net cash provided by operating activities	CF-1	<u>54,768</u>	<u>103,533</u>
Cash flows from investing activities			
<i>Inflows:</i>			
Loans and advances redeemed		-	63
Sales of property, plant and equipment		77	1,357
<i>Outflows:</i>			
Loans and advances made		(1,043)	-
Other financial assets		(16,034)	(335)
Payments for property, plant, and equipment		(58,604)	(59,324)
Payments for intangibles		(3,854)	(5,931)
Net cash used in investing activities		<u>(79,458)</u>	<u>(64,170)</u>
Cash flows from financing activities			
<i>Inflows:</i>			
Equity injections		54,570	63,393
Borrowings		67	122
<i>Outflows:</i>			
Equity withdrawals		(30,115)	(30,115)
Lease payments		(1,162)	(992)
Net cash provided by financing activities		<u>23,360</u>	<u>32,408</u>
Net increase (decrease) in cash and cash equivalents		(1,330)	71,771
Net increase in cash and cash equivalents from restructuring	A3	51	-
Cash and cash equivalents opening balance		<u>186,690</u>	<u>114,919</u>
Cash and cash equivalents closing balance	C1	<u><u>185,411</u></u>	<u><u>186,690</u></u>

The accompanying notes form part of these financial statements.

⁽¹⁾ The department was impacted by a machinery-of-Government on 18 May 2023. Refer to Note A3.

**Department of Environment and Science
Notes to the Statement of Cash Flows
for the year ended 30 June 2023**

CF-1 Reconciliation of operating result to net cash provided by operating activities

	2023	2022
	<u>\$'000</u>	<u>\$'000</u>
Operating surplus/(deficit)	10,407	79,654
<i>Non-cash items included in operating result:</i>		
Depreciation and amortisation expense	48,801	47,581
Land transfers to non-Queensland Government entities	9,257	11,206
Net asset revaluation (increments)/decrements	417	(54,935)
Net (gain)/loss on disposal of property, plant and equipment	1,067	(252)
Change in assets and liabilities		
(Increase) in receivables	(4,509)	104
(Increase) decrease in long service leave reimbursement receivables	5	(519)
(Increase) decrease in annual leave claim receivable	(583)	(583)
(Increase) decrease in GST input tax credits receivable	(639)	1,271
(Increase) decrease in other receivables	(281)	(898)
Increase (decrease) in appropriation payable	(15,797)	19,621
Increase (decrease) in accounts payable	4,862	959
Increase (decrease) in tax payable	(15)	27
Increase (decrease) in GST payable	24	6
Increase (decrease) in accrued employee benefits	1,712	262
Increase (decrease) in other liabilities	40	29
Net cash provided by operating activities	<u>54,768</u>	<u>103,533</u>

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

**SECTION 1
ABOUT THE DEPARTMENT AND THIS FINANCIAL REPORT**

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

The Department of Environment and Science (“the department”) is a Queensland Government Department established under the *Public Sector Act 2022* (formerly the *Public Service Act 2008*) and controlled by the State of Queensland, which is the ultimate parent.

The head office and principal place of business of the department is Level 38, 1 William Street, Brisbane Qld 4000. For information in relation to these financial statements email info@des.qld.gov.au or visit the departmental internet site <http://www.des.qld.gov.au>.

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The department has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury’s Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2022.

The department is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flow which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards applied for the first time in these financial statements are outlined in Note G3.

A1-3 PRESENTATION

Currency and Rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives

Comparative information reflects the audited 2021-22 financial statements for the Department of Environment and Science. Comparative information has been restated where necessary to be consistent with disclosures in the current period. Major departmental services are in line with the department’s Service Delivery Statement for the respective years.

Current/Non-Current Classification

Assets and liabilities are classified as either ‘current’ or ‘non-current’ in the Statement of Financial Position and associated notes.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-3 PRESENTATION (continued)

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements are authorised for issue by the Director-General and Chief Finance Officer at the date of signing the management certificate.

A1-5 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for the following:

- Land, buildings, infrastructure, major plant and equipment, heritage and cultural assets which are measured at fair value, and
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value.

Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amount of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following approaches:

- the *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business, and
- the *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.

Where fair value is used, the fair value approach is disclosed.

Present Value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-5 BASIS OF MEASUREMENT (continued)

Net Realisable Value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

A1-6 THE REPORTING ENTITY

These financial statements include the value of all revenues, expenses, assets, liabilities and equity of the 'economic entity' comprising the department. All transactions and balances internal to the economic entity have been eliminated in full. Refer to Note A4 and A5.

A2 DEPARTMENTAL OBJECTIVES

The department's vision is to ensure one of the world's most diverse natural environments is maintained for the health and prosperity of current and future generations. Our purpose is to be effective leaders and partners in managing, protecting and restoring Queensland's natural environment and heritage.

Enable improved environmental outcomes through effective policy, programs and regulation.

The identity and purpose of the major departmental services undertaken by the department during the 2022-23 year are as follows:

- Environmental Programs and Regulation Services: Enable improved environmental outcomes through effective policy, programs and regulation.
- Parks, Wildlife and Conservation Services: Expand and conserve protected areas in partnership with First Nations peoples. Identify and provide sustainable, nature-based recreation and tourism. Protect biodiversity and threatened species.
- Science: Provide leading-edge scientific services and support science engagement and translation.
- Heritage Protection Services: Protect, promote and ensure Queensland's cultural and built heritage is conserved and enjoyed.
- Youth Engagement: Progress and support the development of relevant Queensland government policies, programs and services, including through the engagement of young people, and provide opportunities to strengthen youth leadership capabilities. This area was transferred to the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts as part of machinery-of-Government changes. Refer to Note A3, and
- Multicultural Affairs: Implement, influence and invest in equitable, accessible and inclusive policies, programs and services that support and empower Queenslanders from culturally and linguistically diverse backgrounds to participate in, benefit from and contribute to the economy and the community. Refer to Note A3.

In addition to the corporate services provided within the department, the department also participates in a corporate partnership arrangement. Refer to Note G2.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

A2 DEPARTMENTAL OBJECTIVES (continued)

Sources of Departmental Funding

The department is funded for the departmental services it delivers principally by parliamentary appropriations, and the significant revenue collected from the following:

- licencing of environmental services
- recreation and tourism services, and
- grants and contributions from State and Federal Government, and industry.

A3 MACHINERY-OF-GOVERNMENT CHANGES

Transfer in

Details of transfer: Multicultural Affairs transferred from the Department of Child Safety, Seniors and Disability Services to the Department of Environment and Science.

Basis of transfer: The Public Service Departmental Arrangements Notice (No.2) 2023 dated 18 May 2023.

Date of transfer: Effective from 1 June 2023.

Transfer out

Details of transfer: Youth Affairs transferred from the Department of Environment and Science to the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts.

Basis of transfer: The Public Service Departmental Arrangements Notice (No.2) 2023 dated 18 May 2023.

Date of transfer: Effective from 1 June 2023.

The assets and liabilities transferred as a result of the machinery-of-Government changes were as follows:

	Transfer in Multicultural Affairs \$'000	Transfer out Youth Affairs \$'000	Total \$'000
Assets			
Cash	56	(5)	51
Property, plant and equipment	-	(29)	(29)
Total assets	56	(34)	22
Liabilities			
Other current liabilities	46	-	46
Total liabilities	46	-	46
Net assets	10	(34)	(24)

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

A3 MACHINERY-OF-GOVERNMENT CHANGES (continued)

The net decrease in assets of \$0.02 million has been accounted for as a decrease in contributed equity as disclosed in the statement of changes in equity.

Budgeted appropriation revenue of \$2.28 million (controlled) was reallocated from the Department of Child Safety, Seniors and Disability Services as part of the machinery-of-Government changes.

Budgeted appropriation revenue of \$0.24 million (controlled) was reallocated to the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts as part of the machinery-of-Government changes.

A4 ASSOCIATED ENTITIES

Each associated entity is a reporting entity in its own right and the audited financial statements are included in their respective annual reports.

Container Exchange (Qld) Limited (COEX) is a not-for-profit company registered in 2017 after amendment of the *Waste Reduction and Recycling Act 2011*. The function of COEX is to administer the beverage container exchange scheme within Queensland by opening local community collection centres, enter into recycling agreements with waste manufacturers, and provide refunds to consumers for containers presented for recycling. The company was formed during 2017-18 with Coca-Cola Amatil (Aust) Pty Ltd and Lion Pty Ltd, being the only shareholders and members. It has been determined that the department does not have control over the entity, however does have significant influence over the entity. COEX are audited by Grant Thornton.

Queensland Trust for Nature (QTFN) is a conservation-focused, independent, not-for-profit organisation. It was established by the Queensland Government in March 2004 through a Deed of Trust. The Deed assigned the Department of Environment and Science's Director-General as the appointer with the power to appoint or remove trustees or transfer QTFN funds to a new trustee or trustees. There are no powers to direct or influence operating arrangements, other than the above. QTFN are audited by the Auditor-General of Queensland.

The balances below represent the latest audited figures available.

Audited Financial Transactions and Balance of Associated Entities

	COEX		QTFN	
	\$'000 June 2022	\$'000 June 2021	\$'000 June 2022	\$'000 June 2021
Total income	414,106	399,396	3,017	6,367
Total expenses	381,693	355,480	3,162	2,601
Operating result	32,413	43,916	(145)	3,766
Total current assets	145,559	128,605	10,623	13,925
Total non-current assets	771	855	8,768	7,501
Total assets	146,330	129,460	19,391	21,426
Total current liabilities	26,426	28,679	772	1,093
Total non-current liabilities	299	13,590	3,981	4,570
Total liabilities	26,725	42,269	4,753	5,663
Net assets	119,605	87,191	14,638	15,763

Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023

A5 LAND RESTORATION FUND TRUST

The Land Restoration Fund (LRF) is a Government election commitment to expand carbon farming in Queensland by supporting land sector projects that deliver environmental, social and economic co-benefits to the State. The LRF Trust enters into agreements with landholders for the purchase of Australian Carbon Credit Units (ACCU's) and provides additional funding where the project meets certain criteria for co-benefits, this can include conservation, water quality and indigenous engagement outcomes. The LRF also invests in the Queensland Natural Capital Fund (QNCF) to facilitate private sector co-investment in natural capital asset acquisitions.

The LRF Trust is structured as a unit trust, with Queensland Treasury Corporation (QTC) as Trustee. QTC's role as trustee involves basic administration of funds to the various Project Investment Agreements on behalf of the State. The department is the sole unit holder of the trust. The department has oversight over the trust, including the issue of the priority investment plan, investment rules and individual guidelines for each funding round as well as contract management for Project Investment Agreements. The balances below are included in the controlled transactions and balances of the department.

Financial Transactions and Balances of Land Restoration Fund Trust

	Notes	\$'000 June 2023	\$'000 June 2022
Income			
Interest	B1-4	1,120	22
Grant revenue for co-benefits	B1-3	143	-
Total income		1,263	22
Expenses			
Co-benefit expense	B2-4	144	-
Management fees	B2-4	11	-
Unrealised loss - QNCF		354	-
Unrealised loss/(gain) - ACCU's		62	(2)
Total expenses		571	(2)
Operating result		692	24
Current assets			
Cash and cash equivalents	C1	33,468	36,462
Prepayments		2,009	1,256
Receivables	C2	140	14
Total current assets		35,617	37,732
Non current assets			
Managed fund investment - QNCF		15,347	-
Investment in ACCUs		605	335
Total non current assets		15,952	335
Total Assets		51,569	38,067
Current liabilities			
Payables	C7	12	-
Other liabilities		32	176
Total liabilities		44	176
Net assets attributable to unit holders		51,525	37,891

As at 30 June 2023 the LRF Trust holds 19,000 (2022: 9,500) ACCU's and 45,000,000 units in the QNCF Investment (2022: nil). \$29.30 million cash (2022: \$35.00 million) is also being held in the trust to fund LRF's investment in the

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

**SECTION 2
NOTES ABOUT OUR FINANCIAL PERFORMANCE**

B1 REVENUE

B1-1 APPROPRIATION REVENUE

	2023	2022
	<u>\$'000</u>	<u>\$'000</u>
Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in the operating result		
Original budgeted appropriation	597,184	682,105
Supplementary amounts:		
Transfers from other headings	-	11,700
Unforeseen expenditure	61,545	623,215
Total appropriation received (cash)	658,729	1,317,020
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	27,257	7,636
Plus: Closing balance of appropriation revenue receivable (Refer to Note A3)	2,041	-
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(13,501)	(27,257)
Net appropriation revenue	674,526	1,297,399
Appropriation revenue recognised in the statement of comprehensive income	674,526	1,297,399

Accounting Policy - Appropriation Revenue

Appropriations provided under the *Appropriation Act 2022* are recognised as revenue when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity, refer to Note C9.

Disclosure - Variance Analysis

Budget vs actual appropriation revenue - Refer to Note E1-1.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

B1 REVENUE (continued)

B1-2 USER CHARGES AND FEES

	2023	2022
	\$'000	\$'000
Licensing of environmental services	72,787	69,852
Recreation and tourism services	30,803	29,448
Permits, approvals and resource use	1,273	1,235
Other fees	2,267	1,710
	<u>107,130</u>	<u>102,245</u>

Accounting Policy - Licensing of Environmental Services and Permits, Approvals and Resource Use

Revenue is recognised on delivery of the goods or completion of services to the customer at which time the invoice is raised or payment is received. This includes fines, forfeitures and fees that fall under the *Environmental Protection Act 1994* such as Environmentally Relevant Authorities (ERA's) fees. Fees and fines collected, but not controlled, by the department are reported as administered revenue. Refer to Note F1-4.

B1-3 GRANTS AND OTHER CONTRIBUTIONS

	2023	2022
	\$'000	\$'000
Grants from the Commonwealth	44,234	40,782
Grants from external bodies, state and local governments	15,331	29,052
Industry/community contributions	18,235	16,085
Goods and services received below fair value	699	97
Donations, gifts and services	246	45
Contributed assets	226	5
	<u>78,971</u>	<u>86,066</u>

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

B1 REVENUE (continued)

B1-3 GRANTS AND OTHER CONTRIBUTIONS (continued)

Accounting Policy - Grants and Contributions

Grants, contributions and donations revenue arise from non-exchange transactions where the department does not directly give approximately equal value to the grantor.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the department to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding.

Accounting Policy - Services Received Below Fair Value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, the amount representing the fair value is recognised as revenue with a corresponding expense for the same amount.

B1-4 OTHER REVENUE

	2023	2022
	\$'000	\$'000
	<u> </u>	<u> </u>
General recoveries	2,971	3,739
Interest ⁽¹⁾	3,335	386
Restitution	1,556	2,097
Fines and Forfeitures	675	7
Other revenue	632	314
	<u> </u>	<u> </u>
	<u>9,169</u>	<u>6,543</u>

⁽¹⁾ 2023 Includes LRF Trust interest revenue of \$1.12 million (2022: \$0.02 million). Refer to Note A5.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

B2 EXPENSES

B2-1 EMPLOYEE EXPENSES

	2023	2022
	\$'000	\$'000
Employee benefits		
Wages and salaries	263,151	241,551
Employer superannuation contributions	36,311	32,458
Annual leave levy expense	28,510	26,429
Long service leave levy expense	6,855	6,036
Salary related taxes	119	130
Employee related expenses		
Workers compensation expense	1,706	1,464
Other employee expenses	2,897	2,738
	339,549	310,806
Full time equivalent (FTE) employees	2,864	2,752

The FTE figures includes 14 (2022: 14) Business Corporate Partnership (BCP) employees who perform work under the BCP arrangement.

The number of employees, including both full time and part time employees, is measured on a full time equivalent (FTE) basis, reflecting Minimum Obligatory Human Resource Information (MOHRI) at 30 June 2023 and comparative information at 30 June 2022. Employees from Multicultural Affairs have been included and employees from Youth Affairs have been excluded in line with the machinery-of-Government changes. Refer to Note A3.

The employee expenses aligned to this department associated with the provision of services to other departments are included in the above figures, refer to Note G2.

Accounting Policy - Wages and Salaries

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting Policy - Sick Leave Expense

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

B2 EXPENSES (continued)

B2-1 EMPLOYEE EXPENSES (continued)

Accounting Policy - Annual Leave and Long Service Leave

Under the Queensland Government's Annual Leave Central Scheme (ALCS) and Long Service Leave (LSL) Scheme, levies are payable by the department to cover the cost of employees' annual leave and long service leave (including leave loading and on-costs). No provision for annual leave or long service leave is recognised in the department's financial statements. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual and long service leave are claimed from the scheme quarterly in arrears.

Accounting Policy - Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment.

Defined Contribution Plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant enterprise bargaining agreement or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined Benefit Plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined by the Treasurer on the advice of the State Actuary. Contributions are paid by the department at the specified rate following completion of the employee's service each pay period. The department's obligations are limited to those contributions paid.

Accounting Policy - Workers' Compensation Premiums

The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note G1.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

B2 EXPENSES (continued)

B2-2 SUPPLIES AND SERVICES

	2023	2022
	\$'000	\$'000
Outsourced service delivery	32,216	18,806
Accommodation and operating leases	25,679	25,987
Outsourced works and services	24,371	14,188
Information and communication technologies	19,027	20,615
Repairs and maintenance	21,253	18,917
Service costs to other agencies and shared service providers	13,859	20,792
Travel	12,771	8,882
Motor vehicles - other	7,159	5,552
Motor vehicle hire - Q fleet	6,478	6,544
Traditional owner services	7,291	6,489
Materials and consumables	6,342	5,798
Legal	4,571	4,320
Agents Commission on Sales	4,146	4,071
Consultancies, contractors and labour hire	3,064	1,716
Expert examinations and reports	3,376	2,710
Plant and equipment < \$5,000	2,424	2,514
Electricity and gas	1,431	1,220
Other supplies and services	13,388	12,545
	<u>208,846</u>	<u>181,666</u>

Accounting Policy - Distinction between Grants and Procurement

For a transaction to be classified as supplies and services, the value of goods or services received by the department must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant in Note B2-3.

Accounting Policy - Accommodation and Operating Leases

Lease expenses include lease rentals for short-term leases, leases of low value assets and variable lease payments. Refer to Note C6-1 for breakdown of lease expenses and other lease disclosures.

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework and residential accommodation properties under the Government Employee Housing (GEH) program arise from non-lease arrangements with the Department of Energy and Public Works, who has substantive substitution rights over the assets used within these schemes. Payments are expensed as incurred and categorised within the accommodation and operating leases line item.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

B2 EXPENSES (continued)

B2-3 GRANTS AND SUBSIDIES

	2023	2022
	\$'000	\$'000
Waste package ⁽¹⁾	156,525	833,319
Protecting environments, ecosystems, habitats & species ⁽²⁾	40,940	29,763
Indigenous Partnerships and support	26,299	19,268
Land transfers to non-Queensland Government entities ⁽³⁾	9,257	11,206
Natural disaster	7,220	10,311
Science	8,190	8,899
Heritage protection services	3,134	2,973
Improving Great Barrier Reef water quality	2,557	5,019
Water quality management	1,871	3,782
Multicultural affairs	1,072	-
Other	81	679
	<u>257,146</u>	<u>925,219</u>

⁽¹⁾ 2023 includes lump sum payments of \$139.6 million which were paid to selected councils prior to 30 June and reflects the 2026-2027 annual payment. 2022 includes lump sum annual payments of \$672.4 million which were paid to selected councils prior to 30 June 2022 which reflect four years of annual payments (2022-23 to 2025-26) in addition to the 2021-2022 annual payment of \$153.6 million. Amounts are prescribed by the *Waste Reduction and Recycling Regulation 2011*.

⁽²⁾ 2022 includes \$0.18 million of co-benefit grant to the LRF Trust which has been offset by unearned grant revenue from the LRF Trust. There has been no grant payment made to the LRF Trust in 2023. Refer to Note A5.

⁽³⁾ Includes land transferred at no consideration to traditional owners for the joint management of national parks (Cape York Peninsula Aboriginal Land) and for other protected areas.

Accounting Policy - Grants and Subsidies

Grants occur when a payment or contribution is made to an organisation or person in return for performance of a certain objective in compliance with certain terms and conditions and which does not directly give approximately equal value in return to the department.

A subsidy payment is a payment or contribution made to an organisation or person which is in essence a form of financial assistance to reduce all or part of the costs of a recipient in meeting its own objectives.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

B2 EXPENSES (continued)

B2-4 OTHER EXPENSES

	2023	2022
	\$'000	\$'000
Queensland Government Insurance Fund (QGIF) insurance premiums	2,632	2,058
Disposal of assets	1,173	355
Bad debt expense	448	921
Other audit fees	476	604
Queensland Audit Office-external audit fees for audit of the financial statements ⁽¹⁾	394	384
Special payments: ⁽²⁾		
Ex-gratia payments	95	100
Compensation payments	143	78
Sponsorships	65	67
LRF co-benefit payments	140	-
Other expenses	477	4
	<u>6,043</u>	<u>4,571</u>

⁽¹⁾ Total audit fees quoted by the Queensland Audit Office (QAO) relating to the 2022-23 financial statements are \$0.39 million (2022: \$0.38 million).

⁽²⁾ Special payments represent ex-gratia expenditure and other expenditure transactions that the department is not contractually or legally obligated to make to other parties. Special payments during 2022-23 include the following payments over \$5000:

- Payments that the department made for environmentally relevant activities no longer being undertaken,
- A one off compensation payment in resolution of a legal matter, and
- Ex-gratia payments made to departmental staff residing at flood impacted national parks.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

**SECTION 3
NOTES ABOUT OUR FINANCIAL POSITION**

C1 CASH AND CASH EQUIVALENTS

	2023	2022
	\$'000	\$'000
Cash at bank	80,316	78,921
Queensland Treasury Corporation (QTC) cash funds	63,738	62,656
LRF Trust cash funds ⁽¹⁾	33,468	36,462
Curtis Island Environmental Management Precinct cash at bank	7,888	8,650
Cash on hand	1	1
	185,411	186,690

⁽¹⁾ Refer to Note A5.

Accounting Policy - Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include cash and cheques received but not banked at 30 June 2023.

The department holds three Capital Guaranteed Cash Funds with QTC that are used to hold specific funds as outlined below.

The Curtis Island Environmental Management Precinct bank account is restricted for use within the Curtis Island Environmental Management Precinct.

The department has an overdraft facility of \$35 million and a business card facility of \$10 million with its balance cleared monthly.

As at 30 June 2023, \$55.60 million (2022: \$54.00 million) is held as a result of financial offset payments in accordance with the *Environmental Offset Act 2014*. The use of these funds is restricted under the Act and can only be used for Conservation purposes or as otherwise permitted under section 86 of the Act.

As at 30 June 2023, \$5.64 million (2022: \$6.23 million) is held for the Commonwealth Reef Trust grant. The use of these funds is restricted and can only be used for reef protection as permitted under the agreement.

As at 30 June 2023, \$2.50 million (2022: \$2.43 million) is held for the future conversion of Yurol and Ringtail State Forests into National Parks. The use of these funds is restricted under the Deed of Funding.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C2 RECEIVABLES

	Notes	2023 \$'000	2022 \$'000
Current			
Trade debtors		17,669	14,210
Less: Loss allowance	C2-1	(577)	(657)
		<u>17,092</u>	<u>13,553</u>
Advances		<u>1,482</u>	<u>439</u>
		1,482	439
GST receivable		5,477	4,838
GST payable		(337)	(313)
		<u>5,140</u>	<u>4,525</u>
Annual leave claims receivable		6,561	5,979
Long service leave claims receivable		1,831	1,836
Appropriated equity receivable		449	526
Operating lease receivable		278	486
Other receivables ⁽¹⁾		1,912	777
		<u>34,745</u>	<u>28,121</u>
Non-current			
Property leases receivable		65	22
Total receivables		<u>34,810</u>	<u>28,143</u>

⁽¹⁾ 2023 includes LRF Trust accrued interest of \$0.14 million (2022: \$0.01 million). Refer to Note A5.

Accounting Policy - Receivables

Receivables are measured at amortised cost, which approximates their fair value at reporting date.

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within the trading terms of 30 days. These terms may only be varied depending on the service provided.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C2 RECEIVABLES (continued)

C2-1 IMPAIRMENT OF RECEIVABLES

Accounting Policy - Impairment of Receivables

The loss allowance for trade debtors and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact the department's debtors, along with relevant industry and statistical data where applicable.

The department's other receivables are from Queensland Government agencies or Australian Government agencies. No loss allowance is recorded for these receivables on the basis of materiality. Refer to Note D2 for the department's credit risk management policies.

Where the department has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when the debt is deemed irrecoverable and the department has ceased enforcement activity. If the amount of the debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

The department has not recorded any impairment losses for receivables.

Disclosure - Credit Risk Exposure of Receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to the department's receivables.

The department undertakes an analysis of aged receivables (debtors) in order to calculate the expected credit losses on trade and other debtors on a monthly basis. Loss rates are calculated separately for groupings of customers with similar loss patterns. The department has identified three main groups of trade debtors based on different revenue streams. These being debtors that are related to regulatory fees for licences and permits, user charges and other debtors. Other debtors are predominately made up of Queensland Parks and Wildlife Service and Partnerships related debtors.

The calculations reflect historical observed default rates calculated through an analysis of historical monthly debtors transactions in order to calculate average roll over rates for the department.

The historical default rates are then adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables.

Set out below is the credit risk exposure on the department's trade and other debtors broken down by customer groupings and by aging band.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C2 RECEIVABLES (continued)

C2-1 IMPAIRMENT OF RECEIVABLES (continued)

Impairment Group - Regulatory Fees

	2023			2022		
	Gross	Loss rate	Expected	Gross	Loss rate	Expected
	receivables		credit	receivables		credit
	\$'000	%	losses	\$'000	%	losses
Aging			\$'000			\$'000
Current	8,442	0.25%	21	7,200	0.25%	18
1 to 30 days overdue	768	0.52%	4	800	0.50%	4
31 to 60 days overdue	753	4.25%	32	565	3.54%	20
61 to 90 days overdue	227	14.51%	33	183	12.58%	23
> 90 days overdue	1,677	23.14%	388	1,869	19.90%	372
	<u>11,867</u>		<u>478</u>	<u>10,617</u>		<u>437</u>

Impairment Group - User Charges

	2023			2022		
	Gross	Loss rate	Expected	Gross	Loss rate	Expected
	receivables		credit	receivables		credit
	\$'000	%	losses	\$'000	%	losses
Aging			\$'000			\$'000
Current	168	4.17%	7	122	4.94%	6
1 to 30 days overdue	22	9.18%	2	-	10.61%	-
31 to 60 days overdue	-	29.64%	-	-	35.03%	-
61 to 90 days overdue	-	68.13%	-	1	74.60%	1
> 90 days overdue	12	83.63%	10	1	90.64%	1
	<u>202</u>		<u>19</u>	<u>124</u>		<u>8</u>

Impairment Group - Other Debtors

	2023			2022		
	Gross	Loss rate	Expected	Gross	Loss rate	Expected
	receivables		credit	receivables		credit
	\$'000	%	losses	\$'000	%	losses
Aging			\$'000			\$'000
Current	1,475	0.61%	9	1,316	0.76%	10
1 to 30 days overdue	482	2.28%	11	174	2.88%	5
31 to 60 days overdue	82	10.89%	9	7	13.50%	1
61 to 90 days overdue	-	33.01%	-	-	42.81%	-
> 90 days overdue	86	59.49%	51	296	66.27%	196
	<u>2,125</u>		<u>80</u>	<u>1,793</u>		<u>212</u>
Total loss allowance			<u>577</u>			<u>657</u>

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C2 RECEIVABLES (continued)

C2-1 IMPAIRMENT OF RECEIVABLES (continued)

Disclosure - Movement in Loss Allowance for Trade Debtors

	2023	2022
	\$'000	\$'000
Loss allowance as at 1 July	(657)	(1,790)
Increase (decrease) in allowance recognised in operating result	(368)	212
Amounts written-off during the year in respect of bad debts	448	921
Loss allowance as at 30 June	<u>(577)</u>	<u>(657)</u>

C3 NON-CURRENT ASSETS HELD FOR SALE

	2023	2022
	\$'000	\$'000
Buildings held for sale	-	550
Land held for sale	-	395
	<u>-</u>	<u>945</u>

Accounting policy - Non-current assets held for sale

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months.

Under *ASSB 5 Non-current Assets Held for Sale and Discontinued Operations*, when an asset is classified as held for sale, its value is measured at the lower of the asset's carrying amount and fair value less costs to sell. Any restatement of the asset's value to fair value less costs to sell is a non-recurring valuation. Such assets are no longer amortised or depreciated upon being classified as held for sale.

Disclosure about non-current assets held for sale

Buildings held for sale in 2022 related to one building and corresponding land, with a fair value of \$0.93 million, and a separate block of land with a fair value of \$0.02 million.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C4 PROPERTY, PLANT AND EQUIPMENT, AND DEPRECIATION EXPENSE

C4-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	Land	Buildings	Heritage and cultural assets	Infrastructure	Plant and equipment	Assets under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July 2022	416,564	232,799	1,690,133	2,936,437	71,661	24,310	5,371,904
Acquisitions	23,569	337	-	58	6,012	30,272	60,248
Depreciation	-	(13,688)	(162)	(15,830)	(12,643)	-	(42,323)
External transfers in from other Queensland Government entities	8,613	-	47	-	-	-	8,660
External transfers out to other Queensland Government entities ⁽¹⁾	(222)	-	(28)	-	(29)	-	(279)
Transfers in from non-Queensland Government entities	220	-	-	-	-	-	220
Transfers out to non-Queensland Government entities ⁽²⁾	(3,300)	-	(5,957)	-	-	-	(9,257)
Transfers between classes	(10,880)	12,165	11,496	11,783	2,350	(26,914)	-
Net revaluation increments in revaluation surplus ⁽³⁾	72,667	65,421	191,388	354,324	-	-	683,800
Disposals	-	(411)	-	(8)	(23)	(1,131)	(1,573)
Balance at 30 June 2023	507,231	296,623	1,886,917	3,286,764	67,328	26,537	6,071,400
Gross	507,231	692,748	1,892,750	3,563,967	174,056	26,538	6,857,290
Less: Accumulated depreciation	-	(396,124)	(5,833)	(277,203)	(106,730)	-	(785,890)
Balance at 30 June 2023	507,231	296,624	1,886,917	3,286,764	67,326	26,538	6,071,400

⁽¹⁾ Includes \$0.03 million of property, plant and equipment transferred to Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts through the machinery-of-Government dated 18 May 2023. Refer to Note A3.

⁽²⁾ Refer to Note B2-3.

⁽³⁾ Refer to Note C9-3.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2022**

C4 PROPERTY, PLANT AND EQUIPMENT, AND DEPRECIATION EXPENSE (continued)

C4-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT (continued)

	Land	Buildings	Heritage and cultural	Infrastructure	Plant and equipment	Assets under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July 2021	338,912	203,338	1,494,468	2,904,967	72,991	23,759	5,038,435
Acquisitions	19,834	2,270	-	-	6,627	30,186	58,917
Depreciation	-	(12,170)	(140)	(15,911)	(12,325)	-	(40,546)
External transfers in from other Queensland Government entities	6,057	93	103	-	-	-	6,253
External transfers out to other Queensland Government entities	(38)	-	(60)	-	-	-	(98)
Transfers in from non-Queensland Government entities	-	5	-	-	-	-	5
Transfers out to non-Queensland Government entities ⁽¹⁾	(150)	-	(11,056)	-	-	-	(11,206)
Transfers between classes	(1,199)	22,935	1,222	1,846	4,498	(29,322)	(20)
Transfers to held for sale	(525)	(700)	-	-	-	-	(1,225)
Net revaluation increments in operating surplus	18,150	-	-	36,785	-	-	54,935
Net revaluation increments in revaluation surplus ⁽²⁾	35,523	17,336	205,596	8,781	-	-	267,236
Disposals	-	(308)	-	(31)	(130)	(313)	(782)
Balance at 30 June 2022	416,564	232,799	1,690,133	2,936,437	71,661	24,310	5,371,904
Gross	416,564	580,631	1,695,054	3,174,305	168,543	24,310	6,059,407
Less: Accumulated depreciation	-	(347,832)	(4,921)	(237,868)	(96,882)	-	(687,503)
Balance at 30 June 2022	416,564	232,799	1,690,133	2,936,437	71,661	24,310	5,371,904

⁽¹⁾ Refer to Note B2-3.

⁽²⁾ Refer to Note C9-3.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C4-2 RECOGNITION AND ACQUISITION

Accounting Policy - Recognition

Basis of capitalisation and recognition thresholds

Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds in the year of acquisition are reported as property, plant and equipment in the following classes:

Asset Class	Threshold
Buildings	\$10,000
Infrastructure	\$10,000
Heritage and cultural assets	\$5,000
Plant and equipment	\$5,000
Land	\$1

Items with a lesser value are expensed in the year of acquisition.

Land improvements undertaken by the department are included with buildings or infrastructure based on the proximity of the asset to which they relate.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the department. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Componentisation of complex assets

Complex assets comprise separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset.

On initial recognition, the asset recognition thresholds outlined above apply to the complex asset as a single item. Where the complex asset qualifies for recognition, components are then separately recorded when their value is significant relative to the total cost of the complex asset.

When a separately identifiable component (or group of components) of significant value is replaced, the existing component(s) is derecognised. The replacement component(s) is capitalised when it is probable that future economic benefits from the significant component will flow to the department in conjunction with the other components comprising the complex asset and the cost exceeds the asset recognition thresholds specified above. Replacement components that do not meet the asset recognition thresholds for capitalisation are expensed.

Components are valued on the same basis as the asset class to which they relate. The accounting policy for depreciation of complex assets, and estimated useful lives of components, are disclosed in Note C4-5.

The department's complex assets consist of the road infrastructure within Queensland National Parks and Forests.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C4-2 RECOGNITION AND ACQUISITION (continued)

Accounting Policy - Cost of Acquisition

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets in the location and condition required for use. Acquisition costs do not however include general administration or other indirect or training costs which are expensed as incurred.

Where assets are received free of charge from another Queensland Government department (whether as a result of a machinery of government or other involuntary transfer), the acquisition cost is recognised as the carrying amount in the books of the other entity immediately prior to the transfer. Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at fair value at date of acquisition.

Assets Under Construction

Assets under construction are recognised at cost. All costs relating to items of property, plant and equipment and intangible assets constructed in-house are recorded as assets under construction until completion of the project using all direct costs and, where reliably attributable, indirect costs. Assets under construction performed under external contracts are recorded using the invoice amount supplied by the contractor.

C4-3 MEASUREMENT USING HISTORICAL COST

Accounting Policy

Plant and equipment is measured at historical cost. Due to the nature and useful life of plant and equipment assets, the carrying amount of plant and equipment is not materially different from their fair value.

Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023

C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C4-4 MEASUREMENT USING FAIR VALUE

Land, buildings, infrastructure and heritage and cultural assets are measured at fair value. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation.

The cost of items acquired during the financial year has been judged by management of the department to materially represent fair value at the end of the reporting period.

Property, plant and equipment classes measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices.

The department's fair value policy is disclosed in Note D1.

C4-5 DEPRECIATION EXPENSE

Accounting Policy

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the department.

Land is not depreciated as it has an unlimited useful life.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C4-5 DEPRECIATION EXPENSE (continued)

Assets under construction (work in progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant class within property, plant and equipment.

For the department's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

Depreciation Rates

Asset Class	Useful Life Range
Buildings	5 - 100 years
Heritage and cultural assets (excluding land)	15 years - indefinite life
Infrastructure	5 years - indefinite life
Plant and equipment	2 - 25 years

C4-6 IMPAIRMENT

Accounting Policy

All property plant and equipment are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income. For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the revaluation surplus of the relevant class to the extent available. Where no revaluation surplus is available in respect of the class of asset, the loss is expensed in the statement of comprehensive income as a revaluation decrement.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C5 INTANGIBLES AND AMORTISATION EXPENSE

C5-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	Software - internally generated	Software - purchased	Software - development in progress	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July 2022	19,443	3,034	1,015	1,600	25,092
Acquisitions	-	-	3,854	-	3,854
Amortisation	(4,776)	(503)	-	-	(5,279)
Transfers between classes	1,053	190	(1,243)	-	-
Disposals	-	-	(41)	-	(41)
Balance at 30 June 2023	15,720	2,721	3,585	1,600	23,626
Gross	36,057	3,764	3,585	1,600	45,006
Less: Accumulated amortisation	(20,338)	(1,042)	-	-	(21,380)
Balance at 30 June 2023	15,719	2,722	3,585	1,600	23,626

	Software - internally generated	Software - purchased	Software - development in progress	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July 2021	15,301	479	9,448	-	25,228
Acquisitions	-	-	4,514	1,600	6,114
Amortisation	(5,341)	(685)	-	-	(6,026)
Transfers between classes	9,483	3,441	(12,905)	-	19
Disposals	-	(201)	(42)	-	(243)
Balance at 30 June 2022	19,443	3,034	1,015	1,600	25,092
Gross	35,106	3,574	1,015	1,600	41,295
Less: Accumulated amortisation	(15,663)	(540)	-	-	(16,203)
Balance at 30 June 2022	19,443	3,034	1,015	1,600	25,092

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C5 INTANGIBLES AND AMORTISATION EXPENSE (continued)

C5-2 RECOGNITION AND MEASUREMENT

Accounting Policy

Intangible assets of the department comprise purchased software and internally developed software. Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

There is no active market for any of the department's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research activities relating to internally-generated intangible assets is expensed when incurred.

Costs associated with internally generated software and purchase of software are capitalised and amortised on a straight-line basis under the amortisation policy below.

C5-3 AMORTISATION EXPENSE

Accounting Policy

Purchased and internally generated software are amortised on a straight-line basis over their estimated useful life to the department. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The residual value of all the department's intangible assets is zero.

Asset Class	Useful life range
Internally Generated Software	5-15 years
Purchased Software	7 years

C5-4 IMPAIRMENT

Accounting Policy

All intangibles assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C6 LEASES

C6-1 LEASES AS LESSEE

Right-Of-Use Assets

	Land \$'000	Buildings \$'000	Total \$'000
2023			
Carrying value at 1 July 2022	-	4,723	4,723
Additions	-	805	805
Depreciation charge	-	(1,197)	(1,197)
Closing balance at 30 June 2023	<u>-</u>	<u>4,331</u>	<u>4,331</u>

	Land \$'000	Buildings \$'000	Total \$'000
2022			
Carrying value at 1 July 2021	4	3,966	3,970
Additions	-	1,763	1,763
Depreciation charge	(4)	(1,006)	(1,010)
Closing balance at 30 June 2022	<u>-</u>	<u>4,723</u>	<u>4,723</u>

Lease Liabilities

	2023 \$'000	2022 \$'000
Current		
Lease liabilities	1,146	942
Non-current		
Lease liabilities	3,286	3,847
Total	<u>4,432</u>	<u>4,789</u>

Accounting Policy - Leases as Lessee

Right-of-Use Assets

Right-of-use assets are initially recognised at cost comprising the following:

- the amount of the initial measurement of the lease liability
- lease payments made at or before the commencement date, less any lease incentives received
- initial direct costs incurred, and
- the initial estimate of restoration costs.

Right-of-use assets are subsequently depreciated over the lease term and be subject to impairment testing on an annual basis.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C6 LEASES (continued)

C6-1 LEASES AS LESSEE (continued)

Right-of-Use Assets (continued)

The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a change in discount rate, a reduction in lease payments payable, changes in variable lease payments that depend upon variable indexes/rates of a change in lease term.

The department measures right-of-use assets from leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition.

The department has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than \$10,000 when new.

Where a contract contains both a lease and non-lease components such as asset maintenance services, the department allocates the contractual payments to each component on the basis of their stand-alone prices. However, for leases of plant and equipment, the department has elected not to separate lease and non-lease components and instead accounts for them as a single lease component.

Lease Liabilities

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the department is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the department is reasonably certain to exercise, and
- payments for termination penalties, if the lease term reflects the early termination.

When measuring the lease liability, the department uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of the department's leases. To determine the incremental borrowing rate, the department uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

Subsequent to initial recognition, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g. a market rent review), or a change in lease term.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C6 LEASES (continued)

C6-1 LEASES AS LESSEE (continued)

Disclosures

Details of Leasing Arrangements as Lessee

Building Leases

The department routinely enters into leases for buildings including office accommodation. Some of these leases are short-term. Lease terms for building leases that are recognised on balance sheet can range from 1 to 10 years. A small number of leases have renewal or extension options. The options are generally exercisable at market prices and are not included in the right-of-use asset or lease liability unless the department is reasonably certain it will renew the lease.

Office Accommodation, Employee Housing and Motor Vehicles

The Department of Energy and Public Works provides the department with access to office accommodation, employee housing and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because the Department of Energy and Public Works has substantive substitution rights over the assets. The related service expenses are included in Note B2-2.

Amounts Recognised in Profit or Loss

	2023	2022
	\$'000	\$'000
(i) Interest expense on lease liabilities	85	105
(ii) Total cash outflow for leases	1,162	992

C6-2 LEASES AS LESSOR

Accounting Policy - Leases as Lessor

The department recognises lease payments from operating leases as income on a straight-line basis over the lease term.

Disclosures

Details of Leasing Arrangements as Lessor

Office

The department subleases floor space of an office building, which is leased under a 7-year head lease agreement. The sublease has a lease term of 3 years and is classified as an operating lease. Lease income from operating leases is reported at B1-2 within 'other fees'. The department does not have any finance leases.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C6 LEASES (continued)

C6-2 LEASES AS LESSOR (continued)

Maturity Analysis

The following table sets out a maturity analysis of future undiscounted lease payments received under the department's operating leases.

	2023	2022
	\$'000	\$'000
Less than 1 year	20	20
1 to 2 years	20	20
2 to 3 years	-	20
Total	<u>40</u>	<u>60</u>

C7 PAYABLES

	2023	2022
	\$'000	\$'000
Trade creditors ⁽¹⁾	22,971	17,568
Appropriation payable	11,460	27,257
Other payables	168	229
Taxes payable	36	51
	<u>34,635</u>	<u>45,105</u>

⁽¹⁾ 2023 includes LRF Trust trade creditors of \$0.01 million (2022: nil). Refer to Note A5.

Accounting Policy - Trade Creditors

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C8 ACCRUED EMPLOYEE BENEFITS

	2023	2022
	\$'000	\$'000
Annual leave levy payable	8,355	7,623
Long service leave levy payable	1,918	1,793
Wages outstanding	872	17
	11,145	9,433
	11,145	9,433

Accounting Policy - Accrued Employee Benefits

No provision for annual or long service leave is recognised in the department's financial statements as the liability is held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

C9 EQUITY

C9-1 CONTRIBUTED EQUITY

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* specifies the principles for recognising contributed equity by the department. The following items are recognised as contributed equity by the department during the reporting and comparative years:

- appropriations for equity adjustments (refer to Note C9-2), and
- non reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery of government changes (refer to Note A3).

C9-2 APPROPRIATIONS RECOGNISED IN EQUITY

Reconciliation of Payments from Consolidated Fund to Equity Adjustment

	2023	2022
	\$'000	\$'000
Original budgeted equity adjustment appropriation	428	44,978
Transfer to other headings	-	(11,700)
Unforeseen expenditure	24,003	-
Equity adjustment receipts	24,431	33,278
Less: Opening balance of equity adjustments receivable	(526)	(467)
Plus: Closing balance of equity adjustments receivable	449	526
Equity Adjustment Recognised in Contributed Equity	24,354	33,337

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

C9 EQUITY (continued)

C9-3 REVALUATION SURPLUS BY ASSET CLASS

Accounting policy

The revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

	Land	Buildings	Heritage and cultural	Infrastructure	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance - 1 July 2021	-	20,227	157,357	-	177,584
Revaluation increments ⁽¹⁾	35,523	17,336	205,596	8,781	267,236
Balance - 30 June 2022	35,523	37,563	362,953	8,781	444,820
Revaluation increments ⁽¹⁾	72,667	65,421	191,388	354,324	683,800
Balance - 30 June 2023	108,190	102,984	554,341	363,105	1,128,620

⁽¹⁾ Refer to Note C4.1

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

**SECTION 4
NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES**

D1 FAIR VALUE MEASUREMENT

D1-1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES

Land, buildings, infrastructure, and heritage and cultural assets are measured at fair value as required by *Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable. Financial assets at fair value through profit or loss includes investments held in unit trusts managed by QIC. These investments are measured at market value based on a hard close unit price quoted by QIC (adjusted for fees outstanding on the account and net of any GST recoverable) for the end of the financial year.

Fair Value Hierarchy

All assets and liabilities of the department for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 - represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities
- level 2 - represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly, and
- level 3 - represents fair value measurements that are substantially derived from unobservable inputs.

None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the year.

Revaluation

Land, buildings, infrastructure, and heritage and cultural assets are revalued on an annual basis either by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices.

Revaluations using independent professional valuer appraisals are undertaken at least once every five years. However, if a class of assets experience significant or volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

The department's buildings and infrastructure assets are not intended for income generation but are intended for community benefit in the form of recreation as well as conservation requirements. The majority of these assets are developed on restricted land not subject to an open market. Therefore, the most appropriate valuation technique is current replacement cost using level 3 inputs subject to the asset characteristics.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

D1 FAIR VALUE MEASUREMENT (continued)

D1-1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES (continued)

The department's land holdings are characterised by a number of different land tenures containing different levels of restrictions which impact the valuation technique used. The valuation technique used is market based assessment adjusted to reflect restrictions on certain tenure types.

Where assets have not been specifically appraised in the reporting period, previous valuations of material assets are updated via the application of relevant indices. Indices are supplied by State Valuation Services (SVS) in the capacity of an independent professional valuer. SVS provides assurance as to the robustness, validity and appropriateness for application to the relevant assets. Annually, the department assesses and confirms the relevance and suitability of these indices by testing for reasonableness, e.g. comparing with results to similar assets that have been valued by an independent professional valuer and analysing changes in trends.

A revaluation increment is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

Land, and Heritage and Cultural Assets

The land class comprises land under different land tenures and different levels of restrictions, which impacts on the valuation methodology. Land Tenures include State Forests and Timber Reserves, administered under the *Forestry Act 1959* and Freehold and Reserves administered under the *Land Act 1994*.

The heritage and cultural class is comprised mainly of land administered under the *Nature Conservation Act 1992*.

Valuation Approach: Market-based assessment / unimproved valuation for land with restrictions / current replacement cost for built assets.

As part of the rolling program, each year the department employs independent valuers to comprehensively assess the fair value of the top 20 land assets and top 20 heritage and cultural assets by value to ensure that any significant or volatile changes in the market are reflected in the value of the asset class. The remaining assets are valued comprehensively as part of the 5 year risk weighted rolling revaluation program. As at 30 June 2023, 99% of the value of the land, and 98% of the value of the heritage and cultural class has been independently valued or acquired in the last five years with the remainder of the assets being identified as being immaterial.

Effective Date of Last Specific Appraisal: Herron Todd White undertook the last specific appraisal at 30 June 2023.

Where comprehensive valuation has not occurred for certain assets within the class in the financial year, appropriate indexation has been provided by SVS and reviewed by management for reasonableness before application.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

D1 FAIR VALUE MEASUREMENT (continued)

D1-1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES (continued)

Inputs: Depending on the type of land tenure, the fair value may be determined using level 2 or level 3 inputs. Inputs include publicly available data on sales of similar land in nearby localities. The principal market is land of similar topography and location observable from readily available and reliable market data (recent land sales). Where there is insufficient market evidence and/or significant adjustments are necessary to available sales data, the valuation will be categorised within level 3 of the fair value hierarchy. Land that has no restrictions, including those part of the land acquisition programs for future national park estate is categorised as being level 2 fair value. Heritage and Cultural built assets use predominately level 3 inputs due to the restricted and specialised nature of the buildings.

Key Judgement: The department continues to hold a small number of parcels of contaminated land which are valued conservatively to address the reduction in fair value for these parcels.

Buildings

The department's building asset class is primarily characterised as a high volume of low value building assets within Queensland Parks and Wildlife Service such as park amenities, offices and residential buildings.

Valuation Approach: Current Replacement Cost.

Due to the size of the department's building asset class, it is not feasible to have all assets assessed by an independent valuer every five years. The department has adopted a risk weighted approach of comprehensively valuing its buildings on a rolling revaluation program which ensures all material assets are valued by independent professional valuers at least once every five years. This approach has resulted in 88% of the written down value of the asset base being acquired or comprehensively valued in the last 5 years.

Effective Date of Last Specific Appraisal: Herron Todd White undertook the last specific appraisal at 30 June 2023.

Where a comprehensive valuation has not occurred for certain assets within the class in the financial year, an appropriate indexation has been provided by SVS and reviewed by management for reasonableness before application.

In 2022-23, the index applied was 18.5% (2021-22 : 3%-5%). This increase was driven by changes in prices of raw materials, rapid potential wage growth within the construction industry, contractor management and appetite for risk, rapid changes in demand due to population growth and low accommodation availability, and diminished capacity within the wider Queensland construction industry.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

D1 FAIR VALUE MEASUREMENT (continued)

D1-1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES (continued)

Management reviewed this increase to ensure appropriateness by comparing to other valuation movements, including the department's comprehensive valuation (16%), other departments' indexation rates, comparing to industry movements and examining the underlying methodology which all supported the application of the 18.5% indexation rate. Short term volatility has also been considered and was not found to be a risk in the indices applied.

Inputs: The building class is valued using level 3 observable inputs. The majority of the department's assets are on restricted land, which would not allow these assets to be sold. Due to the restrictive nature of these assets, level 3 inputs are most appropriate valuation inputs. The extent of using unobservable inputs is dependent on the availability and quality of any relevant observable inputs for similar assets. Observable inputs used include publicly available information on market transactions. Observable inputs relating to construction costs are based on recent tenders for typical specialised buildings supported by specialised Quantity Surveyor information. Significant unobservable inputs used include the application of cost estimates for differences in functionality, physical condition and level of customisation.

Infrastructure

The majority of the value of the Infrastructure class is comprised of roads and tracks, which exist on national park and state forest land. For road assets, the department has adopted the valuation methodology and framework developed by the Roads and Transport Alliance (RTA) as part of the Roads Alliance Valuation Project. The Roads Alliance Project methodology is based on the models developed by the Department of Transport and Main Roads (TMR), which is updated annually. The methodology includes the componentisation of roads allowing separate useful lives to be set for each component, with an indefinite life being applied to the most material part of the road asset being earthworks.

Valuation Approach: Current Replacement Cost.

Effective Date of Last Specific Appraisal: 30 June 2023 by management experts with rates provided by Lemmah Pty Ltd.

Inputs: Roads valuation methodology is a resource-based assessment using a series of road stereotypes that identify road types, terrain, climate, and soil type. These road stereotypes are then priced by a commercial estimating firm for raw materials, cost of construction processes and other construction inputs using current market rates. These unit rates, including underlying assumptions and specific details contained in the stereotypes are ratified annually by TMR and a local government panel consisting of a cross-section of experts in conjunction with the commercial estimating firm.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

D1 FAIR VALUE MEASUREMENT (continued)

D1-1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES (continued)

Key inputs used in the valuation of the road infrastructure have been applied as per the following:

- unit rates - unit costs are sourced from the RTA and tailored for certain unique stereotypes of the department
- terrain, soil type and environment - data is provided by independent third parties
- road widths - the department has developed and approved a design guideline that standardises the way roads are classified, maintained and constructed to ensure consistency. This assessment includes the build requirements for each road stereotype except for high value roads that require tailored engineering specifications
- condition assessments - as only depreciable road types are impacted by road condition, the department has focused it's rolling fieldwork data collection on these stereotypes
- length and stereotype - this data is recorded from the department's spatial dataset which is reviewed as part of a five-year rolling program
- in determining the value attributable to the infrastructure class of assets, consideration was given around the future economic benefit of certain roads. In that sense particular roads were excluded from the total value attributed to this class that would not be replaced or are not the responsibility of the department, and
- the department has assessed the future economic benefit of certain roads and that roads were excluded from the total value attributed to this class that would not be replaced or are not the responsibility of the department.

Financial assets

Valuation of investments in unit trusts that are level 3 in the fair value hierarchy are based on the prices of the assets underlying these unit trusts.

Valuation Approach: Based on valuations provided by an independent external valuer or external manager in accordance with relevant industry standards.

Inputs: Investments are valued by QIC based on the latest available net asset value advised by the fund manager. Where the fund invests in illiquid assets, the investments are priced by independent valuers as there is no readily observable market price.

D1-2 CATEGORISATION OF ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

Categorisation of fair values recognised at 30 June

	Level 2		Level 3		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Land	42,229	30,531	465,002	386,033	507,231	416,564
Buildings	-	-	296,623	232,799	296,623	232,799
Infrastructure	-	-	3,286,764	2,936,437	3,286,764	2,936,437
Heritage and cultural	-	-	1,886,917	1,690,133	1,886,917	1,690,133
Financial assets	-	-	15,347	-	15,347	-
	42,229	30,531	5,950,653	5,245,402	5,992,882	5,275,933

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

D2 FINANCIAL RISK DISCLOSURES

D2-1 FINANCIAL INSTRUMENT CATEGORIES

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the department becomes party to the contractual provisions of the financial instrument. The department has the following categories of financial assets and financial liabilities:

<i>Category</i>	Notes	2023 \$'000	2022 \$'000
Financial assets			
Cash and cash equivalents	C1	185,411	186,690
Receivables at amortised cost	C2	34,810	28,143
Total		<u>220,221</u>	<u>214,833</u>
Financial liabilities			
Payables at amortised cost	C7	34,635	45,105
Lease liabilities	C6-1	4,432	4,789
Total		<u>39,067</u>	<u>49,894</u>

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

Risk Exposure

Financial risk management is implemented pursuant to policies of the Queensland Government and the department. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department.

All financial risk is managed under approved departmental financial management policies. The department utilises written principles for overall risk management, as well as policies covering specific areas.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

D2 FINANCIAL RISK DISCLOSURES (continued)

D2-2 FINANCIAL RISK MANAGEMENT

The department's activities expose it to a variety of financial risks as set out in the following table:

Risk Exposure	Definition	Exposure
Credit risk	The risk that the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment. The carrying amount of receivables, disclosed in Note C2, represents the maximum exposure to credit risk.
Liquidity risk	The risk that the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The department is exposed to liquidity risk in respect of its payables (Note C7).
Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. <i>Interest rate risk</i> is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	The department does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices. The department is exposed to interest rate risk through its ownership of the LRF Trust. While the trust does not have direct exposure to interest rate changes, foreign currency and credit risk, the unit price of the fund in which the assets are invested will change in response to the market's perception of changes in these underlying risks.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

D2 FINANCIAL RISK DISCLOSURES (continued)

D2-2 FINANCIAL RISK MANAGEMENT (continued)

Risk Measurement and Management Strategies

The department measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement Method	Risk Management Strategies
Credit risk	Ageing analysis, earnings at risk	The department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity risk	Sensitivity analysis	The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.
Market risk	Interest rate sensitivity analysis	The department does not undertake any hedging in relation to interest rate risk and manages its risk as per the department's liquidity risk management strategy articulated in the department's Financial Management Practice Manual.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

D2 FINANCIAL RISK DISCLOSURES (continued)

D2-3 LIQUIDITY RISK - CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that are based on discounted cash flows.

	Notes	2023 Payable in:			Total \$'000
		<1 Year \$'000	1-5 Years \$'000	>5 Years \$'000	
Financial liabilities					
Payables	C7	34,635	-	-	34,635
Lease liabilities	C6-1	1,146	3,171	115	4,432
		<u>35,781</u>	<u>3,171</u>	<u>115</u>	<u>39,067</u>

	Notes	2022 Payable in:			Total \$'000
		<1 Year \$'000	1-5 Years \$'000	>5 Years \$'000	
Financial liabilities					
Payables	C7	45,105	-	-	45,105
Lease liabilities	C6-1	942	3,461	386	4,789
		<u>46,047</u>	<u>3,461</u>	<u>386</u>	<u>49,894</u>

Interest Rate Sensitivity Analysis

The department does not have any financial liabilities, however it does have interest bearing financial assets of cash held with Queensland Treasury Corporation (QTC). The impact on the department's operating result and equity would be attributable to the exposure to variable interest rates on its deposits with QTC.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

D3 CONTINGENCIES

Litigation in Progress

At the reporting date, the following cases were filed in the courts naming the State of Queensland acting through the Department of Environment and Science as defendant:

	<u>2023</u>	<u>2022</u>
Supreme Court	1	2
Land Court	4	3
Planning and Environment Court	9	5
District Court	1	-
Queensland Civil and Administrative Tribunal	-	1
	<u>15</u>	<u>11</u>

It is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time. The department has also received notification of five other cases that are not yet subject to court action. This may or may not result in subsequent litigation. In this context, insurance cover for the department has been sought in respect of some of the matters through the QGIF.

Purchase of Reef Credits under LRF Trust Arrangement

Under the LRF Trust arrangement (refer to Note A5), QTC as trustee for the LRF has signed two broker agreements. As at 30 June 2023, these agreements commit to the optional supply by the broker to the trust of reef credits up to a total value of \$8.20 million. As at reporting date, the obligation remains subject to conditions being met as such it is not possible to make a reliable estimate of any probable outcome.

D4 COMMITMENTS

Capital Expenditure Commitments

Material classes of capital expenditure commitments (inclusive of non-recoverable GST input tax credits), contracted for at reporting date but not recognised in the accounts are payable as follows:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Property, plant and equipment		
Not later than one year	15,277	14,567
Intangible assets		
Not later than one year	1,045	190
	<u>16,322</u>	<u>14,757</u>

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

D5 EVENTS AFTER BALANCE DATE

Queensland Natural Capital Fund (QNCF) Call Notice

During July 2023, Queensland Investment Corporation (QIC) issued a call for QTC as trustee for the LRF to make a capital contribution to the QNCF Trust. The total call amount is \$28.40 million. As at reporting date, the total commitment called and invested in the QNCF investment is \$15.70 million (refer to Note A5). This has resulted in a total commitment called post reporting date of \$44.10 million, with \$0.90 million uncalled.

D6 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are either not applicable to the department's activities or have no material impact on the department.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

**SECTION 5
NOTES ON OUR PERFORMANCE COMPARED TO BUDGET**

E1 BUDGETARY REPORTING DISCLOSURES - CONTROLLED ACTIVITIES

This section contains explanations of major variances between the department's actual 2022-23 financial results and the original budget presented to Parliament.

E1-1 STATEMENT OF COMPREHENSIVE INCOME - BUDGET TO ACTUAL COMPARISON

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance % of Budget
Income from continuing operations				
<i>Revenue</i>				
Appropriation revenue	597,184	674,526	77,342	13%
User charges and fees	105,225	107,130	1,905	2%
Grants and other contributions	48,380	78,971	30,591	63%
Royalties and land rents	2,013	1,307	(706)	(35%)
Other revenue	1,219	9,169	7,950	652%
Total revenue	754,021	871,103	117,082	16%
Gains on disposal	-	106	106	100%
Total income from continuing operations	754,021	871,209	117,188	16%
Expenses from continuing operations				
Employee expenses	340,500	339,549	(951)	-
Supplies and services	213,290	208,846	(4,444)	(2%)
Grants and subsidies	140,222	257,146	116,924	83%
Depreciation and amortisation	47,281	48,799	1,518	3%
Loss on fair value movement of investments	-	417	417	100%
Other expenses	8,501	6,043	(2,458)	(29%)
Total expenses from continuing operations	749,794	860,800	111,006	15%
Operating result for the year	4,227	10,409	6,182	

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

E1 BUDGETARY REPORTING DISCLOSURES - CONTROLLED ACTIVITIES (continued)

E1-2 STATEMENT OF COMPREHENSIVE INCOME - EXPLANATION OF MAJOR VARIANCES

Revenue	
<i>Appropriation revenue:</i>	Increase is primarily due to bringing forward the 2026-27 grant payments to local governments to mitigate the direct cost of the waste levy on households (\$139.6 million), new approved funding for Yellow Crazy Ants (\$4.5 million) and funding clawback into 2022-23 for Climate Change (\$4.1 million). This is offset by the reprofiling of funds from 2022-23 to future years for projects including the Queensland Reef Water Quality program (\$27.1 million), Recycling and Jobs Fund general programs (\$35.9 million) to meet new delivery milestones, and Saving Queensland's Koala's and Threatened Species program (\$2.7 million) to meet grant and other commitments.
<i>Grants and other contributions:</i>	Increase is primarily due to additional contributions from the Queensland Reconstruction Authority (\$6.2 million), the Commonwealth Government (\$13.4 million), the Department of Regional Development, Manufacturing and Water (\$2.0 million) and other external funding providers to undertake agreed programs related to ecosystem restoration, reef protection, environmental/ecosystem management, natural disaster recovery and wildlife conservation.
<i>Other revenue:</i>	Increase is primarily due to additional revenue received in 2022-23 for land revocation compensation (\$2.3 million), Koala Offsets for community infrastructure (\$1.4 million), additional interest received for cash held in the LRF Trust (\$1.1 million) and Environmental Offsets (\$1.4 million). This is driven by an increase interest rates during the year.
Expenses	
<i>Supplies and services:</i>	Decrease is primarily due to the reprofiling of funds for the Queensland Reef Water Quality program from 2022-23 which resulted in a decrease of \$27.3 million to meet new delivery milestones. This is offset by additional approved funding for Yellow Crazy Ant Control program (\$4.7 million) and increased expenditure for a number of externally funded programs after the finalisation of plans for 2022-23. These include Great Barrier Reef Field Management (\$7.5 million), Great Barrier Reef Marine Park Authority (\$2.9 million), Natural Disaster and Restoration projects (\$2.5 million), various externally funded science and wildlife protection programs (\$3.5 million) and Commonwealth Reef Trust (\$1.5 million).
<i>Grants and subsidies:</i>	Increase is primarily due to the bringing forward the 2026-27 grant payments to local governments to mitigate the direct cost of the waste levy on households (\$139.6M), unbudgeted land transfers to indigenous bodies (\$9.3 million) offset by the reprofiling of funds from 2022-23 to future years for Recycling and Jobs Fund general programs (\$31.1 million) to meet new delivery milestones.
<i>Other expenses:</i>	Decrease is primarily due to a decrease in the impairment of receivables and bad debts (\$1.2 million) against the original budget due to lower debt risk.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

E1 BUDGETARY REPORTING DISCLOSURES - CONTROLLED ACTIVITIES (continued)

E1-3 STATEMENT OF FINANCIAL POSITION - BUDGET TO ACTUAL COMPARISON

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance % of Budget
Current assets				
Cash and cash equivalents	86,451	185,411	98,960	114%
Receivables	24,083	34,745	10,662	44%
Prepayments	4,080	5,246	1,166	29%
	<u>114,614</u>	<u>225,402</u>	<u>110,788</u>	<u>97%</u>
Total current assets	114,614	225,402	110,788	97%
Non-current assets				
Receivables	39	65	26	67%
Property, plant and equipment	5,058,785	6,071,400	1,012,615	20%
Intangible assets	32,731	23,626	(9,105)	(28%)
Other financial assets	42,317	15,952	(26,365)	(62%)
Right-of-use assets	4,108	4,331	223	5%
	<u>5,137,980</u>	<u>6,115,374</u>	<u>977,394</u>	<u>19%</u>
Total non-current assets	5,137,980	6,115,374	977,394	19%
Total assets	<u>5,252,594</u>	<u>6,340,776</u>	<u>1,088,182</u>	<u>21%</u>
Current liabilities				
Payables	12,622	34,635	22,013	174%
Accrued employee benefits	9,283	11,145	1,862	20%
Lease liabilities	536	1,146	610	114%
Other liabilities	387	615	228	59%
	<u>22,828</u>	<u>47,541</u>	<u>24,713</u>	<u>108%</u>
Total current liabilities	22,828	47,541	24,713	108%
Non-current liabilities				
Lease liabilities	3,370	3,286	(84)	(2%)
	<u>3,370</u>	<u>3,286</u>	<u>(84)</u>	<u>(2%)</u>
Total non-current liabilities	3,370	3,286	(84)	(2%)
Total liabilities	<u>26,198</u>	<u>50,827</u>	<u>24,629</u>	<u>94%</u>
Net assets	<u>5,226,396</u>	<u>6,289,949</u>	<u>1,063,553</u>	

**Notes to the Financial Statements
for the year ended 30 June 2023**

E1 BUDGETARY REPORTING DISCLOSURES - CONTROLLED ACTIVITIES (continued)

E1-4 STATEMENT OF FINANCIAL POSITION - EXPLANATION OF MAJOR VARIANCES

ASSETS:	
<i>Cash and cash equivalents:</i>	Increase is predominantly due to the inclusion of the LRF Trust cash balance (\$33.5 million) at 30 June 2023 as a result of the consolidation of the LRF Trust into the department's financial statements (Refer to Note A5), increase in funds held by the department for the delivery of programs funded by external parties (\$14.4 million), unspent state appropriation funding (\$11.5 million) and unspent capital funding (\$10.8 million).
<i>Receivables:</i>	Increase is predominantly due to the timing of receipt of funds from QSuper for employee leave entitlements (\$1.7 million), increase in trade debtors due to the timing of receipts (\$5.3 million) and reduction of impaired receivables (\$3.2 million).
<i>Property, plant and equipment:</i>	Increase is predominantly due to revaluation increments in 2022-23 on Infrastructure (\$354.3 million), Heritage and Cultural land (\$191.4 million), Land (\$72.7 million) and Buildings (\$65.4 million). Additionally there were revaluation increments processed in 2021-22 after the budget was published on Infrastructure (\$45.6 million), Heritage and Cultural land (\$205.6 million), Land (\$53.7 million) and Buildings (\$17.3 million). Increases in Buildings and Infrastructure are the result of a significant rise in construction costs driven by a change in pricing of raw materials, rapid potential wage growth and strong demand due to population growth. Land asset increases were predominantly due to a price drive from lifestyle changes in the eastern areas of the state as well as market prices of rural and grazing lands as a result of continued positive commodity prices, historically low interest rates and improved seasonal conditions.
<i>Intangibles:</i>	Decrease is primarily due to higher than forecasted amortisation expense (\$3.0 million in 2022-23 and \$3.7 million in 2021-22) due to the commissioning of a significant system development that started amortising in 2021-22 after the 2022-23 budget was published. There was also lower than forecasted investment in system development projects in 2022-23 due to changes to the delivery mode of projects resulting in funds being transferred to other asset acquisition types (\$1.0 million), delivery of projects as operating expense rather than capital investment (\$0.4 million) and reprofiling of projects to future periods to meet new deliverable timeframes (\$0.8 million).
<i>Other financial assets:</i>	The budgeted investment (\$42.3 million) reflected the department's investment in the LRF Trust. The variance is due to the consolidation of the LRF Trust into the department's financial statements thus removing the investment and reflecting the LRF Trust's Statement of Financial Position balances in the department's financial statements. The balance in the current year reflects the LRF Trust investment in QNCF (15.3 million) and investment in ACCUs (\$0.6 million). Refer to Note A5.
LIABILITIES:	
<i>Payables:</i>	Variance is predominately due to 30 June 2023 deferred state government funding (\$11.5 million) as a result of lower than planned expenditure for various programs. Program underspends were predominantly due to timing of payments for grants and longer than expected procurement and negotiations with stakeholders and partners. Additional increase in payables is due to the timing of payments (\$10.6 million).
<i>Accrued employee benefits:</i>	Variance is primarily due to the timing of receipt of funds from QSuper for employee annual and long service leave entitlements (\$2.6 million). This is offset by budgeted salary and wages movements (\$0.7 million).

**Notes to the Financial Statements
for the year ended 30 June 2023**

E1 BUDGETARY REPORTING DISCLOSURES - CONTROLLED ACTIVITIES (continued)

E1-5 STATEMENT OF CASH FLOWS - BUDGET TO ACTUAL COMPARISON

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance % of Budget
Cash flows from operating activities				
<i>Inflows:</i>				
Service appropriation receipts	597,184	658,729	61,545	10%
User charges and fees	103,637	105,074	1,437	1%
Grants and other contributions	48,380	78,745	30,365	63%
GST input tax credits from ATO	-	33,276	33,276	100%
GST collected from customers	-	4,401	4,401	100%
Interest receipts	365	3,312	2,947	807%
Other income	2,867	4,381	1,514	53%
<i>Outflows:</i>				
Employee expenses	(340,429)	(336,755)	3,674	(1%)
Supplies and services	(213,548)	(205,092)	8,456	(4%)
Grants and subsidies	(140,222)	(247,889)	(107,667)	77%
GST paid to suppliers	-	(33,578)	(33,578)	100%
GST remitted to ATO	-	(4,714)	(4,714)	100%
Other expenses	(6,880)	(5,122)	1,758	(26%)
Net cash provided by operating activities	51,354	54,768	3,414	7%
Cash flows from investing activities				
<i>Inflows:</i>				
Proceeds for sales of property, plant and equipment	162	77	(85)	(52%)
<i>Outflows:</i>				
Loans and advances	-	(1,043)	(1,043)	100%
Other financial assets	(4,600)	(16,034)	(11,434)	249%
Payments for property, plant, and equipment	(44,617)	(58,604)	(13,987)	31%
Payments for intangibles	(6,544)	(3,854)	2,690	(41%)
Net cash (used in) investing activities	(55,599)	(79,458)	(23,859)	43%
Cash flows from financing activities				
<i>Inflows:</i>				
Equity injections	30,543	54,570	24,027	79%
Borrowings	-	67	67	100%
<i>Outflows:</i>				
Equity withdrawals	(30,115)	(30,115)	-	-
Lease payments	(56)	(1,162)	(1,106)	1975%
Net cash provided by financing activities	372	23,360	22,988	6180%
Net increase (decrease) in cash and cash equivalents	(3,873)	(1,330)	2,543	(66%)
Net increase in cash and cash equivalents from restructuring	-	51	51	100%
Cash and cash equivalents opening balance	90,324	186,690	96,366	107%
Cash and cash equivalents closing balance	86,451	185,411	98,960	114%

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

E1 BUDGETARY REPORTING DISCLOSURES - CONTROLLED ACTIVITIES (continued)

E1-6 STATEMENT OF CASH FLOWS - EXPLANATION OF MAJOR VARIANCES

OPERATING ACTIVITIES - INFLOWS:	
<i>Service appropriation receipts:</i>	Increase is primarily due to bringing forward the 2026-27 grant payments to local governments to mitigate the direct cost of the waste levy on households (\$139.6 million). This is offset by the reprofiling of funds from 2022-23 to future years for projects including the Queensland Reef Water Quality program (\$31.3 million), Recycling and Jobs Fund general programs (\$30.8 million), investment in the LRF Trust (\$4.0 million), Science into Industry (\$3.3 million) and Cape York Tenure Resolution program (\$2.0 million) in order to meet new delivery milestones and contractual arrangements.
<i>Grants and contributions:</i>	Increase is primarily due to additional contributions from the Queensland Reconstruction Authority (\$6.2 million), the Commonwealth Government (\$13.4 million), the Department of Regional Development, Manufacturing and Water (\$2.0 million) and other external funding providers to undertake agreed programs related to ecosystem restoration, reef protection, environmental/ecosystem management, natural disaster recovery and wildlife conservation.
<i>Interest receipts:</i>	Interest receipts increased by \$2.9 million which is primarily due to interest received from cash held in the LRF Trust (\$1.1 million) and Environmental Offsets (\$1.4 million). This is driven by an increase in interest rates.
OPERATING ACTIVITIES - OUTFLOWS:	
<i>Supplies and services:</i>	Decrease is primarily related to reprofile of funding for Great Barrier Reef Water Quality Program to from 2022-23 to future years (\$29.1 million). This was partially offset by a number of externally funded programs after the finalisation of plans for 2022-23. These include Great Barrier Reef Field Management (\$7.5 million), Great Barrier Reef Marine Park Authority (\$2.9 million), Natural Disaster and Restoration projects (\$2.5 million), various externally funded science and wildlife protection programs (\$3.5 million) and Commonwealth Reef Trust (\$1.5 million).
<i>Grants and subsidies:</i>	Increase is primarily due to bringing forward the 2026-27 grant payments to local governments to mitigate the direct cost of the waste levy on households (\$139.6 million) and earlier than expected grants for climate change programs (\$4.1 million). This is partially offset by reprofiling of funds from 2022-23 to future years for Recycling and Jobs Fund general programs (\$30.8 million) and Science to Industry grants (\$3.3 million) to meet new delivery milestones.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

E1 BUDGETARY REPORTING DISCLOSURES - CONTROLLED ACTIVITIES (continued)

E1-6 STATEMENT OF CASH FLOWS - EXPLANATION OF MAJOR VARIANCES (continued)

INVESTING ACTIVITIES - OUTFLOWS:	
<i>Other financial assets:</i>	The budgeted cash outflows represent the investment in the LRF Trust which has now been consolidated into the department's financial statements thus removing the investment and reflecting the LRF Trust's Statement of Financial Position balances in the department's financial statements. Actual cash outflows pertain to the additional investment in ACCUs (\$0.3 million) and investment in the QNCF (\$15.70 million) to facilitate private sector co-investment in natural capital asset acquisitions. Refer to Note A5.
<i>Payments for property, plant, and equipment:</i>	Increase is primarily due to the draw down of funds held centrally by Queensland Treasury for Protected Area Expansion land acquisitions (\$20.0 million) not originally budgeted for. This is offset by changes in the delivery methods, timeframes and prioritisation of programs including the East Trinity Remediation program (\$ 1.0 million) and the Ecotourism program (\$0.7 million).
<i>Payments for intangibles:</i>	Decrease is mainly attributable to changes in the delivery mode of projects resulting in funds being transferred to other asset acquisition types (\$1.0 million), delivery of projects as operating expense rather than capital investment (\$0.4 million) and reprofiling of projects to future periods (\$0.8 million).
FINANCING ACTIVITIES - INFLOWS:	
<i>Equity injections:</i>	Increase is primarily due to the draw down of funds held centrally by Queensland Treasury for Protected Area Expansion land acquisitions (\$20.0 million) not part of the original budget, bringing forward funding for the acquisition of units in the QNCF (\$9.5 million). This is offset by the deferral of Reef Credit funds (\$2.4 million) from 2022-23 to later years to meet expected contractual obligations.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

**SECTION 6
WHAT WE LOOK AFTER ON BEHALF OF WHOLE-OF-GOVERNMENT AND THIRD PARTIES**

F1 ADMINISTERED ITEMS

The department administers, but does not control, certain activities on behalf of the Queensland Government. In doing so, it has responsibility for administering those activities (and related transactions and balances) efficiently and effectively, but does not have the discretion to deploy those resources for the achievement of the department's own objectives.

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless stated otherwise.

Royalties are recognised as revenues when revenue can be measured reliably with a sufficient degree of certainty through a notice of extraction.

F1-1 SCHEDULE OF ADMINISTERED INCOME AND EXPENSES

	Notes	2023 \$'000	2022 \$'000
Administered revenue			
Waste disposal levy	F1-3	394,398	348,299
User charges and fees	F1-4	5,174	6,169
Royalties		2,409	2,916
Other revenues		2,054	2,357
Total administered revenue		<u>404,035</u>	<u>359,741</u>
Administered expenses			
Supplies and services		-	16
Other expenses ⁽¹⁾		(73)	(209)
Transfers of administered revenue to Government ⁽²⁾		404,108	359,934
Total administered expenses		<u>404,035</u>	<u>359,741</u>
Operating surplus/(deficit)		<u>-</u>	<u>-</u>

⁽¹⁾ Other expenses includes the provision for impaired debts of \$0.74 million (2022: \$0.21 million). The current year assessment of impaired debt is less than the previous year which has caused a contra balance from the decreasing movement.

⁽²⁾ The department periodically transfers to Queensland Government the amount of all cash collected in respect of administered revenue itemised under "administered income".

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

F1 ADMINISTERED ITEMS (continued)

F1-2 SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	Notes	2023 \$'000	2022 \$'000
Administered assets			
<i>Current</i>			
Cash		13,708	22,369
Receivables		70,205	59,961
Total current assets		<u>83,913</u>	<u>82,330</u>
Administered liabilities			
<i>Current</i>			
Payables		83,913	82,330
Total administered liabilities		<u>83,913</u>	<u>82,330</u>
Net administered assets		<u>-</u>	<u>-</u>
Accumulated surplus		-	-
Total administered equity		<u>-</u>	<u>-</u>

F1-3 WASTE DISPOSAL LEVY

Disclosure - Waste Disposal Levy Revenue

The waste disposal levy commenced on 1 July 2019 under the *Waste Reduction and Recycling Act 2019*. The levy is paid by landfill operators on waste disposed to landfill. Currently, there are 99 active sites within the Levy Zone, managed by 53 landfill operators (36 local councils and 17 private businesses run 18 sites).

The waste disposal levy operates on a rolling three-month cycle. Waste is disposed and data recorded by the landfill operator in the first month. Waste data is submitted by the landfill operator to the department by the last day of the second month. The department calculates levy liability and issues an invoice to the operator that is due for payment by the 28th day of the third month.

The levy is calculated on a rate per tonnage for different types of waste. Levy rates are scheduled in the *Waste Reduction and Recycling Regulation 2019*. Revenue is recognised when waste is disposed, which is when the obligation to pay the levy arises. Revenue is accrued based on estimates derived from prior month's data. Waste which is not landfilled or falls under a small number of specific, statutory exemptions is excluded from the levy. Controls and compliance activities such as independent site audits, waste data analysis, volumetric surveys, as well as anti-illegal dumping activities, are utilised to monitor the site activities and self-reported data of operators.

Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023

F1 ADMINISTERED ITEMS (continued)

F1-4 USER CHARGES AND FEES

	2023	2022
	\$'000	\$'000
Contaminated land search fee	3,578	4,424
Wildlife fees	743	810
Other regulatory fees	853	935
	5,174	6,169

F1-5 ADMINISTERED ACTIVITIES - BUDGET TO ACTUAL COMPARISON

This note compares the original published budget figures for the reporting year to actual results in respect of the department's major classes of administered income and expenses. An explanation of major variances is included in Note F1-6.

	Budget	Actual	Variance	Variance
	2023	2023	Variance	% of
INCOME AND EXPENSES	\$'000	\$'000	\$'000	Budget
Administered revenue				
Waste disposal levy	338,697	394,398	55,701	16%
User charges and fees	5,975	5,174	(801)	(13%)
Royalties	2,841	2,409	(432)	(15%)
Other revenues	1,771	2,054	283	16%
Total administered revenue	349,284	404,035	54,751	16%
Administered expenses				
Other expenses	-	(73)	(73)	100%
Transfers of administered revenue to Government	349,284	404,108	54,824	16%
Total administered expenses	349,284	404,035	54,751	16%
Operating surplus/(deficit)	-	-	-	-
ASSETS AND LIABILITIES				
Administered assets				
<i>Current</i>				
Cash	8,626	13,708	5,082	59%
Receivables	44,051	70,205	26,154	59%
Total current assets	52,677	83,913	31,236	59%
Administered liabilities				
<i>Current</i>				
Payables	52,677	83,913	31,236	59%
Total administered liabilities	52,677	83,913	31,236	59%
Net administered assets	-	-	-	-

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

F1 ADMINISTERED ITEMS (continued)

F1-6 ADMINISTERED ACTIVITIES - EXPLANATION OF MAJOR VARIANCES

Administered income	
<i>Waste disposal levy:</i>	Variance is due to an increase in revenue collected (\$55.7 million) from the Queensland Waste Disposal Levy due to more leviabale waste being disposed than what was forecasted.
Administered expenses	
<i>Transfers of administered revenue to Government:</i>	Variance is primarily due to an increase in revenue collected (\$55.7 million) from the Queensland Waste Disposal Levy and net other revenues (\$0.9 million).
Administered assets	
<i>Cash:</i>	Variance is due a higher level of funds not yet remitted to the Consolidated Fund.
<i>Receivables:</i>	Variance is primarily due to a higher level of debt outstanding as a result of higher revenues and and timing of receipts from customers.
Administered liabilities	
<i>Payables:</i>	Variance is due to timing difference in remittance of administered revenue collected to the Consolidated Fund.

F2 TRUST TRANSACTIONS AND BALANCES

The department holds cash and bank guarantees on behalf of companies and individuals as a condition of environmental authorities and various environment management sections of the *Environmental Protection Act 1994* and other relevant Acts. Financial assurances are held in the form of cash or bank guarantees to ensure compliance with specific environmental requirements as determined, including to prevent or minimise any environmental harm, or to rehabilitate or restore the environment.

As the department acts only in a custodial role in respect of these transactions and balances, they are not recognised in the financial statements, but are disclosed in these notes for the information of users.

	2023	2022
	\$'000	\$'000
Trust distributions		
<i>Distributions</i>		
Environmental	591	-
Total distributions	<u>591</u>	<u>-</u>
Decrease in trust accounts	<u>591</u>	<u>-</u>
Trust assets and liabilities		
<i>Current assets</i>		
Cash	16	607
Total trust assets	<u>16</u>	<u>607</u>
<i>Non-current liabilities</i>		
Environmental	16	607
Total trust liabilities	<u>16</u>	<u>607</u>

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

F2 TRUST TRANSACTIONS AND BALANCES (continued)

At the reporting date, the department held bank guarantees and insurance bonds to the value of \$39.26 million in relation to the following:

- \$38.19 million relating to petroleum and gas in accordance with the lease conditions under the *Environmental Protection Act 1994*, and
- \$1.11 million relating to environmental management activities under the *Environmental Protection Act 1994* and other miscellaneous acts as relevant.

This represents the maximum value the department is potentially entitled to if agreed conditions are not fulfilled.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

**SECTION 7
OTHER INFORMATION**

G1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

Details of Key Management Personnel

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for Multicultural Affairs.

The following details for non-Ministerial KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2022-23. Further information on these positions can be found in the body of the Annual Report under the section Our Leadership Team.

Position	Position Responsibility
Director-General	Consistent with the Financial Accountability Act 2009, the Director-General is accountable to the Minister for the Environment and the Great Barrier Reef, Minister for Science and Minister for Multicultural Affairs for the efficient, effective, and financially responsible performance of DES, including delivery of the government's commitments and priorities.
Deputy Director-General, Environment and Heritage Policy and Programs	Leads the development and coordination of policy, strategy and legislation relating to the environment and conservation. Oversees the delivery of strategic programs, such as the protection of world heritage sites including the Great Barrier Reef, waste management and resource recovery, and the Land Restoration Fund. Leads policy and programs in areas such as heritage, climate change, environmental offsets, biodiversity, koala conservation and State of Environment reporting.
Deputy Director-General, Environmental Services and Regulation	Leads the department's regulatory program and is responsible for administering and enforcing a range of legislation that manages the impact of human activity on the environment. The regulatory program involves assessing and permitting a range of activities, spanning mining to sewage treatment plants, waste management facilities, and agriculture. The position is responsible for managing environmental risks through a proactive compliance and enforcement program. This includes 24/7 issues-reporting and incident response, and strong litigation capabilities to prevent and respond to serious environmental harm.
Deputy Director-General, Queensland Parks and Wildlife Service and Partnerships	Leads the management of Queensland's parks and forests, including partnerships with First Nations peoples to protect cultural values, support sustainable use and provide nature-based recreation and ecotourism opportunities. Also responsible for protecting threatened species, managing interaction between people and protected species, managing selected World Heritage areas, and leading the Queensland Indigenous Land and Sea Ranger program. The position is also responsible for the delivery of the Great Barrier Reef Joint Field Management Program, in partnership with the Great Barrier Reef Marine Park Authority.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

G1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

Position	Position Responsibility
Deputy Director-General, Science	Leads the provision of scientific and technical advice and services to government agencies on environmental, natural resource and climate matters. This advice underpins agency decision-making and legislative responsibilities for the Gene Technology (Queensland) Act 2016 and the Biodiscovery Act (2004). The position is also responsible for administration of the gene technology and biodiscovery legislation, the development of international research alliances and partnerships and managing the department's investment in the science sector in collaboration with the Queensland Chief Scientist.
Deputy Director-General Corporate Services	Leads and is responsible for the department's corporate capabilities and governance frameworks that enable the department to meet its strategic objectives. This includes developing and implementing best practice policies, programs and systems to manage the department's financial, digital, human, information, governance and physical resources. The position was also responsible for the ongoing delivery of Youth Engagement services prior to the machinery-of-Government dated 18 May 2023.
Executive Director, Multicultural Affairs Queensland (from 01/06/2023) ¹	Leads the development and coordination of policy, strategy and legislation relating to multiculturalism and cohesive communities. The position is also responsible for leading and strengthening the Government's engagement and ability to partner with State and Commonwealth Government agencies and non-government organisations to remove barriers to economic and community participation for culturally and linguistically diverse Queenslanders.
Executive Director, Office of the Director-General	Leads the executive and Ministerial correspondence and liaison associated with the conduct of the Director-General and the department.

¹ Applicable from 1 June 2023 resulting from the machinery-of-Government change. Refer to Note A3.

Remuneration Policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The department does not bear any cost of remuneration of the Minister. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the department's other KMP is set by the Queensland Public Sector Commission as provided for under the *Public Sector Act 2022* (formerly the *Public Service Act 2008*). Individual remuneration and other terms of employment (including motor vehicle entitlements if applicable) are specified in employment contracts.

Remuneration packages for the KMP do not provide for any performance or bonus payments.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

G1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

Remuneration expenses for KMP comprise the following components:

- short term employee benefits which include:
 - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee was a key management person, and
 - non-monetary benefits consisting of provision of vehicle and car parking together with fringe benefits tax applicable to the benefit
- long term employee expenses include amounts expensed in respect of long service leave entitlements earned
- post-employment expenses include amounts expensed in respect of employer superannuation obligations, and
- termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

KMP Remuneration Expense

The following disclosures focus on the expenses incurred by the department that is attributable to KMP during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

KMP Remuneration Expense 2022-23

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Expenses \$'000	\$'000	\$'000	\$'000	\$'000
Director-General	415	19	10	50	-	494
Deputy Director-General, Environmental Policy and Programs	272	11	7	31	-	321
Deputy Director-General, Environmental Services and Regulation	258	12	7	29	-	306
Deputy Director-General, Queensland Parks and Wildlife Service and Partnerships	276	10	7	30	-	323
Deputy Director-General, Science and Technology	239	9	6	26	-	280
Deputy Director-General, Corporate Services	240	10	6	27	-	283
Executive Director, Office of the Director-General	207	14	5	23	-	249
Executive Director, Multicultural Affairs Queensland (from 01/06/2023) ¹	18	0	0	2	-	20

¹ Includes remuneration from 1 June 2023 resulting from the machinery-of-Government change. Refer to Note A3.

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

G1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

KMP Remuneration Expense 2021-22

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Expenses \$'000	\$'000	\$'000	\$'000	\$'000
Director-General	396	18	9	48	-	471
Deputy Director-General, Environmental Policy and Programs	263	10	6	29	-	308
Deputy Director-General, Environmental Services and Regulation	254	10	6	27	-	297
Deputy Director-General, Queensland Parks and Wildlife Service and Partnerships	264	11	6	29	-	310
Deputy Director-General, Science and Technology	230	10	6	24	-	270
Deputy Director-General, Corporate Services	225	10	5	25	-	265
Executive Director, Office of the Director-General	201	11	5	21	-	238

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

G2 RELATED PARTY TRANSACTIONS

Transactions with People/Entities Related to KMP

The department has no transactions with people or entities related to the KMP.

Transactions with Other Queensland Government Controlled Entities

The department's primary ongoing sources of funding from Government for its services are appropriation revenue (refer to Note B1-1) and equity injections.

Note A3 outlines a transfer of assets and liabilities due to machinery-of-Government changes dated 18 May 2023.

The department participates in a Business Corporate Partnership (BCP) arrangement whereby some departments "host" a number of strategic and operational corporate services provided to a number of other "recipient" departments. This arrangement was developed with a focus on ensuring economies of scale, service integration, scalability, and responsiveness.

The "host" department of each corporate service function receives the appropriation of funds and reports full time equivalent positions in the respective department. The model is multi-layered for different corporate services functions. As a "host" the department provides defined services to the following departments for which no charges are levied:

<i>Recipient</i>	<i>Services Provided by Department of Environment and Science</i>
Department of Agriculture and Fisheries	Right to Information; Privacy; Ministerial and Executive Correspondence System (MECS) Support; Library Services
Department of Resources	Right to Information; Privacy; Ministerial and Executive Correspondence System (MECS) Support; Library Services

Corporate Services income and expenses attributable solely to the Department of Environment and Science are apportioned across the major departmental services while corporate services income and expenses attributable under the Business Corporate Partnership arrangements are outlined in the Statement of Comprehensive Income by Major Departmental Services.

Functions (and allocation of revenue and expenses) hosted by other departments in the Business Corporate Partnership are disclosed in the relevant department's financial statements.

The Department of Environment and Science receives defined services from the following departments for which no charges are levied:

<i>Provider</i>	<i>Services received by Department of Environment and Science</i>
Department of Agriculture and Fisheries	Fleet Management; Information and Communications Technology (ICT), and records management
Department of Resources	Legal Services

**Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023**

G2 RELATED PARTY TRANSACTIONS (continued)

The department receives some information technology services from the Department of Agriculture and Fisheries as a fee for service within the Business Corporate Partnership. In addition to the BCP arrangements, the department also receives corporate services from the Department of Transport and Main Roads (formally Department of Communities, Housing and Digital Economy) for a fee.

The department has also had transactions in 2023 with other Queensland Government entities. These include the following material transactions:

- QTC - cash and investment management, refer to Note C1
- QTC as Trustee for the LRF - administration of the LRF Trust, refer to Note A5
- Department of Housing - shared service provider expenses, refer to Note B2-2
- Department of Agriculture and Fisheries - fleet management and ICT, refer to Note B2-2
- Queensland Treasury - administration of QGIF, refer to Note B2-4
- Queensland Treasury - appropriation revenue, refer to Note B1-1
- Department of Energy and Public Works - office accommodation and planned maintenance, refer to Note B2-2
- Workcover Queensland - workcover expenses, refer to Note B2-1, and
- Local Government - waste disposal levies, refer to Note F1-3.

G3 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

Accounting Standards Applied for the First Time

No accounting standards or interpretations that apply to the department for the first time in 2022-23 have any material impact on the financial statements.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2022-23.

G4 TAXATION

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Department of Environment and Science. As such, GST credits receivable from/payable to the Australian Taxation Office are recognised. Refer to Note C2.

Department of Environment and Science
Notes to the Financial Statements
for the year ended 30 June 2023

G5 CLIMATE RISK DISCLOSURE

Whole-of Government Climate Reporting

The State of Queensland, as the ultimate parent of the department, has published a wide range of information and resources on climate change risks, strategies and actions (accessible via <https://www.qld.gov.au/environment/climate/climate-change>) including the following key whole-of-Government publications:

- Climate Action Plan 2020-2030
accessible via <https://www.des.qld.gov.au/climateaction>
- Queensland Energy and Jobs Plan
accessible via <https://www.epw.qld.gov.au/energyandjobsplan>
- Climate Adaption Strategy
accessible via <https://www.qld.gov.au/environment/climate/climate-change/adapting/strategy>
- Queensland Sustainability Report
accessible via <http://www.treasury.qld.gov.au/programs-and-policies/esg/>

Climate Risk Assessment - Departmental Financial Statements

The Queensland Climate Action Plan 2020-2030 retains the Queensland Climate Adaptation Strategy which provides a framework for ensuring an innovative and resilient Queensland that manages the risks and harnesses the opportunities for a changing climate.

The Queensland Climate Action Plan 2020-2030 includes climate targets:

- powering Queensland with 50% renewable energy by 2030
- zero net emissions by 2050
- 30% emissions reductions below 2005 levels by 2030
- 70% renewables by 2032 , and
- 80% per cent renewables by 2035.

The department has committed to achieving carbon neutrality in our national parks as part of Queensland's Protected Area Strategy accessible via <https://parks.des.qld.gov.au/management/plans-strategies/protected-area-strategy> and also aim to achieve net zero emissions by 2030 at the latest for the whole department's operations.

The department considers climate-related risks when assessing material accounting judgements and estimates used in preparing its financial report. Key estimates and judgements identified include the potential for changes in asset useful lives, changes in the fair value of assets, impairment of assets, the recognition of provisions or the possibility of contingent liabilities.

No adjustments to the carrying value of assets were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate-related risks impacting the department.

The department continues to monitor the emergence of material climate-related risks that may impact the financial statements of the department, including those arising under the Queensland Government Climate Action Plan 2020-2030 and other Government publications or directives.

**Department of Environment and Science
Management Certificate
for the year ended 30 June 2023**

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 38 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1) (b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Environment and Science for the year ended 30 June 2023 and of the financial position of the department at the end of that year.

The Director-General, as the Accountable Officer of the Department, acknowledges responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Brad Lang, B.Bus (Acc), BA, CPA
Chief Finance Officer
Department of Environment and Science



Jamie Merrick
Director-General
Department of Environment and Science

Date: 25/8/2023

Date: 25/08/2023

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Department of Environment and Science

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report to the Department of Environment and Science (DES).

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental service as at 30 June 2023, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental service for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Infrastructure assets - Roads valued using current replacement cost (\$3.16 billion)

Refer to Note C4-1 in the financial report

Key audit matter	How my audit addressed the key audit matter
<p>Road infrastructure assets is material to the Statement of Financial Position of DES and is valued on a current replacement cost basis. Current replacement cost is calculated using a valuation model developed by the Roads and Transport Alliance as part of the Roads Alliance Valuation Project.</p> <p>Current replacement cost comprises:</p> <ul style="list-style-type: none"> gross replacement cost less accumulated depreciation. <p>DES derived the gross replacement cost of road infrastructure assets at balance date using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> identifying the significant parts of the road infrastructure assets that have different replacement costs per unit the factors used to categorise road stereotypes (such as lengths, widths, road conditions, region, terrain and soil types) estimating the total useful life of each significant part of each infrastructure asset. <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> assessing management's processes over road infrastructure assets, policies on reviewing useful lives and depreciation methodology obtaining an understanding of the road infrastructure assets valuation methodology and challenging its appropriateness assessing management's evaluation of unit rates provided by the Roads Alliance Valuation Project (third party provider) assessing the adequacy of management's review of the valuation process assessing the results of management's regional visits where confirmation and/or changes in key inputs were noted assessing the valuation outcomes against management's regional fieldwork and desktop work testing road infrastructure assets on a sample basis to assess the completeness and accuracy of the fixed asset register testing road infrastructure assets application of unit rates in the valuation calculation on a sample basis assessing the reasonableness of infrastructure assets useful lives by: <ul style="list-style-type: none"> reviewing management's assessment of useful lives verifying the calculation of depreciation expenses.

Heritage and cultural assets - Land (\$1.88 billion)

Refer to Note C4-1 in the financial report

Key audit matter	How my audit addressed the key audit matter
<p>Heritage and Cultural Assets is primarily comprised of land administered under the <i>Nature Conservation Act 1992</i> and is material to the Statement of Financial Position of DES.</p> <p>The land was valued by an independent valuation expert under DES' 5-year rolling program as well as valuing the top 20 land parcels every year, which covers 30 per cent of the asset class.</p> <p>The fair value of Heritage and Cultural Assets was derived after considering the value of similar properties in the same location and then adjusting the market value to reflect restrictions on the land.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> assessing the adequacy of management's review of the valuation process assessing the competence, capability and objectivity of the valuation specialist obtaining an understanding of the land valuation methodology and appropriateness using common industry practices assessing management's evaluation of the specific appraisal valuation results provided by the independent valuation specialist testing land sales on a sample basis to independently confirm the market price used by independent valuation specialist evaluating the reasonableness of any adjustments applied to the fair value due to the restrictions on use.

Responsibilities of the department for the financial report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the department's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the department's transactions and account balances to enable the preparation of a true and fair financial report.

Jacques Coetzee

28 August 2023

Jacques Coetzee
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Glossary

Term	Definition
BCP	Business and Corporate Partnership
Best management practice	Methods or techniques found to be the most effective and practical way to achieve an objective, while making best use of the department's resources.
Biodiversity	Life in all its forms—different plants, fungi, animals and micro-organisms, the genes they contain and the ecosystems they form.
Catchment	An area of land on which runoff from rainfall is collected and transferred to a waterway.
Circular economy	An economic system aimed at eliminating waste and the continual use of resources.
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CYPAL	Cape York Peninsula Aboriginal Land
Declared Fish Habitat Area (FHA)	Areas to protect key inshore and estuarine fish habitat areas that are essential to sustaining fisheries. While declared fish habitat areas protect these key fish habitats from physical disturbance associated with coastal development, community access and use such as legal fishing and boating are allowed and encouraged.
DFV	Domestic and family violence
Ecosystem	A community of organisms interacting with one another and their environment.
Ecotourism	Ecologically sustainable tourism with a primary focus on experiencing natural areas that foster environmental and cultural understanding, appreciation and conservation.
eDRMS	Electronic document and records management system
Environmental authority	Authorisation provided by DES, which allows an environmentally relevant activity to be performed.
FORAGE	FORAGE is an online, web and email-based system, which generates and distributes climate and pasture related information in customised reports for a requested location.
Heritage	Places of cultural and natural significance that we want to keep, respect and pass on to future generations. Heritage places include buildings, structures, cemeteries, archaeological sites, gardens, urban precincts, and natural and landscape features.
HCOANZ	Heritage Chairs and Officials of Australia and New Zealand
Indigenous management agreement	An agreement that establishes how a protected area will be jointly managed between Traditional Owners and the State of Queensland. It describes the parties' respective roles and responsibilities as well as the strategic management directions.
Management plans	Statutory documents that provide clear management direction and priority actions for areas managed by the Queensland Parks and Wildlife Service and Partnerships. Management plans require public consultation.
Marine park	Large multiple use areas that provide for the conservation of the marine environment. Through a system of zoning, marine parks provide for a range of recreational and commercial pursuits while also supporting conservation initiatives. Marine parks help protect a wide variety of habitats including mangrove wetlands, seagrass beds, mudflats, sandbanks, beaches, rocky outcrops and reefs.
NAIDOC	National Aborigines and Islanders Day Observance Committee

Term	Definition
National park	A large natural or near natural area set aside to protect large-scale ecological processes, along with the complement of species and ecosystems characteristic of the area, which also provide a foundation for environmentally and culturally compatible spiritual, scientific, educational, recreational and visitor opportunities. The primary objective of a national park is to permanently protect and preserve natural biodiversity along with its underlying ecological structure and supporting environmental processes, and to promote education and enable recreation consistent with this objective.
National Science Week	An annual celebration of science in Australia.
Nature refuge	An area of private land voluntarily declared and protected for conservation purposes while allowing compatible and sustainable land uses to continue.
Planned burns	Planned burns (also referred to as prescribed burning) is the primary tool for minimising risk from landscape bushfires.
Protected area	Land and sea areas dedicated as protected areas under the <i>Nature Conservation Act 1992</i> , State and Commonwealth marine parks acts, and the <i>Fisheries Act 1994</i> .
QAO	Queensland Audit Office
QCAP	Queensland Climate Action Plan
Queensland Heritage Register	A statutory list of places of cultural heritage significance to Queensland.
QPWS&P	Queensland Parks and Wildlife Service and Partnerships
RNTBC	Registered native title bodies corporate
Stakeholders	Individuals, groups or organisations with specific interest in and/or influence on the work of the department.
STEM education	An approach to learning and development that integrates the areas of science, technology, engineering and mathematics.
Wetland environments	Areas of permanent or periodic/intermittent inundation, whether natural or artificial, with water that is static or flowing, fresh, brackish or salt, including areas of marine water which does not exceed six metres depth at low tide.
UNESCO	United Nations Educational, Scientific and Cultural Organization
World Heritage Areas	These areas are examples of the world's most outstanding natural and/or cultural heritage that it is agreed should be protected for all humanity. They are identified and listed under an international treaty administered by the United Nations Educational, Scientific and Cultural Organization (UNESCO).

Compliance checklist

Summary of requirement	Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7 Letter of compliance
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1 Contents Glossary
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2 Communication objective
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3 Communication objective
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4 Copyright
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5 Licence
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10 Message from the Director-General Who we are
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community and whole of government plans/specific initiatives 	ARRs – section 11.1 Message from the Director-General Our services and contribution Our people
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2 Message from the Director-General Our services and contribution Our Performance
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3 Our services and contribution Our Performance
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1 Summary of financial management
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1 Our structure
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2 Our leadership team Corporate governance
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3 Statutory reports https://www.des.qld.gov.au/our-department/corporate-docs/annual-report
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4 Corporate governance

Summary of requirement	Basis for requirement	Annual report reference
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5 Human rights—Respect. Protect. Promote.
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6 Our values
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1 Corporate governance Accountability and risk management
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2 Corporate governance
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3 Accountability and risk management
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4 Accountability and risk management
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5 Accountability and risk management
	<ul style="list-style-type: none"> Information Security attestation 	ARRs – section 14.6 Accountability and risk management
Governance – human resources	<ul style="list-style-type: none"> Strategic workforce planning and performance 	ARRs – section 15.1 Our people
	<ul style="list-style-type: none"> Early retirement, redundancy and retrenchment 	<i>Directive No.04/18 Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2 Our people
Open Data	<ul style="list-style-type: none"> Statement advising publication of information 	ARRs – section 16 Accountability and risk management
	<ul style="list-style-type: none"> Consultancies 	ARRs – section 31.1 https://data.qld.gov.au
	<ul style="list-style-type: none"> Overseas travel 	ARRs – section 31.2 https://data.qld.gov.au
	<ul style="list-style-type: none"> Queensland Language Services Policy 	ARRs – section 31.3 Nil data to report
Financial statements	<ul style="list-style-type: none"> Certification of financial statements 	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1 Financial statements
	<ul style="list-style-type: none"> Independent Auditor's Report 	FAA – section 62 FPMS – section 46 ARRs – section 17.2 Financial statements

FAA

Financial Accountability Act 2009

FPMS

Financial and Performance Management Standard 2019

ARRs

Annual report requirements for Queensland Government agencies

