

Department of Agriculture, Fisheries and Forestry

# 2012–13 Annual Report

### Interpreter statement

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# Letter of compliance

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26 September 2013

The Honourable Dr John McVeigh MP  
Minister for Agriculture, Fisheries and Forestry  
Level 8 Primary Industries Building  
80 Ann Street  
BRISBANE QLD 4000



**Queensland**  
Government

Department of  
**Agriculture, Fisheries  
and Forestry**

Dear Minister

I am pleased to present the 2012–13 annual report and financial statements for the Department of Agriculture, Fisheries and Forestry.

I certify that this annual report complies with:

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

A checklist outlining the annual report requirements can be found at page 104 of this annual report or accessed at [www.daff.qld.gov.au](http://www.daff.qld.gov.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Noye'.

Jack Noye

**Director-General**

Department of Agriculture, Fisheries and Forestry

# Director-General's overview

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## New organisation, new strategy and a platform for the future

I am pleased to present the annual report for the Department of Agriculture, Fisheries and Forestry (DAFF). This report, to 30 June 2013, marks the completion of our first full year as a stand-alone department. It has been a year of significant change and challenges, during which DAFF has created a strong platform that will enable the agricultural, fisheries and forestry industries to become more efficient, innovative, resilient and profitable for the long term.

Our first full year of operation culminated in the release of *Queensland's agriculture strategy: a 2040 vision to double agricultural production*. This key strategic document outlines our vision for the future through four key pathways: securing and increasing resource availability, driving productivity growth across the supply chain, securing and increasing market access and minimising the cost of production.

In the year ahead, we will focus on the 60 key actions identified in the strategy to help the sector build a stronger economic footprint.

While the release of the agriculture strategy articulates our commitment to enhance our work with industry, we have already made significant changes to the way we do business.

We further refined our organisational structure to help meet the expectations and aspirations of the government, industry, stakeholder agencies and our people. We have made savings across the department to support the government's immediate fiscal repair task.

Along with the Minister for Agriculture, Fisheries and Forestry, the Honourable Dr John McVeigh, I acknowledge the efforts of all staff in establishing DAFF and aligning their work with the government's key priorities. These priorities, as highlighted by the minister, are to ensure DAFF is:

- focused on customer service
- easy to do business with, working across government and across the department to meet customer needs
- capable, innovative and resilient, with people who get on with the job.

We are committed to simplifying regulations, achieving greater efficiencies in our business and focusing resources on frontline services. These commitments align with the government's fiscal and reform agendas, which are being driven through the Public Sector Renewal Program and the Commission of Audit recommendations.

To drive change, we reviewed and redefined our services and have been developing the values, culture and leadership skills needed to underpin strong and productive workplaces throughout the state. In the longer term this will allow us to meet the needs of customers more cost-effectively, efficiently and conveniently.

DAFF achieved a number of significant milestones in 2012–13. We:

- delivered Queensland's most comprehensive statewide land audit to ensure the best use is made of agricultural land in the future
- appointed new officers in regional Queensland to assist in wild dog management, tick control, crop protection and horticulture extension, and to revitalise our frontline services
- made major progress in the fight against Hendra virus by supporting horse owners' uptake of the new vaccine and providing financial assistance for personal protective equipment (PPE) for veterinarians (185 PPE rebates provided through QRAA to veterinarians by 30 June)
- announced the Cattle Industry Biosecurity Fund to support the ongoing management of bovine Johne's disease (and other diseases if required)

- consolidated veterinary testing into one state-of-the-art laboratory at Coopers Plains in Brisbane to improve efficiencies
- increased research investment in sugar cane, tropical pulses, horticulture and grains
- undertook a successful trade mission to Indonesia to restore market access and rebuild our live cattle trade, and supported efforts to increase beef exports to China
- purchased 35 licences comprising 113 fisheries symbols in the first two rounds of the \$9 million voluntary buyback of commercial net fishing licences (to increase profitability in the fishery by reducing overall fishing effort)
- provided immediate and ongoing support for producers across the state impacted by adverse weather including fires, flooding and drought
- formed the Agriculture, Fisheries and Forestry Skills Industry Advisory Group to build the industry's human resource capacity by guiding workforce planning and investment
- revised state-owned forest land access arrangements and reached agreement with industry on the *Queensland forest and timber industry plan*.

These and the other achievements outlined in this annual report are the result of the efforts of our dedicated and professional staff and delivery partners. I thank them for their hard work.

Jack Noye

**Director-General**

Department of Agriculture, Fisheries and Forestry

Our work spans the agriculture, fisheries and forestry industries. It includes agricultural research, development and extension, and the management of biological, animal welfare and product integrity risks. The department is the government's key adviser on strategies to achieve its goal of doubling food production by 2040.

We work across government to ensure planning and regulatory functions support agricultural economic growth. We partner with research and industry bodies to maximise investment and deliver services that improve productivity and profitability.

We have 2138 staff spread across the state, including staff providing services to other agencies through the corporate partnerships arrangement. For more information on Business and Corporate Partnerships, see page 45.

We deliver programs and services through four service areas, which are supported by Business and Corporate Partnerships.

#### **In 2012–13, Agri-Science Queensland:**

- commissioned and developed new products, technologies and systems and facilitated the uptake of these to drive improved productivity, farm sustainability and the management of risk
- provided high-quality, cost-effective research-ready facilities to both internal and external clients to underpin agricultural research, development and extension services.

#### **During this year, Biosecurity Queensland:**

- led the government's efforts to prevent entry to Queensland of pests and diseases that threaten agricultural production and distribution, the environment and/or the broader community
- undertook eradication and management activities for existing pests and diseases
- set and enforced regulations and standards for animal welfare and the use of agricultural chemicals.

#### **Fisheries Queensland:**

- ensured fisheries remain sustainable and productive by monitoring, determining and controlling access and development as needed
- provided education and enforced fishing regulations
- promoted equitable access to fisheries resources by commercial, recreational and traditional fishers.

#### **Also, Agriculture and Forestry:**

- developed clear, evidence-based policy advice and options for government consideration on ways to strengthen agriculture's contribution to the economy
- provided economic and industry analysis that informs stakeholder and government decision-making and investment priorities
- partnered with industry to enable improved productivity of sectors and regional economies by jointly implementing industry action and workforce plans
- provided advice to and worked with primary producers to improve business practices and ensure a sustainable future by finding innovative solutions to climate and market challenges
- managed state-owned forestry assets to maximise financial returns.

**Business and Corporate Partnerships** helped achieve DAFF's organisational objectives efficiently, equitably and transparently by providing services in financial management, information technology, communications, human resources, governance and organisational performance management.



# Our strategic direction

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Our purpose is to develop an efficient, innovative, resilient and profitable agriculture, fisheries and forestry sector that thrives for the long term.

This means creating a sector that:

- achieves maximum productivity with optimised inputs and minimised waste
- embraces solutions that add value, meet new requirements and satisfy market demands
- withstands and recovers quickly from difficult conditions
- yields profits and financial rewards for its producers and the economy.

## Vision

Agriculture, fisheries and forestry industries generate economic prosperity for Queensland communities.

## Goal

Double Queensland's food production by 2040.

Following consultation in developing the agriculture strategy, we have further refined our vision and objectives. This will be reflected in the 2013–17 strategic plan.

## Values

We are focused on being part of the most responsive and respected public service in the nation. DAFF adopted the public service values in early 2013. We aim to reflect these values in everything we do:

**Customer focus**—customers first

**Innovation**—ideas into action

**High performance**—unleash potential

**Accountability**—be courageous

**Our people**—empower people

# Our contribution to government priorities

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DAFF contributed to the following government policy objectives:

- **Grow a four-pillar economy**—We delivered policies, programs and services aimed at increasing agricultural productivity and simplifying regulations.
- **Revitalise frontline services**—We identified inefficiencies and reduced programs not aligned with government priorities to enable reinvestment in frontline services.

The Queensland government is committed to strengthening the agricultural sector's capacity to contribute economically. With the growing global population and the increasing Asian middle-class demand for agricultural products, there is unprecedented opportunity for growth. Queensland's reputation for safe, clean, quality produce positions the state ideally to take advantage of this opportunity and establish agriculture as a key pillar of our economy.

When developing the agriculture strategy, we worked with industry and Queensland government agencies to define both a long-term vision and pathways towards it. However, the strategy also identifies a range of short-term and medium-term actions that will support the sector's economic resilience and growth.

The strategy outlines 60 initiatives across government, 31 of which this department will lead. These include:

- continuing to strengthen biosecurity systems to make Queensland the state best prepared to prevent and combat foot-and-mouth disease
- preparing workforce development plans to improve agricultural skills and career pathways
- creating industry action plans to address the pathways to growth in key industries
- implementing the *Queensland's DAFF agricultural research, development and extension plan*, focusing on beef, horticulture, sugar and broadacre cropping to support world-leading subtropical and tropical agriculture.

We will continue to work closely with industry to build their own capacity to drive productivity, improve resilience and increase profits.

## Intergovernmental agreements and plans

We supported the Minister in his roles on the Northern Australia Ministerial Forum and the Standing Council on Primary Industries (SCoPI).

### Northern Australia Ministerial Forum

We have a significant role in supporting the Northern Australia Ministerial Forum, in particular as chair of the Beef Industry Working Group. This ministerial forum brings together ministers responsible for regional development and agriculture from the Australian, Queensland, Western Australian and Northern Territory governments, to work collaboratively in advancing the sustainable development of the north.

The focus is on issues that are critical to promote and facilitate significant development across the north, including:

- fostering economic development, innovation and productivity improvements
- improving access to markets and the effectiveness and resilience of supply chains
- maximising international trade and investment outcomes across a range of industries
- setting workforce policy and promoting the use of local expertise and skills
- improving the sustainability and livability of regional and remote communities
- enhancing investment confidence.

### North Queensland Irrigated Agriculture Strategy

The North Queensland Irrigated Agriculture Strategy (NQIAS) is a \$10 million collaborative initiative over 4 years by the Queensland and Australian governments to explore the opportunities for, and initiate the development of, irrigated agriculture in the Flinders River and Gilbert River catchments of north-western Queensland.

DAFF is the Queensland government's lead agency for this strategy and is responsible for developing on-ground activities and commercial partnerships to progress viable irrigated agriculture opportunities for the region. By effectively engaging stakeholders, we have already achieved a number of key milestones in progressing the opportunities in these catchments.

A comprehensive agriculture resource assessment of these catchments is due to be completed by CSIRO in December 2013. The NQIAS will influence the Mount Isa to Townsville Economic Zone 'next steps' document, which presents a pathway for development in the catchments.

### **Strategic directions for the northern Australia beef industry**

Queensland, the Northern Territory and Western Australia have been working with the Australian Government and industry to coordinate activities from this action agenda. The immediate focus is on engagement with Indonesia to improve trade.

These governments have also been working with CSIRO on developing an understanding of transport and logistics in the northern beef industry. This project will better inform decisions on capital investment and operational changes to improve transport for the industry.

In response to animal welfare concerns in the live export market, the Queensland Government has helped the Australian Government and industry to implement the Exporter Supply Chain Assurance Scheme, and to review the Australian standards for the export of livestock. The Queensland Minister for Agriculture, Fisheries and Forestry participated in a trade mission aimed at restoring supply to Indonesia.

### **Standing Council on Primary Industries**

SCoPI is a peak forum under the Council of Australian Governments (COAG). Its objectives are to:

- pursue and monitor priority issues of national significance that affect Australia's primary production sectors and require a sustained and collaborative effort across jurisdictions
- address key areas of shared federal, state and territory responsibility and funding for Australia's primary production sectors.

We worked in partnership with other jurisdictions to:

- strengthen and reform the national biosecurity system
- promote the ongoing productivity and sustainability of the agriculture, fisheries and forestry industries
- undertake coordinated action across jurisdictions to enhance long-term food security.

### **Intergovernmental Agreement on Biosecurity**

This agreement outlines the priority areas where coordinated action across jurisdictions can minimise the impact of pests and disease on Australia's economy, the environment and the community. The roles and responsibilities of the different levels of government are identified in this agreement. Three subagreements address the response-management and cost-sharing arrangements between government and industry for specific types of biosecurity threats. The agreements are:

- Emergency Animal Disease Response Agreement
- Emergency Plant Pest Response Deed
- National Environmental Biosecurity Response Agreement (for responses to biosecurity incidents that primarily impact the environment and/or social amenity and are for the public good).

Under the cost-sharing arrangements, Queensland received financial support for the treatment of fire ants, electric ants, Asian honey bees, Siam weed and four tropical weeds.

Also, other national activities helped manage diseases and pests, for example:

- There was continued research and development in relation to Hendra virus and its transmission. A vaccine against the virus was released in November 2012.
- The Australian Plague Locust Commission provided resources to monitor locust populations, implement appropriate control operations and conduct research.
- The National Regulatory Framework for Agricultural and Veterinary Chemicals provided the governance arrangements for the evaluation, registration and control of use of agricultural and veterinary chemicals under the existing partnership arrangements of the National Registration Scheme.

- Interstate Certification Assurance provided a framework for valid written evidence being supplied to state and territory quarantine authorities confirming that consignments of certified produce intended for movement across interstate and intrastate quarantine barriers meet the specified quarantine requirements.

### National Research, Development and Extension Framework

Research, development and extension is coordinated nationally through the standing council. A national framework was developed to better use scarce resources and prevent duplication.

Strategies have been developed for 14 primary industry sectors and 8 cross-industry sectors.

Queensland leads the beef, sugar and biofuels and bioenergy strategies. Leadership is also delegated to Queensland for specific industry areas of sector strategies such as summer grains, tropical and subtropical horticulture and tropical and subtropical forestry.

The July 2012 report on the evaluation of this framework found that it had led to increased collaboration and more effective use of resources. Areas where improvement was identified included sectors with weak strategies, particularly cross-sector strategies, collaboration and cooperation with universities and knowledge sharing in extension services.

### National Drought Program reform

At the May meeting of the standing council, the Queensland Minister for Agriculture, Fisheries and Forestry and the other national, state and territory agriculture ministers signed an intergovernmental agreement on national drought reform. This agreement formalises the commitment of all governments to support a new approach focused on better preparedness and risk management.

A new package will replace the Exceptional Circumstances program and will commence from 1 July 2014. Central features of the new package are farm business training, enhanced risk management tools and access to farm household income support (Centrelink payments equivalent to the Newstart allowance) during hardship.

### Farm Finance Package

The Farm Finance Package is a suite of measures announced by the Australian Government. It consists of a concessional loans scheme, additional rural financial counsellors, a national approach to farm debt mediation, and enhancements to the Farm Management Deposits scheme. This will see five additional farm financial counsellors in Queensland. The Australian Government has asked that state adjustment authorities—QRAA in Queensland—administer the concessional loans component of the package on its behalf, and this has been agreed.

### Great Barrier Reef Intergovernmental Agreement (2009)

This agreement provides a framework for the Australian and Queensland governments to work together to protect the Great Barrier Reef and its World Heritage listing.

### Reef Plan

Improved health of the Great Barrier Reef by 2012–13, by reducing nutrient, pesticide and sediment in run-off from agricultural lands, was the aim of the *Reef water quality protection plan 2009* (Reef Plan 2009). This year was the final year of Reef Plan 2009. DAFF delivered its report on the extension and education services options aimed at maximising the uptake of land management practices to improve the quality of run-off water across reef catchments. This report was endorsed by Reef Plan's governance committees, completing our commitments under this agreement.

Both levels of government have recommitted funding for a further 5 years, at \$175 million and \$200 million respectively. The new *Reef water quality protection plan 2013* (Reef Plan 2013) was endorsed by the Queensland Government in June 2013. Reef Plan 2013 has nine actions. DAFF is involved in each action and leads a number of initiatives, including the coordination of extension service delivery and identification of improved management practices.

We are a partner in the Grazing Best Management Practice project and the key support agency to help canegrowers develop and implement the Cane Best Management Practice project. These projects will see industry take the lead in encouraging producers to adopt agricultural practices that improve water quality as well as business performance and resilience. Successful implementation should reduce green and red tape for agricultural producers.

### **Agreements relating to management of marine parks**

#### **Accreditation of aquaculture discharge adjacent to the Great Barrier Reef Marine Park (2005)**

Queensland law is accredited under the Australian Great Barrier Reef Marine Park (Aquaculture) Regulations 2000. Under this agreement, permission from the Great Barrier Reef Marine Park Authority is not required to operate any land-based aquaculture facility that discharges aquaculture waste to a waterway leading to the Great Barrier Reef Marine Park.

#### **Conservation agreement for assessment of applications under the *Great sandy regional marine aquaculture plan* (2011)**

This agreement between Queensland Government and Australian Government ministers for the *Great sandy regional marine aquaculture plan* (GSRMAP) means that applications for aquaculture that comply with the GSRMAP do not require a separate assessment or approval under the *Environment Protection and Biodiversity Conservation Act 1999*. Instead, these matters are covered through the issue and conditions of the development approval (under the *Sustainable Planning Act 2009*) and resource allocation authority (under the *Fisheries Act 1994*), which are assessed against the GSRMAP.

### **Agreements relating to management of shared waters**

Management arrangements are established under the Offshore Constitutional Settlement (1995) agreement and the resulting memorandum of understanding between the Queensland, Northern Territory and Australian governments to manage shared waters.

- Queensland Fisheries Joint Authority (1995) manages northern finfish stocks relevant to Queensland, excluding certain species, within the Gulf of Carpentaria.
- The areas of some fisheries, such as the East Coast Spanish Mackerel Fishery, extend to the outer edge of the Australian Exclusive Economic Zone. These fisheries are managed by Queensland under the Offshore Constitutional Settlement agreement.

The Torres Strait Protected Zone Joint Authority (1984) is responsible for the management of all fisheries (excluding recreational fisheries) in the Torres Strait Protected Zone (TSPZ). The TSPZ is defined in the Torres Strait Treaty, which was ratified in 1985 between Australia and Papua New Guinea, and now appears as a schedule in the *Torres Strait Fisheries Act 1984*.

# Financial overview

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This financial overview summarises DAFF's financial performance and position for controlled and administered activities, and comments on significant movements for the period 1 July 2012 to 30 June 2013.

For a more comprehensive set of financial statements covering all aspects of the department's activities, see pages 53–92.

DAFF was created as a result of machinery-of-government changes in April 2012, with financial reporting commencing from 1 May 2012. The financial statements for the 2012–13 financial year represent the first complete financial year (12 months) for the department. The financial information contained in the comparatives for 2011–12 report 2 months of activities only (i.e. 1 May to 30 June 2012).

The Chief Finance Officer (CFO) must provide under the *Financial Accountability Act 2009* (the Act) a **statement of assurance** to the Director-General each financial year about whether the financial internal controls of the department are operating efficiently, effectively and economically. The statement of assurance for the 2012–13 financial year satisfies all requirements of the Act and has been provided to the Director-General. It indicated no deficiencies or breakdowns in internal controls that would impact adversely on the 2012–13 financial statements.

This overview explains how to interpret DAFF's financial statements (including explanatory variance notes), by providing a summary of the four primary financial statements:

- statement of comprehensive income
- statement of changes in equity
- statement of cash flows
- statement of financial position.

**Controlled funds** are those that relate directly to a department's operational objectives and fall within the control of the department.

**Administered funds** are those where a department does not have control but is charged with administering the funds efficiently and effectively on a whole-of-government basis.

The overview also provides some detail on items that make up these statements, and on changes that occurred during the reporting period that impacted DAFF's financial outcomes.



## Summary of DAFF's financial statements (controlled funds)

for the period 1 July 2012 to 30 June 2013

	2012–13 budget \$m	2012–13 actual \$m
<b>Statement of comprehensive income</b>		

Total income

438.8

438.4

Less: Total expenses

442.3

447.5

**Operating result for the year**

**(3.5)**

**(9.1)**

The increase in expenses and the operating deficit was largely due to additional one-off expenses relating to a loss on sale of a former departmental research site and the impairment of assets no longer being used to deliver services.

	2012–13 budget \$m	2012–13 actual \$m
<b>Statement of changes in equity</b>		

Balance of equity at 1 July 2012

463.9

448.3

Asset revaluation surplus/(deficit)

27.3

(0.7)

Transfers/machinery-of-government adjustments

—

(12.2)

Transactions with owners

(13.1)

(16.9)

Operating result for the year

(3.5)

(9.1)

**Total change in equity**

**10.7**

**(38.9)**

**Total equity at end of the reporting period**

**474.6**

**409.4**

The decrease in equity is largely due to a lower than expected asset indexation to reflect market values at 30 June 2013, the sale and impairment of assets no longer being used in service delivery, a one-off loss on the sale of a former research site, and the transfer of assets to other government agencies as part of finalising the 2012 machinery-of-government changes.

	2012–13 budget \$m	2012–13 actual \$m
<b>Statement of cash flows</b>		

Balance of cash at 1 July 2012

(2.9)

(5.9)

Operating activities

45.3

13.4

Investing activities

(9.3)

1.4

Financing activities

(12.3)

(16.9)

**Net increase/decrease in cash held**

**23.8**

**(2.0)**

**Cash at end of reporting period**

**20.9**

**(7.9)**

Cash balances at 30 June 2013 largely reflect expenses relating to the former Department of Employment, Economic Development and Innovation (DEEDI) agencies being transacted in DAFF's finance and payroll systems and then recovered from other agencies. This has also resulted in increases in receivables. The new payroll systems are expected to be in place during 2013–14.

	2012–13 budget \$m	2012–13 actual \$m
<b>Statement of financial position</b>		

Current assets (including cash balances)

59.3

81.0

Non-current assets (including property, plant and equipment and biological assets)

471.7

397.4

**Total assets**

**531.0**

**478.4**

Current liabilities

33.2

47.0

Non-current liabilities

23.2

22.0

**Total liabilities**

**56.4**

**69.0**

**Net assets**

**474.6**

**409.4**

Contributed equity

450.8

416.8

Retained surpluses/(deficits)

(3.5)

(9.5)

Reserves

27.3

2.1

**Total equity**

**474.6**

**409.4**

The decrease in net assets is largely due to a lower than expected asset indexation to reflect market values at 30 June 2013, the sale and impairment of assets no longer being used in service delivery, and the transfer of assets to other government agencies as part of finalising the 2012 machinery-of-government changes.

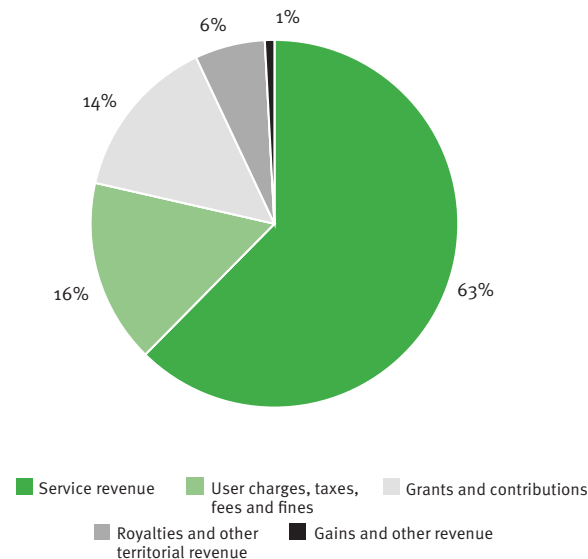
## Controlled funds

### Operating result

DAFF recorded a balanced operating result for the 2012–13 financial year after adjusting for one-off expenses relating to a loss on sale of a former departmental research site and the impairment of assets during 2012–13 (which are no longer being used by the department to deliver services).

### Income—where the dollars came from

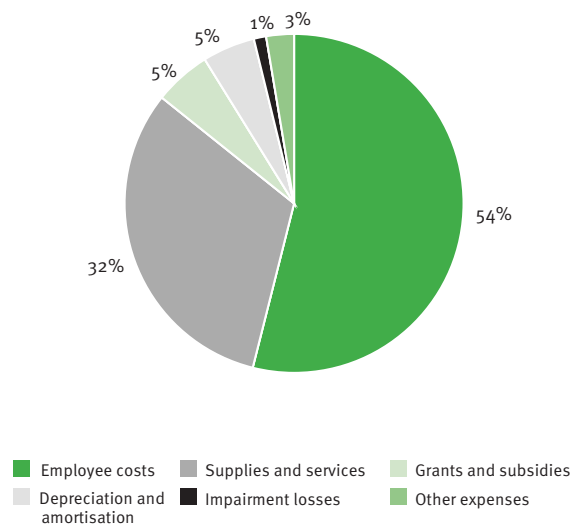
Total operating revenues were \$438.4 million. DAFF operates primarily through funding provided as service revenue (\$273.5 million or 63%) by parliament. Other major revenue sources were user charges for goods and services, including national cost-shared revenues for biosecurity pest and disease programs from other states and territories and the provision of services to other government agencies through corporate partnerships arrangements (\$67.5 million or 16%), grants and contributions, including income received for research and development projects from external funding bodies (\$63.2 million or 14%), and royalties and other territorial income, including royalty revenues on forest products removed from Crown lands (\$27.1 million or 6%).



**Figure 1** Operating revenues, 1 July 2012 to 30 June 2013

### Expenses—where the dollars were spent

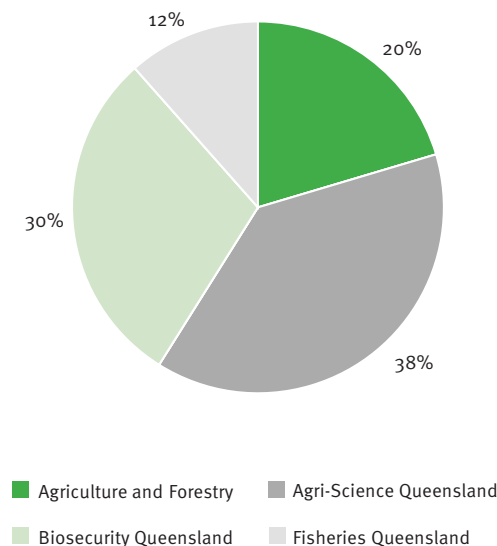
Total operating expenses were \$447.5 million. The primary expenses were employee costs (\$241.3 million or 54%), supplies and services (\$142.4 million or 32%), grants and subsidies payments (\$24.3 million or 5%), and the depreciation and amortisation of assets (\$22.5 million or 5%).



**Figure 2** Operating expenses, 1 July 2012 to 30 June 2013



Figure 3 provides a breakdown of operating expenses into the four core service delivery areas of the department: Agriculture and Forestry (\$82 million or 20%), Agri-Science Queensland (\$154.9 million or 38%), Biosecurity Queensland (\$118.8 million or 30%) and Fisheries Queensland (\$46.4 million or 12%).



**Figure 3** Operating expenses by service area, 1 July 2012 to 30 June 2013

### Equity—what we are worth

Equity represents net worth, which is calculated by 'what we own' (total assets of \$478.4 million) less 'what we owe' (total liabilities of \$69 million). At 30 June 2013, DAFF's equity was \$409.4 million.

### Assets—what we own

At 30 June 2013, DAFF had total assets of \$478.4 million. The department's major assets comprise cash, property, plant and equipment (mainly land, buildings, plant and equipment), prepayments (including lease payments) and receivables (including trade debtors and invoices for the recovery of payroll expenses from the former DEEDI agencies). The current overdrawn cash and high receivables balances largely reflect payroll expenses relating to the former DEEDI agencies being transacted in DAFF's finance and payroll systems under transitional arrangements as part of the 2012 machinery-of-government changes, and then recovered from the other agencies. New payroll systems for the former DEEDI agencies are to be established during 2013–14. After the new payroll systems are in place, DAFF cash balances should increase and receivables decrease to reflect normal operating activities.

### Liabilities—what we owe

At 30 June 2013, DAFF had total liabilities of \$69 million, which comprise accrued employee expenses, payables (including trade creditors and the payment of employee benefits to QSuper) and funding received in advance of service delivery for research and development projects and for depreciation expenses relating to the Ecosciences Precinct.

### Capital purchases

Capital expenditure of \$19.3 million during 2012–13 went to developing and upgrading research facilities to deliver outcomes for agriculture, fisheries and forestry. DAFF has facilities located throughout rural and regional Queensland. These require minor works, mechanical items and plant and equipment upgrades to keep them operating effectively.

### Comparison of actual financial results with budget

The 2012–13 financial statements allow the comparison of actual financial results of the controlled operations of DAFF with the budget estimates published in the *State Budget 2012–13 service delivery statements*.

## Statement of comprehensive income for the year ended 30 June 2013

	Notes	Budget \$'000	Actuals \$'000	Variance \$'000
<b>Income from continuing operations</b>				
Departmental service revenue	1	286 318	273 519	(12 799)
User charges, fees and fines	2	78 236	67 488	(10 748)
Grants and other contributions	3	47 395	63 215	15 820
Royalties and other territorial revenues	4	21 849	27 055	5 206
Other revenue		5 031	7 065	2 034
<b>Total income from continuing operations</b>		<b>438 829</b>	<b>438 342</b>	<b>(487)</b>
<b>Expenses from continuing operations</b>				
Employee expenses	5	<b>225 135</b>	<b>241 304</b>	<b>16 169</b>
Supplies and services	6	163 039	142 361	(20 678)
Grants and subsidies		25 630	24 262	(1 368)
Depreciation and amortisation		23 754	22 450	(1 304)
Impairment losses	7	–	5 260	5 260
Finance/borrowing costs		–	13	13
Other expenses	8	4 792	11 826	7 034
<b>Total expenses from continuing operations</b>		<b>442 350</b>	<b>447 476</b>	<b>5 126</b>
<b>Operating result for the year</b>	9	<b>(3 521)</b>	<b>(9 134)</b>	<b>(5 613)</b>

### Notes

- 1 The decrease is mainly due to the deferral of funding to align revenue with anticipated cash flow expenditure for election commitments and *Queensland's agriculture strategy* initiatives. This is partially offset by additional funding provided for redundancies related to the fiscal repair measures announced in the 2012–13 Budget.
- 2 The decrease is mainly due to the reclassification of federal National Cost Shared (NCS) funding for biosecurity programs to grants and other contributions.
- 3 The increase is mainly due to the reclassification of federal NCS funding from user charges.
- 4 The increase is due to additional royalties revenue from forest products removed from Crown lands.
- 5 The increase is mainly due to additional funding provided for redundancies related to the fiscal repair measures announced in the 2012–13 Budget.
- 6 Funding was deferred into 2013–14 to align with anticipated cash flow expenditure for election commitments and agriculture strategy initiatives.
- 7 2012–13 actuals include the impairment of assets no longer being used by DAFF to deliver services.
- 8 2012–13 actuals include a one-off loss on the sale of a former departmental research site.
- 9 2012–13 actuals include a loss on sale of a former research site and the impairment of assets no longer being used to deliver services.

## Statement of financial position as at 30 June 2013

	Notes	Budget \$'000	Actuals \$'000	Variance \$'000
<b>Current assets</b>				
Cash and cash equivalents	1	20 906	(7 934)	(28 840)
Receivables	2	32 106	82 872	50 766
Inventories		2 685	1 101	(1 584)
Other		3 562	4 179	617
Non-current assets held for sale		—	848	848
<b>Total current assets</b>		<b>59 259</b>	<b>81 066</b>	<b>21 807</b>
<b>Non-current assets</b>				
Receivables	3	14 546	47	(14 499)
Property, plant and equipment	4	434 592	378 024	(56 568)
Intangibles		5 351	2 820	(2 531)
Other		15 239	14 511	(728)
<b>Total non-current assets</b>		<b>469 728</b>	<b>395 402</b>	<b>(74 326)</b>
Biological assets		2 000	1 967	(33)
<b>Total assets</b>		<b>530 987</b>	<b>478 435</b>	<b>(52 552)</b>
<b>Current liabilities</b>				
Payables	5	6 860	17 484	10 624
Accrued employee benefits		7 645	4 955	(2 690)
Other	6	18 678	24 621	5 943
<b>Total current liabilities</b>		<b>33 183</b>	<b>47 060</b>	<b>13 877</b>
<b>Non-current liabilities</b>				
Other		23 218	21 994	(1 224)
<b>Total non-current liabilities</b>		<b>23 218</b>	<b>21 994</b>	<b>(1 224)</b>
<b>Total liabilities</b>		<b>56 401</b>	<b>69 054</b>	<b>12 653</b>
<b>Net assets</b>		<b>474 586</b>	<b>409 381</b>	<b>(65 205)</b>
<b>Equity</b>				
Capital/contributed equity	7	450 831	416 780	(34 051)
Accumulated surplus/(accumulated deficit)	8	(3 521)	(9 543)	(6 022)
Asset revaluation surplus	9	27 276	2 144	(25 132)
<b>Total equity</b>		<b>474 586</b>	<b>409 381</b>	<b>(65 205)</b>

### Notes

- 1 The decrease in cash balances is largely due to payroll expenses for the former DEEDI agencies being transacted in DAFF's finance and payroll systems and then recovered from other agencies. This has also resulted in increases in receivables. New payroll systems are expected to be in place during 2013–14.
- 2 The increase is mainly due to the current system arrangements for transacting and recovering payroll expenses for a number of former DEEDI agencies and the rescheduling of payments for the sale of the Oonoonba Research Station (ORS).
- 3 The decrease is mainly due to the rescheduling of payments for the sale of the ORS resulting in a reclassification to current receivables.
- 4 The decrease is largely due to a lower than expected asset indexation to reflect market values at 30 June 2013, the sale and impairment of assets no longer being used in service delivery, and the transfer of assets to other government agencies as part of finalising the 2012 machinery-of-government changes.
- 5 The increase largely reflects the timing of capital expenditure purchases during 2012–13.
- 6 The increase is largely the result of higher than expected revenues received in advance for research and development projects in 2012–13.
- 7 The decrease is largely due to the sale of assets no longer being used in service delivery, and the transfer of assets to other government agencies as part of finalising the 2012 machinery-of-government changes.
- 8 2012–13 actuals largely reflect a loss on sale for a former research site and the impairment of assets no longer being used to deliver services.
- 9 The decrease is largely due to a lower than expected asset indexation to reflect market values at 30 June 2013.

## Administered funds

During 2012–13, DAFF received administered revenue of \$11.9 million, comprising administered appropriation revenue from the Queensland Government and the collection of regulatory receipts (including taxes, fees and fines) on behalf of the Queensland Government. The appropriation revenues were paid to QRAA for the administration of exceptional circumstances payments and various other assistance schemes, to foster the development of a more productive and sustainable rural and regional sector in Queensland. Regulatory receipts are paid into the Queensland Government's consolidated revenue.

At 30 June 2013, DAFF had total administered assets of \$5.1 million. These assets largely represent surplus assets transferred back to the government prior to the sale of Forestry Plantations Queensland to the private sector. We are developing and implementing a strategic asset disposal plan for these assets.

## Outlook for 2013–14

### 2013–14 operating budget

DAFF's operating budget for 2013–14 is \$403.1 million. Funding in the budget will underpin the department's drive to double food production by 2040.

The budget features \$16 million over 2 years to support the implementation of *Queensland's agriculture strategy*. This will see major expenditure on research, development and extension for beef, horticulture, sugar and broadacre cropping to support international leadership in subtropical and tropical agriculture.

We will continue to support the cattle industry to manage the bovine Johne's disease response by providing \$2 million in seed funding and a \$3 million loan to be matched dollar-for-dollar by cattle producers through a voluntary industry levy. There is also \$2 million per year for 2013–14 and 2014–15 to improve Queensland's preparedness for foot-and-mouth disease.

In addition, the Queensland Government is providing additional funding to eradicate fire ants. The Australian Government and all other states and territories have confirmed their ongoing commitment to the fire ant program by approving a continuation of the program in 2013–14 and agreeing to provide \$15 million in national funding. Queensland's share of the national budget is \$1.4 million, but we will also be providing additional funding in 2013–14 to increase the total available budget to around \$18 million.

DAFF will also continue implementing the \$9 million voluntary buyback of commercial net fishing licences. Over 3 years, the department will also invest \$3 million in a project with the Queensland University of Technology to undertake research to develop and fast-track farm robotics technology.

### 2013–14 capital expenditure

The 2013–14 budget includes a strong capital expenditure program of \$19.6 million. This program is focused on developing and upgrading research facilities to deliver outcomes for agriculture, fisheries and forestry.

Program highlights include:

- \$4.5 million to continue upgrading research and operational facilities
- \$2 million to continue upgrading the Spyglass Beef Research Facility
- \$1.5 million to further enhance existing biosecurity laboratory facilities at the Health and Food Sciences Precinct at Coopers Plains (as part of the agriculture strategy)
- \$1.5 million to continue the replacement of key vessels and associated equipment for fisheries' research and regulatory functions
- \$1 million for new and replacement heavy plant and equipment including trucks, tractors and other machinery.

# Agricultural sector performance

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This section considers performance against the government's goal of doubling food production. The growth of the sector is driven by increases in both volume and value.

Our strategic plan identifies three sector performance measures that help us to monitor progress towards the goal—the gross value of agricultural production, exports and agriculture's contribution to the gross state product.

The DAFF publication *Queensland AgTrends* (released twice a year) and its predecessor *Prospects* have provided economic forecasts for the state's food, fibre and foliage industries that monitor the sector's progress and identify critical issues. Exports and gross state product are only available for preceding financial years from data collected by the Australian Bureau of Statistics.

We plan to deepen our understanding of the sector by developing more detailed reports (to be published under the title *State of Queensland agriculture*). These will assist in tailoring investment, programs and services to changing circumstances.

## Gross value of production

In 2012–13 Queensland's agriculture commodities had a forecast estimated gross value of production of \$14.73 billion. Despite the impact of flooding and cyclones across Queensland and dry to extremely dry conditions in the west and north, the sector's output remained steady. The sector's growth rate is still 7% higher than that averaged for the previous 5 years.

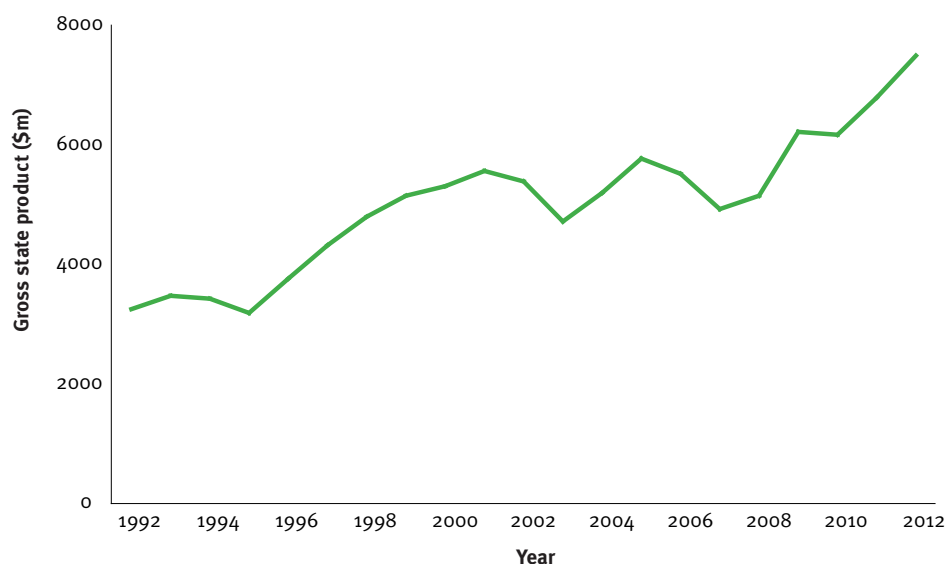
The sector faced major challenges in addition to weather impacts—continued uncertainty in the global economy, a historically high Australian dollar and declining terms of trade.

## Export values

Queensland provides around one-third of Australia's primary produce. Overseas agricultural exports are worth \$8.9 billion per annum, which is 16% of the state's overseas commodity exports. Major exported commodities were beef, sugar, cereals and cotton.

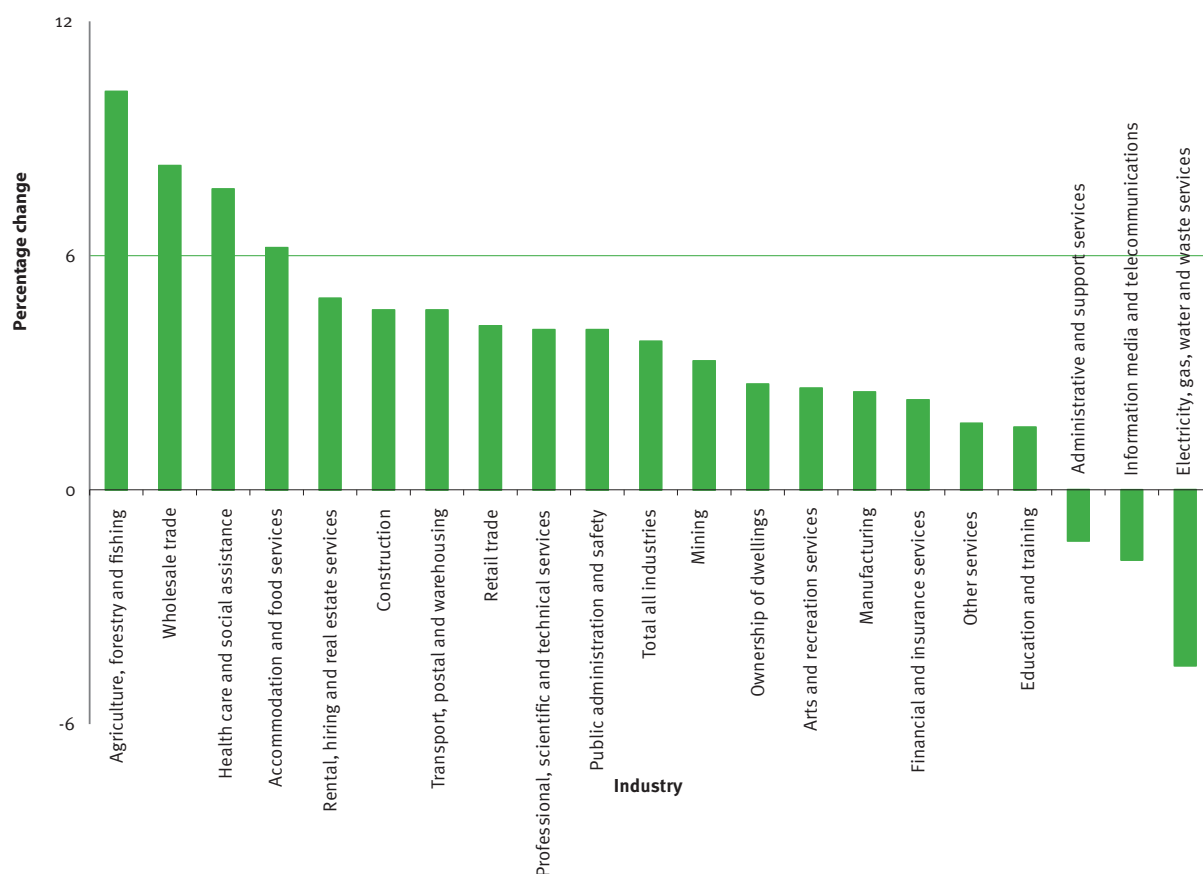
## Gross state product

The value added for the sector has grown over the last two reporting periods and exceeds gross state product for the same time (see Figure 4). Growth in the value added for the sector was higher than that for any industry in 2011–12 (see Figure 5).



**Figure 4** Value added for Queensland agriculture, forestry and fishing (chain volume)

Source: Australian Bureau of Statistics 2012, cat. no. 5220.0, *Australian national accounts: state accounts, 2011–12*, Table 4: Expenditure, income and industry components of gross state product, Queensland, chain volume measures and current prices



**Figure 5** Growth in Queensland—value added by industry, 2011–12

Source: Australian Bureau of Statistics 2012, cat. no. 5220.0, *Australian national accounts: state accounts, 2011–12*, Table 4: Expenditure, income and industry components of gross state product, Queensland, chain volume measures and current prices

## 2012–13 report card

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The DAFF report card summarises progress towards the long-term targets that are critical to achieving our vision of agriculture, fisheries and forestry industries generating economic prosperity for Queensland communities. The report card provides an overview of headline measures and our annual performance measures relating to the objectives in our 2012–16 strategic plan.

The ratings used are:

- ▼ = below planned performance
- = as planned against established target
- ▲ = better than expected performance.

Following the summary for each objective is a more detailed report against the outcomes for each objective. For each outcome, there is a snapshot of the significant achievements and the planned future activities, then a more detailed explanation on the progress of key initiatives and factors affecting performance results.

The complete table of departmental statements is provided in Appendix 3.

## Objective 1 Increase productivity of natural and biological assets

### HEADLINE MEASURE

#### Land use

The *Queensland agricultural land audit* drew together a diverse range of data sets to create a comprehensive overview of agricultural land use. It provides DAFF with a new baseline against which to assess changes. Details of the land audit are given on pages 23–5.

Queensland has 83% of its land dedicated to agriculture—this is the largest area and proportion of land being used for agricultural purposes in Australia. Queensland's largest agricultural uses of land by value are beef cattle (worth \$3.4 billion in 2010–11), fruit and vegetables (\$1.9 billion), sugar cane (\$910.3 million), cotton (\$776.1 million), wheat (\$378.4 million) and poultry (\$395.5 million).<sup>1</sup>

The audit identified that there is limited potential to increase the amount of land available for agriculture. Our focus will be on improving productivity of agricultural land through better planning and decision-making across government and by assisting producers implement best practice soil and water management.

#### Performance measures relevant to the strategic plan

Measure	2012–13 target	2011–12	2012–13	Status
Total of forest product sales quantities per total forest product full-time equivalent				
• Native forest timber (m <sup>3</sup> /FTE)	2 330	2 297	2 600	▲
• Quarry materials (m <sup>3</sup> /FTE)	47 820	64 585	69 340	▲
Queensland fish stocks being assessed as sustainably fished	21	28	31	▲
Percentage of overall compliance with fisheries laws	93%	95%	93%	■
Risk mitigation strategies and surveillance implemented under national biosecurity obligations				
• Risk management strategies	9	9	9	■
• Surveillance strategies	100%	100%	100%	■
Percentage of significant new biosecurity incidents responded to in accordance with national standards	100%	100%	100%	■
Businesses impacted by natural disasters and other emergencies assisted and supported	130	192	188	▲

<sup>1</sup> Australian Bureau of Statistics 2012, *Agricultural census 2010–11*, Australian Bureau of Statistics, Canberra.



## Outcome 1.1 Use is maximised, within sustainable limits

Significant achievements	Work in progress that will make a difference
<ul style="list-style-type: none"><li>Released the <i>Queensland agricultural land audit</i>.</li><li>Provided greater access to native forests and improved security for beekeepers, graziers and timber producers.</li><li>Made record sales of quarry materials from state-owned forests to support infrastructure demand from the construction and resources sectors and disaster recovery efforts.</li><li>Issued new long-term sales permits to 14 eligible cypress sawmillers, replacing the existing agreements (which were due to expire on 30 September 2014). This assures continued access to state-owned cypress sawlog resources for the next 25 years.</li><li>Delivered best practice management programs to over 500 producers and created an online resource, the <i>Improved practices catalogue</i>, in support of Reef Plan 2013.</li><li>Purchased 35 licences comprising 113 fishery symbols in the first two rounds of the \$9 million voluntary buyback of commercial net fishing licences.</li></ul>	<ul style="list-style-type: none"><li>Identifying new opportunities for agricultural development arising from the release of unallocated water in the Flinders and Gilbert rivers catchments, the Baffle Creek catchment and the general reserve for the Great Artesian Basin.</li><li>Realising the potential for agricultural operations from the sale of government-owned land in the Mary Valley.</li><li>Assessing the adoption of best practice management systems by cane, grazing and horticultural producers in support of the Reef Plan 2013.</li><li>Conducting regional fishing surveys, involving the collection of diary information from 1 November 2013 to 31 October 2014.</li><li>Implementing round three of the voluntary buyback of commercial net fishing licences.</li></ul>

### Understanding our agricultural land asset

The *Queensland agricultural land audit*, released in May 2013, is a key reference tool for agricultural development. It will help guide investment in the agricultural sector and inform decision-making to ensure the best use of our agricultural land in the future.

### Phase 1—the audit report

The audit report highlights the diversity and importance of agricultural industries across the state.

It includes vital data on agriculture and identifies land that is important for current and future production. It also examines the opportunities for growth as well as current constraints on realising the potential of agricultural land.

The audit covers the state's 12 regions (based on planning boundaries) and provides information on each region's unique capacity now and into the future. It recognises the different needs of agricultural sectors, providing profiles for broadacre cropping, sugar cane, horticulture, grazing, intensive livestock, and native and plantation forestry.

The audit also provides maps of the biophysical potential for agricultural sectors and information about the important socio-economic issues that affect how and where agricultural development occurs.

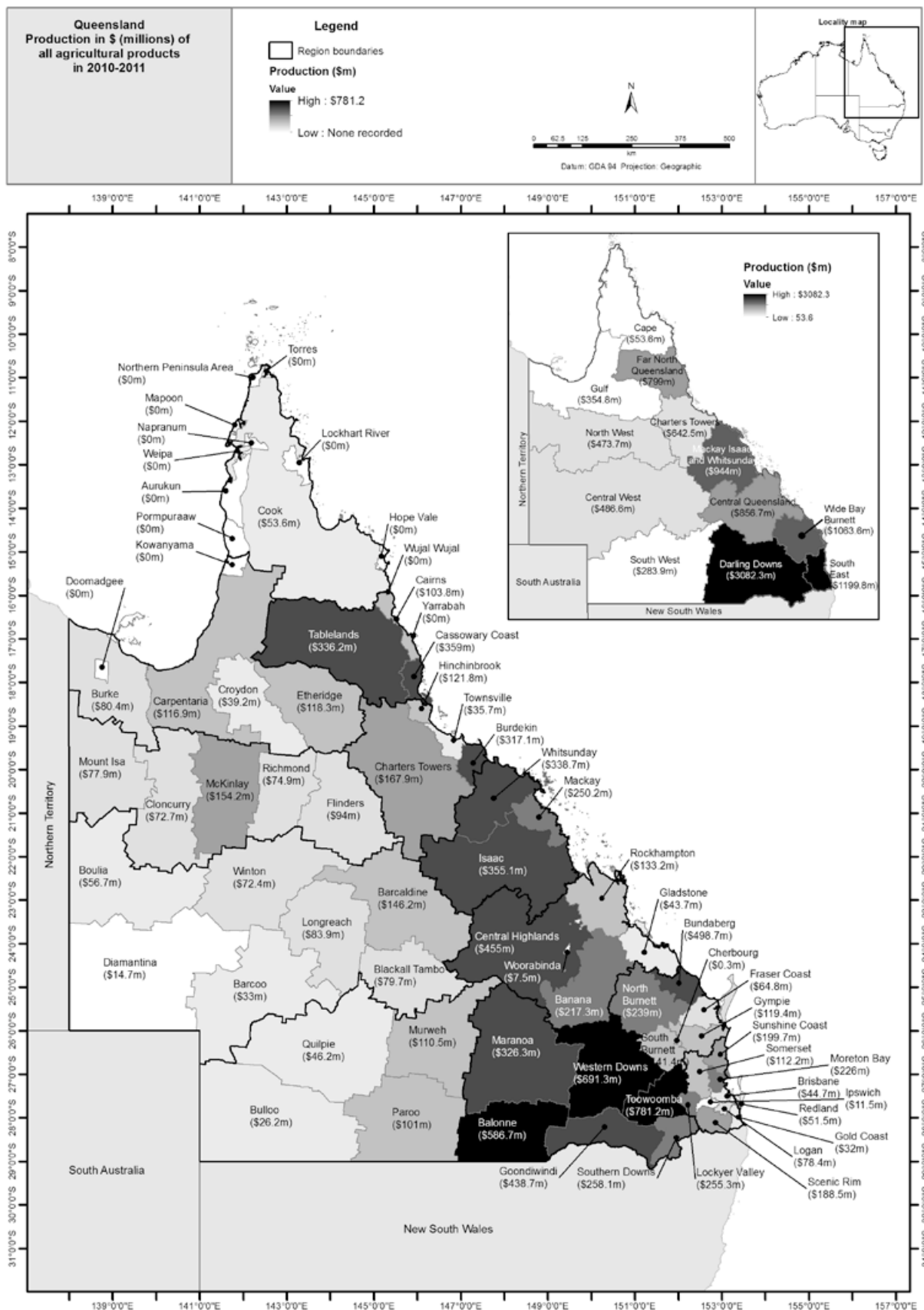


Figure 6 Queensland's agricultural production in 2010–11

## Phase 2—using the audit findings

The purpose of Phase 2 is to promote the use of the audit across all agricultural development. The strategy is to communicate and integrate the results to better inform government and industry decision-making. Although the audit report was designed to be independent of possible policy decisions, it can be used to support broad purposes including regional planning processes, investment attraction, setting research and development priorities and identifying areas for agricultural development or intensification.

The audit report will be periodically reviewed and updated to ensure it remains relevant and reflects the best available information.

## State-owned forests

Queensland's state-owned forests are a major source of timber, quarry resources and other forest products. The forests are available for grazing, beekeeping, recreational use and fossicking, and include sites of built infrastructure as well as resource exploration and development. They are also important for watershed protection and conservation value.

Strong sales of all forest products were recorded in 2012–13. Native forest log timber sales were up 11% on the previous year with 224 277 cubic metres sold and quarry materials reached a new record high of almost 6 million cubic metres or 9.56 million tonnes. The strong sales in quarry materials continued the increase seen in 2011–12. The demand was driven by the resource sector's need for new infrastructure and from civil construction for extensive repairs to flood-damaged transport infrastructure. Timber sales recovered strongly from a below-target performance in 2011–12.

Further increases in sales of state-owned log timber are expected as revised timber harvesting and access arrangements for additional sites are finalised in 2013–14. If infrastructure investment by the mining industry—particularly in the Bowen and Galilee basins—is sustained, demand for state-owned quarry materials is also expected to rise.

## Sustainable fisheries

Fisheries are shared resources that are highly valued for their economic, social, traditional and cultural contribution to the state. There are 1490 commercial fishing licence holders and 330 harvest fisheries licence holders in Queensland. Over 700 000 people engage in recreational fishing in Queensland each year, making it one of the state's leading leisure activities.

Some of the key actions to maintain the sustainability of fisheries while maximising the economic return from our fish stocks and habitats are discussed in the following paragraphs.

### Fish stocks

Each year, DAFF assesses the stock status of individual key species in Queensland. The 2012 fisheries stock status report formally assessed a total of 41 stocks (compared to 48 in 2011). The results showed:

- 31 stocks were considered either sustainably fished (28) or not fully utilised (3), compared to 28 in 2011 (24 sustainably fished and 4 not fully utilised).
- 9 stocks were considered uncertain. This was down from 19 in 2011 primarily because a number of line-caught stocks moved from 'uncertain' to 'undefined' status based on the revised definitions.
- Only 1 stock (snapper) was considered overfished.

For 34 stocks, there was not enough information available for assessment against the criteria, so these were undefined (compared to 30 undefined in 2011). These stocks were therefore excluded from the formal assessments.

Further monitoring and assessment will be undertaken on the uncertain and overfished stocks.

### Freshwater fishing activities

This program was scaled back to focus on administration of the Stocked Impoundment Permit Scheme (SIPS) and advice regarding pest and noxious fish. The SIPS currently covers 32 dams and its revenue supports restocking. In 2012–13, revenue of \$903 000 was generated from the purchase of close to 50 000 fishing permits under SIPS, contributing an estimated \$690 000 to purchase fingerlings (juvenile fish) for restocking.

## Assessing regional sustainability

We commenced a \$1 million project to improve information on recreational fishing, including enhanced monitoring of fisheries on a regional basis. As part of this, we completed (in mid 2013) a recreational fisher sampling framework and survey design to fill a critical gap in our knowledge of current trends in recreational fishing. This survey will collect diary information over 12 months from 1 November 2013.

## Queensland east coast net fishing buyback scheme

We completed the first and second rounds of the \$9 million targeted voluntary buyback of commercial net fishing licences. In the first round, 22 licences comprising 71 fishery symbols were purchased, and a further 13 licences with 42 fishery symbols were purchased in the second round, giving a total of 35 licences comprising 113 fishery symbols. The next scheme is scheduled to commence in late 2013. The purpose of the scheme is to reduce the number of licences and by doing this:

- improve recreational fishing
- reduce the impacts of netting on species of conservation interest such as dugong
- improve the economic viability of commercial fishers
- minimise the community's loss of access to local fish in stores and restaurants
- achieve positive environmental outcomes.



Collecting fisheries data for science-based management

## Aquaculture

Expressions of interest were received in April 2013 for the 24 new sites identified under the GSRMAP, plus 2 previously approved marine aquaculture sites. In 2013–14 these submissions will be assessed through a competitive allocation process according to allocation criteria. Successful applicants will be issued approvals to commence operations.

## Compliance with fisheries laws

The Queensland Boating and Fisheries Patrol (QBFP) is our fisheries compliance arm. To improve QBFP's effectiveness, its staffing capacity was realigned to waterways where there is higher risk of illegal fishing activity. QBFP also operated the 24-hour Fishwatch hotline. QBFP officers achieved over 49 000 patrol hours in 2011–12 and 48 779 hours in 2012–13. The overall fisheries compliance rate for 2012–13 was 93%. This is comparable to previous years, with 95% compliance achieved in 2010–11 and 2011–12.

## Fisheries Observer and FishCare Volunteer

These programs have been discontinued.



Queensland Boating and Fisheries Patrol ensuring compliance with fisheries laws



## Outcome 1.2 Increased resilience to natural disasters and biosecurity events

Significant achievements	Work in progress that will make a difference
<ul style="list-style-type: none"><li>• Made major progress in the fight against Hendra virus by supporting horse owners' uptake of the new vaccine. By 30 June 2013, provided 185 rebates to veterinarians for the purchase of PPE. The rebate scheme is administered by QRAA.</li><li>• Consolidated testing for all major animal diseases relevant to Queensland into a single state-of-the-art laboratory at Coopers Plains.</li><li>• Delivered a support package for natural disaster relief for wildfires, Cyclone Oswald and drought-declared areas.</li></ul>	<ul style="list-style-type: none"><li>• Helping the beef industry self-fund responses to bovine Johne's disease and future biosecurity issues through the Queensland Cattle Industry Biosecurity Fund.</li><li>• Refining risk management systems to ensure Queensland is well prepared to deal with foot-and-mouth disease.</li><li>• Improving response plans for exotic pest incursions in the Cape York region.</li><li>• Developing future approaches to managing pest animals through a summit on feral animals.</li><li>• Implementing the intergovernmental agreement on national drought reform and supporting training programs to improve preparedness for and resilience to climate extremes.</li><li>• Managing a support package for natural disaster relief worth up to \$11.2 million for farmers in drought-declared areas.</li></ul>

### Keeping Queensland production disease free

Queensland agriculture, fisheries and forestry production is relatively disease free. We want to maintain this. We have set a new benchmark for our risk management systems—to be the state best prepared for foot-and-mouth disease.

We have prepared a new biosecurity Bill, which is still going through parliamentary processes. This legislation will provide a modern, cohesive, flexible framework to respond to Queensland's current and future biosecurity challenges.

Current legislation lacks authority to quickly and efficiently manage new and potential biosecurity threats. It depends largely upon prelisting of a pest or disease. The new legislation enhances the capability and flexibility of frontline services, overcoming known inadequacies by allowing emergency responses, prevention, surveillance, compliance and enforcement programs.

Comprehensive regulatory tools and associated powers (such as biosecurity zones, surveillance and control programs and biosecurity orders) can be tailored to meet the tactical challenges of addressing each threat. Risk assessment processes and guidelines will be published as part of the implementation.

Inspection and quarantine of imports is an Australian Government responsibility. The Queensland Government had been heavily subsidising post-entry plant quarantine at DAFF's Eagle Farm facility. Discussions with the Australian Government led to an agreement that post-entry plant quarantine will be managed from their new facility in Melbourne and the Eagle Farm facility will be closed.

Veterinary diagnostic functions were transferred from ageing laboratories in Toowoomba and Townsville to the modern Coopers Plains site. This facility is supported by confirmation testing done by the Australian Animal Health Laboratory in Victoria.

Additional resources were made available for working directly with landholders to improve wild dog management, control ticks and protect crops.

All new biosecurity incidents were responded to in accordance with national standards. Effective responses by Biosecurity Queensland include:

- seven confirmed Hendra virus incidents in horses (in Rockhampton, Ingham, Mackay, Port Douglas, Cairns, the Atherton Tableland and Brisbane Valley)
- confirmed influenza A in pigs at Kingaroy
- confirmed low pathogenic avian influenza in poultry near Toowoomba
- confirmed detection of *Erythrina* gall wasp in *Erythrina variegata* (coral tree) in Torres Strait
- detections of exotic fruit fly in Torres Strait
- confirmed detection of potato spindle tuber viroid (PSTVd) on a white potato vine in Toowoomba (the first known case of the disease in an ornamental host plant in Australia)
- detection of the first case of Australian bat lyssavirus in a horse near Warwick
- confirmed post-quarantine detection of coffee berry borer near Cairns in response to an investigation by the Australian Department of Agriculture, Fisheries and Forestry into the alleged illegal importation of infested coffee beans at two commercial nurseries.

A major challenge this year was investigating over 170 trace-forward properties resulting from a confirmed case of bovine Johne's disease in a Rockhampton Brahman stud. This work is ongoing. Movement restrictions were applied where necessary. The Queensland Cattle Industry Biosecurity Fund has been allocated a \$2 million grant and a \$3 million loan to be matched dollar-for-dollar through a voluntary industry levy. In 2013–14 this will increase to a \$5 million grant to accelerate access for producers affected by bovine Johne's disease.



Maintaining animal health

## Managing pests

Established pests, including weeds, add significantly to production costs. Our efforts combine with those of producers, local governments and communities to continue the fight against their spread.

- Weeds such as prickly acacia and bellyache bush cost Queensland about \$600 million annually. They impact primary industries, natural ecosystems and human and animal health. DAFF has continued to support local government, industry, community organisations and landholders to manage weeds and pest animals through operational and research projects.
- The National Red Imported Fire Ant Eradication Program focuses on containment while continuing to develop and use remote sensing technology as the primary tool to determine the area of fire ant infestation.
- The Queensland Dog Offensive Group was reinvigorated to increase wild dog control across the state and to identify opportunities to cut red tape, making wild dog control easier for landholders. The group's efforts are supported by:
  - » four additional DAFF wild dog officers
  - » an additional \$500 000 to assist local governments and \$175 000 to AgForce for wild dog management
  - » a feasibility study on the construction of community wild dog fencing to protect grazing enterprises in the Longreach, Barcaldine and Blackall–Tambo shires
  - » approval for landholders to use livestock and kangaroo meat for wild dog baiting if the meat is not certified for human consumption.
- Eradication of both yellow crazy ants and Asian honey bees was determined to be not technically feasible. Management options have been provided to help industry and the community manage the ongoing presence of the pests and associated impacts.



Monitoring plant health

## Recovery from natural disasters

In recent times Queensland has experienced increasingly variable and challenging weather patterns. Fires, floods and drought have impacted production capacity and critical infrastructure, and have caused economic and community disruption. Our focus is on helping producers be as prepared as possible by adopting production innovations and business practices designed to deal with these events. We also assist and support producers to accelerate recovery and minimise economic impact on production.

There were two major natural disasters in 2012–13: wildfires in northern Queensland and Tropical Cyclone Oswald.

The damage to agricultural production as a result of Tropical Cyclone Oswald was particularly significant. In some instances the impact on infrastructure and paddock structure was greater than from the floods of 2010–11, with widespread loss of irrigation infrastructure and topsoil not seen before. Primary production loss was estimated to be between \$250 million and \$300 million, with loss of infrastructure, livestock, crops and topsoil estimated to be an additional \$250 to \$300 million. This puts the total cost of Tropical Cyclone Oswald at around \$500 million to \$600 million for Queensland's primary producers, which is close to half of the cost of Tropical Cyclone Yasi and associated flooding. In some instances, affected businesses were still recovering from the 2010–11 disasters when this cyclone struck.

Consequently there has been greater demand this financial year for financial assistance available under the Natural Disaster Relief and Recovery Arrangements (NDRRA) funded by the Australian and state governments. NDRRA grants and loans are administered through QRRA.

- Wildfires in northern Queensland in the spring and summer of 2012 saw 24 primary producers claim Category B NDRRA assistance for freight subsidies and concessional loans. DAFF helped non-government and community organisations provide advice on livestock management, and source and distribute supplemental feed to affected properties. Compounding the impact of the bushfires, the extremely dry weather in north-western Queensland led to much of the area becoming drought-declared on 1 April 2013.

- Tropical Cyclone Oswald hit central coastal and southern Queensland in January 2013. Extensive infrastructure damage, soil erosion and loss of crops and animals affected agriculture in Bundaberg, Burnett, the Lockyer Valley, the Scenic Rim and eastern Darling Downs. At 30 June 2013, over 2500 primary producer applications for NDRRA grants and loans had been approved.

A \$20 million on-farm and riparian recovery program was developed and commenced. Its aim is to build resilience against future events.

DAFF also supported 180 individual businesses that were outside disaster- and drought-declared areas with a range of assistance including assessing individual hardship applications, freight subsidies and changed land management practices. This is comparable to the numbers assisted in 2011–12.

Queensland has maintained its contribution to the Australian Government's Rural Financial Counselling Service but concluded its additional Farm Financial Counselling program at the end of 2012–13. The national reform on drought assistance and the associated Farm Finance Package provide a nationally consistent and improved approach to farm financial assistance.

## Objective 2 Increase productivity of producers and businesses

### HEADLINE MEASURE

#### Changes in the agriculture, fisheries and timber labour-force profile

Employment in the broader agriculture and food supply chain increased by 2290 or 0.8% over the year to the May quarter 2013. In this same period, employment in agriculture, forestry and fishing declined. Almost two-thirds of the fall occurred in the sheep, beef cattle and grain farming industries. Unincorporated enterprises without employees accounted for half of this fall. Employee productivity has risen. The real gross value added per employee increased by 99% over the past 12 years and the average hours worked in the industry for this period was at the 20-year average.

There are regular reports of labour shortages at all skill levels. Current projections indicate that the problem will worsen. The contributing factors relate to both the supply of labour and the demand for skills—competition for labour from other industries, poor promotion of the industry, an ageing population and a declining rural population.

#### Red-tape reduction and simplified regulation targets met

DAFF completed the program of work under the government's red-tape reduction initiatives released in January 2013.

DAFF established a new baseline of a 17% reduction in regulation and red tape to support the government's target. This was established through working with the Office of Best Practice Regulation in a count of the regulatory requirements in Queensland legislation and quasi legislation such as codes and guidelines. We also worked with Queensland Treasury and Trade to identify where business reporting requirements could be reduced or aligned to existing reporting cycles.

#### Level of innovation by agricultural businesses

The *Queensland business innovation report 2012*<sup>2</sup> found that agricultural businesses rated in the top four sectors most likely to innovate (at 22%). Like all Queensland business innovators, they preferred to adopt proven process improvements and then incorporate product or service innovations into their business. The report also found that the challenging economic environment of the last 3 years contributed to an overall downturn in business innovation, nationally and in the state.

### Performance measures relevant to the strategic plan

Measure	2012–13 target	2011–12	2012–13	Status
Pieces of legislation and regulatory frameworks reviewed and reformed	8	9	3	▼
Innovative technologies developed through revolutionary research and development	8	9	9	▲
Improved production efficiency systems, standards and tools delivered	55	55	64	▲
Improved varieties, cultivars and commercial parent lines developed	19	18	19	■
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of funded innovation and capacity-building activities	60%	60%	54%	▼
Business accreditations and registrations maintained to facilitate market access	95 000	69 580	70 123	▼
Queensland fisheries accredited for export	21	21	19	■

<sup>2</sup> UQ Business School 2012, *Queensland business innovation report 2012*, The University of Queensland for the Department of Science, Information Technology, Innovation and the Arts.



## Outcome 2.1 Improved availability of rural labour and leading-edge skills

Significant achievements	Work in progress that will make a difference
<ul style="list-style-type: none"><li>Established the Agriculture, Fisheries and Forestry Skills Industry Advisory Group.</li></ul>	<ul style="list-style-type: none"><li>Working with the horticulture sector to develop the <i>Production horticulture workforce development plan 2013–15</i>.</li><li>Developing strategic partnerships and collaboration across state government and supporting the Western Downs AgriFood Skills Australia national regional initiative.</li><li>Mobilising our regional skills network across state, local and Australian governments as well as agrifood organisations to meet election commitments regarding agricultural workforce, skills and training.</li><li>Continuing the Agribusiness Gateway Schools Program to help young people make a successful transition from schools into further education and employment in agriculture-related industries.</li><li>Reviewing agricultural apprenticeships and traineeships.</li></ul>

### Helping industries meet their workforce needs

DAFF leads the delivery of the seven government commitments regarding agricultural workforce, skills and training. We help the sector improve its workforce planning and present industry skill needs to funders of education and training.

Different approaches to dealing with the skills challenge are emerging. Some Agribusiness Gateway Schools and the University of Southern Queensland have embedded agricultural content across all disciplines and subjects. This presents broader options for students and better recognises that the sector's modern businesses are made up of many occupations. In the short term it may be difficult to identify through current statistical collections whether this strategy increases the skills pool.

## Outcome 2.2 Businesses and industries are innovative and internationally competitive

Significant achievements	Work in progress that will make a difference
<ul style="list-style-type: none"> <li>Completed our program of work under the government's red-tape reduction initiatives released in January 2013.</li> <li>Drafted the new biosecurity Bill.</li> <li>Simplified and reduced the number of administrative and statutory forms.</li> <li>Reviewed agricultural research and investment priorities.</li> </ul>	<ul style="list-style-type: none"> <li>Implementing the Regulatory Reform Plan, a new 5-year work program for reducing red tape, both through reducing regulatory requirements in legislation and also in terms of businesses and the community net benefit.</li> <li>Developing new legislation for biosecurity and animal management.</li> <li>Conducting fisheries regulatory reviews for the trawl, freshwater, line and crab fisheries.</li> <li>Implementing <i>Queensland's DAFF agricultural research, development and extension plan</i>.</li> <li>Creating a new Queensland strategy for forestry research and development.</li> <li>Guiding the Queensland Competition Authority's review of regulations.</li> </ul>

### Streamlining red tape

A new DAFF target—to remove 17% of our regulatory obligations by 2018—was established through a process led by the Queensland Competition Authority's Office of Best Practice Regulation.

Significant changes to and major reviews of DAFF's legislation are still in progress, and so we could not achieve our target for legislation reform. However, at least 17 initiatives aimed at reducing the regulatory and administrative burden on customers were implemented.

A major focus in 2012–13 was the simplification of environmental, administrative and compliance regulations for intensive livestock industries and of approvals for fisheries waterway barriers. This resulted in:

- the National Feedlot Accreditation Scheme being approved as an industry-based environmental management system under the Environmental Protection Regulation 2008
- the implementation of a joint government–industry co-regulation approach to environmental management in the Queensland cattle feedlot industry
- the transfer from local to state government of the responsibility for the environmental regulation of poultry farming in Queensland, improving investment certainty and providing a consistent approach to environmental standards for the industry
- the removal of annual fees and requirements for environmental authorities for small-scale pig farms (less than 400 standard pig units) and cattle feedlots (less than 150 standard cattle units)
- a review of fisheries waterway barrier works arrangements, reducing the number of in-stream structures needing departmental approval (and the updating of relevant self-assessment codes)
- the development of a geographic information system (GIS) layer to classify all Queensland waterways, enabling self-assessment of whether approval for waterway barrier works is needed.

## Leading innovation through research and development

In *Queensland's agriculture strategy* we committed to position Queensland as the international leader in tropical and subtropical agriculture, particularly in the areas of beef, horticulture, sugar and pulses.

The research and development partnership between DAFF and the Queensland Alliance for Agriculture and Food Innovation on summer grain (sorghum) drew international attention that led to the Bill and Melinda Gates Foundation awarding \$4 million over 4 years to further improve sorghum productivity. Almost 100% of sorghum grain in Queensland has DAFF-bred parentage. An economic review published during the year showed productivity growth at an average of 3.9% per year over the last decade. The next step for this work will be the use of the patented Stay Green gene complex to equip this crop for variable climatic conditions.

Sunflower research by DAFF plant pathologists was presented at the 18th International Sunflower Conference held in Argentina in February 2012. The research attracted invitations for our researchers to speak at the Asian Mycological Congress in Beijing and the International Congress of Plant Pathology, which is being held in August 2013.

We perform above the national rate for royalty returns on our research and development investment. Earlier this year we set a benchmark of 4%. By the end of 2012–13 we achieved 4.98%, which is 1.38% above the national rate.

The review of research and investment priorities has sharpened our focus. Examples of this year's work that further raised Queensland's profile are:

- The Northern Beef Research Alliance was formed in October 2012 to pool the expertise of around 100 scientists from DAFF, The University of Queensland and CSIRO to work in genetics, reproduction, nutrition, husbandry and grazing land management.
- The Small Tree – High Productivity Initiative is transforming the productivity and profitability of macadamias, mangoes and avocados. It is easier and quicker to harvest from small trees than from bigger trees. Total investment from all sources will exceed \$1 million per year.
- Enhanced research investment saw sugar research raised by an extra \$4.6 million over 4 years. The total allocation for sugar research for this year was \$3.85 million. Also, \$4.8 million was committed to a strategic partnership with the Queensland University of Technology for research into tropical pulses.
- The new mungbean variety Jade-AU was launched. This has increased average yield by 12%, helping to improve Queensland's status as a preferred supplier of premium, quality-assured mungbeans to competitive export markets in Asia and India.

The department has exited, transferred and reduced areas of lower priority research that can be readily provided by industry or other research organisations. These areas include pig and poultry extension, lifestyle horticulture, rock lobster breeding, fisheries genetics and marine ecology.

Wheat and barley breeding research and investment was restructured to focus on genetics and prebreeding. The Grains Research and Development Corporation and The University of Queensland have committed to co-invest in building the genetic platform. Marketing of finished varieties will be undertaken by the commercial sector.

## Extension services increasing take-up of innovation

Regional staff collaborated with industry on the development of new opportunities. Field days and visits were also conducted to transfer research findings to practical solutions that improve business profitability and sustainability. This year, 54% of our research, development and extension service clients reported implementing new or improved practices, processes, systems, products and technologies after engaging with frontline activities. Improved business results after implementing new ideas, products or technologies were also reported by 54% of our extension clients. This year's result is slightly lower than previously reported levels.

Severe weather over a number of seasons is reported to be affecting producers' ability to implement or sustain change and to see results. These findings are consistent with those of The University of Queensland Business School, which showed a downturn in innovation over the last 3 years.

A snapshot of the diversity of extension work is given below.

- Sown pasture rundown is still the biggest challenge for the beef industry, and 270 graziers attended workshops and developed plans to better manage about 500 000 hectares of sown pasture. Outcomes for graziers included:
  - » nearly 60% documenting strategies to manage rundown on their own properties
  - » over 80% changing practices on their properties, notably with the use of legumes and fertiliser
  - » over 75 conducting on-farm trials.

Widespread drought declarations will likely impact on the further progress of this initiative.

- The SunCoast FarmFLOW project delivered four property planning mapping workshops (for grazing and horticulture), two grazing pasture health field days, one grazing stocktake workshop, two turf industry workshops and one equine management workshop to landholders in the Kin Kin, North Maroochy, Upper Mooloolah and Maroochy catchments. These activities helped landholders identify and implement best management practices on their properties.
- DAFF economists presented a series of workshops to agribusiness and cane extension services across Queensland and northern New South Wales to demonstrate the farm economic analysis tool (FEAT) and show how it can help growers improve their business knowledge and performance.

## Outcome 2.3 Product quality and safety ensures market access and growth

Significant achievements	Work in progress that will make a difference
<ul style="list-style-type: none"> <li>• Negotiated new access arrangements for Queensland fruits and vegetables entering Victoria, which reduces costs and expands markets for producers.</li> <li>• Supported the Minister's successful trade mission to Indonesia to restore market access and rebuild our live cattle trade.</li> <li>• Coordinated the Minister's meeting with representatives of the Chinese government and business officials to promote increased interest in beef exports.</li> <li>• Maintained export accreditation for 19 sustainably fished commercial fisheries.</li> </ul>	<ul style="list-style-type: none"> <li>• Working with Queensland's sugar and banana industries to streamline and satisfy quarantine requirements for the movement of risk items within Queensland.</li> <li>• Trialling the nursery industry's state system for accreditation and certification of businesses, as a model for a new and innovative system for certifying plant material with quarantine restrictions in domestic markets.</li> <li>• Undertaking a market development program with Trade and Investment Queensland to look at new export opportunities to meet growing Asian consumer demand.</li> <li>• Realigning the Global Markets Initiative to enhance trade development services.</li> </ul>

### Maintaining confidence in our products

Accreditation and certification are important for maintaining consumer confidence in our reputation for safe and ethically produced agricultural, fisheries and forest products.

- Market access for all plants and plant products was maintained despite new exotic pest incursions and the restrictions placed on major chemicals used to control Queensland fruit fly. However, the overall target for plant and animal accreditation and registration was not met in 2012–13. The target was set some years ago when changes to legislation resulted in an increase in the number of animal owners requiring accreditation and registration. Results for the last 2 years indicate that this demand has now stabilised below that target, so this measure will be reviewed in 2013–14.
- To address animal welfare concerns regarding the live export market, DAFF collaborated with the Australian Government and industry to implement the Exporter Supply Chain Assurance Scheme, and review the Australian standards for the export of livestock.
- Fisheries export accreditations are granted by the Australian Government Department of Sustainability, Environment, Water, Population and Communities and are based on independent assessment of how well DAFF manages the sustainability of the nominated Queensland fisheries. This year, 19 export approvals were granted for Queensland fisheries. This appears to be a change from the previous year (21); however, the result is the same because of the following:

- » The Coral Reef Fin Fish and Deepwater Fin Fish fisheries were combined under a single accreditation (a 3-year wildlife trade operation accreditation).
- » DAFF decided not to seek export reaccreditation for the Rocky Reef Fin Fish Fishery because there is no product exported from this fishery.
- » An exemption for a further 5 years applies to the East Coast Spanish Mackerel Fishery (as these fish were included in the list of exempt native specimens), allowing continued export of product caught in the fishery.

Extensions on export accreditation were granted for the Mud Crab Fishery until February 2014 and the Gulf of Carpentaria Inshore Fin Fish Fishery until June 2014.

- A revision of the Australian Forestry Standard (AS4708) is underway. DAFF Forest Products was awarded certification for a further 3 years in February 2012. An independent surveillance audit to reassess continued compliance is scheduled for late 2013.
- Chain of custody support certification enables private companies to demonstrate the environmental integrity of their timber products. DAFF implemented a new scheme that reimburses up to \$5000 for costs incurred by timber businesses in becoming certified. The scheme is jointly administered with the peak industry body, Timber Queensland.

## Building more efficient supply chains

In 2012–13 just over 2300 producers and agribusinesses engaged with us in developing supply chain opportunities (compared with just over 600 in 2011–12). The increase is substantially due to the use of online engagement.

A number of intergovernmental agreements and research partnerships also focused on improving supply chain opportunities.

Examples of the diverse supply chain opportunities developed are:

- Through the Northern Australian Beef Industry Action Plan, we contributed to research to improve transport and logistics in the northern beef industry.
- We partnered with other government departments, the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) and CSIRO on the newly established Northern Australia Food and Fibre Supply Chain Project. The project aims to provide an understanding of the outlook for agricultural industries in three Queensland regions. It includes outlooks for new industries and markets as well as commodities and niche products. It explores supply chain investment priorities that will improve productivity and position producers to take advantage of emerging growth markets, particularly in Asia.
- Our research partnership with OneHarvest and The University of Queensland investigated triggering fruit ripening during transportation. Market-ready product would arrive more ready to eat and reduce the need for in-market ripening facilities. Two new easy-to-use ethylene gas release systems tested were found to release sufficient ethylene into the rail containers to enhance ripening during the 2–3 day journey. Including hydrated lime also helped to reduce the build-up of CO<sub>2</sub> from fruit respiration. These systems will be further refined for a range of journeys.

## Objective 3 Increase productivity within our organisation

### HEADLINE MEASURE

#### Customer satisfaction with services and information

Resolution of enquiries at our first point of contact, the Customer Service Centre, consistently exceeds the industry standard of 80% and was 82.6% for 2012–13. The Customer Service Centre handled 78 015 DAFF front office transactions (phone calls, web posts and emails) in 2012–13, down on 2011–12 (83 703 transactions). In addition, the Customer Service Centre handled nearly 20 000 transactions on a fee-for-service basis for the Department of Natural Resources and Mines (DNRM). These transactions were also down on the previous year.

A range of factors may contribute to the decrease in transactions. New biosecurity incidents have been localised incidents of previously identified diseases, web information has improved and 13 QGOV is now the government number listed in the White Pages. Also, 13 QGOV improved its capacity (through secondment of call centre staff from DAFF and other government departments) so that it could handle larger volumes and resolve natural disaster emergency calls.

#### Performance measures relevant to the strategic plan

Measure	2012–13 target	2011–12	2012–13	Status
Customer enquiries resolved at first point of contact	80%	83.9%	82.6%	■
Proportion of stakeholders who have a high level of satisfaction with consultative and engagement processes	70–75%	70–83%	75–90%	▲
Workforce indicators equal to or exceed the public service benchmarks	Based on service average	Under the Queensland Public Service average in every absenteeism type for both years  85–90% (averaged across the department) of performance development agreements are established, regularly reviewed and assessed		▲
Balanced budget	DAFF recorded a balanced operating result for the 2012–13 financial year after adjusting for one-off expenses relating to a loss on sale of a former departmental research site and the impairment of assets during 2012–13 (which are no longer being used by the department to deliver services).			



## Outcome 3.1 Government, industry and research partnerships deliver long-term growth

Significant achievements	Work in progress that will make a difference
<ul style="list-style-type: none"> <li>• Undertook formal intergovernmental agreements and actions (see pages 8–11).</li> <li>• Released <i>Queensland's agriculture strategy: a 2040 vision to double agricultural production</i>, which outlines the four industry-agreed pathways to economic resilience and growth.</li> <li>• Agreed on areas where government action would support industry in the implementation of its <i>Forest and timber industry plan</i>.</li> <li>• Established the Horticulture Industry Development Group and its four working parties: Productivity and the Environment, Supply Chains and Marketing, Policy and Regulatory Reform, and Workforce Development.</li> </ul>	<ul style="list-style-type: none"> <li>• Continuing <i>Queensland's DAFF agricultural research, development and extension plan</i> to support international research leadership in subtropical and tropical agriculture.</li> <li>• Reviewing the Queensland Alliance for Agriculture and Food Innovation, a joint initiative between DAFF and The University of Queensland, as a model for future partnerships.</li> <li>• Continuing the strategic cropping land mitigation fund.</li> <li>• Working with the Department of Environment and Heritage Protection and the Coordinator-General to develop supporting guidelines and policies on assessing the environmental impact on agriculture of mining and other development proposals.</li> <li>• Re-establishing the Biosecurity Queensland Ministerial Advisory Committee to provide current, high-level independent and strategic advice to the minister on biosecurity issues that affect Queensland's agricultural industries or the environment.</li> </ul>

### Working together to set direction and take action

The change of government in March 2012 set a new direction and vision for agriculture as well as establishing DAFF as a stand-alone department. *Queensland's agriculture strategy* outlines 60 initiatives across government that will be actioned to grow agriculture; we will lead the delivery of 31 of these.

Our next priority will be to develop a fisheries direction statement. This will provide clear direction on how the Queensland Government will manage fishing to maximise the benefits to Queenslanders now and into the future. We are also finalising *Queensland's DAFF agricultural research, development and extension plan*.

The actions in these strategies highlight the critical role DAFF takes in influencing public and private sector partners to make the changes and decisions needed for agricultural economic growth. They also show DAFF's roles in making services more accessible and cost-effective while meeting local priorities and customer needs.

Our relationship with industry sectors is maturing. We are stepping back from direct industry intervention and development initiatives. Industry is more active in growing and helping their sectors adapt to changing markets and conditions. The recent industry-developed *Queensland forest and timber industry plan* and *Production horticulture workforce development plan 2013–15* set examples for the way forward.

In 2012–13, the proportion of stakeholders who had a high level of satisfaction with DAFF consultative and engagement processes rose—75% expressed a high level of satisfaction with consultation on research and development priorities and 90% with strategic direction and workforce issues. The alignment of the department's direction with stakeholders is likely to have contributed to the strong result.



## Advocating for agricultural interests

We advocated for and represented agricultural interests to government in a range of planning and decision-making processes:

- Through our regional planners, we provided significant input into the draft Darling Downs and Central Queensland statutory regional plans. Our objective was to ensure that these plans effectively provide for coexistence of agriculture, the resources industries and the infrastructure both sectors need to grow.
- We secured mitigation arrangements in the *Strategic Cropping Land Act 2011*. Projects with a permanent impact on the agricultural productivity of strategic cropping land must now contribute to a mitigation fund and/or enter into a mitigation deed with DAFF. These funds will be used for projects commencing from 2014–15 that benefit cropping productivity. With the establishment of the GasFields Commission (a statutory authority that became operational in 2012–13), DAFF finalised its AgForward Coal Seam Gas Landholder Support Initiative. We will advocate for agricultural interests as the commission works to manage the coexistence of rural and regional communities with the coal seam gas industry.

- We assisted DNRM in negotiations to improve outcomes for communities in the Queensland Murray–Darling Basin (QMDB). DAFF coordinated project proposals worth around \$18 million and DNRM submitted these to the Australian Government. These actions have secured a revision of the proposed reduction in water allocations for in-stream water from the Condamine–Balonne catchment (planned reductions of over 200 gigalitres revised to about 100 gigalitres). The final figure for downstream cutbacks is still to be confirmed.

We will continue to support discussions with the Australian Government on implementing the Murray–Darling Basin Plan and will participate in Queensland-related interagency activities to provide the best possible outcomes for QMDB communities.

## Outcome 3.2 High-value services are provided to producers and customers

Significant achievements	Work in progress that will make a difference
<ul style="list-style-type: none"><li>Enhanced frontline services with the appointment of 15 new staff to boost our biosecurity efforts—4 to target the wild dog problem, 3 to manage ticks, 3 to control and eradicate weeds, 3 to enhance crop protection, 1 to assist northern fisheries and 1 to work with the horticulture sector.</li><li>Trialled new smart forms and encouraged producers and businesses to establish online Australian Business Accounts and use the Australian Business Licence and Information Service.</li></ul>	<ul style="list-style-type: none"><li>Providing an additional 10 officers to deliver on-ground solutions and outcomes in key production areas.</li><li>Integrating front office services with businesses and the community to enable round-the-clock online transactions and information, supported by mobile offices.</li><li>Developing the customer relationship management system.</li><li>Implementing DAFF service and workforce renewal strategies.</li></ul>

### Customer service

Many frontline staff delivering technical, professional and regulatory services use a range of methods to obtain feedback on the effectiveness of their service delivery and how they could improve. These methods include evaluation sheets, focus groups, online feedback and personal feedback. However, it is often difficult to separate our customers' online feedback from that of other business customers. We recognise that the way we collect and use customer feedback needs to improve.

In 2012–13 we focused on improving producers' and customers' access to information. We also tried to make it easier for customers to do business with the department when it is convenient to them. We reviewed the content of our website ([www.daff.qld.gov.au](http://www.daff.qld.gov.au)) and integrated more of our services into the business and industry portal ([www.business.qld.gov.au](http://www.business.qld.gov.au)). We created more webinars and trialled a small number of smart forms.

The Customer Service Centre handled a significant proportion of our customers' first point of contact queries (just over 78 000) through phone and email. These queries included calls to the biosecurity hotlines and reporting of animal welfare concerns by the public. This is a small decrease on 2011–12.

The Fishwatch hotline is operated by the QBFP. Around 500 fisheries-related calls were received this year, compared to more than 830 in 2011–12. Major concerns for callers this year were possible offences in the crab and net fisheries, which can sometimes lead to black-market trading. This illegal activity is a major concern shared by both the recreational and commercial fishing sectors.

Counter services at small regional centres continued to be reviewed and consolidated into larger centres as opportunities arose. Mobile offices continued to support emergency and recovery activities across the state.

A future priority is improving self-service and customer access to integrated services across government departments. It will take some years to achieve. We will work towards the revised whole-of-government one-stop shop model to provide the best outcome for customers.

# Our organisation

This year, we focused on revising and aligning our services, people and business systems with the priorities of the government, including the task of fiscal repair. We identified areas of duplication as well as operational efficiency. We investigated business processes that could be improved to maintain high-level customer service and to provide integrated strategic advice to government. These actions also contribute to the Public Sector Renewal Program and the recommendations of the Commission of Audit.

## Organisational structure

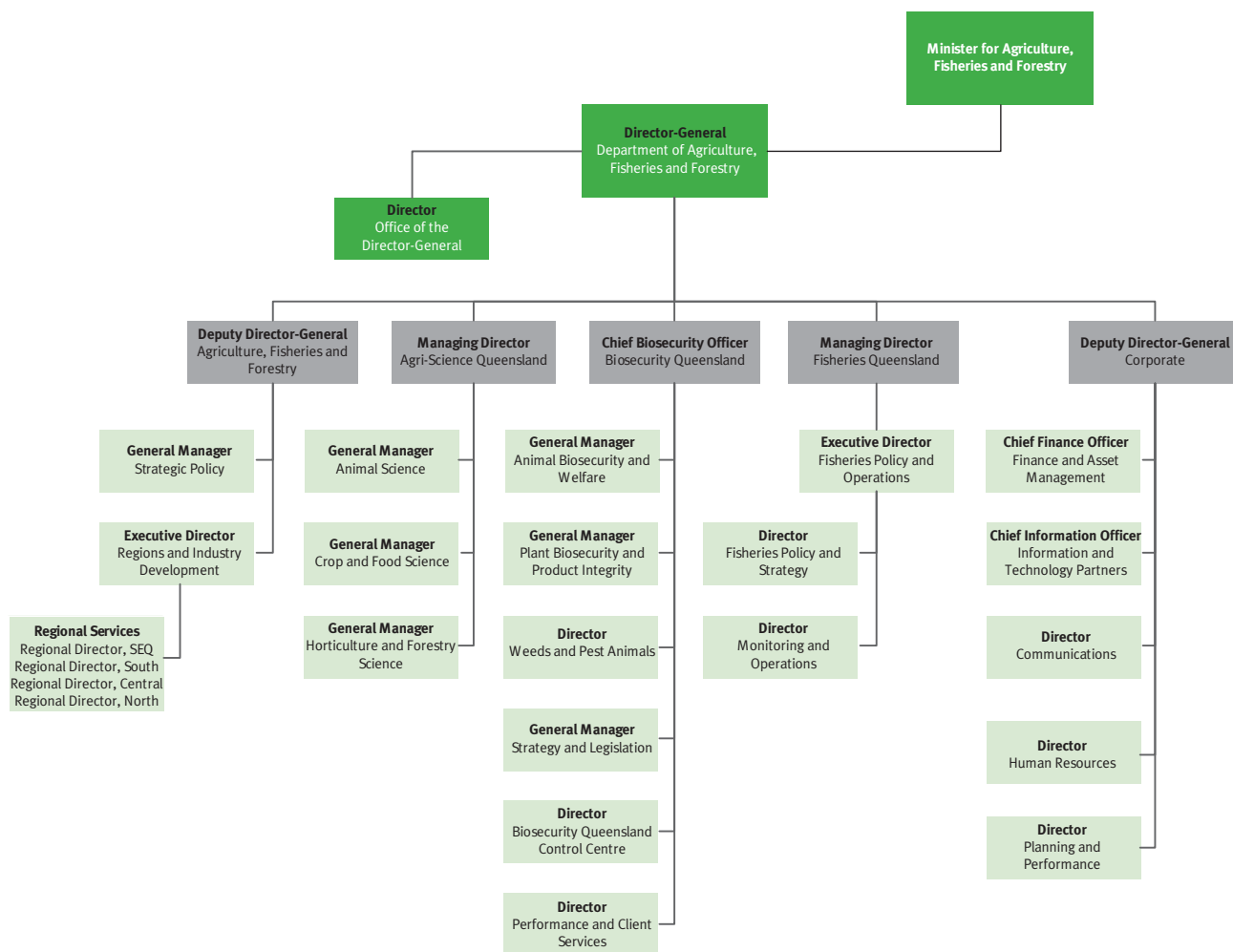


Figure 7 The DAFF organisational chart as at 30 June 2013

# Governance and leadership

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The Director-General is responsible under the *Public Service Act 2008* (s. 98) for the management, governance and operation of the department. The Board of Management advises and assists the Director-General with these responsibilities. The board is chaired by the Director-General and meets monthly.

A key focus for the board is working with senior management to ensure alignment of business plans with *Queensland's agriculture strategy*. This strengthened governance arrangement provides shared leadership and integration of business groups; it clarifies responsibility for issues that span our business.

## Board of Management

### Role

The Board of Management is responsible for the department's long-term performance and business success as well as the timely delivery of the government's key priorities for the department.

The board's leadership and decision-making sets the strategic direction for the department so that it can meet its goals and objectives. In particular, the board's functions are:

- Establish and communicate the department's policy direction and accompanying strategic priorities through the department's strategic plan. This includes ongoing review of performance against goals.
- Champion corporate governance and risk management—including strategic investment, structures, internal controls and culture—across the department.
- Provide leadership that will further the department's purpose, policies and strategic direction.
- Monitor the ways in which the department delivers its services to ensure they are effective, efficient and ethical.
- Coordinate the overall efforts of the entire department by engendering a system of cooperation and empowerment.
- Provide a role model of the values and behaviours expected of all employees.

### Membership during 2012–13

- Jack Noye  
Director-General, Agriculture, Fisheries and Forestry
- Dr Beth Woods  
Deputy Director-General, Agriculture, Fisheries and Forestry
- Scott Spencer  
Managing Director, Fisheries Queensland (part year)
- Maria Mohr  
Managing Director, Fisheries Queensland (part year)
- Dr Jim Thompson  
Chief Biosecurity Officer, Biosecurity Queensland
- John Chapman  
Managing Director, Agri-Science Queensland
- Marcia Hoffmann  
Deputy Director-General, Corporate (part year)
- Peter McKay  
Deputy Director-General, Corporate (part year)
- Malcolm Letts  
Executive Director, Regions and Industry Development
- Leith Brown  
Chief Finance Officer

## Profiles of board members as at 30 June 2013

### **Jack Noye**, Director-General, Agriculture, Fisheries and Forestry

Jack has held executive roles in policy, management, service delivery and intergovernment relations in the federal and state public sectors in central and line agencies. Jack was previously Director-General of the former Department of Local Government and Planning and Associate Director-General of the Department of Transport and Main Roads. He has also spent time in the private sector, providing advice on policy, management and service delivery to federal and state agencies.

Jack is a former army officer and graduate of the Royal Military College and the Army Command and Staff College. He has tertiary qualifications in public administration, economics and management.

### **Dr Beth Woods**, Deputy Director-General, Agriculture, Fisheries and Forestry

Beth completed her Doctor of Philosophy in Agricultural Economics at Oxford University. She worked with the former Department of Primary Industries as an agricultural extension officer in the dairy, cropping and potato industries and was Professor of Agribusiness at The University of Queensland. In 2004 she took up the role of Executive Director of R&D Strategy in the former Department of Primary Industries and Fisheries. As Deputy Director-General, Beth leads agriculture and forestry development initiatives that aim to deliver a highly efficient, innovative, productive and successful Queensland agriculture and forestry sector.

### **Scott Spencer**, Managing Director, Fisheries Queensland

Scott became Managing Director of Fisheries Queensland in February 2013. He was previously Director-General of the former Department of Natural Resources and Water (2006–09) and Chair of SunWater Limited (2009–12), and brings more than 30 years of experience in government and beyond. Scott recently chaired the East Coast Net Fishery BuyBack Working Group, and has held various roles related to fisheries including Secretary, Queensland Fish Management Authority, in the 1980s.

Scott grew up in Brisbane and joined the state's public service in 1978. He holds qualifications in Economics.

### **Dr Jim Thompson**, Chief Biosecurity Officer, Biosecurity Queensland

Jim grew up in Tamworth in north-western New South Wales, studied in Sydney and then worked in the northern New South Wales tablelands before coming to Queensland in 1992. Jim has worked in various government agencies in Queensland (in several areas including agriculture, natural resources and mines and the environment) and in New South Wales in research, policy and management roles. He has tertiary qualifications in science, wildlife and pest animal management and public sector management. In his current role, Jim heads Queensland's efforts in the management of animal and plant pests and diseases, invasive species, animal welfare and chemical use.

### **John Chapman**, Managing Director, Agri-Science Queensland

John leads the Agri-Science Queensland (ASQ) business group within DAFF. Employing over 650 staff, this group provides research, development and extension services to the major animal, plant, forestry, aquaculture and fisheries industries of Queensland. ASQ also provides direct funding for research to the Queensland Alliance for Agriculture and Food Innovation at The University of Queensland, to other Queensland universities and to Sugar Research Australia.

John has been leading ASQ since 2010 and prior to that he was General Manager, Horticulture and Forestry Science Division (within ASQ) since 2002. He has added a Master of Business Administration to his science qualification and has a career-long interest in staff self-development. His major focus for ASQ is to lead staff to help drive the productivity gains in tropical and subtropical agriculture that will keep Queensland farming operations profitable and double production by 2040.

### **Marcia Hoffmann, Deputy Director-General, Corporate**

Marcia joined DAFF in May 2013 as Deputy Director-General, Corporate, and works for both DAFF and the Department of Tourism, Major Events, Small Business and the Commonwealth Games. Marcia has a substantial career in public sector administration and executive management in federal, territory and state jurisdictions and most recently was Chief Executive, Northern Territory Department of Transport. She has specialised in leading large multidisciplinary teams, strategic direction setting and corporate governance, social and employment policy, major change and commercialisation initiatives, transport and service delivery reform.

### **Malcolm Letts, Executive Director, Regions and Industry Development**

Malcolm was born and raised in the Northern Territory and has worked with the Queensland government for 19 years. During this time, he has been instrumental in designing and delivering extension and frontline service components of major restructures in the dairy and sugar industries. Prior to the new regional arrangements, he was Executive Regional Director, South East Region, in the former Department of Employment, Economic Development and Innovation. For 5 years he was also responsible for the trade and investment area of the food and agribusiness industries. Malcolm has a particular interest in supply chain improvement and in modernising extension and broader service delivery to better meet the needs of food and agribusiness companies.

### **Leith Brown, Chief Finance Officer**

Leith is Chief Finance Officer for DAFF and the Department of Tourism, Major Events, Small Business and the Commonwealth Games. She holds a Bachelor of Business and an Executive Graduate Certificate in Business Administration and is a Certified Practising Accountant. She has extensive financial and business experience drawn from her time spent in both private and public sector roles. Leith possesses high-level experience in commercial finance, organisational change management, project management, information and communications technology, strategic investment planning and activity-based costing.

## **DAFF governance committees**

DAFF has a number of governance committees that help the Director-General and the Board of Management fulfil their statutory and legal obligations.

### **Renewal Committee**

The role of this committee is to support the Board of Management by actively engaging on issues that relate to the board's policy direction and decisions, particularly around the agency's renewal and reform agenda. The committee complements the board's work by providing a forum for discussion and allocations of actions; however, this committee has no formal role in DAFF's official governance framework.

The committee monitors the progress of key projects and activities to ensure the department meets the present needs of its customers and government priorities. In 2012–13, the committee oversaw:

- the implementation of savings measures approved by DAFF's Cabinet Budget Review Committee
- specific government commitments assigned to DAFF
- sector-wide plans and frameworks
- a change agenda focused on an efficient and effective service delivery model and the right workforce capability and capacity.

### **Finance Committee**

This committee was established to support the Director-General (as the accountable officer) in performing his obligations under the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and the Financial Accountability Regulation 2009.

Members include the Director-General; Deputy Director-General, Agriculture, Fisheries and Forestry; Deputy Director-General, Corporate; and Chief Finance Officer.

The committee provides leadership on the strategic financial direction of the department. It reports to the Board of Management as required on strategic issues raised at committee meetings.



## ICT Investment and Strategy Committee

This committee was formed to comply with Information Standard IS2: ICT resources strategic planning. Its purpose is to:

- ensure the agency's ICT investment and assets remain aligned with agency business priorities and plans and support whole-of-government ICT directions
- provide whole-of-agency leadership, strategic direction and oversight in the planning and delivery of the portfolio of ICT-related initiatives in the agency
- provide assurance to the Director-General that information management and ICT in the agency is being appropriately governed to ensure return on investment through effective delivery of approved initiatives and meeting of government priorities.

Its responsibilities are to:

- review and monitor the agency's investments in information management systems and technologies to ensure they are managed through appropriate governance processes and deliver stated outcomes and benefits
- monitor the health of ICT assets to address areas of risk
- authorise and direct the development of strategic and operational plans for ICT-enabled business
- prioritise the agency's investments in information management systems and technologies so that they are consistent with the agency's strategic direction, and ICT Partnership Board and government priorities
- scrutinise the delivery of approved and funded project and program allocations and approve the reallocation of unused funds
- escalate significant risks to the ICT Partnership Board and/or the Director-General
- monitor information management and ICT service provider arrangements, including performance, under the Business and Corporate Partnerships
- develop the agency's information management capability.

The committee members are the Deputy Director-General, Corporate (chair); Managing Director, Agri-Science Queensland; Chief Biosecurity Officer, Biosecurity Queensland; Director, Monitoring and Operations, Fisheries Queensland; Executive Director, Regions and Industry Development, Agriculture and Forestry; Chief Information Officer; and Chief Finance Officer.

## Business and Corporate Partnerships Board

The Business and Corporate Partnerships Board includes the Directors-General of the departments of Agriculture, Fisheries and Forestry; Tourism, Major Events, Small Business and the Commonwealth Games; Natural Resources and Mines; Energy and Water Supply; Environment and Heritage Protection; and National Parks, Recreation, Sport and Racing. Also on the board are a representative from the Public Service Commission and the Heads of Corporate for Hub A, Hub B and Hub C of the partnerships.

The board is responsible for the long-term performance, business success and timely delivery of departmental key priorities within the partnerships. It provides leadership and set the strategic direction of the partnerships to enable them to meet their goals and objectives.

The partnerships provide direct corporate services and business programs to help partnering agencies deliver government priorities. Their focus is on ensuring economies of scale, service integration, consistent service delivery, scalability, flexibility and responsiveness.

The partnerships operate through three corporate hubs embedded in DAFF, DNRM and the Department of Environment and Heritage Protection. Each hub delivers a set of core services (to the host and an adjunct agency) and a selection of cooperative services (to either five or six partnering agencies).

## Audit and Risk Committee

This committee was established in accordance with the Financial and Performance Management Standard 2009 (s. 35). It met five times during the year and had one out-of-session briefing. The committee observed the terms of its charter and the *Audit committee guidelines: improving accountability and performance*, issued by Queensland Treasury in June 2012.

The committee is a governance committee of DAFF and is directly responsible to the Director-General. It has the authority to:

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

The committee acts as a forum for dialogue between the Director-General, senior management, internal auditors and the Queensland Audit Office.

The functions and role of the committee do not diminish 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 committee members are the Deputy Director-General, Agriculture, Fisheries and Forestry (chair), the Chief Biosecurity Officer, Biosecurity Queensland, and the Executive Regional Director, Regions and Industry Development plus two external members:

- Bob Shead, Executive Director, BDO Kendalls
- Sue Ryan, Deputy Director-General, Water and Ecosystems Outcomes, Department of Natural Resources and Mines.

Remuneration is provided for participation of members external to government. BDO Kendalls is entitled to \$600 per meeting (GST exclusive). Bob Shead attended three out of the five meetings, so the total remunerated to BDO Kendalls was \$1800. The other external member, Sue Ryan, is not remunerated as she is from another government department.

# Supporting business practices and systems

## Internal audit

The formation of the Queensland Government Internal Audit Service (QGIAS) was approved on 12 June 2012 as a result of restructures to government departments (Administrative Arrangements Order No. 3). The QGIAS is a business unit within the Department of Environment and Heritage Protection and provides internal audit services to five departments in a co-sourced arrangement.

The role, operating environment and operating parameters of QGIAS are established in its internal audit charter, which follows professional standards and the *Audit committee guidelines: improving accountability and performance*, issued by Queensland Treasury in June 2012.

## Purpose

The department's internal audit service provides independent assurance and advice to the Director-General, senior management and the Audit and Risk Committee. It enhances the department's corporate governance environment through an objective, systematic approach to evaluating the effectiveness and efficiency of corporate governance processes, internal controls, risk assessment and management practices. This is in keeping with the role and responsibilities detailed in the *Financial Accountability Act 2009*.

QGIAS reports to the Audit and Risk Committee quarterly.

The internal audit function is independent of management and the external auditors.

In 2012–13, QGIAS:

- discharged the responsibilities established in the charter by executing the internal audit program of work prepared as a result of risk assessments, materiality and contractual and statutory obligations
- provided reports on the results of internal audits to the Audit and Risk Committee and the Director-General

- monitored and reported on the status of implementation of internal audit and external audit recommendations (a management responsibility) to the Audit and Risk Committee
- liaised with the Queensland Audit Office to ensure there was no duplication of 'audit effort'
- supported management by providing advice on corporate governance and related issues including fraud and corruption prevention programs and risk management
- allocated internal audit resources to those areas considered to present the greatest risk and where the work of internal audit can be valuable in providing positive assurance or identifying opportunities for positive change
- reviewed the departmental annual financial statements prior to presenting them to the Audit and Risk Committee
- provided secretariat support to the Audit and Risk Committee.

The internal audit unit believes there are controls in place to minimise the opportunity of fraud or mismanagement in those areas of the department that were subject to the program of internal audits as approved by the Director-General.

## External scrutiny

### Financial statements

In the *Department of Agriculture, Fisheries and Forestry 2011–12 final management report* of 8 October 2012, the Queensland Audit Office recommended that 'consideration be given to the establishment of a formal planning process and the implementation of a rigorous quality assurance process [over financial statements]. This would involve the implementation of a plan that outlines the processes, resources, milestones, oversight and quality assurance practices required in preparing the financial report.'

In response to this recommendation, we implemented a number of better practices and procedures to make financial processes more efficient and timely. These included an enhanced project management plan that improved the method of gaining assurance from businesses and corporate areas that robust systems, practices and processes for accountability are in place.

## Risk management

The focus for risk management in 2012–13 was implementing DAFF's integrated risk management framework. The framework is a guide to help all staff understand and engage with risk management. It provides an outline of processes for managing risk as an integral part of DAFF's overall governance, planning and performance management systems, policies, values and culture.

DAFF's objectives in managing risk are:

- Ensure personal wellbeing—managing personal risk helps to ensure the health and wellbeing of self and others.
- Improve decision-making—considering risk information enhances decision-making processes.
- Improve stakeholder relationships—sharing risk provides informed insight into stakeholders' responses to government policy, and improves understanding of why particular actions have been taken.
- Achieve economy and efficiency—targeting resources and protecting assets (including intellectual property) helps to avoid costly mistakes.
- Demonstrate accountability—managing risks effectively improves DAFF's ability to comply with legislated requirements and prioritise resources.
- Enhance the reputation of the department and the government—awareness of risk leads to better understanding of and response to changes in the department's operating environment.
- Achieve enhanced and effective delivery of services to our clients and customers—managing the risks associated with the delivery of critical projects and programs improves service.

We also completed a review of the fraud and corruption risks within the department. This assessment identified areas where internal controls and business monitoring needed to be strengthened.

## Integrity and public sector ethics

To meet our obligations under the *Public Sector Ethics Act 1994*, managers and staff undertook a range of workshops on supporting ethical behaviour in the workplace. The department encouraged managers to discuss ethics and integrity matters in the workplace.

Online tools and resources, as well as support networks, helped managers meet their ethical responsibilities and build staff awareness. Departmental policies being revised or developed are assessed by human resources management staff for compliance with the *Code of conduct for the Queensland Public Service*. The department continued revising our existing human resources policies to ensure they comply with legislation and to try to reduce red tape.

Good governance, accountability and integrity measures (including a fraud, corruption and misconduct risk assessment) were incorporated into business planning templates. Employee performance agreements also incorporate adherence to the requirements of the code of conduct (which is available to DAFF employees on the intranet and to the public on the Public Service Commission's website).

Training on the code of conduct and ethical decision-making is mandatory in all employee performance agreements. The online courses for induction and for the code of conduct and ethical decision-making were revised and a short course for the code of conduct and ethical decision-making was also developed.

From 18 March 2013, all employees were required to complete the short course. Employees who did not achieve the 80% pass mark were automatically enrolled to complete the full course. All employees were required to complete the short course by 30 June 2013 and are then required to complete a revision course annually. A supplement to the code is available online to provide guidance on how the code applies to matters of particular interest to the department. At 30 June 2013, the department had over 70% of its staff complete training on the code of conduct and ethical decision-making.

## Information management, systems and recordkeeping

### From library to research information services

The Primary Industries Building Library, which contained a range of historical and scientific agricultural materials, was rationalised to focus on supporting agricultural research. Historic materials have been transferred to the State Library of Queensland and records related to government to Queensland State Archives.

Ongoing agri-science research support is now provided through the research information service operated from the Ecosciences Precinct.

### Information systems

DAFF continued to operate, maintain and develop a range of information systems to support services, initiatives and corporate operations. Major systems include:

- the Fisheries Management System, supporting sustainable and profitable fisheries resources
- the Coastal Habitat Resources Information System (CHRIS), featuring interactive maps, commercial fishing catch data and recreational fishing data
- ArcGIS, a geospatial information system managing geographic and spatial information in a database, including providing it to and integrating it into other information systems
- the Laboratory Information Management System (LIMS), managing sample testing results
- tramp ant information systems for the fire ant and electric ant eradication programs
- various content management systems for internet and intranet content publishing
- various grant and rebate administration and management systems
- eDOCS, an electronic document and records management system.

## Recordkeeping

DAFF has a recordkeeping strategy to ensure that it complies with the *Public Records Act 2002*, *Public Service Act 2008*, and Information Standard 40: Recordkeeping.

Records Management Services delivers document and records management services to the department and provides support and training.

A major appraisal and disposal program has been established to identify time-expired records for disposal and to transfer permanent records to Queensland State Archives.

The electronic document and records management system continues to be supported with the development of new e-learning training packages, which will deliver ongoing training across the state.

# Our workforce

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## Workforce profile

DAFF had 2138 full-time equivalent staff at 30 June 2013; this included Business and Corporate Partnerships staff.

The permanent retention rate of the department was 80% and the permanent separation rate was 23%.

## Workforce planning, attraction and retention

During 2012–13, we began implementing the Public Sector Renewal Program. This involves aligning workforce skills and resources with current and future core business priorities.

Business groups across the department reviewed workforce needs and identified business-critical roles, capabilities and service delivery models to ensure we have the capacity to deliver on government and business priorities.

We consolidated staff resources and built capability and flexibility in our workforce. We also implemented succession strategies for critical roles. The strategies incorporated building internal talent, promoting opportunities for relieving and development, and recruiting graduates in critical occupational groups.

We have started to develop a 5-year strategic workforce plan that will align with the 2013–18 business renewal priorities.

We continued to build a culture that values and embraces health and safety, leadership, high performance, accountability and innovation.

## Employment performance management framework

Our online induction program for all new employees provides information about the department, conditions of employment, ethical behaviour, safety at work and information security. The program is supported by a personal workplace induction that is conducted by managers and incorporates business goals and expectations, local procedures and policies and integration into the business team.

Our comprehensive performance planning framework fosters and recognises performance excellence. Supervisors and employees contribute to performance and development agreements that include clear individual and business unit goals, behaviour expectations (aligned with corporate values), performance review and assessment and plans for learning and development.

## Flexible working arrangements

We have a range of policies that promote work–life balance and adaptable working arrangements such as flexible working hours, job sharing, part-time work and telecommuting. We also have provisions for family and cultural leave and care facilities in the workplace.

These policies are promoted to job candidates and employees and are available online.



## Leadership and management development framework

Several programs delivered in 2012–13 focused on building management and leadership skills. They included:

- Managing people—a program providing supervisors and managers with practical skills to build and motivate their teams
- 360 degree feedback—a program delivered to senior executives and senior officers to help them build their leadership skills and capabilities
- Change management—a program providing supervisors and staff with the tools to understand and manage change both as a team and individually.

Also, practical tools and strategies to build resilience in managers and staff are available online.

## Industrial and employee relations framework

DAFF's Consultative Committee was established to facilitate consultation between management and unions on matters arising under the State Government Departments Certified Agreement 2009 or on any other matters that affect or may affect the workforce of the department.

The committee is responsible for ensuring the department implements and complies with all relevant arrangements under the *Industrial Relations Act 1999*, the *Public Service Act 2008* and the State Government Departments Certified Agreement 2009.

During 2012–13, the Consultative Committee met twice.

## Early retirement, redundancy and retrenchment

A program of redundancies was implemented during 2012–13. During the period, 314.93 full-time equivalent staff received redundancy packages at a cost of \$23 million. Employees who did not accept an offer of a redundancy were offered case management for a set period of time, where reasonable attempts were made to find alternative employment placements. At the conclusion of this period, and where it was deemed that continued attempts of ongoing placement were no longer appropriate, employees yet to be placed were terminated and paid a retrenchment package. During the period, two employees received retrenchment packages at a cost of \$113 000.

Also, 13.7 full-time equivalent staff received redundancies funded by the DAFF business areas at a cost of \$1.4 million.

# Our contribution to better public services

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We are actively engaged with the whole-of-government reforms to improve public services. While our organisation has not yet been the subject of formal review, we adopted the frameworks provided by the central agencies and developed our own responses.

## Public Sector Renewal Program

This program aims for a smaller, leaner, more integrated and technology-driven public service. This customer-centred public service will operate with a reduced cost base, with fewer staff and more partners helping to deliver services. To achieve this, the working environment for all our staff must change. DAFF has begun a transformation that will lead to more flexible work practices, delivery of targeted quality services with less resources and reconfigured services and structures.

In 2012–13 we:

- consolidated veterinary testing into the single state-of-the-art facilities at Coopers Plains
- reformed the Australian Agricultural College Corporation to improve residential training outcomes and make the corporation more financially sustainable
- began refreshing and moving all online information and transactions related to agriculture, forestry and fishing businesses to the Queensland Government business and industry portal
- began redefining our services and reviewing governance arrangements.

An appropriate organisational culture and consistent values are critical to the success of the renewal agenda. The Board of Management will lead this while adopting the changes recommended by the Public Service Commission.

## Open data

Like many governments around the world, the Queensland Government has acknowledged that data collected and stored by government agencies can be used to significantly benefit the community. We released our Open Data Strategy in May 2013, along with a proposed schedule for the publication of further data sets. In the short term, this will ensure that agencies are open and accountable for data that they collect and store. In the medium to long term, the release of data should spur creative use of information and provide new and exciting resources for the community.

We believe that open access to information will help achieve our goals and improve our services by driving innovation and encouraging collaboration.

The information managed by the department is currently used by the public, industry, researchers and other government agencies in various formats such as reports, tables, online applications and maps. However, the raw data may be of value to new customers or to existing customers seeking to develop new products or solutions to problems outside our focus.

For 2012–13, the following reporting requirements will be published through the Queensland Government's Open Data website ([www.data.qld.gov.au](http://www.data.qld.gov.au)) instead of the annual report:

- consultancies
- overseas travel
- Queensland Multicultural Policy—the Queensland Multicultural Action Plan 2011–14.

Our Open Data Strategy and a list of currently available data (plus data to be released soon) can be found on this website under the Strategies tab. This annual report is available on the Queensland Government publications portal at [www.publications.qld.gov.au](http://www.publications.qld.gov.au).

# Financial statements

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## Chief Finance Officer's statement

### Financial statements

#### ***Chief Finance Officer statement***

In overseeing the financial activities of the Department of Agriculture, Fisheries and Forestry, I assert that I have fulfilled the responsibilities of the *Financial Accountability Act 2009* including:

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

I have provided a statement to the Director-General as the accountable officer about the effectiveness; efficiency and economy of the financial internal controls of the department in conformance with section 57 of the Financial and Performance Management Standard 2009.



**Leith Brown**

Chief Finance Officer

# DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY

## Financial Statements

for the year ended 30 June 2013

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### General Information

These financial statements cover the Department of Agriculture, Fisheries and Forestry (DAFF).

DAFF is a Queensland Government department established under the *Public Service Act 2008* on 3 April 2012 and is controlled by the State of Queensland, which is the ultimate parent entity. The financial statements for the 2013 year represents the first complete financial year (12 months) for the department with the financial information contained in the comparative financial statements for the 2012 year reporting two months (i.e. 1 May to 30 June 2012) of activities for the 2011-12 financial year.

The head office and principal place of business of the department is:

Level 8  
80 Ann Street  
BRISBANE QLD 4000

For information in relation to the department's financial statements please call the Director, Planning and Performance (part of the Business Corporate Partnership) for DAFF on 07 3087 8569, email [larisa.villis@daff.qld.gov.au](mailto:larisa.villis@daff.qld.gov.au), or visit the departmental Internet site [www.daff.qld.gov.au](http://www.daff.qld.gov.au).

A description of the nature of the department's operations and its principal activities is included in the notes to the financial statements. Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

**Statement of Comprehensive Income  
for the year ended 30 June 2013**

		<b>2013</b>	<b>2012</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Income from Continuing Operations</b>	<b>Note</b>		
Departmental services revenue	2	273,519	51,331
User charges, fees and fines	3	67,488	13,792
Grants and other contributions	4	63,215	17,498
Royalties and other territorial revenue	5	27,055	5,405
Other revenue	6	4,742	2,564
<b>Total Revenue</b>		<b>436,020</b>	<b>90,590</b>
Gains	7	2,323	867
<b>Total Income from Continuing Operations</b>		<b>438,343</b>	<b>91,457</b>
<b>Expenses from Continuing Operations</b>			
Employee expenses	8	241,304	43,479
Supplies and services	10	142,361	30,634
Grants and subsidies	11	24,262	11,382
Depreciation and amortisation	12	22,450	4,222
Impairment losses	13	5,260	1,527
Revaluation decrement	14	-	118
Finance/borrowing costs	15	13	-
Other expenses	16	11,826	422
<b>Total Expenses from Continuing Operations</b>		<b>447,476</b>	<b>91,784</b>
<b>Operating Result for the year</b>		<b>(9,133)</b>	<b>(327)</b>
<b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified subsequently to Operating Result:</u>			
Increase/(decrease) in asset revaluation surplus	28	(740)	2,884
<b>Total Other Comprehensive Income</b>		<b>(740)</b>	<b>2,884</b>
<b>Total Comprehensive Income</b>		<b>(9,873)</b>	<b>2,557</b>

*The accompanying notes form part of these statements. The comparative is for the period 1 May 2012 to 30 June 2012.*



**Statement of Financial Position**  
**as at 30 June 2013**

	Note	2013 \$'000	2012 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	17	(7,934)	(5,903)
Receivables	18	82,872	81,606
Inventories	19	1,101	2,215
Other	20	4,179	5,221
		<u>80,218</u>	<u>83,139</u>
Non-current assets classified as held for sale	21	848	-
<b>Total Current Assets</b>		<b><u>81,066</u></b>	<b><u>83,139</u></b>
<b>Non-Current Assets</b>			
Receivables	18	47	5,703
Intangible assets	22	2,820	3,567
Property, plant and equipment <sup>(1)</sup>	23	378,024	423,871
Other	20	14,511	13,995
<b>Total Non-Current Assets</b>		<b><u>395,402</u></b>	<b><u>447,136</u></b>
<b>Biological Assets</b>			
Biological assets	24	1,967	2,123
<b>Total Biological Assets</b>		<b><u>1,967</u></b>	<b><u>2,123</u></b>
<b>Total Assets</b>		<b><u>478,435</u></b>	<b><u>532,398</u></b>
<b>Current Liabilities</b>			
Payables	25	17,484	27,649
Accrued employee benefits	26	4,955	7,159
Other	27	24,621	25,870
<b>Total Current Liabilities</b>		<b><u>47,060</u></b>	<b><u>60,678</u></b>
<b>Non-Current Liabilities</b>			
Other	27	21,994	23,356
<b>Total Non-Current Liabilities</b>		<b><u>21,994</u></b>	<b><u>23,356</u></b>
<b>Total Liabilities</b>		<b><u>69,054</u></b>	<b><u>84,034</u></b>
<b>Net Assets</b>		<b><u>409,381</u></b>	<b><u>448,364</u></b>
<b>Equity</b>			
Contributed Equity		416,780	445,807
Accumulated surplus/(deficit)		(9,543)	(327)
Asset revaluation surplus	28	2,144	2,884
<b>Total Equity</b>		<b><u>409,381</u></b>	<b><u>448,364</u></b>

<sup>(1)</sup> 2012 comparatives have been reduced by \$8.740M due to an adjustment of the value of assets transferred to DAFF as part of the Machinery-of-Government (MoG) changes.

*The accompanying notes form part of these statements.*



**Statement of Changes in Equity  
for the year ended 30 June 2013**

	Note	Accumulated Surplus/ (Deficit) \$'000	Asset Revaluation Surplus \$'000	Contributed Equity \$'000	TOTAL \$'000
<b>Balance as at 1 May 2012</b>		-	-	-	-
Operating result from continuing operations		(327)	-	-	(327)
Other Comprehensive Income					
- Increase/(Decrease) in asset revaluation surplus	28	-	2,884	-	2,884
Total Comprehensive Income for the year		(327)	2,884	-	2,557
Transactions with Owners as Owners:					
- Appropriated equity injections	2	-	-	-	-
- Appropriated equity withdrawals	2	-	-	(13,768)	(13,768)
- Net assets received (transferred via Machinery-of-Government change) <sup>(1)</sup>		-	-	459,575	459,575
Net Transactions with Owners as Owners		-	-	445,807	445,807
<b>Balance as at 30 June 2012</b>		(327)	2,884	445,807	448,364
<b>Balance as at 1 July 2012</b>		(327)	2,884	445,807	448,364
Opening Balance Adjustment		(83)	-	(2,137)	(2,220)
Operating result from continuing operations		(9,133)	-	-	(9,133)
Other Comprehensive Income					
- Increase/(Decrease) in asset revaluation surplus	28	-	(740)	-	(740)
Total Comprehensive Income for the year		(9,133)	(740)	-	(9,873)
Transactions with Owners as Owners:					
- Appropriated equity injections	2	-	-	-	-
- Appropriated equity withdrawals	2	-	-	(16,872)	(16,872)
- Net assets received/transferred via Machinery-of-Government change		-	-	(10,018)	(10,018)
Net Transactions with Owners as Owners		-	-	(26,890)	(26,890)
<b>Balance as at 30 June 2013</b>		(9,543)	2,144	416,780	409,381

<sup>(1)</sup> 2012 comparatives have been reduced by \$8.740M due to an adjustment of the value of assets transferred to DAFF as part of the Machinery-of-Government (MoG) changes.

*The accompanying notes form part of these statements.*

**Statement of Cash Flows**  
for the year ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Departmental services receipts		273,051	49,875
User charges		68,530	12,793
Grants and other contributions		62,167	18,828
GST input tax credits received from Australian Taxation Office		9,136	4,424
GST collected from customers		12,361	2,410
Other inflows		29,059	6,377
<i>Outflows:</i>			
Employee expenses		(242,450)	(37,458)
Supplies and services		(146,098)	(27,316)
Grants and subsidies		(24,262)	(11,382)
GST paid to suppliers		(18,208)	(8,473)
GST remitted to Australian Taxation Office		(1,506)	-
Other		(8,355)	(597)
<b>Net cash provided by (used in) operating activities</b>	29	<b>13,425</b>	<b>9,481</b>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Sales of property, plant and equipment		18,864	714
Loans and advances redeemed		-	3
<i>Outflows:</i>			
Payments for property, plant and equipment		(17,448)	(4,972)
Payments for intangibles		-	(48)
<b>Net cash provided by (used in) investing activities</b>		<b>1,416</b>	<b>(4,303)</b>
<b>Cash flows from financing activities</b>			
<i>Inflows:</i>			
Receipt of monies held on behalf of third parties		-	-
Borrowings		-	-
Equity injections		-	-
<i>Outflows:</i>			
Equity withdrawals	2	(16,872)	(13,768)
Borrowing redemptions		-	-
<b>Net cash provided by (used in) financing activities</b>		<b>(16,872)</b>	<b>(13,768)</b>
Net increase/(decrease) in cash and cash equivalents		(2,031)	(8,590)
Cash and cash equivalents at beginning of financial year		(5,903)	-
Net cash and cash equivalents transferred under MoG change		-	2,687
<b>Cash and cash equivalents at end of financial year</b>	17	<b>(7,934)</b>	<b>(5,903)</b>

For non-cash financing and investing activities refer Note 30.

The accompanying notes form part of these statements.

**Statement of Comprehensive Income by Major Departmental Services<sup>(1)</sup>  
for the year ended 30 June 2013**

	Agriculture and Forestry #		Agri-Science Queensland #		Fisheries Queensland #	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Income from Continuing Operations <sup>(2)</sup></b>						
Departmental services revenue	49,420	10,373	102,298	15,277	33,923	5,323
User charges, fees and fines	2,728	567	7,327	1,164	8,723	1,547
Grants and other contributions	7,521	1,154	35,453	7,326	1,060	7,935
Royalties and other territorial revenue	23,291	4,594	3,764	811	-	-
Other revenue	1,159	1,151	2,492	908	179	50
<b>Total Revenue</b>	<b>84,119</b>	<b>17,839</b>	<b>151,334</b>	<b>25,486</b>	<b>43,885</b>	<b>14,855</b>
Gains	80	531	2,150	337	77	(9)
<b>Total Income from Continuing Operations</b>	<b>84,199</b>	<b>18,370</b>	<b>153,484</b>	<b>25,823</b>	<b>43,962</b>	<b>14,846</b>
<b>Expenses from Continuing Operations <sup>(2)</sup></b>						
Employee expenses	46,589	8,890	77,735	14,303	27,466	5,178
Supplies and services	24,693	3,741	49,264	8,492	13,870	2,012
Grants and subsidies	6,534	1,668	11,582	1,799	3,169	7,567
Depreciation and amortisation	2,552	388	12,205	2,230	1,411	312
Impairment losses	385	305	2,112	149	242	426
Revaluation decrements	-	118	-	-	-	-
Finance/borrowing costs	13	-	-	-	-	-
Other expenses	1,243	87	2,025	93	206	36
<b>Total Expenses from Continuing Operations</b>	<b>82,009</b>	<b>15,197</b>	<b>154,923</b>	<b>27,066</b>	<b>46,364</b>	<b>15,531</b>
<b>Operating Result for the year</b>	<b>2,190</b>	<b>3,173</b>	<b>(1,439)</b>	<b>(1,243)</b>	<b>(2,402)</b>	<b>(685)</b>
<b>Total Comprehensive Income</b>	<b>2,190</b>	<b>3,173</b>	<b>(1,439)</b>	<b>(1,243)</b>	<b>(2,402)</b>	<b>(685)</b>

**\* Allocation of income and expenses to corporate services (disclosure only):**

Income	13,111	2,014	27,077	3,774	8,331	1,272
Expenses	13,539	2,040	27,961	3,820	8,602	1,288

# Refer Note 1(ac)

<sup>(1)</sup> Refer to Note 1(ad) for a description of major departmental services.

<sup>(2)</sup> Corporate services income and expenses relating to DAFF through the Corporate Partnership arrangements have been allocated to respective departmental services.

<sup>(3)</sup> Income and expenses attributed to other agencies through Corporate Partnership activities are shown separately and not allocated across departmental services.

In addition to the corporate services provided to DAFF, the department also participates in a corporate partnership arrangement whereby some agencies 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 agency of each corporate service function receives the appropriation of funds and reports Full Time Equivalent positions in the respective agency. The model is multi-layered for different corporate services functions. That is, some functions are provided to 2 agencies, and some provided to 6 agencies with any combination in between.

As the host agency, DAFF provides defined services to the following agencies:

- Department of National Parks, Recreation, Sport and Racing (Information Management; Fleet Management; Telecommunications).
- Department of Natural Resources and Mines (Information Management; Fleet Management; Telecommunications; Finance Systems; Human Resources).
- Department of Energy and Water Supply (Information Management; Fleet Management; Telecommunications; Finance Systems; Human Resources).
- Department of Environment and Heritage Protection (Information Management; Fleet Management; Telecommunications).
- Department of Tourism, Major Events, Small Business and the Commonwealth Games (Finance; Human Resources; Corporate Communications; Governance Oversight; Planning and Performance Management; Information Management; Fleet Management; Telecommunications).

Corporate Services income and expenses attributable solely to DAFF are apportioned across the major departmental services while corporate services income and expenses attributable under the 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 agencies in the corporate partnership are disclosed in the relevant department's financial statements.

**Statement of Comprehensive Income by Major Departmental Services<sup>(1)</sup>  
for the year ended 30 June 2013**

	Biosecurity Queensland #		Corporate Partnership <sup>(3)</sup> #		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Income from Continuing Operations<sup>(2)</sup></b>						
Departmental services revenue	73,354	12,773	14,525	7,585	273,519	51,331
User charges, fees and fines	14,276	5,287	34,433	5,226	67,488	13,792
Grants and other contributions	19,183	1,082	-	-	63,215	17,498
Royalties and other territorial revenue	-	-	-	-	27,055	5,405
Other revenue	903	329	9	126	4,742	2,564
<b>Total Revenue</b>	<b>107,716</b>	<b>19,471</b>	<b>48,967</b>	<b>12,937</b>	<b>436,019</b>	<b>90,590</b>
Gains	16	7	-	3	2,323	867
<b>Total Income from Continuing Operations</b>	<b>107,732</b>	<b>19,478</b>	<b>48,967</b>	<b>12,940</b>	<b>438,343</b>	<b>91,457</b>
<b>Expenses from Continuing Operations<sup>(2)</sup></b>						
Employee expenses	67,197	12,595	22,317	2,515	241,304	43,479
Supplies and services	34,725	7,010	19,808	9,379	142,361	30,634
Grants and subsidies	2,976	348	-	-	24,262	11,382
Depreciation and amortisation	3,085	601	3,198	692	22,450	4,222
Impairment losses	2,521	308	1	339	5,260	1,527
Revaluation decrements	-	-	-	-	-	118
Finance/borrowing costs	-	-	-	-	13	-
Other expenses	8,287	86	66	118	11,826	422
<b>Total Expenses from Continuing Operations</b>	<b>118,791</b>	<b>20,948</b>	<b>45,390</b>	<b>13,043</b>	<b>447,476</b>	<b>91,784</b>
<b>Operating Result for the year</b>	<b>(11,059)</b>	<b>(1,470)</b>	<b>3,577</b>	<b>(103)</b>	<b>(9,133)</b>	<b>(327)</b>
<b>Total Comprehensive Income</b>	<b>(11,059)</b>	<b>(1,470)</b>	<b>3,577</b>	<b>(103)</b>	<b>(9,133)</b>	<b>(327)</b>

**\* Allocation of income and expenses to corporate services (disclosure only):**

Income	23,361	3,489	-	-	71,880	10,549
Expenses	24,123	3,532	-	-	74,225	10,680

# Refer Note 1(ac)

<sup>(1)</sup> Refer to Note 1(ad) for a description of major departmental services.

<sup>(2)</sup> Corporate services income and expenses relating to DAFF through the Corporate Partnership arrangements have been allocated to respective departmental services.

<sup>(3)</sup> Income and expenses attributed to other agencies through Corporate Partnership activities are shown separately and not allocated across departmental services.

In addition to the corporate services provided to DAFF, the department also participates in a corporate partnership arrangement whereby some agencies 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 agency of each corporate service function receives the appropriation of funds and reports Full Time Equivalent positions in the respective agency. The model is multi-layered for different corporate services functions. That is, some functions are provided to 2 agencies, and some provided to 6 agencies with any combination in between.

As the host agency, DAFF provides defined services to the following agencies:

- Department of National Parks, Recreation, Sport and Racing (Information Management; Fleet Management; Telecommunications).
- Department of Natural Resources and Mines (Information Management; Fleet Management; Telecommunications; Finance Systems; Human Resources).
- Department of Energy and Water Supply (Information Management; Fleet Management; Telecommunications; Finance Systems; Human Resources).
- Department of Environment and Heritage Protection (Information Management; Fleet Management; Telecommunications).
- Department of Tourism, Major Events, Small Business and the Commonwealth Games (Finance; Human Resources; Corporate Communications; Governance Oversight; Planning and Performance Management; Information Management; Fleet Management; Telecommunications).

Corporate Services income and expenses attributable solely to DAFF are apportioned across the major departmental services while corporate services income and expenses attributable under the 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 agencies in the corporate partnership are disclosed in the relevant department's financial statements.

**Statement of Assets and Liabilities by Major Departmental Services<sup>(1)</sup>**  
**as at 30 June 2013**

	Agriculture and Forestry	Agriculture and Forestry	Agri-Science Queensland	Agri-Science Queensland	Fisheries Queensland	Fisheries Queensland
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Current Assets</b>						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	6,433	26,478	30,737	15,087	(11,934)	14,079
Inventories	125	159	101	187	370	506
Other assets	-	3,000	907	780	4	37
	6,558	29,637	31,745	16,054	(11,560)	14,622
Non-current assets classified as held for sale	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>6,558</b>	<b>29,637</b>	<b>31,745</b>	<b>16,054</b>	<b>(11,560)</b>	<b>14,622</b>
<b>Non-Current Assets</b>						
Receivables	47	5,703	-	-	-	-
Intangible assets	-	894	-	-	945	1,181
Property, plant and equipment <sup>(3)</sup>	48,909	68,227	239,950	250,889	15,187	15,625
Other assets	-	-	14,134	13,803	-	1
<b>Total Non-Current Assets</b>	<b>48,956</b>	<b>74,824</b>	<b>254,084</b>	<b>264,692</b>	<b>16,132</b>	<b>16,807</b>
<b>Biological Assets</b>						
Biological assets	103	109	1,638	1,711	-	-
<b>Total Biological Assets</b>	<b>103</b>	<b>109</b>	<b>1,638</b>	<b>1,711</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>55,618</b>	<b>104,570</b>	<b>287,467</b>	<b>282,457</b>	<b>4,572</b>	<b>31,429</b>
<b>Current Liabilities</b>						
Payables	2,389	6,904	1,701	2,965	586	2,275
Accrued employee benefits	232	1,865	2,028	1,865	529	459
Other liabilities	1,893	3,383	18,056	18,214	1,970	2,032
<b>Total Current Liabilities</b>	<b>4,515</b>	<b>12,152</b>	<b>21,785</b>	<b>23,044</b>	<b>3,086</b>	<b>4,766</b>
<b>Non-Current Liabilities</b>						
Other liabilities	-	-	21,994	23,356	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>21,994</b>	<b>23,356</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>4,515</b>	<b>12,152</b>	<b>43,779</b>	<b>46,400</b>	<b>3,086</b>	<b>4,766</b>

<sup>(1)</sup> Refer to Note 1(ad) for a description of major departmental services.

<sup>(2)</sup> Corporate services assets and liabilities relating to the provision of services to DAFF and to other agencies through the Corporate Partnership arrangements have been included in Unallocated items.

<sup>(3)</sup> 2012 comparatives have been reduced by \$8.740M due to an adjustment of the value of assets transferred to DAFF as part of the Machinery-of-Government (MoG) changes.

**Statement of Assets and Liabilities by Major Departmental Services<sup>(1)</sup>**  
**as at 30 June 2013**

	Biosecurity Queensland	Biosecurity Queensland	Unallocated <sup>(2)</sup>	Unallocated <sup>(2)</sup>	Total	Total
	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current Assets</b>						
Cash and cash equivalents	-	-	(7,934)	(5,903)	(7,934)	(5,903)
Receivables	4,374	14,032	53,262	11,930	82,872	81,606
Inventories	505	1,363	-	-	1,101	2,215
Other assets	76	120	3,192	1,284	4,179	5,221
	4,955	15,515	48,520	7,311	80,218	83,139
Non current assets classified as held for sale	-	-	848	-	848	-
<b>Total Current Assets</b>	<b>4,955</b>	<b>15,515</b>	<b>49,368</b>	<b>7,311</b>	<b>81,066</b>	<b>83,139</b>
<b>Non-Current Assets</b>						
Receivables	-	-	-	-	47	5,703
Intangible assets	1,069	1,258	806	234	2,820	3,567
Property, plant and equipment <sup>(3)</sup>	52,776	64,898	21,202	24,232	378,024	423,871
Other assets	-	30	377	161	14,511	13,995
<b>Total Non-Current Assets</b>	<b>53,845</b>	<b>66,186</b>	<b>22,385</b>	<b>24,627</b>	<b>395,402</b>	<b>447,136</b>
<b>Biological Assets</b>						
Biological assets	226	303	-	-	1,967	2,123
<b>Total Biological Assets</b>	<b>226</b>	<b>303</b>	<b>-</b>	<b>-</b>	<b>1,967</b>	<b>2,123</b>
<b>Total Assets</b>	<b>59,026</b>	<b>82,004</b>	<b>71,753</b>	<b>31,938</b>	<b>478,435</b>	<b>532,398</b>
<b>Current Liabilities</b>						
Payables	2,760	2,516	10,047	12,989	17,484	27,649
Accrued employee benefits	1,144	1,477	1,021	1,493	4,955	7,159
Other liabilities	2,085	2,107	617	134	24,621	25,870
<b>Total Current Liabilities</b>	<b>5,989</b>	<b>6,100</b>	<b>11,685</b>	<b>14,616</b>	<b>47,060</b>	<b>60,678</b>
<b>Non-Current Liabilities</b>						
Other liabilities	-	-	-	-	21,994	23,356
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,994</b>	<b>23,356</b>
<b>Total Liabilities</b>	<b>5,989</b>	<b>6,100</b>	<b>11,685</b>	<b>14,616</b>	<b>69,054</b>	<b>84,034</b>

<sup>(1)</sup> Refer to Note 1(ad) for a description of major departmental services.

<sup>(2)</sup> Corporate services assets and liabilities relating to the provision of services to DAFF and to other agencies through the Corporate Partnership arrangements have been included in Unallocated items.

<sup>(3)</sup> 2012 comparatives have been reduced by \$8.740M due to an adjustment of the value of assets transferred to DAFF as part of the Machinery-of-Government (MoG) changes.



Note	Note Title
	Objectives and principal activities of the department
1	Summary of significant accounting policies
2	Reconciliation of payments from consolidated fund to departmental services revenue recognised in statement of comprehensive income
2	Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity
3	User charges, fees and fines
4	Grants and other contributions
5	Royalties and other territorial revenue
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## Objectives and Principal Activities of the Department

The Department of Agriculture, Fisheries and Forestry (DAFF) was created on 3 April 2012 as a result of Machinery-of-Government (MoG) changes.

DAFF's works to develop efficient, innovative, resilient and profitable agriculture, fisheries and forestry industries that thrive for the long-term. The department leads the Government's objective to double the value of Queensland's agriculture, fisheries and forestry production by 2040. The recently launched *Queensland's Agriculture Strategy* outlines the actions that will be taken in partnership with industry and other government agencies.

The department aligns its services objectives and investment with four priority pathways:

- resource availability - securing and increasing resource availability.
- productivity - driving productivity across the supply chain.
- markets - securing and increasing market access.
- production costs - minimising the costs of production.

The department will drive action across government and partner with industry and research bodies to make the most of available resources, promote innovation, attract investment and streamline regulations. This helps create the business conditions essential to economic growth.

DAFF actively manages risk factors that may impact on its strategic direction and services including:

- maintaining the confidence of co-investors and partners in our strategic direction.
- frequent high impact weather and biosecurity events that disrupt business continuity for both ourselves and our industries.
- increasing expectations for better access to integrated services that support agricultural economic development and improve outcomes for customers.

The department is funded for the departmental services it delivers principally by parliamentary appropriations. It also provides the following on a fee for service basis:

- Contract research;
- Sale of publications;
- Seminars, conferences and training courses; and
- Advisory and consultancy services.

## 1. Summary of significant accounting policies

### (a) Statement of Compliance

DAFF has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual and a going concern basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's (QTT) Minimum Reporting Requirements for the year ending 30 June 2013, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, DAFF has applied those requirements applicable to not-for-profit entities, as DAFF is a not-for-profit government department. Except where stated, the historical cost convention is used.

### (b) The Reporting Entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of the department.

The major departmental services undertaken by the department are disclosed in paragraph 1(ad).

### (c) Administered Transactions and Balances

The department administers, but does not control, certain resources on behalf of the Government. In doing so, it has responsibility and is accountable for administering related transactions and items, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Administered transactions are disclosed in Note 36. These transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

### (d) Trust Transactions and Balances

The department holds cash and bank guarantees on behalf of companies and individuals for forestry activities.

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 Note 37. Applicable audit arrangements also are shown.

### (e) Departmental Services Revenue/Administered Revenue

Appropriations provided under the *Appropriation Act 2012* are recognised as revenue when received or when departmental services receivable is recognised after approval from Queensland Treasury.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' item appropriations.

### (f) User Charges, Fees and Fines

User charges and fees controlled by the department are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the department where they can be deployed for the achievement of departmental objectives.

Fees and fines collected, but not controlled, by the department are reported as administered revenue. Refer Note 36.

### (g) Grants and Other Contributions - Revenue

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the department obtains control over them (control is generally obtained at the time of receipt). Where grants are received that are reciprocal in nature, revenue is progressively recognised as it is earned, according to the terms of the funding arrangements.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

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**(g) Grants and Other Contributions (cont'd) - Revenue**

Contributed assets are recognised at their fair value. The accounting treatment for contributions of services is explained in Note 1 (af).

**(h) Grants and Subsidies - Expenses**

A non reciprocal grant is a payment or contribution made to an organisation or person which is not to be repaid or reciprocated, but which must be spent by the recipient for a specific purpose. Accordingly, non reciprocated grant payments are expensed when payment is made. Where the grant payment is reciprocal in nature, an asset (prepayment) is recognised when payment is made. This prepayment is expensed as the grant recipient satisfies the performance obligation under the funding agreement.

A subsidy payment is a payment or contribution made to an organisation or person which is not repaid or reciprocated. Gifts and donations made are included in subsidy payments.

**(i) Special Payments**

Special payments include ex gratia expenditure and other expenditure that the department is not contractually or legally obliged to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the department maintains a register setting out details of all special payments greater than \$5,000. The total of all special payments (including those of \$5,000 or less) is disclosed separately within Other Expenses (Note 16). However, descriptions of the nature of special payments are only provided for special payments greater than \$5,000.

**(j) Cash and Cash Equivalents**

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions.

**(k) Receivables**

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 generally required within 14–30 days from invoice date, except trade debtors associated with research and development projects, where a 90 day term applies.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written-off as at 30 June. Increases in the allowance for impairment are based on loss events as disclosed in Note 34(c).

Other receivables generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. Terms are set based on the operations of the particular entities, no interest is charged and no security is obtained.

**(l) Inventories**

Inventories held for sale are valued at the lower of cost and net realisable value, except for sundry crops, saleable semen and saleable vaccine, which are valued at net realisable value.

Cost is assigned on the first-in-first-out method. These costs include expenditure incurred in acquiring the inventories and bringing them to their existing condition. The carrying amounts of inventories are disclosed in Note 19.

Net realisable value is determined on the basis of the department's normal selling pattern.

Expenses associated with marketing, selling and distribution are deducted to determine net realisable value. Inventories not held for sale can include materials and stores to be consumed in the operations of the department and items held for distribution for no or nominal consideration.

**(m) Biological Assets**

Under AASB 141 Agriculture such assets are defined as living animals and plants. They are distinguished from other assets by the fact that they have the natural capacity to grow and/or procreate. These include livestock, which are accounted for in the department's accounts. The department adopted net market value for the valuation of livestock. Net market value is the amount that could be expected to be received from the disposal of an asset in an active and liquid market, after deducting the costs expected to be incurred in realising the proceeds of such a disposal. Refer to Note 24.

The department also oversees the harvesting of log timber from certain State-owned native forests. Under the guidelines of *AASB 141 Agriculture* the department considers that it does not meet the criteria of managing an agricultural activity, which would have required the valuation of available log timber as biological assets. Consequently, the value of native forest products has not been recognised in the Statement of Financial Position. This assessment will be reviewed should circumstances change.

**(n) Non-current Assets Classified as 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.

These assets are measured at the lower of the assets' carrying amounts and their fair values less costs to sell. Such assets are no longer amortised or depreciated upon being classified as held for sale.

**(o) Assets Under Construction (Capital Works in Progress)**

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

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**(p) Acquisitions of Assets**

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Where assets are received free of charge from another Queensland department (whether as a result of a MoG change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at the date of acquisition in accordance with AASB 116 Property, Plant and Equipment.

**(q) Property, Plant and Equipment**

Items of property, plant and equipment, with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition.

Buildings	\$10,000
Infrastructure	\$10,000
Land	\$1
Capital Works in Progress	\$5,000
Plant and equipment	\$5,000
Other (including heritage and cultural)	\$5,000

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. Items comprising the department's technical library are expensed on acquisition.

The department also oversees the extraction of quarry materials from certain State-owned native forests. Under the guidelines of *AASB 116 Property, Plant and Equipment* the department considers that the quarries and all materials contained within them satisfy the definition of Land. However due to the impracticalities associated with valuing this land and quarry materials prior to extraction, the department has not recognised a value for quarry materials in the Statement of Financial Position. This assessment will be reviewed should circumstances change.

**(r) Revaluations of Non-Current Physical and Intangible Assets**

Land, buildings, infrastructure, major plant and equipment and heritage and cultural assets are measured at fair value in accordance with AASB 116 Property, Plant and Equipment and QTT's Non-Current Asset Policies for the Queensland Public Sector. In respect of these asset classes, the cost of items acquired during the financial year has been judged by the management of DAFF to materially represent their fair value at the end of the reporting period.

Where intangible assets have an active market, they are measured at fair value, otherwise they are measured at cost.

Plant and equipment, other than major plant and equipment, is measured at cost in accordance with QTT's Non-Current Asset Policies.

Non-current physical assets measured at fair value are revalued on an annual basis by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices. Revaluations based on an independent professional valuer or internal expert appraisals are undertaken at least once every five years. However, if a class of asset experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class of asset may have changed by 20% or more from one reporting period to the next), it is subject to such revaluations in the reporting period, where practicable, regardless of the timing of previous such method of revaluation.

Where indices are used in the revaluation process the department ensures that the application of such indices would result in a valid estimation of the asset's fair value at reporting date. State Valuation Service (SVS) supplied the indices and provided assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets and comparing results to similar assets that have been valued by an independent professional valuer or internal expert, and analysing the trend of changes in values over time. At year end, management assess the relevance and suitability of indices provided by SVS based on the department's own particular circumstances.

Any revaluation increment arising on the revaluation of an asset 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.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Materiality concepts under AASB 1031 are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

**(s) Intangibles**

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements, items with a lesser value being expensed. Each intangible asset, less any anticipated residual value is amortised over its estimated useful life to the department. The residual value is zero for all of the department's intangible assets.

It has been determined that there is not an 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.

**Purchased software**

The purchase cost of this software has been capitalised and is being amortised on a straight-line basis over the period of expected benefit to the department, namely five years.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**(s) Intangibles (cont'd)**

***Internally generated software***

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the department, namely 4 years.

**(t) Amortisation and Depreciation of Intangibles and Property, Plant and Equipment**

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

All intangible assets of the department have finite useful lives and are amortised on a straight-line basis.

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.

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 classes within property, plant and equipment.

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.

Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

Plant and equipment subject to a finance lease is amortised on a straight line basis over the term of the lease, or where it is likely that the department will obtain ownership of the asset, the expected useful life of the asset to the department.

For each class of depreciable asset, the following depreciation and amortisation rates are used:

<b>Asset class</b>	<b>Category</b>	<b>Rate %</b>
Buildings	Buildings and improvements	1.25–6.67%
	Access roads	1.25–4%
	Land improvements	1.25–6.67%
Infrastructure	Wild dog barrier fence	5%
Plant and equipment	Computer equipment	20–25%
	Motor vehicles	5–10%
	Boats and boating equipment	5–25%
	Heavy plant	5–20%
	Scientific equipment	5–12.5%
	Office equipment	5–20%
	Leasehold improvements	10%
	Plant and equipment	5–20%
Heritage and Cultural Assets	Artwork	0%
Intangible assets	Software purchased	25%
	Software internally generated	25%

**(u) Impairment of Non-Current Assets**

All non-current physical and intangible 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.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

In situations where an initial impairment loss is subsequently reversed, the carrying amount of the asset is adjusted to its estimated recoverable amount. However, this adjustment cannot exceed what would have been the carrying amount of the asset had no impairment loss been recognised in prior years. A reversal of an impairment loss is usually recognised as income, except if the asset has been revalued, in which case the adjustment is treated as a revaluation increase. Refer Note 1(r).

**(v) Leases**

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

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**(v) Leases (cont'd)**

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

**(w) Other Financial Assets**

All investments in unlisted equity securities that do not have a quoted price in an active market are carried at cost.

Dividend revenue is recognised when received.

Other financial assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired. Any impairment loss identified is recognised in the statement of comprehensive income.

**(x) Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 7, 14, or 30 day terms.

Administered creditors are due 30 business days from the date of invoice.

**(y) Financial Instruments**

**Recognition**

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.

**Classification**

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit and loss.
- Receivables – held at amortised cost.
- Payables – held at amortised cost.
- Shares in unlisted entities – held at cost.

The department does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the department holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the department are included in Note 34.

**(z) Employee Benefits**

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

**Wages, salaries and sick leave**

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

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.

**Annual leave**

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for departments, commercialised business units and shared service providers. Under this scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

No provision for annual 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*.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

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**(z) Employee benefits (cont'd)**

**Long service leave**

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the department to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

No provision for long service leave is recognised in the department's financial statements, the liability being 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*.

**Superannuation**

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The department's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. 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*.

**Key Management Personnel and Remuneration**

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by QTT. Refer to Note 9 for the disclosures on key executive management personnel and remuneration.

**(aa) Provisions**

Provisions are recorded when the department has a present obligation, either legal or constructive, as a result of a past event. They are recognised at the amount expected at the reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate. The amounts recognised as provisions in relation to the dismantling and removal of assets and the restoration of land on which the assets have been located, have been included in the cost of the assets.

**(ab) Financing/Borrowing costs**

Finance costs are recognised as an expense in the period in which they are incurred.

Finance costs include:

- Interest on bank overdrafts and short-term and long-term borrowings;
- Finance lease charges;
- Amortisation of discounts or premiums relating to borrowings; and
- Ancillary administration charges.

No borrowing costs are capitalised into qualifying assets.

**(ac) Allocation of Revenues and Expenses from Ordinary Activities to Corporate Services**

The department discloses revenues and expenses attributable to corporate services provided to DAFF through the Corporate Partnership arrangements in the Statement of Comprehensive Income by Major Departmental Services. The income and expenses of the department's corporate services are allocated to the department's services on the basis of employee full time equivalent numbers.

**(ad) Major Departmental Services of the Department**

DAFF has four service areas:

**Agriculture and Forestry**

The objective of this service area is to work with industry associations and all levels of government to provide operating conditions and services that enable businesses to develop the workforce, skills and practices needed to improve productivity; manage risks and build resilience; and maintain supplies of state-owned forest products and quarry materials to relevant industries.

**Agri-Science Queensland**

The objective of this service area is to undertake research, development and extension to lift the productivity of Queensland's agricultural businesses, with the aim of doubling the value of production by 2040.

**Biosecurity Queensland**

The objective of this service area is to lead the Government's efforts to prevent, respond to and recover from pests and diseases that threaten agriculture; maintain access to markets; protect animal welfare; and reduce the risk of contamination from agricultural chemicals.

**Fisheries Queensland**

The objective of this service area is to maximise the value of fisheries resources for all Queenslanders by managing these resources to ensure their sustainable use and equitable allocation. This is vital to facilitating the growth of profitable commercial fishing and aquaculture industries, maximising the recreational fishing experience and the economic and social benefits it delivers, respecting traditional and customary fishing, and protecting fish habitats.



**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

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**(ae) Insurance**

The department's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis. In addition, the department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

**(af) Services Received Free of Charge or for Nominal 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, an equal amount is recognised as revenue and an expense.

**(ag) Contributed Equity**

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities, as a result of Machinery-of-Government changes, are adjusted to Contributed Equity in accordance with Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities. Appropriations for equity adjustments are similarly designated.

**(ah) 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. GST credits receivable from, and GST payable to the Australian Taxation Office are recognised (refer to Note 18).

**(ai) Issuance of Financial Statements**

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

**(aj) Accounting Estimates and Judgements**

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statements notes:

- Impairment of Trade Receivables – Note 18.
- Valuation of Property, plant and equipment – Note 23.
- Contingencies – Note 32.

The Australian government passed its *Clean Energy Act* in November 2011 which resulted in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

In accordance with the current act, the flexible market-based price phase of the carbon pricing mechanism will commence on 1 July 2015 and will be preceded by a three-year period during which the price of permits will be fixed at \$23 per tonne of carbon dioxide equivalent in year one, \$24.15 in year two and \$25.40 in year three.

Section 4.3.4 of QTT's report on 'Carbon Price Impacts for Queensland' dated August 2011 indicates that, for non-residential construction activities, costs may increase by between 0.7 per cent and 0.8 per cent over the period 2012-13 to 2015-16.

On this basis and other information available, the introduction of the carbon pricing mechanism is not expected to have a significant impact on DAFF's critical accounting estimates, assumptions and management judgements.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

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**(ak) Rounding and Comparatives**

Amounts included in the financial statements are in Australian dollars and have been 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.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. The comparatives for last year (2012) relate to the period from 1 May to 30 June 2012.

As a result of restructuring of administrative arrangements (Public Service Departmental Arrangements Notice (No.3) 2012), DAFF was created on 3 April 2012 with financial effect from 1 May 2012.

Sub-totals and totals may not add due to rounding, but the overall discrepancy is no greater than two.

**(al) New and Revised Accounting Standards**

The department did not voluntarily change any of its accounting policies during 2012–13. Australian Accounting Standard changes applicable for the first time for 2012–13 have had minimal effect on DAFF's financial statements as explained below.

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] became effective from reporting periods beginning on or after 1 July 2012. The only impact for the department is that, in the Statement of Comprehensive Income, items within the 'Other Comprehensive Income' section are now presented in different sub-sections, according to whether or not they are subsequently classifiable to the operating result. Whether subsequent reclassification is possible depends on the requirements or criteria in the accounting standard/interpretation that relates to the item concerned.

The department is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from QTT. Consequently, the department has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The department applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below.

AASB 13 Fair Value Measurement applies from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of "fair value", as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the department's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.

DAFF has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes will be necessary. While the department is yet to complete this review, no substantial changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for the department's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside the department, the amount of information to be disclosed will be relatively greater.

A revised version of AASB 119 Employee Benefits applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively. Given the department's circumstances, the only implications for the department are that the revised standard clarifies the concept of 'termination benefits', and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for 'short-term employee benefits', they will be measured according to the AASB 119 requirements for 'short-term employee benefits'. Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for 'other long-term employee benefits'. Under the revised standard, the recognition and measurement of employer obligations for 'other long-term employee benefits' will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 includes changed criteria for accounting for employee benefits as 'short-term employee benefits'. However, as the department is a member of the Queensland Government central schemes for annual leave and long service leave, this change in criteria has no impact on the department's financial statements, as the employer liability is held by the central scheme. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. The department makes employer superannuation contributions only to the QSuper defined benefit plan, and the corresponding QSuper employer benefit obligation is held by the State. Therefore, those changes to AASB 119 will have no impact on the department.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

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**(a) New and Revised Accounting Standards (cont'd)**

AASB 1053 Application of Tiers of Australian Accounting Standards applies as from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two Tiers of reporting requirements – Australian Accounting Standards (commonly referred to as “Tier 1”), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as “Tier 2”). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

Details of which disclosures in standards and interpretations are not required under Tier 2 reporting are set out in amending standards AASB 2010-2, AASB 2011-2, AASB 2011-6, AASB 2011-11, AASB2012-1, AASB2012-7 and AASB 2012-11 (which also apply from reporting periods beginning on or after 1 July 2013). However, QTT's Financial Reporting Requirements effectively do not allow application of AASB 2011-6 in respect of controlled entities, associates or interests in jointly controlled entities.

Pursuant to AASB 1053, public sector entities like the department may adopt Tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the Tier 1 requirements. In the case of DAFF, QTT is the regulator. QTT has advised that its policy decision is to require adoption of Tier 1 reporting by all Queensland Government departments (including DAFF) and statutory bodies that are consolidated into the whole-of-government financial statements. Therefore, the release of AASB 1053 and associated amending standards will have no impact on the department.

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2014 –

- AASB 10 Consolidated Financial Statements ;
- AASB 11 Joint Arrangements ;
- AASB 12 Disclosure of Interests in Other Entities ;
- AASB 127 (revised) Separate Financial Statements ;
- AASB 128 (revised) Investments in Associates and Joint Ventures ; and
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] ;
- AASB 1055 Budgetary Reporting ;
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, 1038 and Interpretations 2, 5, 10, 12, 19 & 127] ;
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets.

The AASB is planning to amend AASB 10. Such amendments are expected to clarify how the IASB's principles about control of entities should be applied by not-for-profit entities in an Australian context. Hence, the department is not yet in a position to reliably determine the future implications of these new and revised standards for the department's financial statements.

AASB 10 redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into an entity's financial statements. Therefore, once the AASB finalises its not-for-profit amendments to AASB 10, the department will need to reassess the nature of its relationships with other entities, including entities that aren't currently consolidated.

AASB 11 deals with the concept of joint control, and sets out new principles for determining the type of joint arrangement that exists – which, in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. Subject to any not-for-profit amendments to be made to AASB 11, the department will need to assess the nature of any arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11. If a joint arrangement does exist, DAFF will need to follow the relevant accounting treatment specified in either AASB 11 or the revised AASB 128, depending on the nature of the joint arrangement.

AASB 1055 Budgetary Reporting applies from reporting periods beginning on or after 1 July 2014. From that date, based on what is currently published in the Queensland Government's Budgetary Service Delivery Statements, this means DAFF will need to include in these financial statements the original budgeted statements for the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and Statement of Cash Flows. These budgeted statements will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial statement.

In addition, based on what is currently published in the Queensland Government's Service Delivery Statements, the department will need to include in these financial statements the original budgeted information for major classes of administered income and expenses, and major classes of administered assets and liabilities. This budgeted information will need to be presented consistently with the corresponding (actuals) administered information, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial information.

AASB 9 Financial Instruments (December 2010) and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] become effective from reporting periods beginning on or after 1 January 2015. The main impacts of these standards on DAFF are that they will change the requirements for the classification, measurement and disclosures associated with the department's financial assets. Under the new requirements, financial assets will be simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**(a) New and Revised Accounting Standards (cont'd)**

DAFF has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the department's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the department enters into, it is not expected that any of the department's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2015-16 financial statements, all of the department's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classifications presently used in Notes 1 (y) and 34). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the department's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

The most significant impact of the new measurement requirements on the department is that the 'held to maturity' investment described in Notes 1(w), 1 (y), and 34 will need to be measured at fair value. In addition, that investment will no longer be classified as 'held to maturity'. DAFF is not yet able to reliably estimate what the fair value of this investment will be at the date of initial application of AASB 9. The difference between the carrying amount of this investment and its initial fair value will be recognised as an adjustment to the balance of Accumulated Surplus on initial application of AASB 9. AASB 9 allows an entity to make an irrevocable election at the date of initial recognition to present in 'other comprehensive income' subsequent changes in the fair value of such an asset. Queensland Treasury and Trade is currently considering mandating this accounting treatment when AASB 9 becomes effective.

The department will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2015-16. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2015-16 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that DAFF enters into, the most significant ongoing disclosure impacts are expected to relate to investments in equity instruments measured at fair value through other comprehensive income (e.g. the 'held to maturity' investment described in Note 1(w)) and derecognition of these.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets applies from reporting periods beginning on or after 1 January 2014. This standard will amend the disclosure requirements in AASB 136 by harmonising the disclosure requirements for fair value less costs of disposal and value in use when present value techniques are used to measure the recoverable amount of impaired assets.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to DAFF's activities, or have no material impact on the department.

	2013 \$'000	2012 \$'000
<b>2. Reconciliation of payments from consolidated fund to departmental services revenue recognised in statement of comprehensive income</b>		
Budgeted departmental services appropriation	287,774	-
Lapsed departmental services appropriation	(13,669)	-
Transfers from/(to) other departments - Redistribution of public business	-	34,976
Transfers from/(to) other headings - Variation in Headings	(1,054)	4,750
Unforeseen Expenditure	-	10,149
<b>Total Departmental Services Receipts</b>	<b>273,051</b>	<b>49,875</b>
Less: opening balance of departmental services receivable	(3,956)	-
Plus: opening balance of departmental services payable	2,500	-
Plus: closing balance of departmental services revenue receivable	1,924	3,956
Less: closing balance of departmental services revenue payable	-	(2,500)
<b>Departmental Services Revenue Recognised in Statement of Comprehensive Income</b>	<b>273,519</b>	<b>51,331</b>
<b>Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity</b>		
Budgeted equity adjustment appropriation	(12,325)	-
Lapsed equity adjustment appropriation	(4,547)	-
Transfers from/(to) other departments	-	(9,018)
Transfers from/(to) other headings	-	(4,750)
<b>Equity Adjustment Recognised in Contributed Equity</b>	<b>(16,872)</b>	<b>(13,768)</b>
<b>3. User Charges, Fees and Fines</b>		
Fee for service	55,220	11,038
Sale of goods	5,169	1,005
Fees and fines	7,099	1,749
<b>Total User Charges, Fees and Fines</b>	<b>67,488</b>	<b>13,792</b>

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

	<b>2013 \$'000</b>	<b>2012 \$'000</b>
<b>4. Grants and Other Contributions</b>		
Grants:		
Commonwealth	14,825	7,193
State	4,342	931
Contributions:		
Commonwealth	8,671	876
Industry	32,518	8,482
Goods and services received below fair value	2,859	16
<b>Total Grants and Other Contributions</b>	<b>63,215</b>	<b>17,498</b>
<b>5. Royalties and Other Territorial Revenue</b>		
Royalties and other territorial revenue	27,055	5,405
<b>Total Royalties and Other Territorial Revenue</b>	<b>27,055</b>	<b>5,405</b>
The department under the provisions of the <i>Forestry Act 1959</i> has issued sales permits regarding the supply of forest products (including native forest log timber and quarry material) from lands relevant to the <i>Forestry Act 1959</i> . The department recognises the revenue for forest products based on the returns provided by the permit holders.		
<b>6. Other Revenue</b>		
Interest income <sup>(1)</sup>	766	835
Property income	2,646	562
Sale of portable and attractive items	39	13
Bad Debts recovered	5	1
Sundry revenue	1,286	1,153
<b>Total Other Revenue</b>	<b>4,742</b>	<b>2,564</b>
<sup>(1)</sup> Interest income relates to interest on non-current receivables (Note 18).		
<b>7. Gains</b>		
Gain on sale of property, plant and equipment	2,289	346
Net increment in valuation of biological assets	34	521
<b>Total Gains</b>	<b>2,323</b>	<b>867</b>
<b>8. Employee Expenses</b>		
<b>Employee Benefits</b>		
Wages and salaries	162,747	31,839
Voluntary redundancy payments	25,472	822
Employer superannuation contributions <sup>(1)</sup>	21,540	4,115
Annual leave levy <sup>(1)</sup>	16,212	3,213
Long service leave levy <sup>(1)</sup>	3,765	739
Other employee benefits	551	329
<b>Employee Related Expenses</b>		
Workers compensation premium <sup>(2)</sup>	1,413	199
Payroll tax <sup>(2)</sup>	9,604	2,223
<b>Total Employee Expenses</b>	<b>241,304</b>	<b>43,479</b>

The number of employees at 30 June, including both full-time and part-time employees, measured on a full-time basis (reflecting Minimum Obligatory Human Resource Information (MOHRI) is:

	<b>2013</b>	<b>2012</b>
Number of employees <sup>(3)</sup>	2,138	2,643

<sup>(1)</sup> Refer to Note 1(z).

<sup>(2)</sup> Cost of workers' compensation insurance and payroll tax are a consequence of employing employees, but are not counted in employees' total remuneration package. They are not employee benefits, but rather employee related expenses.

<sup>(3)</sup> Corporate Partnership employee expenses aligned to DAFF and providing services to other departments are included in the above figure. The number of full time and part time employees measured on a full time equivalent basis providing services to other departments at balance date is set out below.

	<b>2013</b>
Number of employees <sup>(4)</sup> :	
Department of Agriculture, Fisheries and Forestry	1,922
Corporate Partnership Agreement (providing services to other departments)	216
<b>Total number of employees</b>	<b>2,138</b>

<sup>(4)</sup> Break up not available in 2012 as the Corporate Partnership arrangement was still being finalised.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**9. Key Management Personnel and Remuneration**

**a) Key Management Personnel**

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2012-13. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date appointed to position
Director-General	The Director General is responsible for the efficient, effective and economic administration of the agency overseeing Agri-Science, Biosecurity Queensland and Fisheries Queensland.	CEO3.5 / s92 <i>Public Service Act 2008</i>	03-Apr-12
Deputy Director-General, Corporate	The Deputy Director-General is responsible for the efficient, effective and economic administration of the Human Resource, ICT, Strategy, Performance, Business Services, Finance, Media, Communications and Corporate Partnership functions of the agency.	SES3.5 / s110 <i>Public Service Act 2008</i>	19-Jul-12 to 07-Apr-13
Deputy Director-General, Corporate	The Deputy Director-General is responsible for the efficient, effective and economic administration of the Human Resource, ICT, Strategy, Performance, Business Services, Finance, Media, Communications and Corporate Partnership functions of the agency.	SES3.5 / s110 <i>Public Service Act 2008</i>	22-May-13
Deputy Director-General, Agriculture, Fisheries and Forestry	The Deputy Director-General is responsible for the efficient, effective and economic administration of Queensland Agriculture, Food, Forestry and Regional services and functions of the agency.	SES4.2 / s110 <i>Public Service Act 2008</i>	04-Jun-12
Acting Deputy Director-General, Corporate Business Operations	The Acting Deputy Director-General is responsible for the efficient, effective and economic administration of the Human Resource, ICT, Strategy, Performance, Business Services, Finance, Media, Communications and Corporate Partnership functions of the agency.	SES4.1 / s112 <i>Public Service Act 2008</i>	14-May-12 to 18-Jul-12
Executive Director, Industry and Planning Services	The Executive Director is responsible for the efficient, effective and economic administration of the Regional Services functions and services of the agency.	SES3.2 / s110 <i>Public Service Act 2008</i>	17-Oct-11
Executive Director, Finance (Chief Finance Officer)	The Executive Director, Finance (Chief Finance Officer) is responsible for the efficient, effective and economic administration of financial operations and functions for the agency.	SES2.5 / s110 <i>Public Service Act 2008</i>	23-Apr-12
Managing Director, Biosecurity Queensland	The Managing Director is responsible for the efficient, effective and economic administration of Queensland's Biosecurity functions and responsibilities of the agency.	SES4.2 / s110 <i>Public Service Act 2008</i>	08-Oct-08 to 30-11-12
Acting Managing Director, Biosecurity Queensland	The A/Managing Director is responsible for the efficient, effective and economic administration of Queensland's Biosecurity functions and responsibilities of the agency.	SES4.1 / s112 <i>Public Service Act 2008</i>	12-10-2012
Managing Director, Agri-Science Queensland	The Managing Director is responsible for the efficient, effective and economic administration of Queensland's Agricultural Science services and functions of the agency.	SES3.3 / s110 <i>Public Service Act 2008</i>	31-Oct-11
Managing Director, Fisheries Queensland	The Managing Director is responsible for the efficient, effective and economic administration of Queensland Fisheries activities and responsibilities.	SES3.1 / s122 <i>Public Service Act 2008</i>	20-Jun-11 to 12-Feb-13
Managing Director, Fisheries Queensland	The Managing Director is responsible for the efficient, effective and economic administration of Queensland Fisheries activities and responsibilities.	SES3.2 / s122 <i>Public Service Act 2008</i>	13-Feb-13

**b) Remuneration**

Remuneration policy for the department's key management personnel is set by the Queensland Public Service Commission as provided for under the Public Service Act 2008. The remuneration and other terms of employment for the key management personnel are specified in employment contracts. The contracts provide for the provision of performance-related cash bonuses and other benefits including motor vehicles.

For the 2012-13 year, remuneration of key management personnel increased by 2.2% in accordance with Government policy.

Remuneration packages for key management personnel comprise the following components:-

- Short term employee benefits which include:
  - Base – consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
  - Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include long service leave accrued.
- Post employment benefits include superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**b) Remuneration (cont'd)**

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

**1 July 2012 – 30 June 2013**

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Director-General	323	31	7	40	-	401
Deputy Director-General, Corporate <sup>(1)</sup>	131	23	4	16	-	174
Deputy Director-General, Corporate <sup>(1)</sup>	24	1	1	2	-	28
Deputy Director-General, Agriculture, Fisheries and Forestry	196	28	4	25	-	253
Acting Deputy Director-General, Corporate Business Operations <sup>(1)</sup>	11	1	-	1	-	13
Executive Director, Industry and Planning Services	186	10	3	21	-	220
Executive Director, Finance (Chief Finance Officer) <sup>(1)</sup>	151	26	3	18	-	198
Managing Director, Biosecurity Queensland	83	17	-	10	153	263
Acting Managing Director, Biosecurity Queensland	130	23	3	14	-	170
Managing Director, Agri-Science Queensland	192	10	4	21	-	227
Managing Director, Fisheries Queensland to 12 February 2013	101	25	3	12	-	141
Managing Director, Fisheries Queensland from 13 February 2013	80	4	2	8	-	94
<b>Total</b>	<b>1,608</b>	<b>199</b>	<b>34</b>	<b>188</b>	<b>153</b>	<b>2,182</b>

**1 May 2012 – 30 June 2012**

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Director-General	56	7	1	7	-	71
Acting Deputy Director-General, Agriculture, Fisheries and Forestry	19	3	-	2	-	24
Deputy Director-General, Agriculture, Fisheries and Forestry	17	2	-	2	-	21
Managing Director, Biosecurity Queensland	33	7	1	4	-	45
Deputy Director-General, Corporate Business Operations	6	-	-	1	-	7
Acting Deputy Director-General, Corporate Business Operations <sup>(1)</sup>	30	1	1	3	-	35
Managing Director, Agri-Science Queensland	35	2	1	3	-	41
Executive Director, Regional Services	34	2	1	3	-	40
Managing Director, Fisheries Queensland	26	5	1	3	-	35
Executive Director, Finance (Chief Finance Officer) <sup>(1)</sup>	29	1	1	2	-	33
<b>Total</b>	<b>285</b>	<b>30</b>	<b>7</b>	<b>30</b>	<b>-</b>	<b>352</b>

<sup>(1)</sup> These positions are shared with the Department of Tourism, Major Events, Small Business and the Commonwealth Games and are fully funded by the Department of Agriculture, Fisheries and Forestry to 30 June 2013 as per the Corporate Partnership arrangement.



**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**c) Performance payments (cont'd)**

No performance bonuses were paid to key management personnel in the 2012-13 financial year.

The remuneration package for the Director-General includes a potential performance payout of up to a maximum of 15% of that position's total fixed remuneration, which equates to approximately \$60,860. Eligibility for such a performance payout is conditional on the achievement of objectives that are documented in that position's performance agreement.

Eligibility to a performance payment is determined based on:

- Analysis by the Public Service Commission (PSC) of relevant performance data;
- Consultation with the Under Treasurer and Director-General of the Department of the Premier and Cabinet;
- Recommendations from the PSC Chief Executive and Chair of the PSC Board; and
- The Premier's ultimate discretion regarding whether the incumbent will be paid a performance payment and, if so, how much.

As at the date of management certification of these financial statements, the eligibility to a performance payment for the Director-General had not yet been confirmed. With respect to the process to determine eligibility, recommendations are yet to be made by the Public Service Commission (PSC) Chief Executive and Chair of the OSC Board. The Premier's decision is expected to be made during September 2013. Therefore any performance payment approved by the Premier will be reported as an expense in the 2014 financial year.

	2013 \$'000	2012 \$'000
<b>10. Supplies and Services</b>		
Consultants and contractors	26,037	7,496
Operating lease rentals	28,891	4,762
Building Services	5,858	1,223
Repairs and Maintenance	7,495	2,263
Transport	6,217	1,746
Travel	4,142	1,189
Computer/information technology	18,626	2,977
Telecommunications and Electricity	6,894	872
Shared services provider fee	8,495	1,736
Materials	11,986	2,839
Portable and attractive items	722	571
Service delivery costs and service level agreement charges	9,556	2,102
Bank fees and charges	52	9
Other	7,390	849
<b>Total Supplies and Services</b>	<b>142,361</b>	<b>30,634</b>

**11. Grants and Subsidies**

Grants:		
Queensland and local government	6,494	125
Industry <sup>(1)</sup>	9,060	1,656
Universities <sup>(1)</sup>	7,994	1,122
Charities/community groups	468	1,353
Other	-	300
Subsidies <sup>(2)</sup>	128	6,826
Commonwealth	118	-
<b>Total Grants and Subsidies</b>	<b>24,262</b>	<b>11,382</b>

<sup>(1)</sup> These include payments to collaborating organisations for research and development projects.

<sup>(2)</sup> Total subsidies for 2013 related to drought assistance payments to individuals and businesses during the financial year. Total subsidies for 2012 of \$6.826 million included a return of funding of \$4.737 million to the Torres Strait Regional Authority.

**12. Depreciation and Amortisation**

Depreciation and amortisation were incurred in respect of:

Buildings and land improvements	6,373	1,026
Infrastructure	214	36
Plant and equipment	15,309	3,055
Software purchased	27	23
Software internally generated	527	82
<b>Total Depreciation and Amortisation</b>	<b>22,450</b>	<b>4,222</b>

Depreciation and amortisation expense increased due to the comparative information for last year (2012) relating only from the period 1 May 2012 to 30 June 2012.

**13. Impairment Losses**

Investment in financial assets	-	18
Buildings	3,328	257
Software	-	1,091
Plant and equipment	1,863	-
Impairment losses on trade receivables	69	161
<b>Total Impairment Losses</b>	<b>5,260</b>	<b>1,527</b>

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

	2013 \$'000	2012 \$'000
<b>14. Revaluation Decrement</b>		
Buildings <sup>(1)</sup>	-	118
<b>Total Revaluation Decrements</b>	<u>-</u>	<u>118</u>

<sup>(1)</sup> The decrement, not being a reversal of a previous revaluation increment in respect of the same class of assets, has been recognised as an expense in the Statement of Comprehensive Income.

**15. Finance/Borrowing Costs**

Interest	13	-
	<u>13</u>	<u>-</u>

**16. Other Expenses**

External audit fees <sup>(1)</sup>	189	103
Insurance premiums - Queensland Government Insurance Fund	749	86
Insurance premiums - general <sup>(2)</sup>	142	33
Loss on disposal of property, plant and equipment and intangibles	7,369	39
Loss on disposal of property, plant and equipment and intangibles - Capital WIP	2,512	-
Sponsorships	57	50
Special Payments	1	23
Donations and gifts <sup>(3)</sup>	114	2
License fees and permits	146	32
Other	547	54
<b>Total Other Expenses</b>	<u>11,826</u>	<u>422</u>

<sup>(1)</sup> Total external audit fees for the year ended 30 June 2013 is estimated at \$0.240 million, for the period (two months) ended 30 June 2012 it was estimated at \$0.120 million. There are no non-audit services included in this amount.

<sup>(2)</sup> The Under Treasurer's approval has been obtained for entering into insurance contracts.

<sup>(3)</sup> The Department donated \$100,000 to the Far North Queensland Bushfire Appeal this financial year.

**17. Cash and Cash Equivalents**

Cash at bank <sup>(1)</sup>	(7,983)	(5,959)
Imprest accounts	49	56
<b>Total Cash and Cash Equivalents</b>	<u>(7,934)</u>	<u>(5,903)</u>

<sup>(1)</sup> In 2013 and 2012, Cash at bank was overdrawn due to transitional banking arrangements relating to 2012 MoG changes occurring through the department's bank account. Interim banking overdraft arrangements were initially put in place for the multiple departments operating out of the DAFF bank account for the period 1 May 2012 to 30 June 2013. On 27 September 2012, the Acting Under Treasurer approved an ongoing overdraft facility for DAFF on the bank account of \$110 million. There is no overdraft interest charged on this facility.

Departmental bank accounts are grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation and do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

**18. Receivables**

**Current**

Trade debtors <sup>(1)</sup>	53,763	45,364
Less: allowance for impairment loss	(327)	(301)
	53,436	45,063
Loans and advances receivable <sup>(2)</sup>	14,551	15,925
GST input tax credits receivable	3,368	3,398
GST payable	(1,837)	(974)
	1,531	2,424
Departmental services revenue receivable	1,924	3,956
Annual leave levy reimbursements	4,226	5,011
Long service leave levy reimbursements	2,611	2,893
Finance lease debtors	103	12
Other	4,490	6,322
<b>Total Current Receivables</b>	<u>82,872</u>	<u>81,606</u>

**Non-Current**

Loans and advances receivable <sup>(2)</sup>	-	5,567
Finance lease debtors	47	136
<b>Total Non-Current Receivables</b>	<u>47</u>	<u>5,703</u>

<sup>(1)</sup> This includes amounts owing from other Government departments due to MoG changes.

<sup>(2)</sup> These amounts represent outstanding settlements from the sale of land.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

	2013 \$'000	2012 \$'000
<b>19. Inventories</b>		
Inventory held for sale:		
Finished goods	314	581
Inventory not held for sale:		
Raw materials and stores	787	1,634
<b>Total Inventories</b>	<b>1,101</b>	<b>2,215</b>
<b>20. Other Assets</b>		
<b>Current</b>		
Prepayments	4,179	5,221
<b>Total Other Current Assets</b>	<b>4,179</b>	<b>5,221</b>
<b>Non-Current</b>		
Prepayments	14,511	13,995
<b>Total Other Non-Current Assets</b>	<b>14,511</b>	<b>13,995</b>
<b>21. Non-Current Assets Classified as Held for Sale</b>		
Land	848	-
<b>Total Non-Current Assets Classified as Held for Sale</b>	<b>848</b>	<b>-</b>
This land is currently under contract for sale		
<b>22. Intangible Assets</b>		
<b>Software Purchased</b>		
At Cost	777	970
Less: Accumulated amortisation	(763)	(859)
<b>Total Software Purchased</b>	<b>14</b>	<b>111</b>
<b>Software Internally Generated</b>		
At cost	7,204	9,783
Less: Accumulated amortisation	(4,398)	(6,327)
<b>Total Software Internally Generated</b>	<b>2,806</b>	<b>3,456</b>
<b>Software Work in Progress</b>		
At cost	-	-
<b>Total Software Work in Progress</b>	<b>-</b>	<b>-</b>
<b>Total Intangible Assets</b>	<b>2,820</b>	<b>3,567</b>
<b>Intangibles Reconciliation</b>		

	Software Purchased \$'000	Software Internally Generated \$'000	Work in Progress \$'000	Total \$'000
Carrying amount at 1 May 2012	-	-	-	-
Acquisitions through restructuring	134	3,538	1,043	4,715
Acquisitions	-	-	48	48
Impairment losses recognised in statement of comprehensive income	-	-	(1,091)	(1,091)
Amortisation	(23)	(82)	-	(105)
<b>Carrying amount at 30 June 2012</b>	<b>111</b>	<b>3,456</b>	<b>-</b>	<b>3,567</b>

	Software Purchased \$'000	Software Internally Generated \$'000	Work in Progress \$'000	Total \$'000
Carrying amount at 1 July 2012	111	3,456	-	3,567
Disposals	(69)	-	-	(69)
Disposals through restructuring	-	(123)	-	(123)
Amortisation	(28)	(527)	-	(555)
<b>Carrying amount at 30 June 2013</b>	<b>14</b>	<b>2,806</b>	<b>-</b>	<b>2,820</b>

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

	2013 \$'000	2012 \$'000
<b>23. Property, plant and equipment</b>		
<b>Non-Current</b>		
<b>Land</b>		
At fair value <sup>(1)</sup>	118,971	143,079
<b>Total Land</b>	<u>118,971</u>	<u>143,079</u>
<b>Buildings</b>		
At fair value	235,914	280,973
Less: accumulated depreciation	(117,289)	(144,773)
Less: accumulated impairment losses	(4,911)	(11,324)
<b>Total Buildings</b>	<u>113,714</u>	<u>124,876</u>
<b>Infrastructure</b>		
At fair value	34,404	33,783
Less: accumulated depreciation	(19,942)	(19,729)
<b>Total Infrastructure</b>	<u>14,462</u>	<u>14,054</u>
<b>Plant and Equipment</b>		
At cost	217,228	224,358
Less: accumulated depreciation	(89,637)	(87,633)
Less: accumulated impairment	(1,863)	-
<b>Total Plant and Equipment</b>	<u>125,728</u>	<u>136,725</u>
<b>Capital Work in Progress</b>		
At cost	4,999	5,137
<b>Total Capital Work in Progress</b>	<u>4,999</u>	<u>5,137</u>
<b>Heritage and Cultural Assets</b>		
At fair value	150	-
<b>Total Heritage and Cultural Assets</b>	<u>150</u>	<u>-</u>
<b>Total Property, Plant and Equipment</b>	<u>378,024</u>	<u>423,871</u>

<sup>(1)</sup> 2012 comparatives have been reduced by \$8.740M due to an adjustment of the value of assets transferred to DAFF as part of the Machinery-of-Government (MoG) changes.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**23. Property, plant and equipment (cont'd)**

**Property, Plant and Equipment Reconciliation**

	Land	Buildings	Infrastructure	Plant and Equipment	Capital Works in Progress	Heritage and Cultural	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 May 2012	-	-	-	-	-	-	-
Acquisitions through restructuring	140,033	125,280	14,090	134,339	7,411	-	421,153
Acquisitions	-	(10)	-	2,550	2,432	-	4,972
Disposals	(279)	(128)	-	(239)	-	-	(646)
Transfers between classes	441	1,135	-	3,130	(4,706)	-	-
Revaluation increments	2,884	-	-	-	-	-	2,884
Revaluation decrements	-	(118)	-	-	-	-	(118)
Impairment losses recognised in operating surplus/deficit	-	(257)	-	-	-	-	(257)
Depreciation	-	(1,026)	(36)	(3,055)	-	-	(4,117)
<b>Carrying amount at 30 June 2012</b>	<b>143,079</b>	<b>124,876</b>	<b>14,054</b>	<b>136,725</b>	<b>5,137</b>	<b>-</b>	<b>423,871</b>

	Land	Buildings	Infrastructure	Plant and Equipment	Capital Works in Progress	Heritage and Cultural	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2012	143,079	124,876	14,054	136,725	5,137	-	423,871
Acquisitions through restructuring	-	-	-	245	-	-	245
Acquisitions	-	8	-	11,083	7,827	-	18,918
Disposals	(17,574)	(5,078)	-	(1,385)	(2,356)	-	(26,393)
Disposals through restructuring	(5,164)	-	-	(4,777)	(4)	-	(9,945)
Transfers between classes	218	3,607	621	1,009	(5,605)	150	-
Transferred to Held for Sale	(848)	-	-	-	-	-	(848)
Impairment losses recognised in operating surplus/deficit	-	(3,327)	-	(1,863)	-	-	(5,190)
Revaluation decrements	(740)	-	-	-	-	-	(740)
Depreciation	-	(6,373)	(213)	(15,309)	-	-	(21,895)
<b>Carrying amount at 30 June 2013</b>	<b>118,971</b>	<b>113,714</b>	<b>14,462</b>	<b>125,728</b>	<b>4,999</b>	<b>150</b>	<b>378,024</b>

**Property, plant and equipment**

At cost	222,227	229,495
At fair value	389,439	457,835
Less: accumulated depreciation	(226,868)	(252,135)
Less: accumulated impairment losses	(6,774)	(11,324)
<b>Total non-current property, plant and equipment</b>	<b>378,024</b>	<b>423,871</b>

**Fully impaired/depreciated assets still in use**

Buildings <sup>(1)</sup>	16,801	41,856
Plant and equipment <sup>(2)</sup>	26,954	32,131
Software internally generated	-	1,096
<b>Total significant asset classes of fully depreciated assets</b>	<b>43,755</b>	<b>75,083</b>

<sup>(1)</sup> The buildings with an original cost of \$16.801 million (2012: \$41.856 million), included is \$4.697 million (2012: \$11.057 million) of impairment.

<sup>(2)</sup> The department has plant and equipment with a gross cost of \$26.954 million (2012: \$32.131 million), fully depreciated with no residual value.

<sup>(3)</sup> 2012 comparatives have been restated by \$8.740M due to an adjustment of the value of assets transferred to DAFF as part of the Machinery of Government (MoG) changes.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

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**23. Property, plant and equipment (cont'd)**

**Fully impaired/depreciated assets not in use**

The department has buildings with an original cost of \$11.419 million (2012: \$21.923 million), which are not presently being used in the provision of services, that are fully depreciated.

The department has included a number of assets in the accounts, which are classified as restricted assets. These are assets, the uses of which are wholly or partly restricted by legislation or other externally imposed requirements. The total value of restricted assets for 30 June 2013 is \$0.770 million (2012: \$0.995 million).

**Valuation methodology**

Land, infrastructure and buildings and improvements, are measured at fair value in accordance with AASB 116 Property, Plant and Equipment and QTT's Non-Current Asset Accounting Policies for the Queensland Public Sector. In respect of these asset classes, the cost of items during the financial year has been determined by management to materially represent their fair value at the end of the reporting period.

Where intangible assets have an active market, they are measured at fair value, otherwise they are valued at cost. The department has no intangible assets that have been identified as having an active market.

Plant and equipment is measured at cost in accordance with QTT's Non-Current Asset Accounting Policies.

The department's asset register comprises assets transferred from the Department of Transport and Main Roads (TMR) as well as the former Department of Employment, Economic Development and Innovation (DEEDI) and the former Department of Environment and Resource Management (DERM) which were transferred to DAFF as part of the 2012 MoG changes. Land, buildings, improvements, and infrastructure transferred from TMR and the former DEEDI were comprehensively revalued as at 30 June 2011 by AssetVal Pty Ltd. Assets transferred to the department from DERM were included in a comprehensive annual revaluation program performed on a rolling annual basis by the State Valuation Services (SVS).

Fair value is determined to be the depreciated replacement cost when there is not an active or liquid market for assets controlled by the department. Fair value for land is determined by establishing its market value by reference to observable prices in an active market or recent market transactions. The fair value for non-residential buildings is determined by calculating the depreciated replacement cost of the asset. The fair value of residences is determined by establishing their market value or alternatively where there is no active and liquid market, fair value is the depreciated replacement cost. For infrastructure the basis of valuation is depreciated current replacement cost.

Non-current physical assets measured at fair value are revalued on an annual basis by appraisals undertaken by an independent professional valuer, or by the use of appropriate and relevant indices. The indices are provided by QTT. Revaluations based on independent professional valuer appraisals are undertaken at least once every five years. However, if a class of assets experiences significant and volatile changes, it is subject to such revaluations in the reporting period, where practicable, regardless of the timing of previous such method of revaluation.

Where indices are used in the revaluation process, the department ensures that the application of such indices would result in a valid estimation of the department's asset's fair value at reporting date. SVS supplied the indices for land assets and provided assurance of their robustness, validity and appropriateness for application to the relevant land assets. The indices referred to for buildings and improvements assets was Queensland Treasury's *Asset revaluation index: Non-residential construction, Queensland, March qtr 1998 to March qtr 2013*, and the indices referred to for infrastructure was the *Asset revaluation index: Engineering construction, Queensland, March qtr 1998 to March qtr 2013*.

Land was indexed in accordance with indices provided by the State Valuation Services (SVS) of the Department of Natural Resources and Mines, which provides an individual factor change per property derived from the review of market transactions. Buildings and improvements and infrastructure were not indexed at 30 June 2013. In accordance with materiality guidelines provided in Queensland Treasury and Trades policies, the index was less than 5% and not material. The department has scheduled a comprehensive revaluation of its land, infrastructure, buildings and improvements, which will occur in the 2015-16 financial year.

Any revaluation increment arising on the revaluation of an asset 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.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change of the estimate of remaining useful life.

Asset classes have been tested for indicators of impairment, based on materiality. Adjustments to the value of assets have been made where appropriate. Materiality concepts under AASB 1031 are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Notes to and forming part of the financial statements  
for the year ended 30 June 2013

			2013 \$'000	2012 \$'000
<b>24. Biological assets</b>				
<b>Livestock</b>				
Opening Carrying Amount			2,123	-
Acquisitions through MoG change			-	2,050
Increase from purchases/acquisitions			386	57
Decrease from disposals/sales			(576)	(504)
Gain/(loss) from changes in fair value			34	520
<b>Closing Carrying Amount</b>			<b>1,967</b>	<b>2,123</b>
<b>24. Indicative Physical Quantities of Biological Assets and Net Valuation Increment Recognised as Revenue</b>				
	Number 2013	Number 2012	Net change in NMV 2013 \$'000	2012 \$'000
Livestock	4,941	4,321	34	520
<b>Total Indicative Physical Quantities of Biological Assets and Net Change in Net Market Value</b>	<b>4,941</b>	<b>4,321</b>	<b>34</b>	<b>520</b>
<b>25. Payables</b>			2013 \$'000	2012 \$'000
<b>Current</b>				
Trade creditors			12,368	12,046
Taxes, fees and fines payable			851	877
Accrued expenses			4,265	8,716
Other			-	6,010
<b>Total Current Payables</b>			<b>17,484</b>	<b>27,649</b>
<b>26. Accrued Employee Benefits</b>				
<b>Current</b>				
Salaries and wages outstanding			45	176
Employer superannuation contribution payable			6	21
Annual leave levy payable			3,970	5,759
Long service leave levy payable			934	1,203
<b>Total Current Accrued Employee Benefits</b>			<b>4,955</b>	<b>7,159</b>
<b>27. Other Liabilities</b>				
<b>Current</b>				
Unearned revenue			24,328	25,799
Other liabilities			293	71
<b>Total Current Other Liabilities</b>			<b>24,621</b>	<b>25,870</b>
<b>Non-Current</b>				
Unearned revenue			21,994	23,356
<b>Total Non-Current Other Liabilities</b>			<b>21,994</b>	<b>23,356</b>
<b>28. Asset Revaluation Surplus</b>				
<b>Land</b>				
Opening Balance			2,884	-
Revaluation increments			-	2,884
Revaluation decrements			(740)	-
<b>Closing Balance</b>			<b>2,144</b>	<b>2,884</b>



**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

<b>29. Reconciliation of Operating Deficit to Net Cash from Operating Activities</b>	<b>2013 \$'000</b>	<b>2012 \$'000</b>
Operating surplus/(deficit)	(9,133)	(327)
<b>Non-cash items:</b>		
Depreciation and amortisation expense	22,450	4,222
Biological assets unrealised (revenue)/expense	(34)	(521)
Loss on sale or disposal of property, plant and equipment and intangibles	9,881	39
Impairment losses	5,260	1,348
Gains on sale or disposal of property, plant and equipment	(2,289)	(346)
Asset revaluation decrements	-	118
Assets received below fair value	(2,859)	-
Notional interest on loans receivable	(761)	(831)
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in receivables	1,439	16,247
(Increase)/decrease in departmental services revenue receivable	2,032	(3,956)
(Increase)/decrease in inventories	1,114	(563)
(Increase)/decrease in other assets	(704)	(2,774)
(Increase)/decrease in biological assets	227	448
Increase/(decrease) in payables	(10,165)	7,122
Increase/(decrease) in accrued employee benefits	(2,205)	(153)
Increase/(decrease) in other liabilities	(2,613)	(8,952)
(Increase)/decrease in GST input tax credits receivable	21,497	(3,366)
Increase/(decrease) in GST payable	(19,714)	1,726
<b>Net cash from operating activities</b>	<b>13,425</b>	<b>9,481</b>

**30. Non-Cash Financing and Investing Activities**

Assets and liabilities received or donated/transferred by the department and recognised as revenues and expenses, are set out in Notes 4 and 16 respectively.

**31. Commitments for Expenditure**

**(a) Non-Cancellable Operating Leases**

Commitments under operating leases at the reporting date are inclusive of anticipated GST and are payable as follows:

	<b>2013 \$'000</b>	<b>2012 \$'000</b>
• Not later than 1 year	43,717	13,484
• Later than 1 year and not later than 5 years	57,799	2,901
• Later than 5 years	75,433	292
<b>Total non-cancellable operating lease commitments</b>	<b>176,949</b>	<b>16,677</b>

The department has non-cancellable operating leases predominately relating to land, building, laboratories, office accommodation, storage facilities and motor vehicles. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined. No renewal or purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing activities.

**(b) Capital Expenditure Commitments**

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at the reporting date but not recognised in the accounts are payable as follows:

Buildings	27	-
Plant and equipment	627	748
Intangibles	55	-
Other	237	960
	<b>946</b>	<b>1,708</b>
• Not later than 1 year	918	1,708
• Later than 1 year and not later than 5 years	28	-
• Later than 5 years	-	-
<b>Total capital expenditure commitments</b>	<b>946</b>	<b>1,708</b>

**(c) Grants and Subsidies Commitments <sup>(1)</sup>**

Grants and subsidies commitments inclusive of anticipated GST, committed to be provided at the reporting date, but not recognised in the accounts are payable as follows:

Payable:		
• Not later than 1 year	19,421	16,963
• Later than 1 year and not later than 5 years	33,874	48,254
• Later than 5 years	-	-
<b>Total grants and subsidies expenditure commitments</b>	<b>53,295</b>	<b>65,217</b>

<sup>(1)</sup> The Grant and subsidy commitments for the 2012 year have been increased by an additional \$64.028 million. This was due to a number of recurrent grants not being recognised as commitments in the 30 June 2012 Financial Statements.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**31. Commitments for Expenditure (cont'd)**

**(d) Other Expenditure Commitments**

Other expenditure commitments inclusive of anticipated GST, committed to provide at reporting date but not recognised in the accounts are payable as follows:

Payable:

• Not later than one year	2,913	10,061
• Later than one year and not later than five years	12,586	10,167
• Later than five years	6,893	2,849

**Total other expenditure commitments**

<b>22,392</b>	<b>23,077</b>
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**32. Contingencies**

**(a) Litigation in progress**

As at 30 June 2013 four claims (2012: two claims) against the department were filed in the Supreme Court. The department also had another three additional claims (one District Court, one Queensland Industrial Relations Commission and one matter with proceedings yet to be determined) outstanding as at the 30th June 2013.

At reporting date it is not possible to make an estimate of any probable outcome of these claims, or of any financial effect.

Depending on the outcome of the litigation process, indemnity for the department may be sought in respect of some of the above matters through the Queensland Government Insurance Fund.

**(b) Contaminated land sites**

On 30 June 2010, the Queensland Government sold the rights to manage and harvest Queensland's timber plantations to a private company - Forestry Plantations Queensland Pty Ltd (FPQ), now known as HQ Plantations Pty Ltd (HQP). The plantations are located on State Forest land and are managed through a 99-year licence issued under the *Forestry Act 1959*. The government administers the Plantation Licence and various Deeds of Agreement, including a Land Contamination Indemnity Deed. The assets are a part of the Administered Statements.

Under the Land Contamination Indemnity Deed, the State and the former FPQ agreed to jointly assess all plantation land to determine contamination issues. The process was undertaken during the 2010-12 financial years. For sites assessed as contamination risks, an appropriate landcare strategy is being developed. Any costs associated with remediation to contamination attributable to the period up to 30 June 2010 will be borne by the State and any costs associated with remediation of contamination attributable post 30 June 2010 will be borne by HQP. The amount and attribution of these costs, if any, of related liability will not be quantifiable until the site assessment has been completed.

The State has also provided an indemnity to HQP for costs incurred in defending third party claims for personal injury or death arising from contaminated land or the fuel depots in the licenced area for a period of 5 years from 1 July 2010, with payments capped to a range of \$1million to a maximum of \$5 million.

**(c) Long-Term Sales Permits**

The department, under the provisions of the *Forestry Act 1959* has issued the following long-term sales permits to various sawmilling business regarding the supply of log timber from State-owned native forests.

- 15 sales permits, which expire 31 December 2024, for the supply of native forest hardwood sawlogs from State-owned native forests in south-east Queensland;
- 2 sales permits, which expire 31 December 2025, for the supply of native forest hardwood sawlogs from State-owned native forests in western Queensland; and
- 14 sales permits, which expire 31 December 2037, for the supply of native forest cypress sawlogs from State-owned native forests in southern Queensland.

These sales permits provide for the payment of compensation by the department to the holder to the extent that the specified quantity of log timber is not harvested from the particular State-owned forests. At this stage the department does not foresee the need to pay compensation in relation to any of these long-term sales permits.

**(d) Bribie Island Research Centre (BIRC) Lease**

The department has provided the Commonwealth Scientific and Industrial Research Organisation (CSIRO) access to the BIRC site as consideration for CSIRO funding the construction of aquaculture facilities on land owned by the department. Currently an agreement is being finalised that allows for the co-location of DAFF and CSIRO on the site, which will satisfy the definition of being a finance lease per *AASB 117: Leases*. Once agreement has been reached, DAFF will be required to recognise a finance lease receivable and associated finance lease payable for the construction of the facility as well as any applicable amortisation.

**33. Events Occurring after Balance Date**

At the date of signing, there were no events subsequent to balance date, which would have a material effect on the information provided in the department's controlled or administered financial statements.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**34. Financial Instruments**

The department has the following categories of financial assets and financial liabilities:

**(a) Categorisation of Financial Instruments**

	Note	2013 \$'000	2012 \$'000
<b>Category</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	17	(7,934)	(5,903)
Receivables	18	82,919	87,309
<b>Total Financial Assets</b>		<b>74,985</b>	<b>81,406</b>
<b>Financial Liabilities</b>			
Payables	25	17,484	27,649
<b>Total Financial Liabilities</b>		<b>17,484</b>	<b>27,649</b>

**(b) Financial Risk Management**

The department's activities expose it to a variety of financial risks – credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Queensland Government and departmental policy. 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 by the Finance and Asset Management Division under policies approved by the department. The department provides written principles for overall risk management, as well as policies covering specific areas. The department measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

**(c) Credit Risk Exposure**

Credit risk exposure refers to the situation where 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 provisions for impairment.

The following table represents the department's maximum exposure to credit risk based on contractual amounts net of any allowances:

	Note	2013 \$'000	2012 \$'000
<b>Maximum Exposure to Credit Risk</b>			
<b>Category</b>			
<b>Financial Assets</b>			
Receivables	18	82,919	87,309
<b>Total Financial Assets</b>		<b>82,919</b>	<b>87,309</b>

**Financial Assets**

No collateral is held as security and no credit enhancements relate to financial assets held by the department.

The department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

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

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the department, according to the due date (normally terms of 30 days). Economic changes impacting the department's debtors, and relevant industry date, also form part of the department's documented risk analysis.

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If DAFF determines that an amount owing by such a debtor does become uncollectible (after appropriate range of debtor recovery actions), that amount is recognised as a Bad Debt expense and written-off directly against Receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a Bad Debt expense and written off directly against Receivables.

No financial assets have had their terms renegotiated to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**34. Financial Instruments (cont'd)**

**(c) Credit Risk Exposure**

Ageing of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

**2013 Financial Assets Past Due But Not Impaired**

	Overdue			Total overdue
	Less than 30 days \$'000	30 - 60 days \$'000	More than 60 days \$'000	
Receivables	27,906	(398)	10,393	37,901
<b>Total</b>	<b>27,906</b>	<b>(398)</b>	<b>10,393</b>	<b>37,901</b>

**2012 Financial Assets Past Due But Not Impaired**

	Overdue			Total overdue
	Less than 30 days \$'000	30 - 60 days \$'000	More than 60 days \$'000	
Receivables	1,910	8,865	3,941	14,716
<b>Total</b>	<b>1,910</b>	<b>8,865</b>	<b>3,941</b>	<b>14,716</b>

**2013 Individually Impaired Financial Assets**

	Overdue			Total overdue
	Less than 30 days \$'000	30 - 60 days \$'000	More than 60 days \$'000	
Receivables	-	-	296	296
Allowance for impairment	-	-	(296)	(296)
<b>Carrying Amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**2012 Individually Impaired Financial Assets**

	Overdue			Total overdue
	30 days \$'000	30 - 60 days \$'000	60 days \$'000	
Receivables	-	-	301	301
Allowance for impairment	-	-	(301)	(301)
<b>Carrying Amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Movements in Allowance for Impairment**

Opening Balance	(301)	-
Provision transferred in through MoG change	-	(201)
(Increase)/decrease in allowance recognised in profit or loss	5	(100)
<b>Closing Balance</b>	<b>(296)</b>	<b>(301)</b>

**(d) Liquidity Risk**

Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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.

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. Apart from payables, which are disclosed at their carrying amounts, 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.

	Note	2013 payable in			
		< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	Total \$'000
Payables	25	17,484	-	-	17,484
<b>Total</b>		<b>17,484</b>	<b>-</b>	<b>-</b>	<b>17,484</b>

	Note	2012 payable in			
		< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	Total \$'000
Payables	25	27,649	-	-	27,649
<b>Total</b>		<b>27,649</b>	<b>-</b>	<b>-</b>	<b>27,649</b>

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**34. Financial Instruments (cont'd)**

**(e) Market Risk**

The department does not undertake any hedging in relation to interest risk and manages its risk as per the department's liquidity risk management strategy articulated in the department's Financial Management Practice Manual.

**(f) Interest Rate Sensitivity Analysis**

Financial Assets Departmental funds are not held in interest bearing accounts so the department is not exposed to interest rate risk. The department does not have any borrowings.

**(g) Fair Value**

DAFF does not recognise any financial assets or financial liabilities at fair value. The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

**35. Leases - as lessor**

**(a) Finance leases**

The department issues finance leases under the provisions of *the Land Act 1994* whereby the lessee elects to pay the purchase price over a number of years. The aggregate of the minimum lease payments for lease receivables is as follows:

	<b>Finance lease receivables</b>	
	<b>2013 \$'000</b>	<b>2012 \$'000</b>
Not later than 1 year	103	12
Later than 1 year and not later than 5 years	47	136
Later than 5 years	-	-
Total finance lease receivables	<u>150</u>	<u>148</u>
Included in Note 18 of these financial statements as:		
Current finance lease debtors	103	12
Non-current finance lease debtors	<u>47</u>	<u>136</u>
<b>Total</b>	<u><b>150</b></u>	<u><b>148</b></u>

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**36. Schedule of Administered Items**

**(a) Categorisation of Administered Items**

	Revenue Collection	Revenue Collection	QRAA	QRAA	Forestry Assets	Forestry Assets
	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Administered Revenue</b>						
Administered item appropriation	-	-	9,083	1,805	192	-
User charges, fees and fines	1,553	359	-	-	-	-
Other revenue	-	-	-	-	36	-
<b>Total</b>	<b>1,553</b>	<b>359</b>	<b>9,083</b>	<b>1,805</b>	<b>228</b>	<b>-</b>
<b>Administered Expenses</b>						
Grants to Queensland Rural Adjustment Authority	-	-	9,083	1,805	-	-
Grants to Australian Agricultural College Corporation	-	-	-	-	-	-
Grants to James Cook University	-	-	-	-	-	-
Depreciation and Amortisation	-	-	-	-	192	32
Decrement revaluation of land	-	-	-	-	65	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,083</b>	<b>1,805</b>	<b>257</b>	<b>32</b>
<b>Total Administered Operating Result before Transfers to Government</b>	<b>1,553</b>	<b>359</b>	<b>-</b>	<b>-</b>	<b>(29)</b>	<b>(32)</b>
<b>Transfers of administered revenue to Government</b>	1,553	359	-	-	36	-
<b>Operating Result from Continuing Operations after Transfers to Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(65)</b>	<b>(32)</b>
<b>Administered Assets</b>						
Current						
Cash and cash equivalents	422	92	-	-	(16)	(16)
Receivables	113	190	-	-	36	-
<b>Total</b>	<b>535</b>	<b>282</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>(16)</b>
Non-Current						
Property, Plant and Equipment	-	-	-	-	4,591	4,854
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,591</b>	<b>4,854</b>
<b>Total Assets</b>	<b>535</b>	<b>282</b>	<b>-</b>	<b>-</b>	<b>4,611</b>	<b>4,838</b>
<b>Administered Liabilities</b>						
Current						
Payables	470	263	-	-	20	(16)
<b>Total</b>	<b>470</b>	<b>263</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>(16)</b>
<b>Net Assets</b>	<b>65</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>4,591</b>	<b>4,854</b>
<b>Administered Equity</b>						
Contributed Equity	65	19	-	-	4,663	4,861
Accumulated Surplus/Deficit	-	-	-	-	(97)	(32)
Asset Revaluation Surplus	-	-	-	-	25	25
<b>Total</b>	<b>65</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>4,591</b>	<b>4,854</b>

**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**36. Schedule of Administered Items**

**(a) Categorisation of Administered Items (cont'd)**

	General - Not Attributed 2013 \$'000	General - Not Attributed 2012 \$'000	Total 2013 \$'000	Total 2012 \$'000
<b>Administered Revenue</b>				
Administered item appropriation	1,038	-	10,313	1,805
User charges, fees and fines	-	-	1,553	359
Other revenue	-	-	36	-
<b>Total</b>	<b>1,038</b>	<b>-</b>	<b>11,902</b>	<b>2,164</b>
<b>Administered Expenses</b>				
Grants to Queensland Rural Adjustment Authority	-	-	9,083	1,805
Grants to Australian Agricultural College Corporation	1,038	-	1,038	-
Grants to James Cook University	216	-	216	-
Depreciation and Amortisation	-	-	192	32
Decrement revaluation of land	-	-	65	-
<b>Total</b>	<b>1,254</b>	<b>-</b>	<b>10,594</b>	<b>1,837</b>
<b>Total Administered Operating Result before Transfers to Government</b>	<b>(216)</b>	<b>-</b>	<b>1,308</b>	<b>327</b>
<b>Transfers of administered revenue to Government</b>	<b>-</b>	<b>-</b>	<b>1,589</b>	<b>359</b>
<b>Operating Result from Continuing Operations after Transfers to Government</b>	<b>(216)</b>	<b>-</b>	<b>(281)</b>	<b>(32)</b>
<b>Administered Assets</b>				
Current				
Cash and cash equivalents	-	-	406	76
Receivables	-	-	149	190
<b>Total</b>	<b>-</b>	<b>-</b>	<b>555</b>	<b>266</b>
Non-Current				
Property, Plant and Equipment	-	-	4,591	4,854
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,591</b>	<b>4,854</b>
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>5,146</b>	<b>5,120</b>
<b>Administered Liabilities</b>				
Current				
Payables	-	-	490	247
<b>Total</b>	<b>-</b>	<b>-</b>	<b>490</b>	<b>247</b>
<b>Net Assets</b>	<b>-</b>	<b>-</b>	<b>4,656</b>	<b>4,873</b>
<b>Administered Equity</b>				
Total Contributed Equity	216	-	4,944	4,880
Accumulated Surplus/Deficit	(216)	-	(313)	(32)
Asset Revaluation Surplus	-	-	25	25
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,656</b>	<b>4,873</b>
			<b>2013 \$'000</b>	<b>2012 \$'000</b>
<b>(b) Reconciliation of Payments from Consolidated Fund to Administered Revenue</b>				
Budgeted departmental services appropriation			9,083	-
Equity Adjustment			192	-
Transfers (to)/from other departments			-	1,789
Transfers (to)/from other headings			1,054	-
Unforeseen expenditure			-	-
<b>Total Administered Item Receipts</b>			<b>10,329</b>	<b>1,789</b>
Less: opening balance of administered item receivable			(16)	-
Plus: closing balance of administered item receivable			-	16
<b>Total Administered Items</b>			<b>10,313</b>	<b>1,805</b>
<b>This is represented by:</b>				
Administered item revenue recognised in the statement of comprehensive income			10,313	1,805
Appropriated equity adjustment recognised in contributed equity			-	-
<b>Total</b>			<b>10,313</b>	<b>1,805</b>



**Notes to and forming part of the financial statements  
for the year ended 30 June 2013**

**37. Trust Transactions and Balances**

As the department performs only 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.

	2013 \$'000	2012 \$'000
<b>Trust Collections and Distributions</b>		
<b>Collections</b>		
Other distributions	17	-
<b>Total Collections</b>	<u>17</u>	<u>-</u>
<b>Distributions</b>		
Forestry security deposits	25	1
<b>Total Distributions</b>	<u>25</u>	<u>1</u>
<b>Increase (Decrease) in Trust Assets</b>	<u>(8)</u>	<u>(1)</u>
<b>Trust Assets and Liabilities</b>		
<b>Current Assets</b>		
Monies held in trust	68	51
Cash	819	844
<b>Total Current Assets</b>	<u>887</u>	<u>895</u>
<b>Current Liabilities</b>		
Trust balances payable	68	51
<b>Total Current Liabilities</b>	<u>68</u>	<u>51</u>
<b>Non-Current Liabilities</b>		
Forestry security deposits	819	844
<b>Total Non-Current Liabilities</b>	<u>819</u>	<u>844</u>
<b>Total Trust Liabilities</b>	<u>887</u>	<u>895</u>

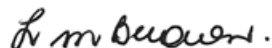
The Auditor-General of Queensland performs an audit of the department's trust transactions.

## Certificate of the Department of Agriculture, Fisheries and Forestry

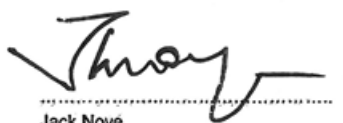
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These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (The Act), relevant sections of the Financial and Performance Management Standard 2009 and other prescribed requirements. 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
- b) the 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 Agriculture, Fisheries and Forestry for the financial year ended 30 June 2013 and of the financial position of the department at the end of that year.



Leith Brown B.Bus., CPA  
Chief Finance Officer  
Executive Director



Jack Noye  
Director-General

28 AUG 2013

28 AUG 2013

## INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Department of Agriculture, Fisheries and Forestry

### Report on the Financial Report

I have audited the accompanying financial report of the Department of Agriculture, Fisheries and Forestry, which comprises the statements of financial position and statements of assets and liabilities by major departmental services, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services, and notes comprising a summary of significant accounting policies and other explanatory information, and the certificates given by the Director-General and Chief Finance Officer.

#### *Accountable Officer's Responsibility 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 prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Accountable Officer's responsibility also includes such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

## *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

## *Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

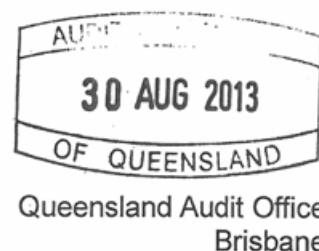
- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Agriculture, Fisheries and Forestry for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that period.

## **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



A M GREAVES FCA FCPA  
Auditor-General of Queensland



## Appendix 1 Related entities

Name	Type of entity	Legislation under which established	Annual reporting arrangement
Australian Agricultural College Corporation	Corporation sole	<i>Agricultural College Act 2005</i>	Annual report tabled in parliament
Chicken Meat Industry Committee	Instrumentality	<i>Chicken Meat Industry Committee Act 1976</i>	Annual report tabled in parliament
Darling Downs – Moreton Rabbit Board	Statutory body	<i>Land Protection (Pest and Stock Route Management) Act 2002</i>	Annual report tabled in parliament
QRAA	Statutory authority	<i>Rural and Regional Adjustment Act 1994</i>	Annual report tabled in parliament
Safe Food Queensland	Statutory body	<i>Food Production (Safety) Act 2000</i>	Annual report tabled in parliament

## Appendix 2 Boards and committees

Name (and type) of board or committee	Functions and responsibilities	Achievements for 2012–13	Remuneration costs
Agriculture, Fisheries and Forestry Skills Industry Advisory Group (advisory) (Note: This group was previously called Rural Skills, Training and Labour Industry Advisory Group)	Advise industry and government on workforce development strategies to meet the priorities of the Queensland primary industries and fisheries sectors	This group changed its name during the year at the direction of the minister. Its membership has been revamped and the group is in the process of developing a work plan.	Nil
Agricultural Land Audit Overseeing Committee (consultative)	Provide advice about the agricultural land audit regarding methodology approach, information sources, reporting style and communication, and draft reports	The committee oversaw the preparation of the <i>Queensland agricultural land audit</i> report.	Nil
Animal Ethics Committee (regulatory)	Provide approvals for animal use and monitor activities that use animals for scientific purposes	The committee: <ul style="list-style-type: none"> <li>met on 21 occasions</li> <li>considered 114 proposals to use animals for research or teaching</li> <li>considered 242 annual reports, 150 project completions and 103 amendments</li> <li>inspected and reported on 22 facilities.</li> </ul>	\$22 221
Animal Welfare Advisory Committee (advisory)	Provide the minister with advice on animal welfare matters	The committee did not meet during 2012–13.	Nil
Bee Industry Consultative Committee (advisory/consultative)	Provide a forum for discussion among relevant Queensland Government departments, other applicable organisations and the apiary industry on strategic issues affecting the future of the bee industry	Two meetings were held (1 November 2012 and 1 May 2013). Achievements include: <ul style="list-style-type: none"> <li>introducing Seqwater (a native forest land manager) as a committee member and as a result increasing Seqwater's understanding of the importance of beekeeping and access to native forest flora</li> <li>facilitating a revised annual indexation mechanism for apiary site permit fees charged under the <i>Forestry Act 1959</i>, which is also applied to such fees under the <i>Nature Conservation Act 1992</i></li> <li>progressing the development of guidelines for road and site maintenance for apiary sites in state forests and national parks.</li> </ul>	Nil

(continued)

Name (and type) of board or committee	Functions and responsibilities	Achievements for 2012–13	Remuneration costs
Biosecurity Queensland Ministerial Advisory Council (advisory)	Provide independent strategic advice on Queensland's biosecurity	The council did not meet during 2012–13. The council will be re-established in 2013 and made more efficient with membership reduced from 14 to 10 and the number of annual meetings reduced to 2. The first meeting agenda will focus on priority state biosecurity issues.	Nil
Biosecurity Queensland Ministerial Advisory Committee—Invasive Plants and Animals Subcommittee (advisory)	Provide current, high-level independent and strategic advice to the Biosecurity Queensland Ministerial Advisory Council on a broad range of invasive plant and animal issues (e.g. weeds, pest animals including pest fish and invasive invertebrates, and marine pests) referred to it by the council and the department	In 2012–13 the terms of reference for the subcommittee were agreed. The subcommittee: <ul style="list-style-type: none"> <li>• further considered the development of a single weed and pest animal strategy</li> <li>• gave in-principle support to the Feral Deer Management Strategy and asked DAFF to recognise recreational hunting as part of the strategy.</li> </ul>	Nil
Forest and Timber Industry Plan Working Group (advisory/consultative)	Prepare a forest and timber industry plan for Queensland Government consideration by 31 December 2012	The working group prepared the <i>Queensland forest and timber industry plan</i> and submitted the plan to the minister in December 2012 for consideration and response by the Queensland Government.	Nil
QRAA Audit and Risk Management Committee (statutory authority government board)	Support the decision-making functions of the QRAA Board of Directors	The committee met five times during 2012–13. It undertook independent reviews to improve QRAA's operations and outputs and advised the QRAA Board of Directors on: <ul style="list-style-type: none"> <li>• financial statements</li> <li>• risk management</li> <li>• internal controls</li> <li>• performance management</li> <li>• internal and external audit</li> <li>• compliance reporting.</li> </ul>	Incorporated into costs of QRAA Board of Directors
QRAA Board of Directors (statutory authority government board)	Oversee the way QRAA performs its functions and exercises its powers as established in the <i>Rural and Regional Adjustment Act 1994</i>	During 2012–13 the board met 13 times. It: <ul style="list-style-type: none"> <li>• approved 14 strategies and operational, administrative and financial policies</li> <li>• ensured QRAA performed its functions properly, effectively and efficiently</li> <li>• completed the annual review of the performance of the QRAA Chief Executive Officer.</li> </ul>	\$102 360

(continued)



Name (and type) of board or committee	Functions and responsibilities	Achievements for 2012–13	Remuneration costs
QRAA Remuneration Committee (statutory authority government board)	Support the decision-making functions of the QRAA Board of Directors	The committee meets annually. As part of the budget process, the committee reviewed the performance of senior management and advised the QRAA Board of Directors on this through a remuneration review.	Incorporated into costs of QRAA Board of Directors
Queensland Wild Dog Committee (advisory)	Provide advice to the minister on issues affecting wild dog management across Queensland	The committee: <ul style="list-style-type: none"> <li>reviewed the Queensland Wild Dog Management Strategy</li> <li>endorsed key messages for wild dog control.</li> </ul>	\$25 565
Veterinary Surgeons Board of Queensland (regulatory/registration)	Exercise and discharge the powers, authorities, duties and functions conferred by the <i>Veterinary Surgeons Act 1936</i> , including registration of veterinary surgeons and veterinary specialists and administration of the disciplinary provisions; act in the public interest on consumer protection and animal welfare in the delivery of veterinary services	Registrations in 2012–13 raised the total registration pool of Queensland veterinary surgeons to 2927 and veterinary specialists to 92. The board: <ul style="list-style-type: none"> <li>met 8 times to consider 28 complaint cases—9 progressed to professional misconduct proceedings and 1 was referred to the Queensland Civil and Administrative Tribunal</li> <li>determined suitability of premises for use as veterinary premises and resolved issues relating to policy, governance and legislative matters</li> <li>held triennial election for 2 board member positions.</li> </ul>	\$29 900

## Appendix 3 Departmental statements 2012–13

Measure	Notes	Target/ estimate	Estimated actual	Actual
<b>Service area: Agriculture and Forestry</b>				
<b>Service standards</b>				
Proportion of stakeholders who have a high level of satisfaction with DAFF consultative and engagement processes	1	75%	80%	90%
Total of forest product sales quantities per total forest product full-time equivalent (FTE):				
• Native forest timber (m <sup>3</sup> /FTE)	2	2 330	2 400	2 600
• Quarry material (m <sup>3</sup> /FTE)	3	47 820	67 800	69 340
<b>Other measures</b>				
Achievement of major project milestones on strategic projects	4	2	4	4
Pieces of legislation and regulatory frameworks reviewed and reformed	5	2	0	0
Consultative and engagement forums held with industry and community stakeholders	6	24	44	57
Integrated Development Assessment System responses completed within statutory timeframes:				
• Local government planning schemes	7	34	17	19
• Development assessment applications	8	12	10	7
The number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities	9	39	39	44
The number of business participants in structured development activities	10	276	404	590
Significant one-on-one business consultations undertaken	11	546	782	874
Number of businesses involved in facilitated alliances, partnerships, industry networks, supply chains, clusters etc.	12	500	2 227	2 244
Number of promotion activities profiling Queensland agriculture, food and tourism businesses		1	1	1
Businesses impacted by natural disasters and other emergencies assisted and supported	13	130	174	188

(continued)

Measure	Notes	Target/ estimate	Estimated actual	Actual
<b>Service area: Fisheries Queensland</b>				
<b>Service standards</b>				
Queensland fish species assessed as being sustainably fished	14	21	21	31
<b>Other measures</b>				
Proposed Queensland fisheries accredited for export accreditation	15	21	21	19
Percentage of overall compliance with fisheries laws		93%	93%	93%
Beaches covered by the Shark Control Program		85	85	85
Pieces of legislation and regulatory frameworks reviewed and reformed	16	3	3	0
Consultative and engagement forums held with industry and community stakeholders		2	3	3
Integrated Development Assessment System responses completed within statutory timeframes:				
<ul style="list-style-type: none"> <li>Development assessment applications</li> </ul>	17	400	399	256
<b>Service area: Biosecurity Queensland</b>				
<b>Other measures</b>				
Achievement of major project milestones on strategic projects		1	1	1
Risk management and surveillance strategies implemented under national biosecurity obligations:				
<ul style="list-style-type: none"> <li>Risk management strategies</li> <li>Surveillance strategies</li> </ul>		9 100%	9 100%	9 100%
Significant new biosecurity incidents responded to in accordance with national standards		100%	100%	100%
Business accreditations and registrations maintained to facilitate market access	18	95 000	71 696	70 123
Pieces of legislation and regulatory frameworks reviewed and reformed		3	3	3
Consultative and engagement forums held with industry and community stakeholders	19	3	3	0

(continued)

Measure	Notes	Target/ estimate	Estimated actual	Actual
<b>Service area: Agri-Science Queensland</b>				
<b>Service standards</b>				
Proportion of stakeholders who have a high level of satisfaction with consultative and engagement processes		70%	70%	75%
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of funded innovation and capacity development activities	20	60%	60%	54%
Proportion of assisted firms reporting improved performance following funded innovation and capacity development activities	20	60%	60%	54%
<b>Other measures</b>				
Consultative and engagement forums held with industry and community stakeholders		5	5	5
The number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities	21	408	479	536
The number of business participants in structured and development activities	21	5 470	7 537	9 228
Number of businesses involved in facilitated alliances, partnerships, industry networks, supply chains, clusters etc.	22	108	125	123
Innovative technologies developed through revolutionary research and development		8	9	9
Improved production efficiency systems, standards and tools delivered	23	55	62	64
Improved varieties, cultivars and commercial parent lines developed		19	19	19
Collaborative research and development partnerships established		190	207	206

Notes:

- 1 The overachievement of this measure is due to the very high satisfaction rate reported by the Agriculture, Fisheries and Forestry Skills Industry Advisory Group regarding consultation and engagement on the direction of industry workforce development.
- 2 The 2012–13 actual was 11.7% higher than the target because of higher than expected log timber sales quantities during the year. This is largely due to drier weather conditions in the second half of the year, which allowed hardwood timber processors to catch up on previously delayed timber removals under their 5-yearly timber allocations.
- 3 The 2012–13 actual was 45% higher than the target due to higher than expected quarry material sales volumes required to support major infrastructure construction associated with coalmining developments in the Bowen and Galilee basins.
- 4 The 2012–13 actual exceeded the target due to the sign-off of an additional memorandum of understanding for services to Reef Plan and best management practice that were originally scheduled for completion in 2011–12. Meeting a milestone ahead of schedule for activities related to NQIAS also contributed to the overachievement of this measure.
- 5 This measure did not meet its 2012–13 target because both pieces of scheduled legislation were delayed until the 2013–14 financial year. DAFF instead focused on initiatives aimed at simplifying environmental, administrative and compliance requirements. This led to the progression of 17 initiatives to reduce regulatory and administrative burdens on customers.

(continued)

- 6 This measure overachieved its 2012–13 target due to a number of additional activities required to support consultation on emerging issues and opportunities. These included specific focus on engaging industry stakeholders on the Central Highlands; supporting the Northern Australia Ministerial Forum and associated investment delegations from China; increased levels of engagement with key stakeholders under Reef Plan activities; and additional industry engagement to consider new assistance for bovine Johne's disease.
- 7 The 2012–13 actual did not meet the 2012–13 target largely due to delays in submission of planning schemes from local government's pending introduction of the new single state planning policy.
- 8 The 2012–13 actual did not meet the 2012–13 target due to a decrease in the number of development applications received. The decrease is largely because changes in the assessment processes reduced the regulatory burden and allowed customers to self-assess. This reduced the number of applications that require a formal assessment by the department.
- 9 This measure overachieved its 2012–13 target due to activities focused on helping businesses take advantage of agricultural opportunities associated with NQIAS in the second half of the financial year.
- 10 The overachievement of this measure is a result of unplanned engagement activities associated with NQIAS and Reef Plan in the second half of the financial year.
- 11 The overachievement of this measure is attributed to a number of factors including additional one-on-one consultations associated with Reef Plan; increased demand for services in finalising grant funds programs; and increased requests for support following natural disasters and droughts.
- 12 This measure overachieved its 2012–13 target because of the higher than anticipated take-up rate of *The Food Chain* e-newsletter. Five editions of the e-newsletter were released in 2012–13 and there are now 1500 subscribers with an average opening rate of 43% (688 readers).
- 13 The overachievement of this measure is due to a greater number of applications than anticipated being submitted for individually disaster stricken property and freight subsidy as a result of Tropical Cyclone Oswald.
- 14 More stocks were accessed as sustainable than originally anticipated. A total of 41 stocks were able to be assessed compared to 48 in the previous year. The 2012–13 actual of 31 comprises 28 fish species assessed as sustainably fished and 3 fish species assessed as not fully utilised.
- 15 The 2012–13 actual did not meet the 2012–13 target because the Coral Reef Fin Fish and Deepwater Fin Fish fisheries were combined under a single accreditation and DAFF did not seek export reaccreditation for the Rocky Reef Fin Fish Fishery as no product is exported from this fishery.
- 16 This measure did not meet the 2012–13 target due to the programmed reviews being rescheduled for progression in 2013–14 subject to approval by the Office of Best Practice Regulation.
- 17 The 2012–13 actual did not meet the 2012–13 target because changes in the assessment process reduced the regulatory burden and allowed customers to self-assess. A total of 895 self-assessable notifications were received. This reduced the number of applications that require a formal assessment by the department. Note that the 2012–13 estimated actual was incorrectly reported in the 2013–14 service delivery statement, resulting in a false variance between the 2012–13 actual and the 2012–13 estimated actual.
- 18 This measure did not meet the 2012–13 target. Changes to legislation resulted in an initial increase in the number of animal owners requiring accreditation and registration, and the target was set on this increased number. Results for the last 2 years indicate that this demand has now stabilised at a level below the 2012–13 target. This measure will be reviewed in 2013–14.
- 19 This measure did not meet the 2012–13 target due to a review of the role and membership of the Biosecurity Queensland Ministerial Advisory Council. This review was part of the whole-of-government review of committees. This committee's membership is being determined and its first meeting will be held in 2013–14.
- 20 These measures did not meet the 2012–13 target. Severe weather over a number of seasons is reported to be affecting producers' ability to implement or sustain change and to see results. This is consistent with the findings of The University of Queensland Business School, which showed a downturn in innovation over the last 3 years.
- 21 These measures overachieved the 2012–13 target due to additional workshops conducted on disease management and grain and graze farming systems; increased demand for structured programs, workshops and field days (particularly in northern Queensland); additional disease management workshops for mungbean growers; and a higher number of participants than anticipated for savanna plan workshops.
- 22 This measure overachieved the 2012–13 target due to higher participation of businesses than originally anticipated in avocado alternative bearing reviews, pineapple studies and macadamia best practice groups.
- 23 The 2012–13 actual overachieved the 2012–13 target because a number of project deliverables were finalised earlier than anticipated.

## Appendix 4 Legislation administered by DAFF

The public business of the State of Queensland is divided among its ministers. Each ministerial portfolio carries particular responsibilities, including the administration of relevant legislation. As at 30 June 2013, DAFF administers the following legislation for the Minister for Agriculture, Fisheries and Forestry.

DAFF was established under Administrative Arrangements Order No. 3 2012 on 3 April 2012.

Legislation	Note
<i>Agricultural Chemicals Distribution Control Act 1966</i>	
<i>Agricultural College Act 2005</i>	
<i>Agricultural Standards Act 1994</i>	
<i>Agricultural and Veterinary Chemicals (Queensland) Act 1994</i>	
<i>Animal Care and Protection Act 2001</i>	
<i>Animal Management (Cats and Dogs) Act 2008</i>	
<i>Apiaries Act 1982</i>	
<i>Biological Control Act 1987</i>	
<i>Brands Act 1915</i>	
<i>Chemical Usage (Agricultural and Veterinary) Control Act 1988</i>	
<i>Chicken Meat Industry Committee Act 1976</i>	
<i>Diseases in Timber Act 1975</i>	
<i>Drugs Misuse Act 1986 (Part 5B)</i>	
<i>Exotic Diseases in Animals Act 1981</i>	
<i>Fisheries Act 1994</i>	Except for fish habitat areas, which are administered by the Minister for National Parks, Recreation, Sport and Racing
<i>Food Production (Safety) Act 2000</i>	
<i>Forestry Act 1959</i>	Jointly administered with the Minister for National Parks, Recreation, Sport and Racing
<i>Land Protection (Pest and Stock Route Management) Act 2002</i>	Except to the extent that it is relevant to stock route management (jointly administered with the Minister for Natural Resources and Mines)
<i>Nature Conservation Act 1992</i>	To the extent that it is relevant to demonstrated and exhibited native animals (jointly administered with the Minister for National Parks, Recreation, Sport and Racing and the Minister for Environment and Heritage Protection)
<i>Plant Protection Act 1989</i>	
<i>Rural and Regional Adjustment Act 1994</i>	
<i>Stock Act 1915</i>	
<i>Strategic Cropping Land Act 2011</i> (Chapter 5 excluding sections 139(1), 143 and 144)	Jointly administered with the Minister for Natural Resources and Mines
<i>Sugar Industry Act 1999</i>	
<i>Torres Strait Fisheries Act 1984</i>	
<i>Veterinary Surgeons Act 1936</i>	

## Appendix 5 Compliance checklist

Summary of requirement		Basis for requirement	Annual report page reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister	ARRs—section 8	3
Accessibility	Table of contents	ARRs—section 10.1	1–2
	Glossary		n/a
	Public availability	ARRs—section 10.2	Inside front cover
	Interpreter service statement	Queensland Government Language Services Policy ARRs—section 10.3	Inside front cover
	Copyright notice	<i>Copyright Act 1968</i> ARRs—section 10.4	Inside front cover
General information	Information licensing	Queensland Government Enterprise Architecture—Information licensing ARRs—section 10.5	Inside front cover
	Introductory information	ARRs—section 11.1	4–5
	Agency role and main functions	ARRs—section 11.2	6–7, 103, 109
	Operating environment	ARRs—section 11.3	6–7
	Machinery-of-government changes	ARRs—section 11.4	n/a
Non-financial performance	Government objectives for the community	ARRs—section 12.1	7–8
	Other whole-of-government plans/specific initiatives	ARRs—section 12.2	8–11
	Agency objectives and performance indicators	ARRs—section 12.3	21–40
	Agency service areas, service standards and other measures	ARRs—section 12.4	99–102
Financial performance	Summary of financial performance	ARRs—section 13.1	12–18
	Chief Finance Officer statement	ARRs—section 13.2	53
Governance—management and structure	Organisational structure	ARRs—section 14.1	41
	Executive management	ARRs—section 14.2	42–44
	Related entities	ARRs—section 14.3	95
	Boards and committees	ARRs—section 14.4	96–98
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> (section 23 and Schedule) ARRs—section 14.5	48



Summary of requirement		Basis for requirement	Annual report page reference
Governance— risk management and accountability	Risk management	ARRs—section 15.1	48
	External scrutiny	ARRs—section 15.2	47–48
	Audit committee	ARRs—section 15.3	46
	Internal audit	ARRs—section 15.4	47
	Public Sector Renewal Program	ARRs—section 15.5	52
	Information systems and recordkeeping	ARRs—section 15.7	49
Governance— human resources	Workforce planning, attraction, retention and performance	ARRs—section 16.1	50
	Early retirement, redundancy and retrenchment	Directive No.11/12 Early Retirement, Redundancy and Retrenchment ARRs—section 16.2	51
	Voluntary Separation Program	ARRs—section 16.3	n/a
Open data	Open data	ARRs—section 17	52
Financial statements	Certification of financial statements	FAA—section 62 FPMS—sections 42, 43 and 50 ARRs—section 18.1	92
	Independent auditors report	FAA—section 62 FPMS—section 50 ARRs—section 18.2	93–94
	Remuneration disclosures	<i>Financial reporting requirements for Queensland Government agencies</i> ARRs—section 18.3	75–76

FAA *Financial Accountability Act 2009*  
 FPMS *Financial and Performance Management Standard 2009*  
 ARRs *Annual report requirements for Queensland Government agencies*

# Glossary

Asian honey bee	an adaptable species of honey bee found throughout Asia and some islands of the Asia–Pacific, first detected in Queensland in May 2007 (Java strain only)
avian influenza	influenza caused by viruses adapted to birds
bellyache bush	a shrub native to tropical America and poisonous to humans, stock and native animals, now a declared Class 2 plant in Queensland
bioenergy	energy from any fuel that is derived from biomass (living or recently living organisms or their metabolic by-products, e.g. cow manure)
biofuel	solid, liquid or gaseous fuel derived from biomass (living or recently living organisms or their metabolic by-products, e.g. cow manure); distinguished from fossil fuels, which are derived from long-dead biological material
bovine Johne's disease	a serious disease of cattle, sheep, goats, alpacas, llamas, camels and deer that produces chronic diarrhoea or ill thrift leading to emaciation and eventually death
broadacre cropping	the growing of plants and/or the production of bulk plant materials (such as cereal grains, oil seeds or pulses) for commercial purposes where plants live for less than 2 years, are dependent on cultivation of the soil, and usually require some nutrient, weed and moisture control
Class 2 plants	declared plants that are managed through coordinated programs led by local governments, communities or landholders; landholders must control them if their land is adjacent to an environmentally significant area and they are issued with a pest control notice
coffee berry borer	a small beetle native to Africa, among the most harmful pests to coffee crops around the world
erythrina gall wasp	the common name for the insect pest <i>Quadrastichus erythrinae</i> , a tiny wasp that lays its eggs into the leaves and stems of plants of the genus <i>Erythrina</i> (commonly known as 'coral trees'), causing severe galling and in some cases plant death
erythrina variegata	an ornamental species of <i>Erythrina</i> or 'coral tree' commonly grown in tropical areas of Queensland, in which the insect pest erythrina gall wasp was detected in Torres Strait in 2013
ethylene	a colourless, flammable gas that is used as an agent to improve the colour of citrus fruit
feedlot	an intensive animal production system in which penned stock, usually cattle, are finished prior to slaughter
fin fish	fish with fins (as opposed to shellfish, crustaceans etc.)
foot-and-mouth disease	a highly contagious viral infection that affects cloven-hoofed animals (animals with hooves divided into two parts, such as cattle, sheep, pigs, goats, deer and buffalo); it does not currently occur in Australia
forest product	any material derived from a forest for commercial use (e.g. lumber, paper, forage for livestock)
grazing	the use of land for the production of animals that are fed on native or introduced pastures or plants
gross state product (GSP)	a measurement of the economic output of the state
gross value of production (GVP)	the value of final goods and services produced in a given period

(continued)

Hendra virus	a zoonotic disease (one that can transfer from animals to people, e.g. flying fox to horse, horse to human) that can cause disease in horses but only rarely in humans; in horses, it can cause an acute onset of clinical signs and rapid progression to death associated with respiratory and/or neurological signs
lyssavirus	a virus that can be transmitted from bats to humans, causing serious illness
plantation forestry	the establishment and management of plantations of trees (native or exotic species) for commercial production of timber
potato spindle tuber viroid (PSTVd)	a quarantinable pathogen of Australia (first reported in North America) that poses a serious threat to Australia's potato and tomato crops
prickly acacia	a small tree that is native to the Indian subcontinent and was promoted for use as a fodder crop and shade tree in Queensland in the early 1900s but is environmentally and economically damaging and is now a declared Class 2 plant in Queensland
pulses	annual crops yielding 1–12 seeds of various sizes, shapes and colours within a pod (e.g. kidney beans, lentils, navy beans, dry peas); also called grain legumes
red imported fire ants	small red ants originally from South America that inflict a painful, fiery sting and could severely damage the environment, our outdoor lifestyle, and the agriculture and tourism industries
riparian	found on the bank of a river or other body of water
sown pasture	grazing pasture sown with at least 50% non-native pasture species (perennial or non-perennial)
yellow crazy ants	an introduced species of ant widely regarded as environmental pests; a declared species in Queensland and one of the world's worst invasive species

# Abbreviations

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ABARES	Australian Bureau of Agricultural and Research Economics and Sciences
ASQ	Agri-Science Queensland
CFO	Chief Finance Officer
COAG	Council of Australian Governments
DAFF	Department of Agriculture, Fisheries and Forestry
DNRM	Department of Natural Resources and Mines
GSRMAP	<i>Great sandy regional marine aquaculture plan</i>
NCS	National Cost Shared
NDRRA	Natural Disaster Relief and Recovery Arrangements
NQIAS	North Queensland Irrigated Agriculture Strategy
ORS	Oonoonba Research Station
PPE	personal protective equipment
PSTVd	potato spindle tuber viroid
QBFP	Queensland Boating and Fisheries Patrol
QGIAS	Queensland Government Internal Audit Service
QMDB	Queensland Murray–Darling Basin
SCoPI	Standing Council on Primary Industries
SIPS	Stocked Impoundment Permit Scheme
TSPZ	Torres Strait Protection Zone

# Contacts

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## Regional offices

DAFF has a network of offices throughout Queensland, including in regional areas. To find your nearest office, call one of the numbers above or visit [www.daff@qld.gov.au](http://www.daff@qld.gov.au).

## Annual report enquiries

DAFF Customer Service Centre  
Phone: 13 25 23

## Feedback

The Department of the Premier and Cabinet is coordinating feedback on agency annual reports via the Get involved website at [www.getinvolved.qld.gov.au](http://www.getinvolved.qld.gov.au).

