QUEENSLAND BUDGET 2018–19

Service Delivery Statements

Department of Agriculture and Fisheries

budget.qld.gov.au

Queensland Government

2018–19 Queensland Budget Papers

1. Budget Speech
2. Budget Strategy and Outlook
3. Capital Statement
4. Budget Measures
5. Service Delivery Statements

Appropriation Bills

Budget Highlights

The Budget Papers are available online at budget.qld.gov.au

© Crown copyright
All rights reserved
Queensland Government 2018

Excerpts from this publication may be reproduced, with appropriate acknowledgement, as permitted under the Copyright Act.

Service Delivery Statements
ISSN 1445-4890 (Print)
ISSN 1445-4904 (Online)

Department of Agriculture and Fisheries

Summary of portfolio

Page	Department of Agriculture and Fisheries
3	Department of Agriculture and Fisheries - controlled
	Department of Agriculture and Fisheries - administered
31	Queensland Agricultural Training Colleges
40	Queensland Rural and Industry Development Authority
51	Queensland Racing Integrity Commission

Portfolio overview

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Agricultural Industry Development and Fisheries and Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs:

Minister for Agricultural Industry Development and Fisheries

The Honourable Mark Furner MP

Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs

The Honourable Stirling Hinchliffe MP

Department of Agriculture and Fisheries

Director-General: Dr Elizabeth Woods

Service area 1: Agriculture
Service area 2: Biosecurity Queensland
Service area 3: Fisheries and Forestry

The Minister for Agricultural Industry Development and Fisheries is also responsible for:

Queensland Agricultural Training Colleges

Chief Executive Officer: Mark Tobin

Objective: The purpose of Queensland Agricultural Training Colleges is to produce graduates with skills and capabilities that are in demand for the future success of agribusiness and associated industries both domestically and internationally.

Queensland Rural and Industry Development Authority

Chief Executive Officer: Cameron MacMillan

Objective: The Queensland Rural and Industry Development Authority's purpose is to administer timely financial assistance aimed at improving the productivity and sustainability of regional and rural communities.

The Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs is also responsible for:

Queensland Racing Integrity Commission

Chief Executive Officer: Ross Barnett APM

Objective: The purpose of the Queensland Racing Integrity Commission is to protect racing animals, ensure high standards of racing integrity and safety, and enhance public confidence in the Queensland racing industry.

Additional information about these agencies can be sourced from:

www.daf.qld.gov.au

www.qatc.edu.au

www.qrida.qld.gov.au

www.qric.qld.gov.au

Departmental overview

The Department of Agriculture and Fisheries (DAF) works to achieve a productive and profitable agriculture, fisheries and forestry sector - promoting sustainability and innovation and helping to realise the value of the sector and rural businesses to the economy and the community. In 2017, rural exports contributed over $9 billion to the Queensland economy despite continued drought conditions across the state. Industry growth opportunities remain significant with the forecast rise in global food demand and increased affluence in emerging economies supporting a shift to diets higher in protein. A solid reputation for safe, quality food and fibre and reliable supply is key to maintaining, securing and growing markets.

Long-term sector vibrancy depends on the sustainable use of natural resources and the uptake and practical application of new technologies. A major challenge is to identify strategies that boost agricultural productivity and profitability whilst protecting and sharing access to these community resources. Service reforms outlined in the *Queensland Sustainable Fisheries Strategy 2017-2027* and the *Queensland Biosecurity Strategy 2018-2023* are changing the way the department delivers these services and partners with industry and the community on challenging mutual concerns. A long-term policy on the future of timber production in state-owned forests is under development. These reforms underpin Queensland's reputation and economic success by creating the conditions for the sustainability, safety, quality and reliability of our food and fibre products. They will also ensure Queenslanders' access to healthy food. *The Agriculture and Food Research, Development and Extension 10-Year Roadmap and Action Plan* reaffirms the state's leadership in tropical and sub-tropical agricultural research by supporting innovative collaboration, partnerships and world-class facilities.

DAF is committed to contributing to the Queensland Government's objectives for the community to:

Create jobs in a strong economy

DAF will implement the Government's *Driving Queensland Agriculture and Rural Jobs Growth* policy to grow agricultural export capacity and enhance innovation throughout the supply chain. The Rural Economic Development Grants program further builds on the department's work with rural communities. Identifying economic development opportunities and attracting investment will strengthen existing businesses, open up new business opportunities, and create jobs in rural and regional Queensland. Continued support will be provided for the successful Rural Jobs and Skill Alliance and to extend the Queensland Agricultural Workforce Network ensuring individuals and businesses have the skills they need to adapt to technology and market changes.

Keep Queenslanders healthy

Investment in vital research, development and extension will continue to support traditional agricultural sectors as well as encourage diversification into new and emerging products. This work underpins the ability of rural communities to adapt to changes in climate and supply fresh food and value-added products.

Prolonged drought conditions, high farm debt levels and reduced spending negatively impact rural communities. Under the whole-of-government Drought Assistance Package up to $34.6 million is centrally held and will be allocated to affected communities in 2018-19 (up to $20 million allocated to the Drought Relief Assistance Scheme). The Queensland Drought and Climate Adaptation Program will continue to improve industry capacity to manage and prepare for drought, new climate forecasting information and decision-support tools specifically tailored for Queensland. DAF will strengthen cross government agency partnerships including with the Queensland Rural Industry Development Authority, to promote sustainability, support the physical and mental well-being of individuals, and build community resilience.

Protect the Great Barrier Reef

DAF's reef program plays a significant role in delivering on improved reef water quality targets and the fisheries actions outlined in the *Reef 2050 Long Term Sustainability Plan*. DAF continues to focus on the research and development of improved farm management practices, decision making tools for producers, and effective weed control to minimise the impact of agriculture on the reef. Partnering with industry, natural resource management groups and local councils, the department aims to increase uptake of improved management practices. Major fisheries reform is also occurring with 16 more compliance officers in the Great Barrier Reef region, additional monitoring, harvest strategies for all fisheries and vessel tracking on all crab, net and line boats by the end of 2018.

Be a responsive Government

DAF delivers an extensive network of regional services to support rural economic development, improved farm practices and compliance with biosecurity and fisheries regulations. Stronger and more inclusive partnerships underpin DAF's service reforms to build shared ownership and more effective intervention strategies. There is also a focus on digital solutions to improve e-business transactions and make it easier to understand and comply with rules.

Service performance

Agriculture

Service area objective

To lift the productivity of Queensland's food and fibre businesses.

Service area description

This service area:

- undertakes industry analysis to ensure the policy and regulatory frameworks underpin the long term productivity growth, export potential and sustainability of Queensland’s food and fibre sector
- works with producers, industry and all levels of government to capitalise on rural opportunities, improve supply chains and create long term jobs for the benefit of Queensland’s food and fibre sector
- works with rural communities to identify economic development priorities, improve the competitiveness of rural business, increase the number of jobs in rural communities, and deliver agricultural industry development outcomes
- undertakes research, development and extension and delivers services to assist producers to advance Queensland agriculture and bring the best quality food and fibre products to market
- provides industry and university scientists with access to the department’s world-class research facilities focused on Queensland industry needs
- leads initiatives aimed at improving the delivery of services to customers.

Services

- Strategic policy and planning
- Rural economic development
- Agri-science Queensland

2018-19 service area highlights

In 2018-19, Agriculture will:

- establish an Agricultural Ministerial Council involving Queensland Farmers' Federation, AgForce and other industry groups to promote collaboration between industry and government, and agricultural industry development
- lead the implementation of the Government's Driving Queensland Agriculture and Rural Jobs Growth policy to grow agriculture export capacity and enhance innovation throughout the agricultural supply chain by:
  - increasing export opportunities for agribusiness in international markets to enhance economic growth
  - promoting agricultural industry development and jobs in rural communities through $3.3 million ($10 million over three years) for the Rural Economic Development Grants program package
  - enhancing rural job skills with a further $1 million ($3 million over three years) for the successful Rural Jobs and Skills Alliance and to extend the Queensland Agricultural Workforce Network (QAWN)
- continue to support agricultural industries in reef catchments to improve Great Barrier Reef water quality outcomes through adoption of improved practices by:
  - ensuring coordinated on-ground support services, such as, extension capacity building, pesticide education and compliance, and collaborative service delivery
  - specialised extension services such as economic analysis to support the industry-led, Best Management Programs (BMP)
  - validating improved and innovative management practices

- provide existing drought relief arrangements to drought affected communities and invest in the Queensland Drought and Climate Adaptation Program to improve farm business capacity, seasonal forecasting and decision support tools that enable producers to better manage climate risk. The Government will conduct a review of its drought programs in 2018-19 to ensure the most appropriate assistance is delivered
- work with industry to investigate the feasibility of abolishing stamp duty on agricultural insurance products, and reducing the reliance of primary producers on government assistance during natural disasters
- continue to implement the *Agriculture and Food Research, Development and Extension 10-Year Roadmap and Action Plan* which aligns with the Advance Queensland agenda and drives innovation in Queensland's agricultural and food industries
- provide $500,000 ($1 million over two years) for research, development and extension to address knowledge gaps in pulse storage to support the rapidly expanding chickpea and pulses industry
- invest $390,000 ($400,000 over two years) to tackle fruit flies in Bundaberg and to trial regional agriculture data collection with Bundaberg Fruit and Vegetable Growers.

Department of Agriculture and Fisheries	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Agriculture				
Service: Service: Strategic policy and planning				
Service standards *Effectiveness measure* Proportion of stakeholders who have a high level of satisfaction with Agriculture policy and planning, consultation and engagement processes	1	70%	70%	70%
Efficiency measure Average cost per hour to conduct regulatory policy and reform activities	2	$75	$69	$75
Service: Rural economic development				
Service standards *Effectiveness measure* Percentage of primary producers in reef catchments who adopt improved management practices after participation in DAF extension programs	3	40%	40%	40%
Efficiency measures Average cost of regional agricultural advocacy activities	4	$800	$800	$780
Investment in the management of the Drought Relief Assistance Scheme program as a proportion of the total claims paid under the Scheme	5, 6	10%	8%	10%

Department of Agriculture and Fisheries	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service: Agri-science Queensland				
Service standards *Effectiveness measures* Assessed impact of completed agricultural research, development and extension projects and/or programs (Benefit Cost Ratio)	7, 8	New measure	New measure	>3.5
Level of funding partner satisfaction that research outcomes contribute to industry productivity growth	9	80%	80%	90%
Efficiency measure Percentage return on research development and extension investment through royalty returns	10	3.5%	3.5%	3.5%

Notes:

1. This measure covers a range of dimensions of stakeholder satisfaction including quality, satisfaction with the tools and methods of engagement and the level of opportunity to contribute to policy direction to determine overall stakeholder satisfaction. Both quantitative and qualitative responses are sought.
2. The cost for this efficiency measure is based on employee expenses for staff responsible for regulatory policy and reform.
3. There has been a minor wording change to this measure however the calculation methodology remains unchanged. The previous wording in relation to "Best management practice" has changed to “improved management practices” given that best management practice is an industry recognised term for a standard of overall practice generally achieved from a series of improvements over time. This measure reports adoption of improved practices which can have a positive impact on resource condition and production during the surveyed period. Many landholders will have scope for several incremental practice improvements before they can realistically be described as having attained "best practice", and these are the landholders that are priorities for extension support. The change to the metric is a better indication of progress.
4. Expenses included in the methodology are salaries (including on-costs) plus general operating costs directly attributable to the activity.
5. Methodology is cost of claims paid to eligible producers divided by administration costs. Administration costs include salary, IT and phone costs of temporary staff and percentage of salary and IT costs of permanent staff based on time spent processing claims. Also included are audit costs and ITP maintenance of the Drought and Disaster Assistance Management System (DDAMS) Database.
6. The variance between the 2017-18 Target/Estimate and the 2017-18 Estimated Actual is due to the active management of contractor numbers resulting in reduced expenditure throughout the year, a small increase in the number and value of claims being received, and a fall in the required maintenance and development costs for the DDAMS Database.
7. This new measure provides an improved estimate of benefits for the industry and the broader community associated with efficient food and fibre production generated by the use of DAF’s agri-scientific research outputs relative to the cost of the overall investment. Annually a sample of completed projects will be independently assessed using the methodology outlined in the Council of Rural Research and Development Corporation’s Impact Assessment Guideline and the results aggregated to report on this measure.
8. The target for this measure is based upon the reported benefit cost ratios published by a range of publicly funded organisations on research development and extension (RD&E) investment. A similar result would be expected for DAF's RD&E investment.
9. This measure of funding partner satisfaction covers a range of dimensions that consider both the quality, relevance and timeliness of processes used by Agri-Science Queensland (ASQ) and the outcomes delivered by individual projects. Both quantitative and qualitative feedback is sought to gauge overall satisfaction and improve the service.
10. The State Government investment in RD&E through ASQ is calculated annually. The percentage relates to the royalty and licensing income earned by ASQ as a direct result of the Government’s investment in agricultural RD&E. This excludes partnership payments to the university sector and Sugar Research Australia where intellectual property is not allocated to DAF, as well as research facility transition costs.

Biosecurity Queensland

Service area objective

To mitigate the risks and impacts of animal and plant pests and diseases and weeds to the economy, the environment, social amenity and human health. This service area also upholds standards for animal welfare and agricultural chemical use.

Service area description

Biosecurity Queensland works closely with national and local governments, industry bodies, producers and the community to maintain a strong biosecurity system. Biosecurity Queensland's main areas of focus are:

- animal pests and diseases
- plant pests and diseases
- invasive plants and animals, such as weeds and pest animals
- biosecurity diagnostics and other laboratory services
- animal welfare and ethics, including exhibited animals
- agvet chemical use and contaminant risk
- biosecurity incident responses, such as exotic tramp ants, white spot disease in prawns, and Panama disease tropical race 4 in bananas.

2018-19 service area highlights

In 2018-19, Biosecurity Queensland will:

- implement the Queensland Biosecurity Strategy and Action Plan
- lead the implementation of existing National Agreements and Partnerships and negotiations associated with proposed new Project Agreements to ensure adequate funding contributions for:
  - pest animal and weed management in drought affected areas
  - established pest animal and weed management
  - pest and disease preparedness and response programs
- continue nationally significant biosecurity responses and eradication programs including programs for Red Imported Fire Ants, white spot disease in prawns, and Panama disease tropical race 4
- provide a further $2.5 million in grants ($5 million over two years) for the Queensland Feral Pest Initiative for wild dog exclusion cluster fencing in western and southern Queensland in drought affected communities
- commission the Animal Welfare Advisory Board to conduct a review regarding the welfare of companion animals and provide recommendations to government.

Department of Agriculture and Fisheries	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Biosecurity Queensland				
Service standards *Effectiveness measures* Proportion of significant biosecurity responses that deliver the planned outcomes to safeguard economic loss	1	New measure	New measure	>80%
Level of satisfaction with biosecurity partnership performance	2	New measure	New measure	>3.0

Department of Agriculture and Fisheries	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Efficiency measures				
Cost of significant biosecurity responses per agricultural production unit	3, 4	New measure	New measure	> or = 1:450
Cost of core biosecurity services per agricultural production unit	3, 5	New measure	New measure	> or = 1:250

Notes:

1. This new measure was introduced to replace the discontinued measure - percentage of significant response programs on track to deliver nationally agreed outcomes (on time and on budget). The new measure provides a more accurate assessment of the initial effectiveness of biosecurity decision-making and responses. Significant biosecurity responses include national cost share, other deed agreed and state responses that have a cost benefit analysis undertaken as part of the funding approval process. A response to a biosecurity incident is considered to have met the expected rate of return if eradication or containment has been achieved within the specified terms and period within the response agreement. Where a further agreement and terms are agreed this is reported as a new response.
2. This is a new measure that supports the implementation of the Queensland Biosecurity Strategy and Action Plan to measure the effectiveness of the intended partnership arrangements. Satisfaction is measured by five key dimensions including mutual trust, clarity of purpose, collaboration, role clarity, and empowerment of responsibility as well as overall satisfaction with the partnership arrangements.
3. The two new efficiency measures replace the former efficiency measure to provide a more comprehensive view of the efficiency of biosecurity services. Separating the efficiency for core services delivered from the budget allocation and responses which often receive additional funding from outside sources enables better understanding of the interaction and monitoring of factors that impact on the delivery of biosecurity services.
4. This measure is calculated and expressed as a ratio of the five year average of the Gross Value of Production (GVP) over the expenditure on the significant incident responses delivered in a given year. The gross value of production is the value of primary industry commodities produced to the farm gate. Expenditure on biosecurity incident responses can vary significantly between years depending on factors such as the number, size and location of incursions detected during the year.
5. This measure is calculated and expressed as a ratio of the five year average of the GVP over the expenditure for core biosecurity services. Core biosecurity services include animal and plant biosecurity, invasive plants and animals, policy and corporate support services. A ratio is used to demonstrate the link between the value of the industry/sector safeguarded/protected and the investment in biosecurity services.

Fisheries and Forestry

Service area objective

To ensure sustainable and productive fisheries and the responsible allocation and use of State-owned forests and related resources.

Service area description

Fisheries and Forestry do this by:

- implementing the *Queensland Sustainable Fisheries Strategy 2017-2027* to manage access to and improve the sustainable use of Queensland fisheries resources
- providing education and enforcing fishing regulations to promote equitable access to fisheries resources by commercial, recreational and traditional fishers
- conducting technical assessments and providing advice on development applications that impact on fisheries related Matters of State Ecological Significance, including aquaculture, marine plants and fish passage
- responsibly managing the allocation and use of State-owned forests and related resources
- supporting the growth and development of the Queensland forest and timber industry
- overseeing the Plantation Licence issued to HQPlantations Pty Ltd and related agreements.

Services

- Fisheries
- Forestry

2018-19 service area highlights

In 2018-19, Fisheries and Forestry will:

- implement the *Queensland Sustainable Fisheries Strategy 2017−2027* to ensure that fisheries resources are managed in a sustainable and responsible manner that recognises the interests of all Queenslanders. This includes a commitment to:
  - work with industry to help minimise the costs associated with vessel tracking and to ensure the rules applied are practical and achievable for smaller boats and fishing operations that use multiple boats
  - modernise the recreational fisheries app and develop a commercial fisheries app
  - commence a review of the *Fisheries Act 1994* to create a legislative framework for recreational and commercial fishers that is contemporary, simple to understand, and reflective of community expectations
- provide the remainder of $100,000 to each of the Rockhampton, Mackay and Cairns Regional Councils to help promote their net-free zones, which commenced in 2017-18
- release the final Charter Fishing Action Plan to grow a world-class charter fishing industry
- maintain the Shark Control Program that provides safe and secure Queensland beaches
- continue to meet the State's native forest and quarry material supply commitments outlined in various sales permits issued under the *Forestry Act 1959*
- develop a Queensland Government policy on the future of timber production in state−owned native forests
- continue to oversee the plantation licence held by HQPlantations Pty Ltd, as well as the related agreements, on behalf of the State.

Department of Agriculture and Fisheries	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Fisheries and Forestry				
Service: Fisheries				
Service standards *Effectiveness measures* Percentage of key Queensland fish stocks assessed that are considered to have no sustainability concerns	1	85%	82%	85%
Percentage of units inspected that are compliant with fisheries laws	2	93%	91%	90%
Efficiency measures Average cost of inspections	3, 4	$480	$500	$520
Average number of inspections per FTE	5	298	280	250
Service: Forestry				
Service standards *Effectiveness measure* Percentage of findings from the previous third party audit confirmed as satisfactorily addressed in order to maintain certification to the Australian Standard for Sustainable Forest Management AS4708:2013	6	100%	100%	100%
Efficiency measure Average expense necessary to authorise the removal of a cubic metre of forest product: (a) Native forest timber (expenses/m³) (b) Quarry material (expenses/m³)	7	New measure	New measure	$36.00 $0.66

Notes:

1. Under the nationally consistent system for stock status assessment, an assessment of all Queensland species of importance is completed over 24 months. A different group of species/stocks will be assessed each year as well as a re-assessment of any stocks of concern. For this reason, results may vary each year however the target has been retained at 85 per cent. The list of fish stocks to be assessed in 2018-19 will include the Status of Australian Fish Stocks and Queensland only species.
2. The reduction in this target is due to the adoption of a targeted intelligence-driven patrol compliance model which targets non-compliant activities rather than random on water inspections. As a result the number of units inspected that are compliant is expected to decrease.
3. The cost of inspection is determined by the number of inspections undertaken by authorised officers of the Queensland Boating and Fisheries Patrol (QBFP) and the annual cost of the QBFP. The QBFP conducts both fisheries inspections for DAF and boating safety inspections on behalf of other agencies such as the Department of Transport and Main Roads.
4. The increase in the 2018-19 Target/Estimate is due to the adoption of a targeted intelligence-driven patrol compliance model (which impacts the total number of inspections) and increasing costs of service delivery.
5. The average number of inspections shows a decrease due to the adoption of a targeted intelligence-driven patrol compliance model, which targets non-compliant activities rather than random on water inspections.
6. Certification to the Australian Standard is voluntary, and pursued as a value adding credential for Forest Products. This certification enables purchasers of state-owned forest products to promote and label their products as sourced from responsibly managed forests. This chain of custody process helps DAF customers to access increasingly discerning markets requiring legally sourced and environmentally credentialed timber products. It also provides the Queensland community with confidence that designated forest areas have been determined to meet high standards of sustainable management through independent review. The department endeavours to satisfactorily address all significant audit findings within a twelve month period to ensure relevant customers can continue to label their products as sustainably produced.
7. This new efficiency measure replaces the former efficiency measure (Total of forest product sales quantities per total Forest Product Full Time Equivalent (FTE)) which was based on cubic metre of forest material removed per FTE. The new measure is the cost of authorising and subsequent administration of the sales permits only and it does not include forest or quarry operational costs which are the responsibility of the sales permit holder. The volume of material removed is recorded by measure or load dockets and electronic data transfers submitted by sales permit holders.

Discontinued measures

Performance measures included in the 2018-18 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

Department of Agriculture and Fisheries	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Agriculture				
Percentage of customers whose application for business assistance as a result of natural disaster or drought is processed within 21 days	1	90%	93%	Discontinued measure
Percentage of customers indicating that participation in a research development and extension activity contributes to business improvements	2	75%	75%	Discontinued measure
Service area: Biosecurity Queensland				
Percentage of significant response programs on track to deliver nationally agreed outcomes (on time and on budget)	3	100%	100%	Discontinued measure
Average cost per hour to deliver biosecurity services for Queensland	4	$52	$53.01	Discontinued measure
Service area: Fisheries and Forestry				
Total of forest product sales quantities per total Forest Product Full Time Equivalent (FTE):				
(a) Native forest timber (m³/FTE)		2,450	2,870	Discontinued measure
(b) Quarry material (m³/FTE)	5, 6	40,800	53,700	

Notes:

1. This measure has been discontinued for the purpose of the *Service Delivery Statement* as timeliness measures do not meet the definition of either effectiveness or efficiency. The department will continue to monitor this measure internally and report in the Annual Report as timeliness in responding to customers' requests for assistance plays a crucial role in maintaining animal welfare in times of drought and the capability of producers to restock post drought.
2. This measure has been replaced with a new measure that assesses the impact of completed agricultural research, development and extension projects. This measure will continue to be monitored and reported on internally. The new measure provides a more comprehensive assessment of the benefits for the industry and the broader community from the research investment.
3. This measure has been discontinued from the *Service Delivery Statement* as it does not meet the definition of effectiveness as outlined in the Queensland Government's Performance Management Framework. This measure will continue to be reported as part of funding arrangements to the respective funding agencies.
4. This measure has been discontinued for the purposes of the *Service Delivery Statement* as new efficiency measures that separate the efficiency for core services delivered from the budget allocation and responses which often receive additional funding from outside sources enables better understanding of the interaction and monitoring of factors that impact on the delivery of biosecurity services. The overall cost of biosecurity services will continue to be monitored internally.
5. This measure has been replaced by a more comprehensive measure that assesses the expenses incurred by the department's Forest Product business unit to authorise the removal of state-owned forest products and quarry material. This measure will continue to be reported and used internally to measure elements of operational performance.
6. The 2017-18 Estimated Actual is higher than the target due to higher than expected removals for native forest timber and quarry materials, combined with lower than expected FTEs as a result of staff turnover.

Administered items

Administered activities are those undertaken by departments on behalf of the Government.

The Department of Agriculture and Fisheries administers funds on behalf of the State, including the following activities:

- Queensland Rural and Industry Development Authority (QRIDA): the department provides funding to QRIDA for the administration of government financial assistance schemes to foster the development of a more productive and sustainable rural and regional sector in Queensland
- Forestry Assets: the department holds surplus assets that were transferred back to the Government prior to the sale of Forestry Plantations Queensland to the private sector and the department has been implementing an asset management plan for these assets
- Queensland Racing Integrity Commission (QRIC): the department provides a funding contribution for QRIC to oversee the integrity and welfare standards of racing animals and participants in Queensland. The department also receives a contribution from Racing Queensland towards QRIC's activities.

Financial statements and variance explanations in relation to administered items appear in the departmental financial statements.

Departmental budget summary

The table below shows the total resources available in 2018-19 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Agriculture and Fisheries	2017-18 Budget $'000	2017-18 Est. Actual $'000	2018-19 Budget $'000
CONTROLLED			
Income			
Appropriation revenue[1]			
Deferred from previous year/s	26,317	29,784	37,647
Balance of service appropriation	261,515	248,031	276,161
Other revenue	136,910	192,678	167,899
Total income	**424,742**	**470,493**	**481,707**
Expenses			
Agriculture	197,630	212,884	211,330
Biosecurity Queensland	107,384	138,143	145,581
Fisheries and Forestry	73,060	71,733	75,967
Corporate Partnership	46,668	47,733	48,829
Total expenses	**424,742**	**470,493**	**481,707**
Operating surplus/deficit	**..**	**..**	**..**
Net assets	**411,216**	**399,001**	**396,498**
ADMINISTERED[2]			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	26,735	27,717	40,370
Other administered revenue	19,784	19,784	20,188
Total revenue	**46,519**	**47,501**	**60,558**
Expenses			
Transfers to government	19,784	19,784	20,188
Administered expenses	26,735	27,717	40,370
Total expenses	**46,519**	**47,501**	**60,558**
Net assets	**1,017**	**961**	**942**

Notes:

1. Includes State and Commonwealth funding.
2. The 2017-18 Budget for administered items has been adjusted to reflect the machinery-of-government change related to the Queensland Racing Integrity Commission.

Service area sources of revenue[1]

Sources of revenue 2018-19 Budget					
Department of Agriculture and Fisheries	**Total cost $'000**	**State contribution $'000**	**User charges and fees $'000**	**C'wealth revenue $'000**	**Other revenue $'000**
Agriculture	211,330	160,440	46,994	-	3,896
Biosecurity Queensland	145,581	94,026	23,166	22,144	6,245
Fisheries and Forestry	75,967	43,976	7,541	..	24,450
Corporate Partnership	48,829	12,848	35,981	..	..
Total	**481,707**	**311,290**	**113,682**	**22,144**	**34,591**

Note:

1. Explanations of variances are provided in the financial statements.

Budget measures summary

This table shows a summary of budget measures relating to the department since the 2017-18 State Budget. Further details are contained in *Budget Measures (Budget Paper 4)*.

Department of Agriculture and Fisheries	2017-18 $'000	2018-19 $'000	2019-20 $'000	2020-21 $'000	2021-22 $'000
Revenue measures					
Administered	..	(125)	(125)	(125)	(122)
Departmental	..	201	208	215	223
Expense measures[1]					
Administered	..	..	..	..	..
Departmental	4,082	11,223	10,923	7,599	3,485
Capital measures					
Administered	..	..	..	..	..
Departmental	..	1,000	500	..	..

Note:

1. Figures reconcile with *Budget Measures (Budget Paper 4)*, including the whole-of-government expense measure "Reprioritisations".

Departmental capital program

Capital purchases and grants for the Department of Agriculture and Fisheries in 2018-19 are $22.1 million.

The department's capital program is focused on developing and upgrading research facilities to deliver outcomes for agriculture, biosecurity, fisheries and forestry. The department has facilities located throughout rural and regional Queensland. These require continual minor works, mechanical items and plant and equipment upgrades to keep them operating effectively. The program also includes capital grant payments to various organisations.

Program Highlights (Property Plant and Equipment)

- $5.5 million is allocated to continue upgrades to the department's research and operational facilities through the Research Facilities Development, Scientific Equipment, and Minor Works Programs.
- $3 million is provided for the upgrade and refurbishment of existing facilities at Toowoomba, which will enhance service delivery and improve operational efficiencies.
- $2.5 million is allocated to provide new and replacement heavy plant and equipment including trucks, tractors, irrigators, all-terrain vehicles and other machinery.
- $1.1 million is provided to continue the replacement of vessels and marine equipment for fisheries research and regulatory functions.
- $1 million is provided to commence restoration of the heritage listed Jimna Fire Tower outside Kilcoy.
- $406,000 is provided for leasehold fitout replacements to the Ecosciences and Heath and Food Sciences precincts.

Program Highlights (Capital Grants)

- $879,000 is provided to the Royal Society for the Prevention of Cruelty to Animals (RSPCA) for facility upgrades in North Queensland.
- $500,000 is provided to the Queensland Country Women's Association for the preservation of heritage halls in rural and regional Queensland.
- $300,000 is provided to the Paws and Claws animal welfare organisation to assist with the purchase of land for relocation of its current animal shelter facilities.

Capital budget

Department of Agriculture and Fisheries	Notes	2017-18 Budget $'000	2017-18 Est. Actual $'000	2018-19 Budget $'000
Capital purchases and grants	1			
Total land, buildings and infrastructure	2	6,550	6,331	7,656
Total plant and equipment	3	10,327	10,046	11,471
Total other capital	4	2,592	4,032	2,929
Total capital purchases and grants		**19,469**	**20,409**	**22,056**

Notes:

1. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.
2. The 2018-19 Budget includes expenditure for the upgrade and refurbishment of existing facilities (including Toowoomba) and restoration of the Jimna Fire Tower.
3. The 2018-19 Budget includes expenditure for new and replacement vessels, scientific, computer, heavy plant and equipment and fitout replacements for the Ecosciences and Health and Food Sciences Precincts.
4. The 2017-18 Estimated Actual includes bringing forward capital grants from 2018-19 for the purchase of a grains research and development property in the Southern Downs area with the Grains Research and Development Corporation and for the RSPCA to align payments with the revised payment schedule.

Staffing[1]

Department of Agriculture and Fisheries	Notes	2017-18 Budget	2017-18 Est. Actual	2018-19 Budget
Agriculture	2, 3	932	936	936
Biosecurity Queensland	2, 3, 4, 5	584	620	617
Fisheries and Forestry	2, 3	351	352	352
Subtotal		1,867	**1,908**	**1905**
Corporate Partnership servicing other departments	6, 7	222	223	223
TOTAL		**2,089**	**2,131**	**2,128**

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. The increase in the 2017-18 Estimated Actual across all service areas is due to the redistribution of corporate staff following changes to the Business and Corporate Partnership arrangements.
4. The increase in the 2017-18 Estimated Actual for Biosecurity Queensland is due to additional staff and funding approved for the National Red Imported Fire Ant Eradication Program.
5. The decrease in the 2018-19 Budget is due to a planned reduction in the staffing requirements associated with the implementation of the Biosecurity Capability Review.
6. The increase in the 2017-18 Estimated Actual for Corporate Partnership servicing other departments is due to the transfer of corporate staff from the Department of Innovation, Tourism Industry Development and the Commonwealth Games and is partially offset by the transfer of corporate staff to the Department of Employment, Small Business and Training and changes to Business and Corporate Partnership arrangements.
7. The department participates in a partnership arrangement in the delivery of its services, whereby corporate FTEs are hosted by the department to work across multiple departments. Under the corporate partnership arrangements, the department also receives services from the Department of Natural Resources, Mines and Energy and the Department of Environment and Science.

Budgeted financial statements

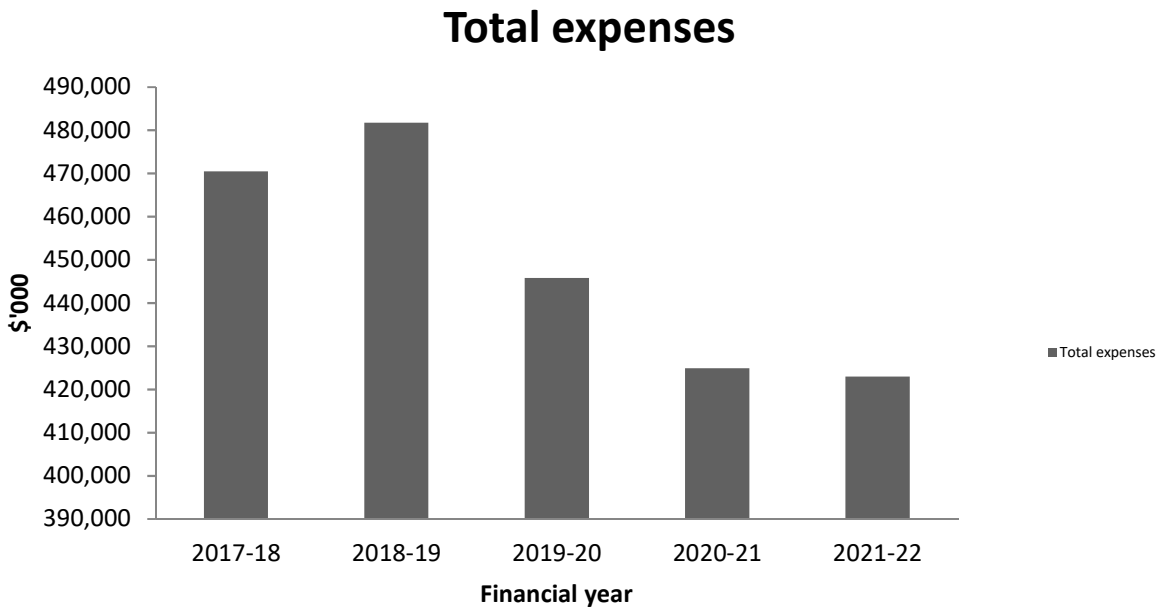
Analysis of budgeted financial statements

An analysis of the department's budgeted financial statements, as reflected in the department's financial statements, is provided below.

Departmental income statement

Total expenses are estimated to be $481.7 million in 2018-19, which is an increase of $11.2 million from the 2017-18 Estimated Actual. The increase is due to initiatives under the Driving Queensland Agriculture and Rural Jobs Growth election commitment and increased expenses for the Sustainable Fishing Strategy, the implementation of the Biosecurity Capability Review, the Technology Commercialisation Fund and Enterprise Bargaining Agreement increments. This is partially offset by a reduction in expenses for the continuation of the Drought Assistance Package whereby the 2018-19 budget is held centrally by government (up to $20 million for the Drought Relief Assistance Scheme), and reduced expenses for contracted Research and Development (R&D) projects, various limited life funded initiatives (including the Panama disease tropical race 4 (TR4) response) and biosecurity pest and disease emergency responses, whereby current funding arrangements cease in 2017-18. The decrease in expenses beyond 2018-19 can be attributed to the finalisation of funding arrangements for various departmental limited life initiatives (including the Panama disease TR4 response, the containment of White Spot Disease (WSD), the Technology Commercialisation Fund, the Sustainable Fishing Strategy, and pest and weed initiatives).

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

DAF's major assets are in property, plant and equipment ($354.8 million in 2018-19) with the department having facilities located throughout rural and regional Queensland. In 2018-19, DAF will invest $20.4 million in capital outlays through its capital expenditure program in upgrading its existing facilities and purchasing new and replacement plant and equipment, which will enhance the department's service delivery capacity and result in efficiency gains. Over the forward estimates period, DAF will continue to review and rationalise assets, and maximise service delivery outcomes and efficiencies by revitalising its facilities.

Controlled income statement

Department of Agriculture and Fisheries	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
Appropriation revenue	1,8,14	287,832	277,815	313,808
Taxes		..	..	..
User charges and fees	2,9,15	101,408	132,702	113,682
Royalties and land rents	3	26,585	28,118	27,675
Grants and other contributions	4,10,16	8,302	31,230	26,044
Interest		..	..	..
Other revenue		520	533	403
Gains on sale/revaluation of assets		95	95	95
Total income		**424,742**	**470,493**	**481,707**
EXPENSES				
Employee expenses	5,11,17	210,747	215,294	226,008
Supplies and services	6,12,18	181,954	213,730	221,691
Grants and subsidies	7,13,19	8,529	17,434	10,164
Depreciation and amortisation		21,926	21,351	21,599
Finance/borrowing costs		..	..	..
Other expenses		1,586	2,684	2,245
Losses on sale/revaluation of assets		..	..	..
Total expenses		**424,742**	**470,493**	**481,707**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Controlled balance sheet

Department of Agriculture and Fisheries	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets	20,32	40,488	42,919	39,305
Receivables	21,26,33	30,363	36,081	34,670
Other financial assets		..	..	..
Inventories		1,502	1,000	1,000
Other		6,302	6,117	6,117
Non-financial assets held for sale		..	..	..
Total current assets		**78,655**	**86,117**	**81,092**
NON-CURRENT ASSETS				
Receivables		15	..	..
Other financial assets		..	..	..
Property, plant and equipment	22,27,34	367,620	357,110	354,819
Intangibles	28,35	1,481	1,373	1,917
Other		15,619	15,220	14,694
Total non-current assets		**384,735**	**373,703**	**371,430**
TOTAL ASSETS		**463,390**	**459,820**	**452,522**
CURRENT LIABILITIES				
Payables		10,160	11,850	11,400
Accrued employee benefits	23,29	4,734	8,013	8,013
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	24,30,36	19,285	24,345	21,420
Total current liabilities		**34,179**	**44,208**	**40,833**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		17,995	16,611	15,191
Total non-current liabilities		**17,995**	**16,611**	**15,191**
TOTAL LIABILITIES		**52,174**	**60,819**	**56,024**
NET ASSETS/(LIABILITIES)		**411,216**	**399,001**	**396,498**
EQUITY				
TOTAL EQUITY	**25,31,37**	**411,216**	**399,001**	**396,498**

Controlled cash flow statement

Department of Agriculture and Fisheries	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	38,50,60	287,832	273,625	313,808
User charges and fees	39,51,61	101,950	129,892	111,482
Royalties and land rent receipts	40	26,585	28,118	27,675
Grants and other contributions	41,52,62	8,302	31,230	26,044
Interest received		..	..	..
Taxes		..	..	..
Other		14,301	14,314	14,184
Outflows:				
Employee costs	42,53,63	(210,997)	(215,544)	(226,008)
Supplies and services	43,54,64	(196,648)	(228,717)	(235,435)
Grants and subsidies	44,55,65	(8,529)	(17,434)	(10,164)
Borrowing costs		..	..	..
Other		(2,186)	(3,284)	(2,845)
Net cash provided by or used in operating activities		**20,610**	**12,200**	**18,741**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	45,56	1,480	782	525
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	46,57,66	(18,127)	(17,117)	(20,377)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(16,647)**	**(16,335)**	**(19,852)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	47,58,67	..	2,150	1,000
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	48,59,68	(4,138)	(8,001)	(3,503)
Net cash provided by or used in financing activities		**(4,138)**	**(5,851)**	**(2,503)**
Net increase/(decrease) in cash held		**(175)**	**(9,986)**	**(3,614)**
Cash at the beginning of financial year		**40,663**	**52,905**	**42,919**
Cash transfers from restructure		..	..	..
Cash at the end of financial year	**49,69**	**40,488**	**42,919**	**39,305**

Administered income statement

Department of Agriculture and Fisheries	Notes	2017-18 Adjusted Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
Appropriation revenue	70,72	26,735	27,717	40,370
Taxes		..	..	..
User charges and fees		1,843	1,843	1,907
Royalties and land rents		..	..	..
Grants and other contributions		16,191	16,191	16,531
Interest		..	..	..
Other revenue		1,750	1,750	1,750
Gains on sale/revaluation of assets		..	..	..
Total income		**46,519**	**47,501**	**60,558**
EXPENSES				
Employee expenses		..	..	..
Supplies and services		..	..	..
Grants and subsidies	71,73	26,716	27,698	40,351
Depreciation and amortisation		19	19	19
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government		19,784	19,784	20,188
Total expenses		**46,519**	**47,501**	**60,558**
OPERATING SURPLUS/(DEFICIT)		**..**	**..**	**..**

Administered balance sheet

Department of Agriculture and Fisheries	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets		4	7	7
Receivables		12	61	61
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		**16**	**68**	**68**
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	74,75	1,004	942	923
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		**1,004**	**942**	**923**
TOTAL ASSETS		**1,020**	**1,010**	**991**
CURRENT LIABILITIES				
Payables		..	..	..
Transfers to Government payable		3	49	49
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		**3**	**49**	**49**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**..**	**..**	**..**
TOTAL LIABILITIES		**3**	**49**	**49**
NET ASSETS/(LIABILITIES)		**1,017**	**961**	**942**
EQUITY				
TOTAL EQUITY		**1,017**	**961**	**942**

Administered cash flow statement

Department of Agriculture and Fisheries	Notes	2017-18 Adjusted Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	76,80	26,735	27,710	40,370
User charges and fees		1,841	1,979	1,907
Royalties and land rent receipts		..	..	..
Grants and other contributions		16,191	16,191	16,531
Interest received		..	..	..
Taxes		..	..	..
Other		1,750	1,750	1,750
Outflows:				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies	77,81	(26,716)	(27,698)	(40,351)
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government		(19,784)	(19,766)	(20,188)
Net cash provided by or used in operating activities		**17**	**166**	**19**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**..**	**..**	**..**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	78,82	1,142	1,142	2,123
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	79,83	(1,161)	(1,154)	(2,142)
Net cash provided by or used in financing activities		**(19)**	**(12)**	**(19)**
Net increase/(decrease) in cash held		**(2)**	**154**	**..**
Cash at the beginning of financial year		**6**	**(147)**	**7**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**4**	**7**	**7**

Explanation of variances in the financial statements

Income statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

1. The decrease is largely due to the deferral of funding from 2017-18 to realign the budget with anticipated cashflows for departmental programs (including the Technology Commercialisation Fund, the Sustainable Fishing Strategy, wild dog control initiatives, the implementation of the Biosecurity Capability Review and pest and weed initiatives). This is partially offset by additional funding received in 2017-18 for the containment of White Spot Disease (WSD), the National Red Imported Fire Ants Eradication Program (NRIFAEP), the ongoing control and coordination program for the Panama disease tropical race 4 (TR4) response and the Great Barrier Reef Water Quality Program (GBRWQP). Additional funds have also been released in 2017-18 from the funds held centrally by government for the continuation of the Drought Assistance Package.
2. The increase is largely due to additional funding for National Cost Sharing (NCS) arrangements for the ten year eradication plan for the NRIFAEP, increased funding for contracted Research and Development (R&D) projects from external funding bodies and additional funding recognised from the Great Barrier Reef Marine Park Association (GBRMPA) for the implementation of the Sustainable Fishing Strategy.
3. The increase is mainly due to higher than expected seed and legume royalties in 2017-18.
4. The increase is largely due to additional funding from the Australian Government for NCS arrangements for the ten year eradication plan for the NRIFAEP, additional funding received from Queensland Reconstruction Authority for an Economic Recovery Package, which provides agriculture recovery and support after Tropical Cyclone Debbie, and an additional contribution received from the Australian Government for the containment of WSD.
5. The increase is mainly due to additional employee expenses associated with the ten year eradication plan for the NRIFAEP that was finalised in 2017-18.
6. The increase is mainly due to increased expenses associated with the GBRWQP and biosecurity emergency responses (including NRIFAEP, Panama disease TR4 and the containment of WSD). The increase also includes additional expenses for R&D contracted projects and agricultural support and recovery services provided to primary producers affected by Tropical Cyclone Debbie. This is partially offset by a reduction in expenses associated with the deferral of funding from 2017-18 to realign the budget with anticipated cashflows for various departmental programs.
7. The increase is largely due to expenses incurred in 2017-18 for the continuation of the Drought Assistance Package and a grant paid to Queensland Rural and Industry Development Authority (QRIDA) to administer the Fisheries Vessel Tracking and Monitoring Scheme.

Major variations between 2017-18 Budget and 2018-19 Budget include:

8. The increase is largely due to additional funding for initiatives under the Driving Queensland Agriculture and Rural Jobs Growth election commitment, the ten year eradication plan for the NRIFAEP, the GBRWQP, additional supplementation for Enterprise Bargaining Agreements (EBA) and the deferral of funding from 2017-18 to realign the budget with anticipated cashflows for departmental programs. This is partially offset by a reduction in the limited life funding allocation for the National Electric Ant Eradication Program in 2018-19.
9. The increase is mainly due to additional funding for NCS arrangements for the ten year eradication plan for the NRIFAEP and additional funds received for the Great Barrier Reef Water Quality Science Projects. This is partially offset by a decrease in funding for contracted R&D projects from external funding bodies.
10. The increase is mainly due to additional funding from the Australian Government for NCS arrangements for the ten year eradication plan for the NRIFAEP.
11. The increase is mainly due to additional employee expenses associated with the ten year eradication plan for the NRIFAEP and EBA increments.
12. The increase is mainly due to increased expenses associated with Driving Queensland Agriculture and Rural Jobs Growth initiatives, the GBRWQP and the NRIFAEP. The increase also includes increased expenses associated with the deferral of funding from 2017-18 to realign the budget with anticipated cashflows for various departmental programs. This is partially offset by reduced expenses for R&D contracted projects and the National Electric Ant Eradication Program in 2018-19.
13. The increase is largely due to the Rural and Economic Development grants program to strengthen the agricultural sector and bolster rural communities. This is partially offset by the one-off grant payment to QRIDA in 2017-18 to administer the Fisheries Vessel Tracking and Monitoring Scheme.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

14. The increase is largely due to additional funding for initiatives under the Driving Queensland Agriculture and Rural Jobs Growth election commitment, additional supplementation for EBA and the deferral of funding from 2017-18 to realign the budget with anticipated cashflows for departmental programs (including the Technology Commercialisation Fund, the Sustainable Fishing Strategy, wild dog control initiatives, the implementation of the Biosecurity Capability Review and pest and weed initiatives). This is partially offset by a reduction in funding for various limited life funded initiatives including the Panama disease TR4 response, the National Electric Ant Eradication Program and funding held centrally by government for the continuation of the Drought Assistance Package in 2018-19.
15. The decrease is largely due to decreased funding for contracted R&D projects from external funding bodies and a reduction in NCS funding arrangements as expected for biosecurity pest and disease emergency responses (including the Red Witchweed, Exotic Fruit Fly Strategy and Four Tropical Weeds eradication programs), whereby current funding arrangements cease in 2017-18. Additional one-off funding from GBRMPA was received in 2017-18 for the implementation of the Sustainable Fishing Strategy.
16. The decrease is largely due to a reduction from the Australian Government for NCS arrangements for biosecurity pest and disease emergency responses as expected (including the Red Witchweed, Exotic Fruit Fly Strategy and Four Tropical Weeds eradication programs), whereby current funding arrangements cease in 2017-18. Additional one-off contributions were received in 2017-18 from Queensland Reconstruction Authority for an Economic Recovery package which provides agriculture recovery and support after Tropical Cyclone Debbie, and from the Australian Government for the containment of WSD.
17. The increase is mainly due to EBA increments.
18. The increase is mainly due to increased expenses associated with Driving Queensland Agriculture and Rural Jobs Growth initiatives, and the deferral of funding from 2017-18 to realign the budget with anticipated cashflows for various departmental programs (including the Technology Commercialisation Fund, the Sustainable Fishing Strategy, wild dog control initiatives, the implementation of the Biosecurity Capability Review and pest and weed initiatives). This is partially offset by reduced expenses for R&D contracted projects and reduced expenses for biosecurity pest and emergency responses (including the National Electric Ants, Red Witchweed, Exotic Fruit Fly Strategy and Four Tropical Weeds eradication programs) in 2018-19.
19. The decrease is due to the budget for the continuation of the Drought Assistance Package in 2018-19, being held centrally by the government and provided to the department based on demand. This is partially offset by the Rural and Economic Development grants program to strengthen the agricultural sector and bolster rural communities.

Balance sheet

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

20. The increase is largely associated with funds received in advance for multi year Reef Water Quality Science projects and the timing of capital purchases and projects.
21. The increase is largely due to the timing of invoicing for NCS arrangements for biosecurity pest and emergency disease responses (including the NRIFAEP).
22. The decrease is mainly due to the timing of capital purchases and projects and the revaluation decrement of land at the former Redlands Poultry Research Station in 2017-18.
23. The increase largely relates to a timing difference for employee expenses and associated costs at the end of the financial year.
24. The increase is largely associated with funds received in advance for multi year Reef Water Quality Science projects and contracted R&D projects.
25. The decrease is mainly due to the revaluation decrement of land at the former Redlands Poultry Station in 2017-18.

Major variations between 2017-18 Budget and 2018-19 Budget include:

26. The increase is largely due to the timing of invoicing for NCS arrangements for biosecurity pest and emergency disease responses (including the NRIFAEP).
27. The decrease is mainly due to the timing of capital purchases and projects, and the revaluation decrement of land at the former Redlands Poultry Research Station in 2017-18.
28. The increase is due to increased software acquisitions planned for 2018-19.

29. The increase largely relates to a timing difference for employee expenses and associated costs at the end of the financial year.

30. The increase is largely associated with funds received in advance for multi year Reef Water Quality Science projects.

31. The decrease is mainly due to the revaluation decrement of land at the former Redlands Poultry Station in 2017-18.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

32. The decrease is largely associated with the timing of capital purchases and projects.

33. The decrease is mainly due to a number of NCS funding arrangements that are ceasing in 2017-18.

34. The decrease is mainly due to the timing of planned plant and equipment acquisitions and disposals during 2018-19.

35. The increase is due to increased software acquisitions planned for 2018-19.

36. The decrease is largely due to lower than expected contracted R&D projects in 2018-19.

37. The decrease is mainly due to the timing of planned plant and equipment acquisitions, and disposals during 2018-19.

Cash flow statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

38. The decrease is largely due to the deferral of funding from 2017-18 to realign the budget with anticipated cashflows for departmental programs (including the Technology Commercialisation Fund, the Sustainable Fishing Strategy, wild dog control initiatives, the implementation of the Biosecurity Capability Review and pest and weed initiatives). This is partially offset by additional funding received in 2017-18 for the containment of WSD, the NRIFAEP, the ongoing control and coordination program for the Panama disease TR4 response and the GBRWQP. Additional funds have also been released in 2017-18 from the funds held centrally by government for the continuation of the Drought Assistance Package.

39. The increase is largely due to additional funding for NCS arrangements for the ten year eradication plan for the NRIFAEP, increased funding for contracted R&D projects from external funding bodies and additional funding recognised from GBRMPA for the implementation of the Sustainable Fishing Strategy.

40. The increase is mainly due to higher than expected seed and legume royalties in 2017-18.

41. The increase is largely due to additional funding from the Australian Government for NCS arrangements for the ten year eradication plan for the NRIFAEP, additional funding received from Queensland Reconstruction Authority for an Economic Recovery Package, which provides agriculture recovery and support after Tropical Cyclone Debbie, and an additional contribution received from the Australian Government for the containment of WSD.

42. The increase is mainly due to additional employee expenses associated with the ten year eradication plan for the NRIFAEP that was finalised in 2017-18.

43. The increase is mainly due to increased expenses associated with the GBRWQP and biosecurity emergency responses (including NRIFAEP, Panama disease TR4 and the containment of WSD). The increase also includes additional expenses for R&D contracted projects and agricultural support and recovery services provided to primary producers affected by Tropical Cyclone Debbie. This is partially offset by a reduction in expenses associated with the deferral of funding from 2017-18 to realign the budget with anticipated cashflows for various departmental programs.

44. The increase is largely due to expenses incurred in 2017-18 for the continuation of the Drought Assistance Package and a grant paid to QRIDA to administer the Fisheries Vessel Tracking and Monitoring Scheme.

45. The decrease is mainly due to the timing of planned disposals during 2017-18.

46. The decrease is mainly due to the timing of capital purchases and projects.

47. The 2017-18 estimated actual reflects an equity injection for the proceeds from the sale of Manningham Station.

48. The increase in equity withdrawals is due to the transfer of the proceeds from the sale of Manningham Station to Queensland Agricultural Training Colleges (QATC).

49. The increase is largely associated with funds received in advance for multi year Reef Water Quality Science projects and the timing of capital purchases and projects.

Major variations between 2017-18 Budget and 2018-19 Budget include:

50. The increase is largely due to additional funding for initiatives under the Driving Queensland Agriculture and Rural Jobs Growth election commitment, the ten year eradication plan for the NRIFAEP, the GBRWQP, additional supplementation for EBA and the deferral of funding from 2017-18 to realign the budget with anticipated cashflows for departmental programs. This is partially offset by a reduction in the limited life funding allocation for the National Electric Ant Eradication Program in 2018-19.
51. The increase is mainly due to additional funding for NCS arrangements for the ten year eradication plan for the NRIFAEP and additional funds received for the Great Barrier Reef Water Quality Science Projects. This is partially offset by a decrease in funding for contracted R&D projects from external funding bodies.
52. The increase is mainly due to additional funding from the Australian Government for NCS arrangements for the ten year eradication plan for the NRIFAEP.
53. The increase is mainly due to additional employee expenses associated with the ten year eradication plan for the NRIFAEP and EBA increments.
54. The increase is mainly due to increased expenses associated with Driving Queensland Agriculture and Rural Jobs Growth initiatives, the GBRWQP and the NRIFAEP. The increase also includes increased expenses associated with the deferral of funding from 2017-18 to realign the budget with anticipated cashflows for various departmental programs. This is partially offset by reduced expenses for R&D contracted projects and the National Electric Ant Eradication Program in 2018-19.
55. The increase is largely due to the Rural and Economic Development grants program to strengthen the agricultural sector and bolster rural communities. This is partially offset by the one-off grant payment to QRIDA in 2017-18 to administer the Fisheries Vessel Tracking and Monitoring Scheme.
56. The decrease largely represents the disposal of surplus assets during 2017-18.
57. The increase is mainly due to the timing of upgrades and refurbishments to the department's facilities (including Toowoomba) and the restoration works to the Jimna Fire Towers that is planned for 2018-19.
58. The 2018-19 Budget reflects an equity injection to fund the restoration activities for the Jimna Fire Tower.
59. The decrease is largely due to the one-off equity to output swap in 2017-18 to fund the Management and Disposal of Hazardous Chemical Waste initiative.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

60. The increase is largely due to additional funding for initiatives under the Driving Queensland Agriculture and Rural Jobs Growth election commitment, additional supplementation for EBA and the deferral of funding from 2017-18 to realign the budget with anticipated cashflows for departmental programs (including the Technology Commercialisation Fund, the Sustainable Fishing Strategy, wild dog control initiatives, the implementation of the Biosecurity Capability Review and pest and weed initiatives). This is partially offset by a reduction in funding for various limited life funded initiatives including the Panama disease TR4 response, the National Electric Ant Eradication Program and funding held centrally by government for the continuation of the Drought Assistance Package in 2018-19.
61. The decrease is largely due to decreased funding for contracted R&D projects from external funding bodies and a reduction in NCS funding arrangements as expected for biosecurity pest and disease emergency responses (including the Red Witchweed, Exotic Fruit Fly Strategy and Four Tropical Weeds eradication programs), whereby current funding arrangements cease in 2017-18. Additional one-off funding from GBRMPA was received in 2017-18 for the implementation of the Sustainable Fishing Strategy.
62. The decrease is largely due to a reduction from the Australian Government for NCS arrangements for biosecurity pest and disease emergency responses as expected (including the Red Witchweed, Exotic Fruit Fly Strategy and Four Tropical Weeds eradication programs), whereby current funding arrangements cease in 2017-18. Additional one-off contributions were received in 2017-18 from Queensland Reconstruction Authority for an Economic Recovery package which provides agriculture recovery and support after Tropical Cyclone Debbie, and from the Australian Government for the containment of WSD.
63. The increase is mainly due to EBA increments.
64. The increase is mainly due to increased expenses associated with Driving Queensland Agriculture and Rural Jobs Growth initiatives, and the deferral of funding from 2017-18 to realign the budget with anticipated cashflows for various departmental programs (including the Technology Commercialisation Fund, the Sustainable Fishing Strategy, wild dog control initiatives, the implementation of the Biosecurity Capability Review and pest and weed initiatives). This is partially offset by reduced expenses for R&D contracted projects and reduced expenses for biosecurity pest and emergency responses (including the National Electric Ants, Red Witchweed, Exotic Fruit Fly Strategy and Four Tropical Weeds eradication programs) in 2018-19.

65. The decrease is due to the budget for the continuation of the Drought Assistance Package in 2018-19, being held centrally by the government and provided to the department based on demand. This is partially offset by the Rural and Economic Development grants program to strengthen the agricultural sector and bolster rural communities.

66. The increase is mainly due to the timing of upgrades and refurbishments to the department's facilities (including Toowoomba) and the restoration works to the Jimna Fire Tower that is planned for 2018-19.

67. The decrease reflects an equity injection in 2017-18 for the proceeds from the sale of Manningham Station in 2017-18, this is partially offset by an equity injection in 2018-19 to fund the restoration activities for Jimna Fire Tower.

68. The decrease reflects the one-off equity withdrawals in 2017-18 associated with the transfer of proceeds from the sale of Manningham Station to QATC and the equity to output swap to fund the Management and Disposal of Hazardous Chemical Waste initiative.

69. The decrease is largely associated with the timing of capital purchases and projects.

Administered income statement

Major variations between 2017-18 Adjusted Budget and 2018-19 Budget include:

70. The increase represents the full year impact for the transfer of the Queensland Racing Integrity Commission (QRIC) to the Department of Agriclutre and Fisheries (DAF) under the 2017-18 machinery-of-government (MOG) changes.

71. The increase represents the full year impact for the transfer of QRIC to DAF under the 2017-18 MOG changes.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

72. The increase represents the full year impact for the transfer of QRIC to DAF under the 2017-18 MOG changes.

73. The increase represents the full year impact for the transfer of QRIC to DAF under the 2017-18 MOG changes.

Administered balance sheet

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

74. The decrease is mainly due to a decrease in the land valuation for forestry assets administered by the department.

Major variations between 2017-18 Budget and 2018-19 Budget include:

75. The decrease is mainly due to a decrease in the land valuation for forestry assets administered by the department.

Administered cash flow statement

Major variations between 2017-18 Adjusted Budget and 2018-19 Budget include:

76. The increase represents the full year impact for the transfer of QRIC to DAF under the 2017-18 MOG changes.

77. The increase represents the full year impact for the transfer of QRIC to DAF under the 2017-18 MOG changes.

78. The increase is mainly due to additional equity funding for equipment purchases for the Queensland Racing Science Centre.

79. The increase is mainly due to the transfer of additional equity funding for equipment purchases for the Queensland Racing Science Centre to QRIC.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

80. The increase represents the full year impact for the transfer of QRIC to DAF under the 2017-18 MOG changes.

81. The increase represents the full year impact for the transfer of QRIC to DAF under the 2017-18 MOG changes.

82. The increase is mainly due to additional equity funding for equipment purchases for the Queensland Racing Science Centre.

83. The increase is mainly due to the transfer of additional equity funding for equipment purchases for the Queensland Racing Science Centre to QRIC.

Statutory bodies

Queensland Agricultural Training Colleges

Overview

Queensland Agricultural Training Colleges (QATC) is a specialist provider of vocational education and training (VET) to the agricultural sector. Training is provided on campus at Longreach and Emerald, and hubs across Queensland that integrate with industry requirements.

QATC's vision is to be a world standard provider and facilitator of applied and practical education and research services for students in agriculture and associated industries. QATC strives to improve the economic prosperity and sustainability of rural and related industries and communities by improving the knowledge and skills of its existing and future workforce.

QATC contributes to the Queensland Government's objectives for the community to:

- create jobs in a strong economy by engaging young Queenslanders in education, training or work
- keep Queenslanders healthy by providing communities with opportunities for safe food production
- protect the Great Barrier Reef by working with DAF to support delivery of associated programs.

QATC's objectives are to:

- build a sustainable, integrated agriculture education and training business
- deliver high quality agricultural education, training, and research focusing on work ready, upskilled graduates
- develop industry reflected and sustainable, training focused production enterprises.

Key strategies to achieve QATC's objectives in 2018-19 include:

- analyse industry and student requirements
- develop programs reflecting high student and industry driven response
- provide diversified and sustainable industry and market driven production programs that drive research and evidence based learning programs
- build strong education, research, agricultural and enterprise partnerships
- implement a quality framework.

Student numbers, ongoing drought conditions in central western Queensland, the high cost of residential programs and changes within the VET sector continue to challenge QATC financial performance. A government review in 2018 will consider the provision of VET across central west Queensland including the QATC business model and future strategic direction.

Service summary

QATC delivers education and training to the agricultural sector. More sophisticated management approaches and an increasingly skilled workforce will be required for Queensland's agricultural sector to take advantage of global opportunities. In response, QATC will continue to refine and expand its product range.

QATC is in the third year of a strategic partnership with Central Queensland University (CQU) that includes the delivery of a Bachelor of Agriculture program with an embedded Diploma in Agriculture that focuses on practical training. QATC's agreement with Northern Beef Pastoral Companies has been renewed to involve the colleges acting as a base for training and recruitment of entry-level positions.

In 2018-19 QATC will partner with community based organisations to deliver training under the Skilling Queenslanders for Work initiative and with high schools under the VET in Schools program and target an increase in delivery of the Farm Business Management skillset. QATC will deliver the second year of the Access Ag program. Year 11 and 12 students receive agricultural focused training whilst also achieving a Queensland Certificate of Education (QCE), aligning with QATC's strategic plan to develop educational pathways, through the VET sector to higher education, with multiple entry and exit points. The finalisation and implementation of a digital agriculture platform will be completed in 2018-19 in conjunction with QATC's participation in the Central Queensland Livestock Centre of Excellence program.

Service performance

Performance statement

Queensland Agricultural Training Colleges

Service area objective

To produce graduates with skills and capabilities that are in demand for the future success of agribusiness and associated industries both domestically and internationally.

Service area description

QATC assists industries to implement their workforce development plans and address the skilled workforce needs of a modern and progressive agriculture sector. QATC delivers industry endorsed training for primary production and regional communities. Training activities are delivered in two modes: residential training delivered at Longreach and Emerald, and industry training delivered at various locations throughout Queensland.

Queensland Agricultural Training Colleges	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Queensland Agricultural Training Colleges				
Service standards *Effectiveness measures* Level of stakeholder satisfaction with VET training services and products:				
Quality Indicator Learners Survey		85%	85%	85%
Quality Indicator Employer Survey	1	75%	75%	75%
Percentage of all attempted competencies successfully completed	2	90%	87.5%	90%
Percentage of completed competencies delivered at or above Certificate III	3	New measure	New measure	48%
Percentage of students employed or in further study six months after completing their training (National Centre for Vocational Education Research Survey)		90%	90%	90%
Efficiency measure Average cost per competency successfully completed	4, 5	$1,362	$1,474	$1,400

Notes:

1. This measure is a standard measure across vocational education and training (VET) and based on survey questions designed by the National Centre for Vocational Education Research Survey (NCVER) that report on a range of satisfaction measures with the course, teaching and employment experience.
2. This measure has been renamed from the 2017-18 Budget measure 'Percentage of successfully completed competencies compared with all modules assessed' to create consistency for readers across the VET sector. The calculation methodology has not changed.
3. This measure replaces the 2017-18 measure (‘Percentage of completed competencies delivered at or above Certificate IV level’) to report Certificate III level qualifications. This was implemented to reflect the Government’s Certificate III training guarantee.
4. The variance between the 2017-18 Estimated Actual and 2017-18 Target/Estimate is due to lower enrolments across a number of college and industry based programs. Some industries and regions continue to experience challenging circumstances constraining employment opportunities and the ability to invest in training effective student numbers.
5. The increase in the 2018-19 Target/Estimate from the 2017-2018 Target/Estimate is due to anticipated lower enrolments across a number of college and industry based programs. The target has been adjusted to reflect circumstances outlined in note four.

Discontinued measures

Performance measures included in the 2017-18 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

Queensland Agricultural Training Colleges	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Percentage of completed competencies delivered at or above Certificate IV level	1, 2	24%	10.3%	Discontinued measure
Competency per instructional staff (full-time equivalents)	3, 4	431	346	Discontinued measure

Notes:

1. This measure has been discontinued to reflect the Government's Certificate III training guarantee which replaces the reporting of only Certificate IV level and above qualifications. This measure will not continue to be reported on.
2. The variance between the 2017-18 Estimated Actual and 2017-18 Target/Estimate is due to the shift in actual enrolments towards Certificate II level qualifications.
3. This measure has been discontinued as the remaining efficiency measure is a more complete measure. The measure of competency per instructional staff will continue to be measured and reported on internally to management to inform the allocation of staff resources.
4. The variance between the 2017-18 Estimated Actual and 2017-18 Target/Estimate is due to lower enrolments across a number of college and industry based programs.

Staffing[1]

Queensland Agricultural Training College	Notes	2017-18 Budget	2017-18 Est. Actual	2018-19 Budget
Queensland Agricultural Training Colleges	2	113	108	107

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Actual FTEs have remained below budget and have been influenced by natural attrition and revised organisational structure.

Income statement

Queensland Agricultural Training Colleges	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
Taxes		..	..	..
User charges and fees	1,5	8,458	5,653	5,773
Grants and other contributions	6	7,622	7,963	8,172
Interest	2,7	452	277	220
Other revenue		405	375	492
Gains on sale/revaluation of assets	3,8	2,942	2,258	2,333
Total income		**19,879**	**16,526**	**16,990**
EXPENSES				
Employee expenses		11,222	11,419	11,627
Supplies and services	9,11	8,130	8,212	7,682
Grants and subsidies		..	..	..
Depreciation and amortisation	4,10	1,920	1,549	1,434
Finance/borrowing costs		..	..	..
Other expenses		57	57	57
Losses on sale/revaluation of assets		93	..	20
Total expenses		**21,422**	**21,237**	**20,820**
OPERATING SURPLUS/(DEFICIT)		**(1,543)**	**(4,711)**	**(3,830)**

Balance sheet

Queensland Agricultural Training Colleges	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets	12,15,18	12,051	8,992	6,281
Receivables		2,126	2,080	2,054
Other financial assets		..	..	..
Inventories		172	303	321
Other		272	180	180
Non-financial assets held for sale		..	..	..
Total current assets		**14,621**	**11,555**	**8,836**
NON-CURRENT ASSETS				
Receivables		39	39	39
Other financial assets		135	146	146
Property, plant and equipment	13,16	68,944	71,328	70,219
Intangibles		..	..	..
Other		2,301	2,521	2,519
Total non-current assets		**71,419**	**74,034**	**72,923**
TOTAL ASSETS		**86,040**	**85,589**	**81,759**
CURRENT LIABILITIES				
Payables		1,069	1,295	1,295
Accrued employee benefits		2,064	1,940	1,940
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	14,17	1,388	739	739
Total current liabilities		**4,521**	**3,974**	**3,974**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		719	525	525
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		**719**	**525**	**525**
TOTAL LIABILITIES		**5,240**	**4,499**	**4,499**
NET ASSETS/(LIABILITIES)		**80,800**	**81,090**	**77,260**
EQUITY				
TOTAL EQUITY		**80,800**	**81,090**	**77,260**

Cash flow statement

Queensland Agricultural Training Colleges	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	19,21	8,451	5,653	5,794
Grants and other contributions		7,622	7,963	8,172
Interest received	22	452	277	220
Taxes		..	..	..
Other		3,253	3,477	2,887
Outflows:				
Employee costs		(11,022)	(11,419)	(11,627)
Supplies and services		(8,130)	(8,212)	(7,700)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(182)	(132)	(132)
Net cash provided by or used in operating activities		**568**	**(2,393)**	**(2,386)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	23,24	(3,000)	(2,430)	(325)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(3,000)**	**(2,430)**	**(325)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	20,25	..	2,150	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		**..**	**2,150**	**..**
Net increase/(decrease) in cash held		**(2,432)**	**(2,673)**	**(2,711)**
Cash at the beginning of financial year		**14,483**	**11,665**	**8,992**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**12,051**	**8,992**	**6,281**

Explanation of variances in the financial statements

Income statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

1. The decrease is due to lower student enrolments across a number of college and industry based programs and a decrease to the training subsidy for qualifications in Rural Operations.
2. The decrease is due to lower than anticipated cash balances held by the Queensland Agricultural Training Colleges (QATC).
3. The decrease is due to lower stocking rates as a result of the continued drought at Longreach.
4. The decrease is the result of a revaluation of property, plant and equipment.

Major variations between 2017-18 Budget and 2018-19 Budget include:

5. The decrease is due to lower student enrolments across a number of college and industry based programs and a decrease to the training subsidy for qualifications in Rural Operations.
6. The increase is due to industry contributions received by QATC.
7. The decrease is due to lower than anticipated cash balances held by QATC.
8. The decrease is due to lower stocking rates as a result of the continued drought at Longreach.
9. The decrease is due to a reduction in costs associated with lower student numbers and a reduction in rental expenses associated with office relocations.
10. The decrease is the result of a revaluation of property, plant and equipment.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

11. The decrease is due to a reduction in costs associated with lower student numbers and a reduction in rental expenses associated with office relocations.

Balance sheet

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

12. The decrease is due to the utilisation of cash assets to fund operations of QATC.
13. The increase is the result of a revaluation of property, plant and equipment.
14. The decrease results from the timing of a one off payment that occurred in 2017-18.

Major variations between 2017-18 Budget and 2018-19 Budget include:

15. The decrease is due to the utilisation of cash assets to fund operations of QATC.
16. The increase is the result of a revaluation of property, plant and equipment.
17. The decrease results from the timing of a one off payment that occurred in 2017-18.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

18. The decrease is due to the utilisation of cash assets to fund operations of QATC.

Cash flow statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

19. The decrease is due to lower student enrolments across a number of college and industry based programs and a decrease to the training subsidy for qualifications in Rural Operations.
20. The equity injection is associated with the sale of Manningham Station. This amount was budgeted to be received in 2016-17.

Major variations between 2017-18 Budget and 2018-19 Budget include:

21. The decrease is due to lower student enrolments across a number of college and industry based programs and a decrease to the training subsidy for qualifications in Rural Operations.
22. The decrease is due to lower than anticipated cash balances held by QATC.
23. The decrease in payments for non financial assets results from decreased planned purchases.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

24. The decrease in payments for non financial assets results from decreased planned purchases.
25. The equity injection is associated with the sale of Manningham Station. This amount was budgeted to be received in 2016-17.

Queensland Rural and Industry Development Authority

Overview

The Queensland Rural and Industry Development Authority (QRIDA) is a specialist administrator of government financial assistance programs including loans, grants, rebates and subsidies, and a range of farm debt services. QRIDA's core responsibility is to administer the Queensland Government's Primary Industry Productivity Enhancement Scheme (PIPES) and when required, support the delivery of Natural Disaster Relief and Recovery Arrangement (NDRRA) assistance for primary producers, small businesses and non-profit organisations (jointly funded by the Queensland and Australian Governments).

QRIDA's vision of fostering growth, sustainability and economic development in rural and regional communities is underpinned by our goals, which contribute to the Queensland Government's objectives for the community.

In particular, QRIDA contributes to the Queensland Government objectives of creating jobs in a strong economy and being a responsive Government:

- providing assistance to primary producers, small businesses and other elements of the State's economy
- fostering the development of a more productive and sustainable rural and regional sector in Queensland.

The *Rural and Regional Adjustment Act 1994 (Qld)* enables the authority to deliver additional programs and services to local, state and territory Governments throughout Australia and for the Australian Government.

The key factor that impacts on QRIDA's ability to achieve its strategic purpose of doing more to create sustainable rural communities by providing proactive, responsible and reliable financial services and assistance is the reliance on the policy initiatives of local, state and territory Governments and program owners throughout Australia.

Service summary

In 2018-19, QRIDA will focus on:

- management of the compulsory Farm Business Debt Mediation program to provide a process for the efficient and equitable resolution of farm debt disputes
- expansion of policy and research functions with a focus on farm finance matters
- administration of rural debt surveys in Queensland in accordance with prescribed legislation and national data collection
- administration of the Farm Debt Restructure Office within the Authority and its supporting program, the Farm Business Analysis Assistance
- investigating the reconfiguration of the PIPES loans and lending facilities to continue to make them even more accessible and relevant to Queensland's farming families.

QRIDA will continue to:

- deliver Category B concessional loans and Category C Grants under NDRRA to primary producers, small businesses and non-profit organisations impacted by natural disasters in Queensland
- provide a broad, flexible and cost effective range of administrative services to assist government agencies deliver financial and regulatory programs to the highest standards. Key financial and regulatory programs include:
  - First Start and Sustainability loans under the Queensland Government's PIPES
  - loan and grant packages under the proposed No Interest Loan Scheme as a component of the Affordable Energy Package provided by the Department of Natural Resources, Mines and Energy.

Service performance

Performance statement

Queensland Rural and Industry Development Authority

Service area objective

To administer timely financial assistance and farm debt services aimed at improving the productivity and sustainability of regional and rural communities.

Service area description

The Queensland Rural and Industry Development Authority (QRIDA) is a specialist administrator of government financial assistance programs including loans, grants, rebates and subsidies, and a range of farm debt services. QRIDA's core responsibility is to administer the Queensland Government's PIPES, and when required, support the delivery of Natural Disaster Relief and Recovery Arrangement assistance. During the 2017-18 financial year QRIDA commenced the new Farm Business Debt Mediation Program as prescribed by the new legislation, established the Farm Debt Restructure Office and commenced delivery of the supporting Farm Business Analysis Assistance program.

Queensland Rural and Industry Development Authority	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Queensland Rural and Industry Development Authority				
Service standards *Effectiveness measures* Maintain total loan arrears within target levels	1, 2	<1.5%	0.3%	<1.5%
Overall client satisfaction with QRIDA's loan and grant services	3, 4	80%	83%	80%
Efficiency measure Average number of loans managed per full-time equivalent (FTE)	5	60	63	60

Notes:

1. The target for this measure is set on the level of arrears expected in the general agricultural community based on historical data. A severe natural disaster event can see arrears increase towards or exceed the 1.5 per cent target.
2. Arrears for 2017-18 Estimated Actual are below the 1.5 per cent target as a result of prudent financial management practices. The target of 1.5 per cent takes into consideration factors such as a severe natural disaster event which would see arrears increase towards or exceed the target.
3. The wording of this measure has only been amended to reflect the name change from Queensland Rural Adjustment Authority to QRIDA (from 1 July 2017) and to clarify that the measure relates to the original loan and grant services provided by the agency. The methodology to assess this measure has not changed. The dimensions of client satisfaction assessed in the annual survey include overall satisfaction, satisfaction with the application process, usefulness of initiatives, program benefits and features, satisfaction with QRIDA's website, and satisfaction with marketing and promotional material.
4. This measure does not include activities related to farm debt that were added to the agency's responsibility from 1 July 2017. New measures are under development for the farm debt programs.
5. This measure includes all the loans managed by QRIDA and the number of FTE permanent staff in Program Strategy and Delivery as at 30 June each financial year.

Discontinued measures

Performance measures included in the 2017-18 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

Queensland Rural and Industry Development Authority	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Percentage of applications processed within agreed service delivery timeframes and within budget	1, 2	85%	98%	Discontinued measure

Notes:

1. This measure has been discontinued for the purposes of the *Service Delivery Statement* as it does not meet the definition of effectiveness as outlined in the Queensland Government's Performance Management Framework. The measure will continue to be reported on internally.
2. The variance between the 2017-18 Target/Estimate and the 2017-18 Estimated Actual can be attributed to more straight forward applications and the availability of online submission, allowing for the proportion of applications processed within agreed service delivery timeframes and within budget to increase to 98 per cent. Results are affected by the frequency and severity of natural disasters which could reduce the Estimated Actual if a natural disaster occurred before 30 June 2018.

Staffing[1]

Queensland Rural and Industry Development Authority	Notes	2017-18 Budget	2017-18 Est. Actual	2018-19 Budget
Queensland Rural and Industry Development Authority	2	96	104	96

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. FTE increase is for the employment of temporary staff to deliver the Queensland Government's Affordable Energy Program on behalf of the Department of Natural Resources, Mines and Energy.

Income statement

Queensland Rural and Industry Development Authority	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
Taxes		..	..	..
User charges and fees	5,14	3,417	3,467	6,152
Grants and other contributions	1,6,15	26,528	44,575	29,981
Interest	7,16	37,712	37,789	42,752
Other revenue		..	..	..
Gains on sale/revaluation of assets		80	113	..
Total income		**67,737**	**85,944**	**78,885**
EXPENSES				
Employee expenses	2,8,17	12,089	11,194	13,952
Supplies and services	9,18	5,444	5,629	6,578
Grants and subsidies	3,10,19	18,900	32,223	14,023
Depreciation and amortisation	11,20	95	119	223
Finance/borrowing costs	12,21	34,442	34,049	48,882
Other expenses		..	..	..
Losses on sale/revaluation of assets	4,13,22	1,631	1,290	1,453
Total expenses		**72,601**	**84,504**	**85,111**
OPERATING SURPLUS/(DEFICIT)		**(4,864)**	**1,440**	**(6,226)**

Balance sheet

Queensland Rural and Industry Development Authority	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets	23,33,44	109,675	133,279	119,643
Receivables	24,34,45	77,342	74,491	143,807
Other financial assets		..	..	..
Inventories		..	..	..
Other		105	139	139
Non-financial assets held for sale		..	..	..
Total current assets		**187,122**	**207,909**	**263,589**
NON-CURRENT ASSETS				
Receivables	25,35,46	441,608	434,960	427,412
Other financial assets		..	..	..
Property, plant and equipment	26,36,47	314	368	284
Intangibles	27,37	..	1,646	1,507
Other		..	..	..
Total non-current assets		**441,922**	**436,974**	**429,203**
TOTAL ASSETS		**629,044**	**644,883**	**692,792**
CURRENT LIABILITIES				
Payables		185	106	106
Accrued employee benefits	28,38	2,216	2,826	2,822
Interest bearing liabilities and derivatives	39,48	34,657	35,329	94,392
Provisions		..	32	32
Other	29,40,49	5,834	4,117	833
Total current liabilities		**42,892**	**42,410**	**98,185**
NON-CURRENT LIABILITIES				
Payables	30,41	299	8,788	8,076
Accrued employee benefits		202	141	145
Interest bearing liabilities and derivatives	31,42	254,256	232,908	233,423
Provisions		..	..	..
Other	32,43,50	233	6,418	4,971
Total non-current liabilities		**254,990**	**248,255**	**246,615**
TOTAL LIABILITIES		**297,882**	**290,665**	**344,800**
NET ASSETS/(LIABILITIES)		**331,162**	**354,218**	**347,992**
EQUITY				
TOTAL EQUITY		**331,162**	**354,218**	**347,992**

Cash flow statement

Queensland Rural and Industry Development Authority	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	51,57,67	1,912	6,779	1,351
Grants and other contributions	52,58,68	26,528	57,924	29,981
Interest received	59,69	24,722	23,149	26,529
Taxes		..	..	..
Other		..	..	..
Outflows:				
Employee costs	53,60,70	(12,089)	(11,193)	(13,952)
Supplies and services	61,71	(5,494)	(5,541)	(6,578)
Grants and subsidies	54,62,72	(18,900)	(32,223)	(14,023)
Borrowing costs	63,73	(6,301)	(5,882)	(7,945)
Other		..	(90)	..
Net cash provided by or used in operating activities		**10,378**	**32,923**	**15,363**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		80	109	..
Investments redeemed		..	..	..
Loans and advances redeemed	55,64,74	58,918	64,652	74,404
Outflows:				
Payments for non-financial assets	56,75	..	(1,664)	..
Payments for investments		..	..	..
Loans and advances made		(105,500)	(109,651)	(157,890)
Net cash provided by or used in investing activities		**(46,502)**	**(46,554)**	**(83,486)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	65,76	47,500	48,051	86,190
Equity injections		..	..	..
Outflows:				
Borrowing redemptions	66,77	(22,614)	(24,693)	(31,703)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		**24,886**	**23,358**	**54,487**
Net increase/(decrease) in cash held		**(11,238)**	**9,727**	**(13,636)**
Cash at the beginning of financial year		**120,913**	**123,552**	**133,279**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**109,675**	**133,279**	**119,643**

Explanation of variances in the financial statements

Income statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

1. The increase is largely due to the Interest Free Loans for Solar and Storage Scheme and Vessel Monitoring System Rebate Scheme funds which will be received in 2017-18 but were initiated after the 2017-18 budget was finalised. Natural Disaster Relief and Recovery Arrangement (NDRRA)Tropical Cyclone Debbie event applications exceeded budgeted expectations during 2017-18.
2. The decrease is largely due to variations in the planned timing of engaging resources required to deliver QRIDA's services and programs.
3. The increase is largely due to higher than expected applications for NDRRA Tropical Cyclone Debbie during 2017-18 and the Industry Hardship Assistance Scheme (IHAS) being extended into 2017-18.
4. The decrease is due to lower bad debt write-offs than expected.

Major variations between 2017-18 Budget and 2018-19 Budget include:

5. The increase is due to the new revenue stream from the delivery of the Affordable Energy Program.
6. The increase is largely due to the grants being received in 2018-19 for Energy Savers Plus Scheme, Large Customer Adjustment Scheme and Solar for Rental Properties Scheme which is partially offset by NDRRA Tropical Cyclone Debbie event finalising in 2017-18.
7. The increase is largely due to the loan portfolio of Primary Industry Productivity Enhancement Scheme (PIPES) having increased since 2017-18.
8. The increase is largely due to the additional temporary employees required to deliver the Affordable Energy Program.
9. The increase is mainly attributable to planned Administration Projects to invest in improvements to business processes and systems.
10. The decrease is due to the NDRRA Tropical Cyclone Debbie event being completed in 2017-18 which is partially offset by the new programs in 2018-19 including Energy Savers Plus Scheme, Large Customer Adjustment Scheme, Solar for Rental Properties Scheme and Interest Free Loans for Solar and Storage Scheme.
11. The increase is due to amortisation of the new intangible asset - RAPID which is QRIDA's loans and grants software system, which is currently in development.
12. The increase is largely due to the fair value adjustments on new lending on the Interest Free Loans for Solar and Storage Scheme and increased PIPES lending.
13. The decrease is due to a reduced provision for doubtful debt.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

14. The increase is due to the new revenue stream from the delivery of the Affordable Energy Program.
15. The decrease is largely due to the Interest Free Loans for Solar and Storage Scheme, Vessel Monitoring System Rebate Scheme funds which were received in 2017-18 and the finalisation of Tropical Cyclone Debbie event in 2017-18. This is partially offset by the grants being received for Energy Savers Plus Scheme, Large Customer Adjustment Scheme and Solar for Rental Properties Scheme in 2018-19.
16. The increase is largely due to the loan portfolio of PIPES having increased since 2017-18.
17. The increase is largely due to the additional temporary employees required to deliver the Affordable Energy Program.
18. The increase is mainly attributable to planned Administration Projects to invest in improvements to business processes and systems.
19. The decrease is due to the NDRRA Tropical Cyclone Debbie event and IHAS being completed in 2017-18 which is partially offset by the new programs in 2018-19 including Energy Savers Plus Scheme, Large Customer Adjustment Scheme, Solar for Rental Properties Scheme and Interest Free Loans for Solar and Storage Scheme. Under the Affordable Energy Plan - grants only, will be paid over four years 2018-19 to 2021-22.

20. The increase is due to amortisation of the new intangible asset - RAPID loans and grants software, which is currently in development.

21. The increase is largely due to the fair value adjustments on new lending on the Interest Free Loans for Solar and Storage Scheme and increased PIPES lending.

22. The increase is largely due to an increase in the provision for doubtful debts in proportion to a growing loan portfolio.

Balance sheet

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

23. The increase is largely due to the grants received for Interest Free Loans for Solar and Storage Scheme and Vessel Monitoring System Rebate Scheme. Both of the schemes were not initiated when the 2017-18 budget was finalised.

24. The decrease is largely due to the early repayment on Commonwealth Concessional Loan Schemes.

25. The decrease is largely due to the loans on Commonwealth Concessional Loans having been early repaid.

26. Additional server was acquired in 2017-18.

27. The increase is due to new loans and grants software RAPID currently being developed not having been considered as an intangible asset. The project costs were budgeted as expenses.

28. The increase is due to an additional accrual of unpaid employee costs for the end of financial year which was not included in 2017-18 Budget.

29. The decrease is mainly due to some of the Unearned revenue originally budgeted for as current will now be recognised as earnt during 2017-18.

30. The increase is largely due to the funding received for Interest Free Loans for Solar and Storage Schemes to cover the future interest cost and bad debts.

31. The decrease is largely due to the opening balance of borrowings being less than budget due to the early repayment on Commonwealth Concessional Loan Schemes and PIPES in 2016-17.

32. Unearned revenue incorrectly budgeted for as current, however will now be recognised over correct period and has been reclassified as Non Current.

Major variations between 2017-18 Budget and 2018-19 Budget include:

33. The increase is largely due to the funds received for Interest Free Loans for Solar and Storage Schemes to cover the future capital cost and bad debts.

34. The increase is largely due to recognition of loans moving from Non Current to Current for the Commonwealth Concessional Loan Schemes being repaid within 12 months.

35. The decrease is largely due to the loans on Commonwealth Concessional Loans having been early repaid associated with loans which are due within 12 months being transferred to current receivables; partially offset by new lending on PIPES and Interest Free Loans for Solar and Storage Schemes.

36. The decrease is mainly due to the disposal of motor vehicles in 2017-18.

37. The increase is mainly due to a new loans and grants software system currently scheduled for recognition in early 2018-19.

38. The increase is due to an additional accrual of unpaid employee costs for the end of financial year which was not included in 2017-18 budget.

39. The increase is largely due to the borrowings being transferred from non-current borrowings for Commonwealth Concessional Loan Schemes which is to be repaid within 12 months.

40. The decrease is mainly due to the inflow of revenue from Affordable Energy Plan expected to be received in June 2018 with revenue earnt in the 2018-19 year.

41. The increase is largely due to the funding received for Interest Free Loans for Solar and Storage Schemes to cover the future interest cost and bad debts.

42. The decrease is largely due to the opening balance of borrowings being less than budget due to the early repayment on Commonwealth Concessional Loan Schemes and PIPES in 2016-17.

43. The increase is mainly due to Unearned revenue incorrectly budgeted for as current, however will now be recognised over correct period and has been reclassified as Non Current.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

44. The decrease is largely due to the grants in 2017-18 for Interest Free Loans for Solar and Storage Scheme, Vessel Monitoring System Rebate Scheme being paid to successful applicants in 2018-19 together with the NDRRA borrowing repayment to Queensland Treasury during 2018-19.
45. The increase is largely due to recognition of loans moving from Non Current to Current for the Commonwealth Concessional Loan Schemes being repaid within 12 months.
46. The decrease is largely due to loans which are due within 12 months being transferred to current receivables; partially offset by new lending on PIPES and Interest Free Loans for Solar and Storage Schemes.
47. The decrease is mainly due to the disposal of motor vehicles in 2017-18.
48. The increase is largely due to the borrowings being transferred from non-current borrowings for Commonwealth Concessional Loan Schemes which is to be repaid within 12 months.
49. The decrease is mainly due to the inflow of revenue from Affordable Energy Plan expected to be received in June 2018 with revenue earnt in the 2018-19 year.
50. The decrease is mainly due to Unearned revenue expected to be earnt or become current in the 2018-19 year.

Cash flow statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

51. The increase is due to new revenue stream expected to be received in June 2018 for Affordable Energy Program.
52. The increase is largely due to the Interest Free Loans for Solar and Storage Scheme and Vessel Monitoring System Rebate Scheme funds which will be received in 2017-18 but were initiated after the 2017-18 budget was finalised. NDRRA Tropical Cyclone Debbie event applications exceeded budgeted expectations during 2017-18.
53. The decrease is largely due to variations in the planned timing of engaging resources required to deliver QRIDA's services and programs.
54. The increase is largely due to higher than expected applications for NDRRA Tropical Cyclone Debbie event during 2017-18 and the IHAS being extended into 2017-18.
55. The increase is largely due to the early repayment on Commonwealth Concessional Loan Schemes and PIPES.
56. The increase is due to new loans and grants software RAPID currently being developed not having been considered as an intangible asset when the 2017-18 budget was finalised. The project costs were budgeted as expenses.

Major variations between 2017-18 Budget and 2018-19 Budget include:

57. The decrease is mainly due to the fees for Interest Free Loans for Solar and Storage Scheme being received in 2017-18.
58. The increase is largely due to the grants being received in 2018-19 for Energy Savers Plus Scheme, Large Customer Adjustment Scheme and Solar for Rental Properties Scheme which is partially offset by NDRRA the Tropical Cyclone Debbie event finalising in 2017-18.
59. The increase is largely due to the loan portfolio of PIPES having increased since 2017-18.
60. The increase is largely due to the additional temporary employees required to deliver the Affordable Energy Program.
61. The increase is mainly attributable to planned Administration Projects to invest in improvements to business processes and systems.
62. The decrease is due to the NDRRA Tropical Cyclone Debbie event being completed in 2017-18 which is partially offset by the new programs in 2018-19 including Energy Savers Plus Scheme, Large Customer Adjustment Scheme, Solar for Rental Properties Scheme and Interest Free Loans for Solar and Storage Scheme.
63. The increase is due to the continuing increased borrowing on PIPES since 2016-17.
64. The increase is largely due to part of the Commonwealth Concessional Loan Schemes being repaid in 2018-19 associated with loan repayments on Interest Free Loans for Solar and Storage Schemes which started in 2018-19.
65. The increase is due to additional borrowings to fund the Interest Free Loans for Solar and Storage Schemes which started in 2018-19.

66. The increase is largely due to part of the borrowing for Commonwealth Concessional Loan Schemes being repaid in 2018-19.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

67. The decrease is mainly due to the one off inflow of revenue for Affordable Energy Program being received in 2017- 18.

68. The decrease is largely due to the Interest Free Loans for Solar and Storage Scheme, Vessel Monitoring System Rebate Scheme funds which were received in 2017-18 and the finalisation of Tropical Cyclone Debbie event in 2017-18. This is partially offset by the grants being received for Energy Savers Plus Scheme, Large Customer Adjustment Scheme and Solar for Rental Properties Scheme in 2018-19.

69. The increase is largely due to the loan portfolio of PIPES having increased since 2017-18.

70. The increase is largely due to the additional temporary employees required to deliver the Affordable Energy Program.

71. The increase is mainly attributable to planned Administration Projects to invest in improvements to business processes and systems.

72. The decrease is due to the NDRRA Tropical Cyclone Debbie event and IHAS being completed in 2017-18 which is partially offset by the new programs in 2018-19 including Energy Savers Plus Scheme, Large Customer Adjustment Scheme, Solar for Rental Properties Scheme and Interest Free Loans for Solar and Storage Scheme. Under the Affordable Energy Plan - grants only, will be paid over four years 2018-19 to 2021-22.

73. The increase is due to the continuing increased borrowing on PIPES since 2016-17.

74. The increase is largely due to part of the Commonwealth Concessional Loan Schemes being repaid in 2018-19 associated with loan repayments on Interest Free Loans for Solar and Storage Schemes which started in 2018-19.

75. The decrease is due to the costs of the new RAPID software system being paid in 2017-18.

76. The increase is due to additional borrowing to fund the Interest Free Loans for Solar and Storage Schemes which will start in 2018-19.

77. The increase is largely due to part of the borrowing for Commonwealth Concessional Loan Schemes being repaid in 2018-19.

Queensland Racing Integrity Commission

Overview

The Queensland Racing Integrity Commission (QRIC) is an independent statutory body, which oversees the integrity and welfare standards of racing animals and participants in Queensland. Our mission is to work with the racing industry and community to protect racing animals, ensure high standards of integrity and safety, and enhance public confidence in the industry, in pursuit of our vision of an ethical and safe racing industry.

QRIC contributes to the Queensland Government's plan to create jobs in a strong economy and be a responsive Government through our strategic objectives:

- safeguarding the welfare of animals involved in racing
- administering the rules of racing independently, impartially, with integrity, and consistently
- exercising best practice, skills and processes to detect, investigate, and prosecute compliance and integrity breaches
- enhancing public confidence in the integrity of Queensland’s racing industry
- encouraging people with information about offences in the Queensland racing industry to share what they know.

QRIC's business improvement priorities for 2018-19 will focus on addressing key strategic risks and better support the Government’s commitments related to racing through the development of contemporary business systems and a sustainable staffing model that supports critical frontline functions including stewarding integrity investigations and animal welfare.

Service summary

QRIC provides a suite of integrity and welfare services including Veterinary and animal welfare services, Compliance and enforcement (race day stewarding, licensing and registration, inspection and investigation), and Sampling and analytical services. In its first 18 months of operation, QRIC has demonstrated the value of an independent welfare and integrity regime by driving a number of significant business improvements within existing funding including:

- the introduction of a 100 per cent sampling regime to effectively deter prohibited substance use
- a dedicated kennel inspection team
- increased capacity and improved welfare conditions for the Greyhound Adoption Program (GAP)
- the establishment of a new intelligence function to deliver the objectives of the QRIC's Intelligence Capability Strategy.

Delivery of the recommendations of the 2015 *Queensland Greyhound Racing Industry Commission of Inquiry* (the MacSporran Report), continues with 79 per cent of the recommendations and corresponding activities now complete. The remaining recommendations, owned by QRIC, will be delivered upon completion of the new licensing and registration portal (RandLE) customer relationship management tool, which will facilitate the lifecycle reporting and logbook concept envisaged by the MacSporran Report.

QRIC's major deliverables for 2018-19 include:

- the ongoing development of RandLE to include data and capability for the thoroughbred and harness codes
- the implementation of a contemporary and sustainable staffing model and professional development opportunities for frontline staff
- the continued implementation of a three-year licensing model
- continued development of intelligence capability and awareness across the organisation.

Service performance

Performance statement

Queensland Racing Integrity Commission

Service area objective

To protect racing animals, ensure high standards of racing integrity and safety, and enhance public confidence in the Queensland racing industry.

Service area description

The Queensland Racing Integrity Commission (QRIC) oversees the integrity and welfare standards of racing animals and participants in Queensland. QRIC works in partnership with the industry to license racing industry participants, oversee the integrity of racing activities, uphold the Rules of Racing, safeguard the welfare of racing animals and manage scientific testing and analysis.

Services

- Veterinary services and animal welfare
- Compliance and enforcement
- Sampling and analytical services

Queensland Racing Integrity Commission	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Service area: Racing Integrity				
Service: Veterinary services and animal welfare				
Effectiveness measures Percentage of rehomed greyhounds returned to Greyhound Adoption Program (GAP) program	1, 2	6%	1%	6%
Percentage of greyhounds accepted into GAP rehomed within four months	1, 2	90%	89%	90%
Efficiency measure Cost, per dog (per day) presented to GAP, of services delivered by GAP	3	New measure	New measure	$14.31
Service: Compliance and enforcement				
Effectiveness measure Percentage of original decisions confirmed at Internal Review	1, 4	66%	77.6%	80%
Efficiency measure Cost, per licence, of receiving and assessing animal registrations, licence applications and issuing licence products.	3	New measure	New measure	$51
Service: Sampling and analytical services				

Queensland Racing Integrity Commission	Notes	2017-18 Target/Est.	2017-18 Est. Actual	2018-19 Target/Est.
Effectiveness measure Percentage of community members surveyed who are somewhat or very confident in the integrity of the Queensland racing industry	5, 6	55%	44%	65%
Efficiency measure Cost per sample of racing animals tested for prohibited substances	3	New measure	New measure	$294

Notes:

1. The 2018-19 Target/Estimate is based on 2017-18 performance data.
2. This measures the effectiveness of QRIC's processes in assessing and rehoming retired racing greyhounds to ensure that the requirement for quality assessment is balanced against the desirability of animals being on the program for the minimum period necessary.
3. This measures the efficiency of core QRIC services. The 2018-19 Target/Estimate is based on estimated direct expenses budgeted to the relevant operational area on a per unit basis.
4. Change in Target/Estimate reflects the maturity of the internal review process and hence, greater awareness in the original decision-making process.
5. The 2018-19 Target/Estimate is based on the Community Satisfaction Survey conducted in April 2018. The Target/Estimate is a longer term target for QRIC, recognising that publicity relating to QRIC's enforcement activity may negatively impact public confidence in the racing industry in the short term.
6. The change in Target/Estimate is based on the assumption that as QRIC continues its regulatory enforcement activities, community confidence in the industry will increase.

Staffing[1]

Queensland Racing Integrity Commission	Notes	2017-18 Budget	2017-18 Est. Actual	2018-19 Budget
Queensland Racing Integrity Commission	2	125	153	153

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2017-18 Estimated Actual figure represents the original 125 FTEs and based upon advice from the Public Service Commission now includes the equivalent of 3 part-time FTEs and 25 casual FTEs.

Income statement

Queensland Racing Integrity Commission	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
INCOME				
Taxes		..	..	..
User charges and fees	1,7,14	1,750	1,326	1,439
Grants and other contributions	2,8,15	26,377	26,848	27,218
Interest	3,9	..	106	120
Other revenue		..	..	7
Gains on sale/revaluation of assets		..	25	5
Total income		**28,127**	**28,305**	**28,789**
EXPENSES				
Employee expenses	4,10,16	16,053	16,905	17,458
Supplies and services	5,11,17	10,620	10,316	9,843
Grants and subsidies		..	..	..
Depreciation and amortisation	12,18	674	649	1,085
Finance/borrowing costs		..	4	10
Other expenses	13,19	760	179	368
Losses on sale/revaluation of assets		20	28	25
Total expenses		**28,127**	**28,081**	**28,789**
OPERATING SURPLUS/(DEFICIT)	**6**	**..**	**224**	**..**

Balance sheet

Queensland Racing Integrity Commission	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CURRENT ASSETS				
Cash assets	20,29,38	3,149	3,512	3,888
Receivables	21,30	784	614	619
Other financial assets		..	..	..
Inventories		..	..	..
Other	22,31	175	314	334
Non-financial assets held for sale		..	..	..
Total current assets		**4,108**	**4,440**	**4,841**
NON-CURRENT ASSETS				
Receivables		48	31	31
Other financial assets		..	..	..
Property, plant and equipment	23,32,39	10,304	10,489	12,307
Intangibles	24,33,40	..	1,047	773
Other		..	..	..
Total non-current assets		**10,352**	**11,567**	**13,111**
TOTAL ASSETS		**14,460**	**16,007**	**17,952**
CURRENT LIABILITIES				
Payables	25,34	1,067	2,158	1,968
Accrued employee benefits	26	534	822	822
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	27,35	400	244	244
Total current liabilities		**2,001**	**3,224**	**3,034**
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions	36	..	76	78
Other		..	24	24
Total non-current liabilities		**..**	**100**	**102**
TOTAL LIABILITIES		**2,001**	**3,324**	**3,136**
NET ASSETS/(LIABILITIES)		**12,459**	**12,683**	**14,816**
EQUITY				
TOTAL EQUITY	**28,37,41**	**12,459**	**12,683**	**14,816**

Cash flow statement

Queensland Racing Integrity Commission	Notes	2017-18 Budget $'000	2017-18 Est. Act. $'000	2018-19 Budget $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	47	1,730	1,336	1,414
Grants and other contributions	48,51	26,377	26,300	26,868
Interest received		..	101	120
Taxes		..	..	..
Other	42,49	(5)	1,268	1,275
Outflows:				
Employee costs	43,52	(16,053)	(16,870)	(17,458)
Supplies and services	44	(10,670)	(10,928)	(10,784)
Grants and subsidies		..	..	..
Borrowing costs		..	(4)	(10)
Other		(760)	(69)	(368)
Net cash provided by or used in operating activities		**619**	**1,134**	**1,057**
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	50	10
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	45,50,53	(2,283)	(3,758)	(2,814)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		**(2,283)**	**(3,708)**	**(2,804)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	46,54	2,283	3,263	2,123
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		**2,283**	**3,263**	**2,123**
Net increase/(decrease) in cash held		**619**	**689**	**376**
Cash at the beginning of financial year		**2,530**	**2,823**	**3,512**
Cash transfers from restructure		..	..	..
Cash at the end of financial year		**3,149**	**3,512**	**3,888**

Explanation of variances in the financial statements

Income statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

1. The decrease is primarily the result of a lower number of licensed racing participants and animal registrations.
2. The increase is primarily due to recognising contributions for services received from Queensland Police Service (QPS) for four police positions seconded to the QRIC which form part of the QPS Racing Crime Squad.
3. The increase is mainly due to the interest earned on cash holdings which were not initially budgeted for in 2017-18.
4. The increase is due to higher expenditure on casual salaries and penalty payments, mainly to support the Greyhound Adoption Program (GAP).
5. The decrease is largely due to lower anticipated payments to the Consolidated Fund as a consequence of the decrease in licence and registration revenue collected.
6. The surplus is mainly due to lower than anticipated supplies and services expenditure. Also contributing is the recognition of revenue resulting from the replacement of laboratory equipment under warranty at nil cost.

Major variations between 2017-18 Budget and 2018-19 Budget include:

7. The decrease is primarily the result of a lower number of licensed racing participants and animal registrations.
8. The increase is due to the enterprise bargaining (EB) increase for labour costs and consumer price index (CPI) increases for non-labour costs that have been built into the budget, coupled with recognising the contributions received from the QPS for the QPS Racing Crime Squad.
9. The increase is mainly due to the interest earned on cash holdings which were not initially budgeted for in 2017-18.
10. The increase is mainly due to higher expenditure on casual salaries and penalty payments, mainly to support the GAP. The impact of EB increases is also contributing to the increased cost.
11. The decrease is mainly due to lower expenditure on contractor costs (including payments to employment agencies), marketing and promotions and other general supplies and services.
12. The increase is due to the implementation of a sustainable capital works program for the Racing Science Centre (RSC), which includes investment in core drug testing technology.
13. The decrease is primarily due to lower payments to the Consolidated Fund as a consequence of the decrease in user charges revenue.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

14. The increase is mainly due to fee increases based on the government indexation rates, coupled with higher revenue collected upfront in the trainer licence category due to the continued roll-out of a three year licensing model for racing industry participants.
15. The increase is due to the EB increase for labour costs and CPI increases for non-labour costs that have been built into the budget.
16. The increase is mainly due to EB increases and higher expenditure on casual salaries and penalty payments.
17. The decrease is mainly due to lower expenditure on contractor costs (including payments to employment agencies), marketing and promotions and other general supplies and services.
18. The increase is due to the implementation of a sustainable capital works program for the RSC, which includes investment in core drug testing technology.
19. The increase is due to anticipated higher user charges revenue to be transferred to consolidated revenue.

Balance sheet

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

20. The increase is primarily due to outstanding supplier payments for laboratory equipment purchases at the end of the financial year.
21. The decrease is due to lower trade debtors as a result of focused debt collection strategies.
22. The increase is due to higher prepaid maintenance contracts for laboratory equipment at year end.
23. The increase is due to lower depreciation write-offs as a result of timing delays in capital acquisitions.
24. The increase is due to preliminary investment in basic but contemporary business systems, namely, a customer relationship management system for licensing and registration and an investigations case management system.
25. The increase is due to higher outstanding supplier payments at year end mainly for laboratory equipment purchases.
26. The increase is mainly due to a greater amount of salaries and wages owing at 30 June.
27. The decrease is due to a lower amount owing to Government for user charges revenue collected, primarily due to a lower number of licensed racing participants and animal registrations.
28. The increase is primarily due to a capital funding transfer of 2016-17 deferred grant funding for the preliminary investment in business systems.

Major variations between 2017-18 Budget and 2018-19 Budget include:

29. The increase is primarily due to a build-up of cash reserves due to depreciation write-offs.
30. The decrease is due to lower trade debtors as a result of focused debt collection strategies.
31. The increase is due to higher prepaid maintenance contracts for laboratory equipment at year end.
32. The increase is primarily due to the continued asset replacement of old RSC laboratory equipment per the capital works program.
33. The increase is due to preliminary investment in business systems.
34. The increase is due to higher outstanding supplier payments at year end mainly for laboratory equipment purchases.
35. The decrease is due to a lower amount owing to Government for user charges revenue collected, primarily due to a lower number of licensed racing participants and animal registrations.
36. The increase is due to accounting for make good provisions under accommodation lease agreements.
37. The increase is mainly due to 2018-19 capital funding received for the RSC capital program, coupled with the capital funding transfer for the preliminary investment in business systems.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

38. The increase is primarily due to a build-up of cash reserves due to depreciation write-offs.
39. The increase is primarily due to the continued asset replacement of old RSC laboratory equipment per the capital works program, partially offset by higher depreciation write-offs.
40. The decrease is primarily due to amortisation of the software systems over the period of expected use.
41. The increase is due to 2018-19 capital funding received for the RSC capital program.

Cash flow statement

Major variations between 2017-18 Budget and 2017-18 Estimated Actual include:

42. The increase is due to recognising the input tax credits received from the Australian Taxation Office (ATO).
43. The increase is mainly due to higher expenditure on casual salaries and penalty payments.
44. The increase is primarily due to the prepayment of maintenance contracts for laboratory equipment.
45. The increase is due to preliminary investment in business systems due to a grant funding deferral from the 2016-17 financial year.

46. The increase is due to a capital funding transfer from grant funds that was deferred from the 2016-17 financial year.

Major variations between 2017-18 Budget and 2018-19 Budget include:

47. The decrease is due to lower revenue collections associated with licensing and registration fees.
48. The increase is due to the EB increase for labour costs and CPI increases for non-labour costs that have been built into the budget.
49. The increase is due to recognising the input tax credits received from the ATO.
50. The increase is primarily due to the continued asset replacement of old RSC laboratory equipment per the capital works program.

Major variations between 2017-18 Estimated Actual and the 2018-19 Budget include:

51. The increase is due to the EB increase for labour costs and CPI increases for non-labour costs that have been built into the budget.
52. The increase is mainly due to EB increases and higher expenditure on casual salaries and penalty payments.
53. The decrease is due to the preliminary investment in business systems in the 2017-18 financial year only.
54. The decrease is due to a capital funding transfer from grant funds that occurred in the 2017-18 financial year only.

Glossary of terms

Accrual accounting	Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
Administered items	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
Agency/entity	Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
Appropriation	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: • delivery of agreed services • administered items • adjustment of the Government's equity in agencies, including acquiring of capital.
Balance sheet	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
Capital	A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
Cash Flow Statement	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
Controlled items	Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
Equity	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.
Equity injection	An increase in the investment of the Government in a public sector agency.
Financial statements	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.

Income statement	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
Outcomes	Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Own-source revenue	Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
Priorities	Key policy areas that will be the focus of Government activity.
Services	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.
Service area	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
Service standard	Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.

Queensland
Government

Queensland Budget 2018–19

Service Delivery Statements

budget.qld.gov.au