

2014

---

**ANNUAL  
REPORT**

---

2015



**Queensland  
Government**

### Interpreter



The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on the numbers above and we will arrange an interpreter to effectively communicate the report to you.

### Feedback

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

Electronic versions of the annual report are available on the department's website at [www.daf.qld.gov.au](http://www.daf.qld.gov.au).

© State of Queensland, 2015.

The Queensland Government supports and encourages the dissemination and exchange of its information. The copyright in this publication is licensed under a Creative Commons Attribution 4.0 Australia (CC BY) licence.



Under this licence you are free, without having to seek our permission, to use this publication in accordance with the licence terms.

You must keep intact the copyright notice and attribute the State of Queensland (Department of Agriculture and Fisheries) as the source of the publication.

For more information on this licence, visit <http://creativecommons.org/licenses/by/4.0/>

# Statement of compliance

24 September 2015

The Hon. William Byrne MP  
Minister for Agriculture and Fisheries and Minister for Sport and Racing  
Level 8 Primary Industries Building  
80 Ann Street  
BRISBANE QLD 4000

Dear Minister

I am pleased to present the 2014–15 annual report and financial statements for the Department of Agriculture and Fisheries.

I certify that this annual report complies with:

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

A checklist outlining the annual reporting requirements can be found on page 130 of this annual report or accessed at [www.daf.qld.gov.au](http://www.daf.qld.gov.au).

Yours sincerely



**Dr Elizabeth Woods**  
**Acting Director-General**  
**Department of Agriculture and Fisheries**

# Contents

<b>Statement of compliance</b>	<b>iii</b>
<b>Our year—from the Director-General</b>	<b>1</b>
<b>Our department</b>	<b>3</b>
Role	3
Objectives and priorities	3
Values	4
Offices and research facilities	4
<b>Our organisational structure</b>	<b>5</b>
Service areas	6
Board of Management	7
<b>Our performance management framework</b>	<b>9</b>
Queensland Government’s objectives for the community	10
Performance snapshot	11
<b>Our financial performance summary</b>	<b>13</b>
Controlled funds	14
Administered funds	17
Outlook for 2015–16	17
<b>Our performance: Agriculture</b>	<b>18</b>
Objective 1: Build sector capability and industry resilience	18
Objective 2: Improve industry performance through innovation	31
<b>Our performance: Biosecurity Queensland</b>	<b>40</b>
Objective 3: Manage biosecurity risks	40
<b>Our performance: Fisheries and Forestry</b>	<b>48</b>
Objective 4: Ensure sustainable use of fisheries resources	48
Objective 5: Responsibly manage the allocation and use of state-owned forest and related resources	53
<b>Our performance: Organisational capability</b>	<b>56</b>
Objective 6: Modernise service delivery and strengthen capability	56
<b>Our governance</b>	<b>59</b>
Governance committees	60
Accountability, integrity and risk management	61
Integrity and public sector ethics	62
Internal audit	62
External scrutiny	64
Risk management	64
Financial management framework	65
Information management	66

<b>Our workforce</b>	<b>68</b>
Workforce profile	68
Workforce planning and performance	68
Early retirement, redundancy and retrenchment	70
A safe and healthy workplace	70
<b>Our finances</b>	<b>72</b>
Financial statements	73
Independent auditor's report	119
<b>Our essential disclosures</b>	<b>121</b>
Appendix 1: Related entities	122
Appendix 2: Boards and committees	123
Appendix 3: Departmental statements	126
Appendix 4: Administered legislation	128
Appendix 5: Compliance checklist	130
<b>Acronyms</b>	<b>132</b>
<b>Glossary</b>	<b>133</b>
<b>Contact us</b>	<b>135</b>

# Our year—from the Director-General

Following the 2015 Queensland state general election, the Department of Agriculture and Fisheries (DAF) moved quickly to focus efforts on implementing the new government's direction, priorities and commitments.

We commenced the broader review of the state's biosecurity capabilities to complement the internal improvements being made in preparation for the new *Biosecurity Act 2014*. Consultations with the fisheries industry and community stakeholders were underway as part of improving our management of fisheries resources. The government's sustainable fishing policy also set a new path for fisheries management.

This report on our performance to 30 June 2015 represents another year of solid achievement by the department.

Our frontline services have been much in demand as we helped producers deal with the challenges presented by extreme weather events, including drought and cyclones. DAF continues to provide information, relief assistance and practical assistance in the aftermath of these extreme weather events.

Improving the foundations for a strong economic future through prolonged drought remains a challenge for the sector and individual producers. DAF has played, and will continue to play, a significant role in supporting efforts to help producers' better cope with climate variability.

After three years of failed wet seasons, just over 80% of the state is now drought-declared.

Rain events early in 2015 improved conditions on the southern and central east coast, and more generally in South East Queensland. However, the overall failed wet season saw drought declarations extended into the Gulf Country and the southern Gulf of Carpentaria. Applications through the Drought Relief Assistance Scheme have risen, but improved systems and processes made for more streamlined assessments and quicker access to payments.

Drought has also affected the rate of progress on the multi-jurisdictional development plans for northern Australia. It is important to adjust this strategy in order to adapt to shifting climate trends and realise untapped potential. The next step for DAF is to facilitate a regional 'one-stop' approval service for water and land resource development to support private sector initiatives in North Queensland.

In 2015, Queensland faced two cyclones—severe tropical cyclone Marcia in February and tropical cyclone Nathan just weeks later. As always, DAF rose to the challenge. Our response was quick and well received. As well as our assistance to affected producers, we also worked closely with HQPlantations Pty Ltd in Central Queensland to commence the salvage of around one million cubic metres of windblown timber during the recovery phase.

The state's biosecurity responsiveness has been well demonstrated during the year, with a number of effective detections, prompt responses and quarantines. Exotic plant diseases such as Panama disease tropical race 4, cotton verticillium wilt and cucumber green mottle mosaic virus in cucurbit crops have presented new industry challenges.

DAF continues to work closely with industry and growers to educate landholders about biosecurity practices and reduce the risk of any further spread of diseases.

Behind the scenes, plant laboratories delivered rapid diagnosis of plant pests—often in the field and with timely recommendations for their management. In 2014–15, our horticultural scientists tested about 1100 diagnostic samples from a wide variety of fruit and vegetables, cotton crops and an additional 3000 plants as part of bulk indexing to facilitate market access. Significant upgrades were completed to the diagnostic sample database that was delivered to regional centres, and new diagnostic protocols were developed that meant that 80% of clients were contacted within 72 hours of receipt of their samples.

During the course of the year, I have had the opportunity to meet with staff around the state. This experience is always enjoyable as it highlights the breadth of our activity, the talent that exists across the department and our focus on knowing our customers and delivering what matters.

DAF continues to integrate its services into whole-of-government services, which are focused on customer need. This includes one-stop shop arrangements for business regulation, development approvals, land management and pest management. New apps, hotline links to local experts and decision support tools all provide better and timely assistance to farmers.

We complement our external customer focus with internal processes and support systems that better enable our work. Two examples stand out.

Our inaugural Innovation Day was held in October 2014, when more than 100 staff from across the state gathered to discuss their ideas about achieving service innovation. Participants considered issues such as the impact of increasing technological connectivity, the workforce of the future and the evolving role of DAF in the 21st century. The responses have been fed into future planning, and corporate ‘champions’ will progress initiatives, including changes to our internal systems, web tools and intranet.

We have also continued regular conversations across the state as part of our Leaders Everywhere program. These provide informal opportunities for all staff to meet with senior executives to discuss strategic priorities, share understanding of progress and challenges in local initiatives, and collectively explore ways to improve our business.

I would like to take this opportunity to thank our staff for their dedication to, and support of, the departmental objectives, and commend them for their continued commitment to demonstrating the values of a customer-focused public service.

**Jack Noye**  
**Director-General**  
**Department of Agriculture and Fisheries**

# Our department

## Role

The department's purpose is to facilitate the economic resilience and growth of agriculture, fisheries and forestry industries. This is achieved by working across government—predominantly with economic and natural resource agencies—to ensure policy, planning and regulatory functions support agricultural economic growth and resource sustainability. We also partner with industry and research bodies to maximise investment and deliver services that improve productivity and profitability.

Our work spans the agriculture, fisheries and forestry sectors and their supply chains. It includes policy; agricultural research, development and extension; regulatory and compliance functions; and the management of biosecurity, animal welfare and product integrity risks.

The change of government in early 2015 saw a name change for the department. The Department of Agriculture, Fisheries and Forestry became the Department of Agriculture and Fisheries under Administrative Arrangements Order (No 1) 2015 on 16 February 2015. There were no changes to the core responsibilities of the department. Acts administered by the department can be found in Appendix 4 (p. 128). These provide the legislative framework for our functions and services.

## Objectives and priorities

The strategic objectives for the department in 2014–15 were to:

- build sector capacity and industry resilience
- improve industry performance through innovation
- manage biosecurity risks
- ensure sustainable use of fisheries resources
- responsibly manage the allocation and use of state-owned forest and related resources
- modernise service delivery and strengthen capability.

The government's plans for food and fibre, and sustainable fishing have placed renewed emphasis on:

- creating lasting solutions for job creation, innovation and increased production in Queensland's agricultural sector
- building Queensland's biosecurity capacity and raising animal welfare standards
- reviewing the regulatory structure of commercial fishing.

This has challenged us to facilitate development and growth of the agriculture, fishing and forestry sectors in ways that optimise the contribution of the sectors to the economic, environmental and social outcomes for Queensland.

## Values

The public service values guide the behaviour and practices expected of all DAF employees, and reflect the public sector's commitment to be responsive to the ever-changing needs of Queenslanders. As individuals and as a department, we embed the Queensland public service core values in the way we do business:



### Customers first

We know our customers, deliver what matters to Queenslanders and show empathy in decision-making.



### Ideas into action

We challenge the norm, encourage new ideas and find solutions, encourage and embrace new ideas, work across boundaries.



### Unleash potential

We expect greatness, lead and set clear expectations, seek, provide and act on feedback.



### Be courageous

We own our actions, successes and mistakes, take calculated risks, act with transparency.



### Empower people

We lead, empower and trust, play to everyone's strengths, developing ourselves and those around us.

Figure 1: Queensland public service core values

## Offices and research facilities

In 2014–15, the department employed approximately 2000 staff in 90 facilities across five regions to support the delivery of our services to Queenslanders.

The figure below shows our geographical dispersion. For particular details of offices, research facilities and boating and fisheries centres, see our facilities datasets on [www.data.qld.gov.au](http://www.data.qld.gov.au).

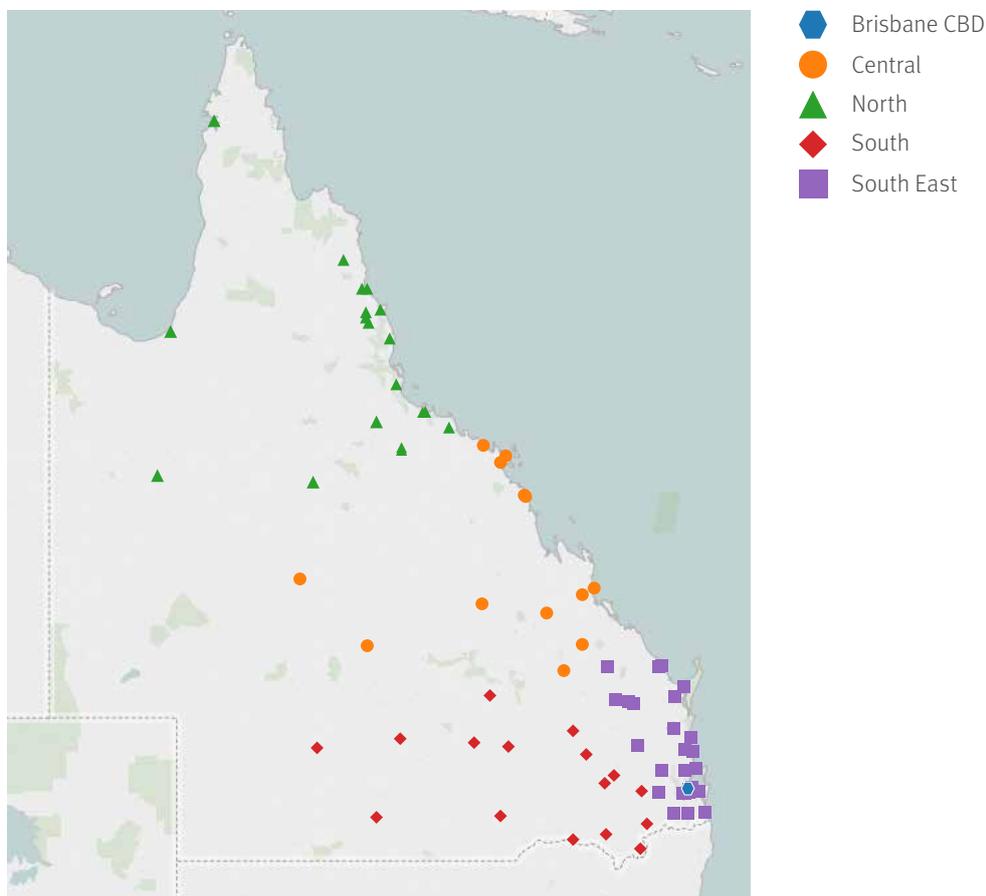


Figure 2: DAF work centres as at 30 June 2015

# Our organisational structure

DAF invested \$442.7 million to deliver programs and services to the agriculture, fisheries and forestry sectors through three operational service areas.

As at 30 June 2015, DAF was organised as outlined in Figure 3 below.

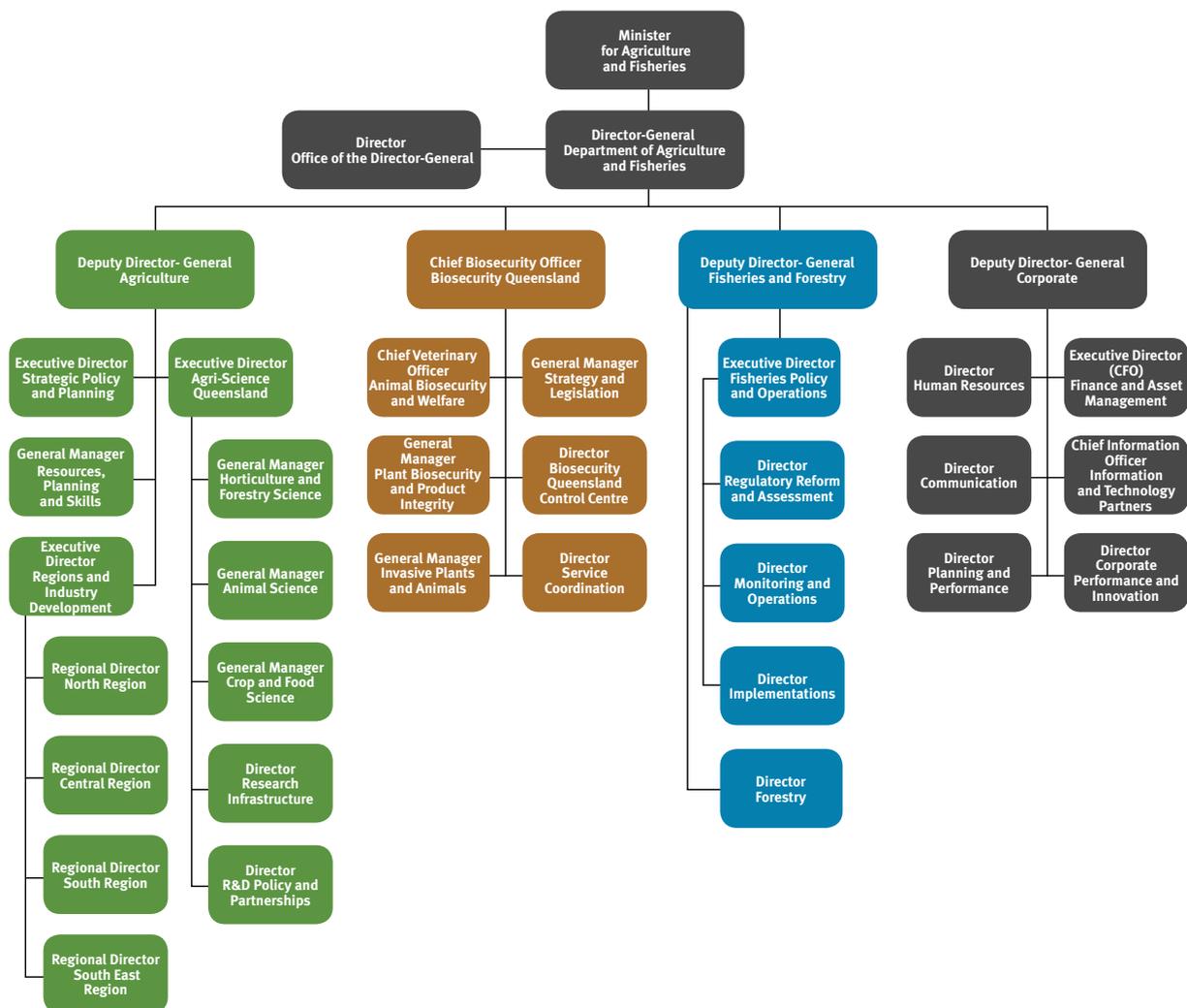


Figure 3: DAF organisational structure as at 30 June 2015

## Service areas

### Agriculture

The service objective is to lift the productivity of Queensland's food and fibre businesses. Service staff work with agribusinesses, industry associations, research bodies and all levels of government to:

- secure the future of the agricultural industry through policy development, planning and enabling industry to capitalise on regional opportunities
- undertake research and deliver services that enable businesses to build capacity, improve productivity, manage risks and increase resilience.

### Biosecurity Queensland

The service objective is to mitigate the risks and impacts of pests and diseases of animals and plants, and weeds on the economy, the environment, social amenity and human health. This service area also upholds standards for animal welfare and agricultural chemical use.

### Fisheries and Forestry

The service objective is to support sustainable, long-term management of four of Queensland's natural resources to enable the economic growth of the fisheries and forestry industries. We do this by:

- ensuring (1) fisheries and (2) fish habitats are sustainably managed through science, regulation and education, creating the basis for profitable businesses and enjoyable recreational fishing experiences
- maximising financial returns to the state from the sale of (3) forest products and (4) quarry materials within environmental and community expectations.

### Corporate

Corporate delivers essential support and coordination services. It also provides corporate services to other agencies through a corporate partnership arrangement.

The department hosts Hub A of the Business and Corporate Partnership, which provides corporate support to the three DAF service areas.

## Board of Management

### **Jack Noye, Director-General**

Jack Noye has led DAF since early 2012. He supports the Minister for Agriculture and Fisheries to deliver the government's priorities and strategic interventions that grow and sustainably develop the agriculture, fisheries and forestry sectors. Jack provides leadership for stakeholder engagement, policy development, regulatory reform and service delivery—ensuring a whole-of-government approach to meet the needs of the agriculture, fisheries and forestry sectors. He chairs the Board of Management.

Prior to DAF, he held executive roles in policy, management, service delivery and inter-government relations in the federal and state public sectors in central and line agencies. Jack was previously Director-General of the former Department of Local Government and Planning, and Associate Director-General of the Department of Transport and Main Roads. He has also spent time in the private sector. He has tertiary qualifications in public administration, economics and management.

### **Dr Beth Woods, Deputy Director-General, Agriculture**

As Deputy Director-General, Agriculture, Beth leads the Strategic Policy and Planning, Regions and Industry Development and Agri-Science Queensland business units in the development of policies, research and interventions that deliver a highly efficient, innovative, productive and successful Queensland agricultural sector. She chairs the DAF Audit and Risk Committee and is a board member of the Queensland Rural Adjustment Authority (QRAA).

Beth completed her Doctor of Philosophy in Agricultural Economics at Oxford University. She worked with the former Department of Primary Industries as an agricultural extension officer in the dairy, cropping and potato industries, and was Professor of Agribusiness at The University of Queensland. She is currently the chair of trustees of WorldFish.

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

Since 2011, Jim has led the state's efforts in the management of animal and plant pests and diseases, invasive species, animal welfare and agricultural chemical use. He is the Queensland Government representative on the National Biosecurity Committee and chairs a number of national committees and boards, including the Intergovernmental Agreement on Biosecurity Taskforce.

Jim worked in the New South Wales Department of Agriculture in the northern tablelands before coming to Queensland in 1992. He has worked in various government agencies in Queensland (in several areas, including agriculture, natural resources and mines, and the environment) and in New South Wales in research, policy and management roles. Jim has tertiary qualifications in science (animal management and conservation) and public sector management.

Jim has a strong commitment to deliver effective, customer-focused biosecurity services for Queensland.

### **Scott Spencer, Deputy Director-General, Fisheries and Forestry**

Scott was appointed as Deputy Director-General, Fisheries and Forestry, in September 2013, after being Managing Director for Fisheries Queensland since February 2013. He chaired the East Coast Net Fishery Buyback Working Group and has held various roles related to fisheries, including Secretary for the Queensland Fish Management Authority in the 1980s.

His previous government roles include Director-General of the former Department of Natural Resources and Water (2006–09) and Chair of SunWater Limited (2009–12). Scott brings more than 30 years of experience in government and beyond.

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

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

Marcia joined DAF in May 2013 as Deputy Director-General, Corporate, and works to ensure internal support systems enable DAF and the Department of Tourism, Major Events, Small Business and the Commonwealth Games to deliver their objectives and commitments to customers. She chairs the ICT Investment and Strategy Committee.

Marcia has had a substantial career in public sector administration and executive management in federal, territory and state jurisdictions and, prior to DAF, was Chief Executive, Northern Territory Department of Transport. She has specialised in leading large multidisciplinary teams, strategic direction-setting and corporate governance, social and employment policy, major change and commercialisation initiatives, transport and service delivery reform.

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

John leads Agri-Science Queensland—the state’s primary agricultural science research, development and extension (RD&E) service. Employing over 600 staff, this group provides or commissions RD&E services to support the animal, plant, forestry, aquaculture and fisheries industries in Queensland.

John plays a critical role in building the state’s RD&E capability by forging partnerships with major universities and commercial partners. He also oversees the provision of research funding to the Queensland Alliance for Agriculture and Food Innovation at The University of Queensland, to other Queensland universities and to Sugar Research Australia.

John’s focus is to ensure that the department’s research and development is aimed at productivity improvement and consequent profitability with environmentally sustainable principles for Queensland’s food and fibre industries.

John has led the group since 2010 and holds qualifications in both science and business administration.

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

As Executive Director, Regions and Industry Development, Malcolm plays a key role connecting industry and facilitating service delivery to capitalise on regional opportunities. He works across all levels of government and with industry and research bodies to help lift productivity and secure the future of industry.

Malcolm has extensive experience in regional and industry development, having been instrumental in designing and delivering extension and frontline service components of major restructures in the dairy and sugar industries. He was Executive Regional Director, South East Region, in the former Department of Employment, Economic Development and Innovation. For five years he was also responsible for the trade and investment area of the food and agribusiness industries.

Malcolm has worked with the Queensland Government for more than 20 years. He has a particular interest in supply chain improvement, and in modernising extension and broader service delivery to better meet the needs of food and agribusiness companies.

### **Leith Brown, Executive Director, Finance and Asset Management, and Chief Finance Officer**

Leith has held the role of Executive Director, Finance and Asset Management, and Chief Finance Officer for DAF and the Department of Tourism, Major Events, Small Business and the Commonwealth Games since 2012. Her extensive experience, gained from senior leadership roles in both the private and public sectors, includes financial management, corporate governance, organisational change management, project management, information systems development and implementation, strategic investment planning and activity-based costing.

Leith holds a Bachelor of Business, an Executive Graduate Certificate in Business Administration, is a Graduate of the Australian Institute of Company Directors and is a Fellow Certified Practising Accountant.

# Our performance management framework

Our work is guided by industry needs, government priorities, legislative and policy mandate, and community objectives. DAF's 2014–15 annual report provides context for the public and Parliament about how the department's strategic objectives and investment in DAF services (as outlined in the 2014–15 DAF service delivery statements) contribute to the government's objectives for the community and priority areas.

Table 1: DAF's alignment with government objectives for the community

Government objectives for the community	DAF objective	DAF service area
Creating jobs and a diverse economy: <ul style="list-style-type: none"> <li>stimulating economic growth and innovation</li> </ul>	<ul style="list-style-type: none"> <li>Build sector capacity and industry resilience</li> <li>Improve industry performance through innovation</li> <li>Ensure sustainable use of fisheries resources</li> <li>Responsibly manage the allocation and use of state-owned forest and related resources</li> </ul>	<ul style="list-style-type: none"> <li>Agriculture</li> <li>Fisheries and Forestry:               <ul style="list-style-type: none"> <li>fisheries licensing, monitoring and assessment</li> <li>commercial management of state-owned forest and related resources</li> </ul> </li> </ul>
Delivering quality frontline services: <ul style="list-style-type: none"> <li>providing responsive and integrated government services</li> </ul>	<ul style="list-style-type: none"> <li>Manage biosecurity risks</li> <li>Build sector capacity and industry resilience</li> <li>Improve industry performance through innovation</li> <li>Responsibly manage the allocation and use of state-owned forest and related resources</li> </ul>	<ul style="list-style-type: none"> <li>Biosecurity Queensland</li> <li>Agriculture:               <ul style="list-style-type: none"> <li>regional agribusiness services</li> <li>RD&amp;E</li> </ul> </li> <li>Fisheries and Forestry:               <ul style="list-style-type: none"> <li>fisheries compliance and education services</li> </ul> </li> </ul>
Protecting the environment: <ul style="list-style-type: none"> <li>protecting the Great Barrier Reef</li> <li>ensuring the sustainable management of natural resources</li> </ul>	<ul style="list-style-type: none"> <li>Build sector capacity and resilience</li> <li>Ensure sustainable use of fisheries resources</li> <li>Responsibly manage the allocation and use of state-owned forest and related resources</li> <li>Manage biosecurity risks</li> </ul>	<ul style="list-style-type: none"> <li>Agriculture</li> <li>Fisheries and Forestry</li> <li>Biosecurity Queensland</li> </ul>
Building safe, caring and connected communities: <ul style="list-style-type: none"> <li>ensuring safer and inclusive communities</li> <li>building regions</li> </ul>	<ul style="list-style-type: none"> <li>Manage biosecurity risks</li> <li>Build sector capacity and industry resilience</li> </ul>	<ul style="list-style-type: none"> <li>Biosecurity Queensland</li> <li>Agriculture:               <ul style="list-style-type: none"> <li>regional agribusiness services</li> </ul> </li> </ul>
Integrity, accountability and consultation	<ul style="list-style-type: none"> <li>Modernise service delivery and build organisational capability</li> </ul>	All service areas

## Queensland Government's objectives for the community

With the change of government in February 2015, the department focused its efforts on implementing the incoming government's objectives for the community.

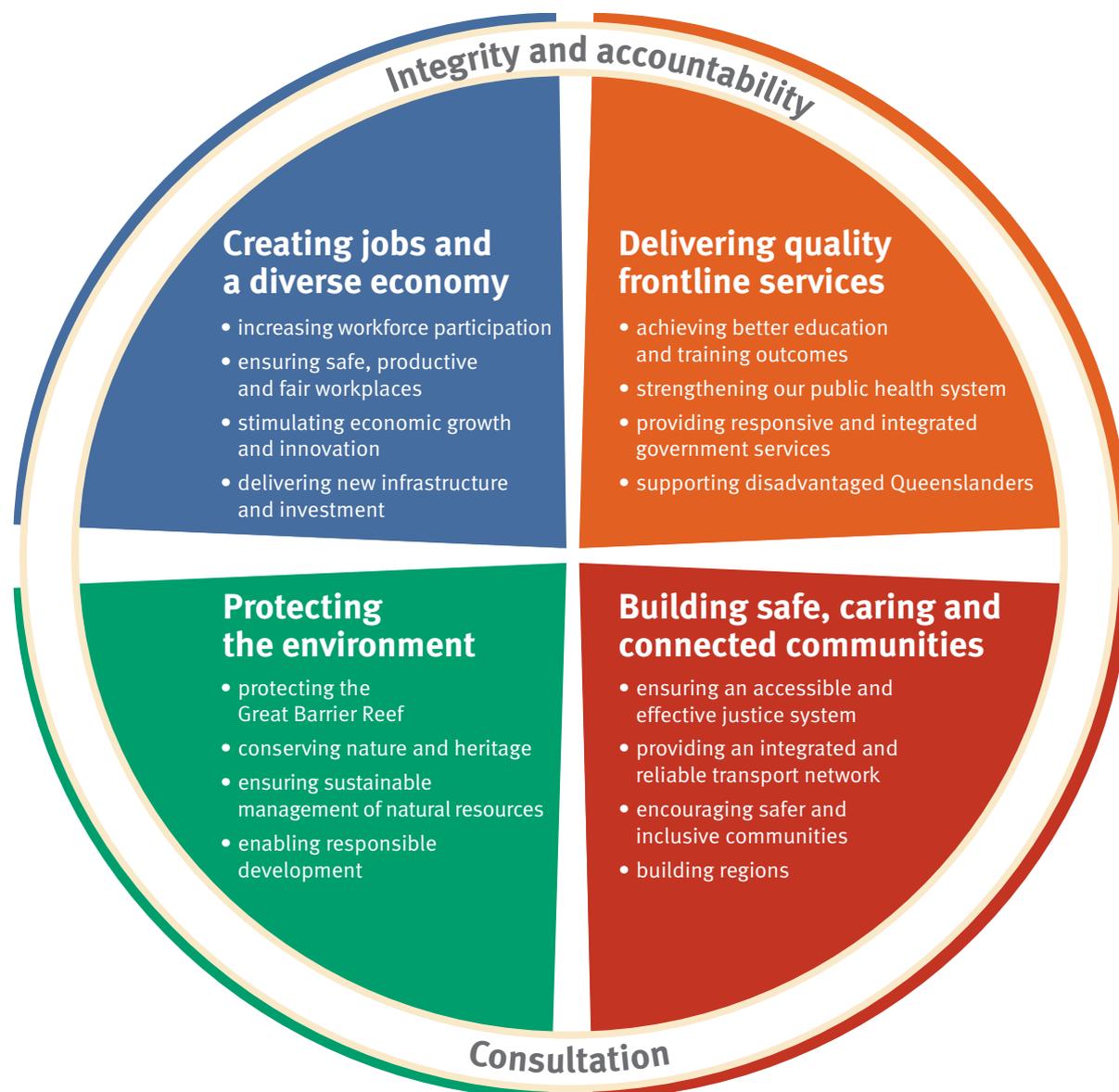
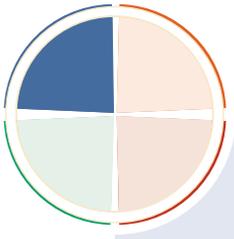


Figure 4: The Queensland Government's objectives for the community

## Performance snapshot



### Creating jobs and a diverse economy

The state's agriculture, fishing and forestry industries are vital to economic growth and continue to grow export revenue.

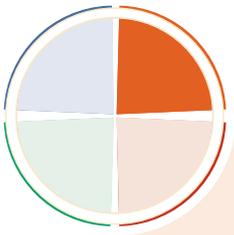
In 2014–15, agriculture and food:

- generated approximately \$15 billion in gross value of production
- employed over 300 000 Queensland workers, either directly or indirectly
- accounted for 19% (or \$8.973 billion) of the state's merchandise exports.

DAF programs and services play an important role in facilitating economic resilience and growth.

During 2014–15, the department:

- organised 6 trade missions and hosted 9 overseas delegations to promote agricultural trade and investment
- invested approximately \$63 million in agricultural RD&E.

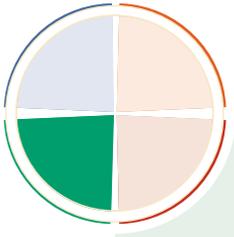


### Delivering quality frontline services

DAF frontline staff ensure producers and the community have the information, connections and tools they need to improve business outcomes and meet obligations.

During 2014–15:

- 5 nationally cost-shared eradication programs for national biosecurity responses were led by DAF, and we are negotiating another 3 eradication programs
- 8535 participants were involved in RD&E activities
- 93% of units inspected by the Queensland Boating and Fisheries Patrol were compliant with fisheries laws
- 78 166 customer enquiries were handled through the Customer Service Centre, resolving 80% at the first point of contact.

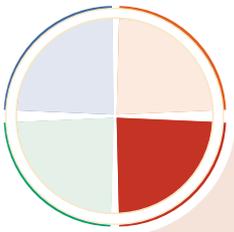


## Protecting the environment

DAF works with natural resource agencies and producers, fishers and log timber sawmillers and processors to ensure the ongoing economic, environmental and social value of agricultural, fisheries and state-owned forest resources. We also help the community manage invasive pests and weeds that degrade the environment and impact on social amenity.

During 2014–15:

- 74% of graziers and canegrowers who participated in best practice management programs reported making changes because of increased knowledge and skills gained
- 94% of key Queensland fish stocks assessed in 2014 were considered to have no sustainability concerns (note this value will change from year to year because stock assessments are based on a 24-month cycle)
- DAF's native forest timber production practices were recertified under *Australian standard: sustainable forest management (AS4708:2013)*
- 3965 agricultural chemical users licences were issued to support environmentally responsible production
- over 100 biosecurity incidents were triggered by exotic and established pest and diseases of animals and plants, and invasive plants and animals were effectively managed
- 93 wildlife exhibit licences were renewed or issued to wildlife demonstrators or exhibitors to ensure effective management of animal pests and diseases.



## Building safe, caring and connected communities

Biosecurity Queensland and DAF regional services ensure that Queensland is prepared to deal with biosecurity threats and the effects of drought and natural disasters on agriculture.

During 2014–15, the department:

- undertook 126 audits or investigations to ensure the safe use of chemicals in production
- undertook 638 animal welfare investigations to support the ethical production of food products
- issued 10 108 plant health certificates to make supply chains more competitive and support market access
- renewed or created 412 business accreditations to support supply chain competitiveness and better access to markets
- activated 2 agricultural recovery responses and 1 forestry recovery response after cyclone destruction in northern and central Queensland
- provided \$35.071 million for freight subsidies and emergency water rebates under the Drought Relief Assistance Scheme (provided to almost 6000 affected producers).

# Our financial performance summary

This financial overview provides a summary of the DAF financial performance and position for controlled and administered activities, and comments on significant movements for the period 1 July 2014 to 30 June 2015.

In accordance with the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement of assurance that the department's financial internal controls are operating efficiently, effectively and economically. The department actively manages its financial risks and liabilities, and is financially well positioned to meet its objectives as outlined in the DAF strategic plan.

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

1. statement of comprehensive income
2. statement of changes in equity
3. statement of cash flows
4. statement of financial position.

The remainder of the financial overview provides more detail on items that make up these statements, and the changes that occurred during the reporting period that impacted on DAF's financial outcomes.

For a more comprehensive set of financial statements covering all aspects of the department's activities, see 'Our finances' (p. 72).

The statements include a comparison of DAF's actual financial results with the budget estimates published in the 2014–15 State Budget papers, and provide explanations of major variances.

Table 2: Summary of DAF's financial statements (controlled funds) for the period 1 July 2014 to 30 June 2015

Statement of comprehensive income	2014–15 budget \$ million	2014–15 actual \$ million
Total income	408.6	442.7
Less total expenses	408.6	442.7
<b>Operating result for 2014–15</b>	..	..

The operating result for 2014–15 is a break-even result, which is in line with expected budget outcomes.

The increase in income and expenses is largely due to additional funding in 2014–15 for biosecurity national cost-sharing arrangements and higher than expected funding for research and development projects.

Statement of changes in equity	2014–15 budget \$ million	2014–15 actual \$ million
Balance of equity at 1 July 2014	405.8	398.5
Asset revaluation surplus	5.6	16.2
Transactions with Queensland Treasury/other agencies	(8.8)	(8.3)
Operating result for the year	..	..
<b>Total change in equity</b>	<b>(3.2)</b>	<b>(7.9)</b>
<b>Total equity at 30 June 2015</b>	<b>402.6</b>	<b>406.4</b>

The increase largely reflects higher than expected asset valuations at 30 June 2015.

Statement of cash flows	2014–15 budget \$ million	2014–15 actual \$ million
Balance of cash at 1 July 2014	33.9	37.4
Operating activities	22.7	27.7
Investing activities	(17.6)	(12.0)
Financing activities	(4.6)	(6.7)
<b>Net increase in cash held</b>	<b>0.5</b>	<b>9.0</b>
<b>Cash at 30 June 2015</b>	<b>34.3</b>	<b>46.4</b>

The increase in cash balances is largely due to higher than expected funding received in advance of service delivery for research and development projects in 2014–15, due to additional project approvals and the proceeds from asset sales.

Statement of financial position	2014–15 budget \$ million	2014–15 actual \$ million
Current assets (including cash balances)	69.7	98.7
Non-current assets (including property, plant and equipment)	387.7	378.9
<b>Total assets</b>	<b>457.4</b>	<b>477.6</b>
Current liabilities	32.8	50.3
Non-current liabilities	22.0	20.9
<b>Total liabilities</b>	<b>54.8</b>	<b>71.2</b>
<b>Net assets</b>	<b>402.6</b>	<b>406.4</b>
Contributed equity	405.8	401.3
Retained surpluses/(deficits)	(11.1)	(11.0)
Asset reserves	7.9	16.1
<b>Total equity at 30 June 2015</b>	<b>402.6</b>	<b>406.4</b>

The increase in current assets is largely due to funding received in advance of service delivery for research and development projects, receivables in relation to end-of-year appropriation revenue and national cost-sharing arrangements, and the proceeds from asset sales.

The increase in current liabilities is mainly due to higher than expected funding received in advance of service delivery for research and development projects.

The increase largely reflects higher than expected asset valuations at 30 June 2015.

## Controlled funds

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

### Operating result

The operating result for 2014–15 is a break-even result, which is in line with expected budget outcomes.

### Income—where the dollars came from

Total operating revenue was \$442.7 million, including:

- \$289.5 million (65%) through funding provided as service revenue by Parliament
- \$68.9 million (16%) in user charges for goods and services (including national cost-shared revenue for biosecurity pest and disease programs, and the provision of services to other government agencies through the Business and Corporate Partnership arrangements)

- \$54.9 million (12%) from grants and contributions (including income received for research and development projects from external funding bodies)
- \$26.8 million (6%) from other income sources (including royalty revenue on forest products removed from state lands).

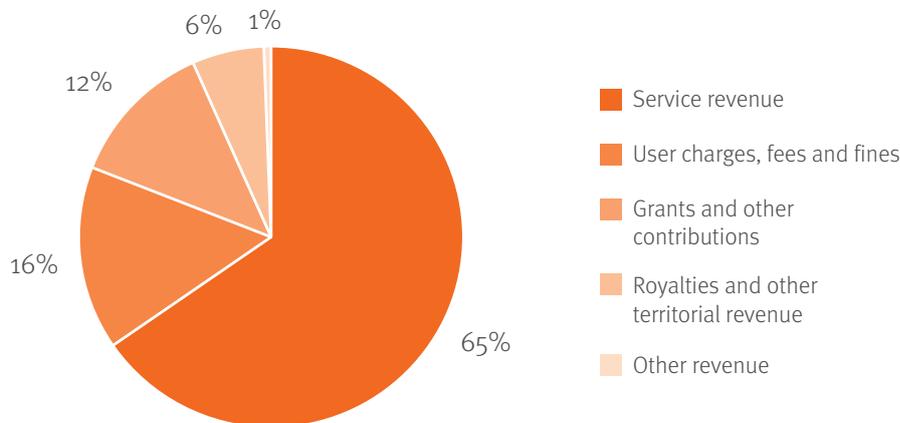


Figure 5: Operating revenue, 1 July 2014 to 30 June 2015

### Expenses—where the dollars were spent

Total operating expenses were \$442.7 million, including:

- \$187.4 million (42%) in employee costs
- \$182.7 million (41%) for supplies and services
- \$49.6 million (11%) in grants and subsidies payments
- \$20 million (5%) in depreciation expenses.

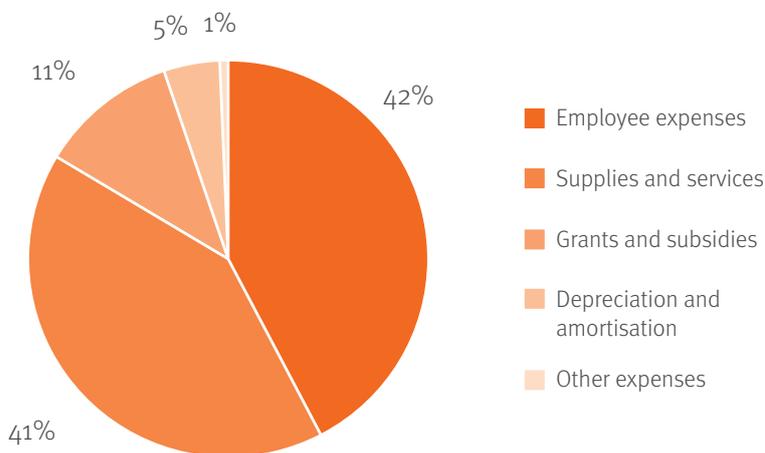


Figure 6: Operating expenses, 1 July 2014 to 30 June 2015

The graph below provides a breakdown of operating expenses into the department's three core service delivery areas:

- Agriculture (\$231.6 million or 58%)
- Biosecurity Queensland (\$105.9 million or 26%)
- Fisheries and Forestry (\$62.2 million or 16%).

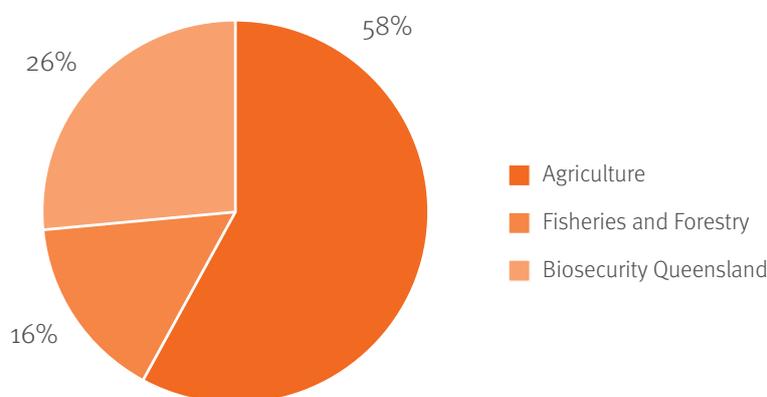


Figure 7: Operating expenses by service areas, 1 July 2014 to 30 June 2015

Corporate services expenses relating to DAF through the Business and Corporate Partnership arrangements have been allocated to respective departmental services. Expenses attributed to other agencies through Business and Corporate Partnership activities are shown separately and not allocated across departmental services.

## Equity—what we are worth

Equity represents net worth, which is calculated by 'what we own' (total assets of \$477.6 million) less 'what we owe' (total liabilities of \$71.2 million). As at 30 June 2015, DAF's equity is \$406.4 million.

## Assets—what we own

At 30 June 2015, DAF had total assets of \$477.6 million. The department's major assets comprise of cash, property, plant and equipment (mainly land, buildings, plant and equipment), prepayments (including lease payments) and receivables (including trade debtors).

## Liabilities—what we owe

At 30 June 2015, DAF had total liabilities of \$71.2 million, which comprise of accrued employee expenses, payables (including trade creditors and the payment of employee benefits to QSuper) and unearned revenue.

## Capital expenditure

Capital expenditure of \$13.8 million in 2014–15 was focused on developing and upgrading research facilities and software systems to deliver outcomes for agriculture, biosecurity, fisheries and forestry. DAF has facilities located throughout rural and regional Queensland. These require a significant level of minor works, mechanical items and plant and equipment upgrades to keep them operating effectively.

## Administered funds

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

During 2014–15, DAF received administered revenue of \$13.7 million, comprising administered appropriation revenue from the Queensland Government and the collection of regulatory receipts (including taxes, fees and fines) on behalf of the Queensland Government. The appropriation revenue was paid to QRAA for the administration of exceptional circumstances payments and various other assistance schemes, to foster the development of a more productive and sustainable rural and regional sector in Queensland. Regulatory receipts are paid into the Queensland Government's consolidated revenue.

At 30 June 2015, DAF had total administered assets of \$3.3 million. DAF holds surplus forestry assets that were retained by the government when Forestry Plantations Queensland was sold to the private sector. The department has been developing and implementing an asset management plan for these assets.

## Outlook for 2015–16

### Operating budget

DAF's operating budget for 2015–16 is \$438 million. Funding in the budget will underpin expenses associated with the Queensland food and fibre election commitment, including exploring the establishment of a rural job agency in conjunction with industry, and initiatives to control wild dogs and feral cats.

The budget features the response program for the tropical race 4 strain of Panama disease and the deferral of funding from 2014–15 to 2015–16 to realign the budget with anticipated expenditure for departmental programs. This is partially offset by the cessation of expenses for the voluntary net fishing buyback program of commercial fishing licences.

### Capital expenditure

The 2015–16 budget also includes a capital expenditure program of \$19.3 million. The department's major assets are in property, plant and equipment (\$360.2 million at 30 June 2015), with facilities located throughout rural and regional Queensland.

Program highlights include:

- \$4.3 million allocated to continue upgrades of DAF's research and operational facilities through the Research Facilities Development, Scientific Equipment and Minor Works programs
- \$2.8 million for the upgrade and refurbishment of existing facilities to enhance service delivery and improve operational efficiencies
- \$1.7 million allocated to provide new and replacement heavy plant and equipment, including trucks, tractors, irrigators, all-terrain vehicles and other machinery
- \$1.3 million for upgrades and additional infrastructure at the Hermitage Research Facility to bring the facility in line with current industry standards for delivery of quality grains crop research outcomes
- \$1.1 million allocated for the enhancement of existing biosecurity laboratory facilities
- \$800 000 provided to continue replacement of vessels and marine equipment for fisheries research and regulatory functions
- \$650 000 allocated to construct a new main dam to increase drought preparedness at the Spyglass Beef Research Facility.

# Our performance: Agriculture

## Objective 1: Build sector capability and industry resilience

The department's role is to help create an environment that enables producers and agribusinesses to sustain and grow their businesses. Despite the extreme weather conditions faced by producers across the state, the total value of Queensland's primary industry commodities for 2014–15 is estimated to be more than \$15 billion. This is 3% more than the average for the past five years.

This positive result provides some insight into the sector's strength and resilience.

Departmental officers negotiated with government and business officials both overseas and in Australia to address trade barriers and promote Queensland's food and fibre products. We worked across government to:

- ensure producers and business had access to the information needed to make sound decisions
- develop infrastructure and supply chains
- improve security over land, water and labour
- link producers to drought and disaster assistance, enabling them to manage and recover from adverse weather conditions.

## Outlook

Long-term prospects for the agriculture, fisheries and forestry sectors remain positive, due to ongoing demand growth for food and fibre, and a gradually improving global economy.

Widespread drought across Queensland will continue to impact the sector. An El-Niño event is currently occurring. El-Niños are typically, though not always, associated with drier than average conditions and a late start to the wet season.

*Our north, our future: white paper on developing northern Australia* outlines a long-term plan and the building blocks to unlock the north's economic potential. It focuses on a fairer go for farm businesses, building infrastructure of the 21st century, strengthening the approach to drought and risk management, farming smarter and accessing premium markets.

## Key performance indicators

- Trend in value of agricultural, fisheries and forestry production
- Trend in export value of agricultural commodities
- Trend in agricultural land use
- Reduction in red tape and regulatory burdens

## Priorities for 2015–16

Our priorities for 2015–16 are to:

- grow markets and investment by supporting outbound trade missions to promote existing food and fibre products, and showcase new, niche and emerging products and investment opportunities

- improve sustainability of agriculture by
  - continuing existing drought relief arrangements until 2018
  - working with industry to develop a suite of new measures that will assist producers to improve their climate risk-management and preparedness strategies
  - providing a ‘one-stop’ service that supports private sector water and land resource development initiatives to help develop the northern regional economy
- support a modern and capable workforce by
  - establishing the Rural Jobs and Skills Alliance
  - working with vocational and tertiary education providers to deliver skills-based training.

### Key performance indicator: Trend in value of agricultural, fisheries and forestry production

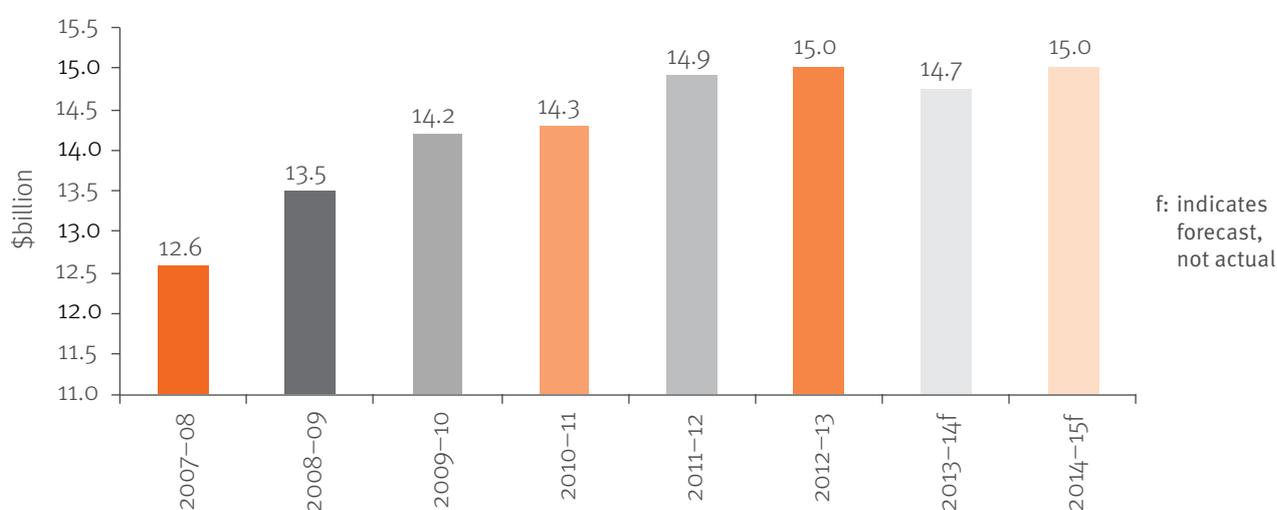


Figure 8: Gross value of production for farm gate and first-round processing (source: AgTrends update: April 2015, Department of Agriculture and Fisheries)

This indicator shows the trend in the performance of the primary industries sector over time. The indicator reports on the total value of primary industry commodities, which includes the value of the farm gate (including fishing and forestry) and first-round processing. A range of external factors—such as exchange rates, commodity prices and weather conditions—can affect the outcome.

The total value of Queensland’s primary industry commodities for 2014–15 is estimated at more than \$15 billion. Farmgate outlook also trended upward, with gross value of production forecast to reach \$11.89 billion. This is 3% more than the average for the past five years.

Commercial fisheries contribute approximately \$185 million and aquaculture business \$94.5 million. Recovery in dwelling construction has contributed to the strong forecast result for 2014–15 gross value of production for the forest-growing sector at \$187 million.

The value of first-round processing (or value-added production) for 2014–15 is estimated to be \$3.126 billion.

The sector is highly diversified, with the largest contributions from livestock (\$4.573 billion) and horticulture (\$3.950 billion), as well as economic contributions from other crops, such as sugar and cotton (\$1.703 billion) and cereal grains, such as sorghum and wheat (\$1.028 billion).

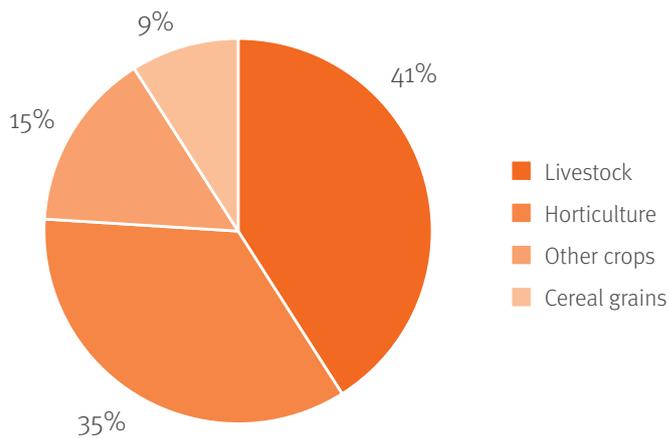


Figure 9: Breakdown of commodity contribution to forecast gross value of production of agriculture for 2014–15 (source: AgTrends update: April 2015, Department of Agriculture and Fisheries)

### Natural disaster responses

Extreme weather events had a major impact on agricultural production in 2014–15, destroying crops and infrastructure and bringing forward slaughter and harvest rates.

#### Drought

By the end of 2014–15, over 80.3% of the state had been drought-declared. At its peak, this included 44 entire local government areas and 3 part local government areas. There were also an additional 79 properties in 9 local government areas with an Individually Droughted Property declaration.

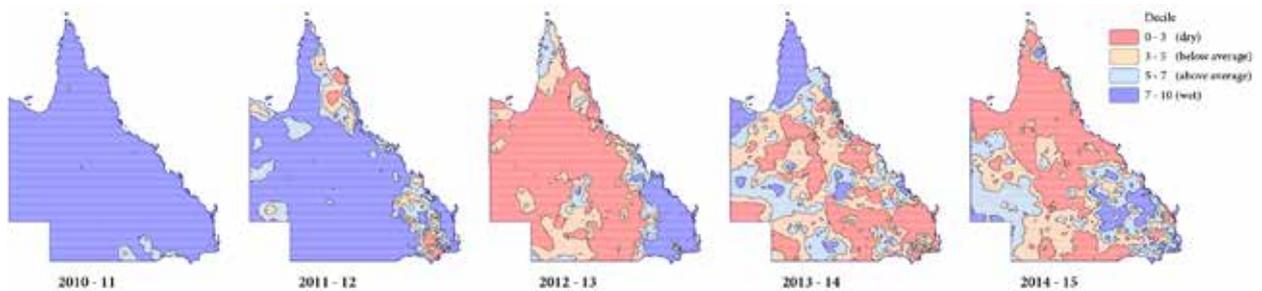


Figure 10: Rainfall patterns over Queensland for the past five summers, November–March (source: Department of Science, Information Technology, Innovation and the Arts)

To support producers and communities impacted by drought, the Queensland Government funded a multi-agency assistance package valued at \$45.9 million for 2014–15. In 2014–15, the Queensland contribution for the Drought Relief Assistance Scheme (DRAS) within DAF was \$18.75 million. In addition, the Australian Government contributed a further \$9 million for the Emergency Water Infrastructure Rebate provided under DRAS.

The package included:

- freight subsidies
- emergency water infrastructure rebates
- land rent and water licence fee relief
- relief from electricity charges
- rural financial counselling
- community and mental health support.

The DAF-administered Drought Relief Assistance Scheme (DRAS) was the largest component of the drought assistance package. The number of DRAS claims rose nearly 20% in 2014–15 due to the prolonged and intense nature of the drought. This led to record expenditure of \$35.071 million in 2014–15.

To ensure the service standard for processing time (21 days) was met, the department reviewed the claims processes, invested in upgrading the Disaster and Drought Management System and used flexible staffing arrangements. This resulted in 95% of DRAS claims being processed within 21 days. The average time to process a claim was 13 days.

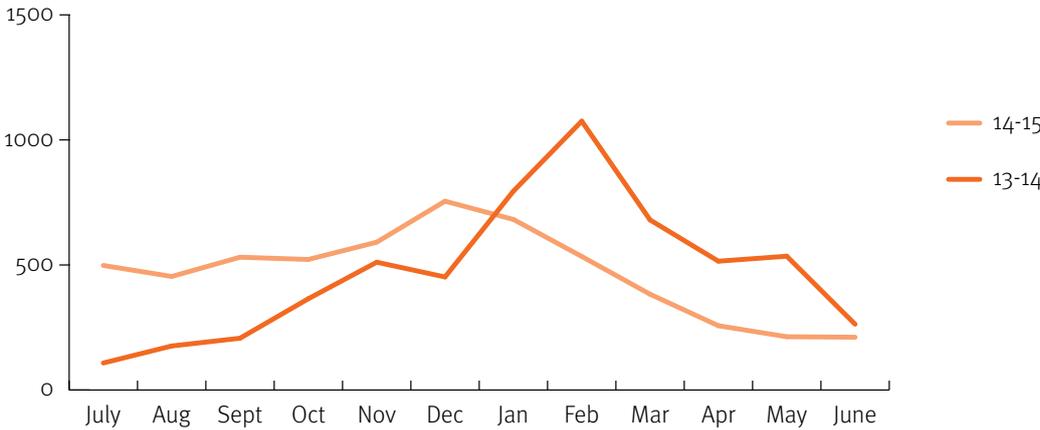


Figure 11: Comparison of number of DRAS claims received from 2013–14 to claims received in 2014–15

Table 3: DRAS application statistics, 2011–15

Measure	2011–12	2012–13	2013–14	2014–15
Percentage of applications for business assistance as a result of natural disaster or drought processed within 21 days of lodgement	Not measured	Not measured	44%	95%
Total expenditure (\$ million)	0.479	0.036	23.951	35.071

**National drought reform**

Queensland continued its commitment to the *Intergovernmental agreement on national drought program reform* (2013). The agreement formalises the commitment by the Australian Government and all state and territory governments to focus on primary producer self-reliance, resilience, preparedness and risk management. Under the intergovernmental agreement, the states and territories are required to deliver farm business training, coordinated and collaborative social services, and tools and technologies to inform farm decision-making with the aim to increase producer drought preparedness.

The Queensland Government is delivering mental health support through the Royal Flying Doctors Service and community wellbeing activities funded through the Department of Communities. To aid decision-making, the Queensland Government is upgrading The Long Paddock website ([www.longpaddock.qld.gov.au](http://www.longpaddock.qld.gov.au)), which hosts weather and climatic information, and has upgraded agricultural risk-management programs. A national skill set for farm business training has been identified and Queensland is working with training providers on delivery options.

## *Cyclones and storms*

In 2014–15, two cyclones crossed the Queensland Coast—severe tropical cyclone Marcia and tropical cyclone Nathan. Severe storms in South East Queensland brought good rainfall to the coastal food production areas; however, damage to crops and pasture also occurred.

Cyclone Marcia affected the Capricorn and south-east coast (19–22 February 2015). The gross loss to agriculture, including production and infrastructure, was estimated to be between \$150 million and \$200 million. The worst affected areas were:

- horticulture and nurseries—severe infrastructure damage around Yeppoon and Rockhampton with the pineapple industry losing almost all of the year’s crop
- planted crops and orchards—significant damage in the Callide and North Burnett areas, including erosion, destruction of irrigation equipment and fencing, and significant debris removal and infrastructure repair
- dairies—18 of the 31 dairies in the region had severe damage, with the largest damage bill approximating \$1 million (an estimated 187 000 litres of milk lost and temporary disruption to milk delivery)
- timber—a large proportion of the exotic pine plantation timber in Livingstone Shire was felled
- abattoirs—infrastructure damage to two Rockhampton abattoirs.

Disaster assistance was activated under the joint federal–state Natural Disaster Relief and Recovery Arrangements (NDRRA), and the state’s community support service was made available to cyclone-affected communities.

To ensure the maximum reach of available assistance, DAF staff supported the recovery effort by meeting with impacted producers, deploying the department’s mobile office, holding workshops with producers to address recovery issues and partnering with multiple agencies and organisations at events such as agricultural shows. Post-recovery follow-up was undertaken by DAF staff to monitor the progress of impacted landholders and businesses along the agricultural supply chain.

Despite flood losses, a strong increase in sugar production is expected for the 2015 crop in and around Bundaberg and Maryborough.

Cyclone Nathan crossed north of Cooktown in Far North Queensland (20 March). Damage was limited to Mclvor River (mixed tree crops), Hopevale (banana) and grazing properties. NDRRA was activated for primary producers in the Cook Shire and Hopevale. DAF staff assisted with the recovery process by undertaking damage assessments and implementing recovery and support measures.

A low-pressure event caused intense rainfall, resulting in severe storm damage to the horticulture industry in South East Queensland in early May 2015. DAF staff conducted a review of the damage in conjunction with industry and local government, which highlighted:

- producers in the strawberry industry (predominantly based in the Sunshine Coast/Moreton region) reported individual losses of between 10% and 30% of their production, with a potential economic impact of over \$1 million
- horticultural impacts, particularly to macadamia nut orchards on the Sunshine Coast, and damage to nurseries and greenhouses in the Moreton and Logan council areas.

The assessment indicated overall damage was insufficient to meet the threshold for the activation of NDRRA. The department provided assistance to affected producers on a case-by-case basis under Individual Disaster Stricken Property declarations.

## Key performance indicator: Trend in export value of agricultural commodities



Figure 12: Queensland's rural overseas merchandise exports, 2004–15 (source: Australian Bureau of Statistics unpublished trade data and Queensland Treasury)

The export value of Queensland agricultural commodities has continued to increase over time. On average over the last five years, Queensland agribusiness has contributed approximately 12% of our state's total exports.

Rural exports have performed strongly over the year to June 2015.

Meat exports rose \$1.310 billion in 2014–15 to \$5.587 billion. Beef accounted for the vast majority of growth in the value of meat export during the year, up \$1.278 billion to \$5.3 billion. An increase in beef export prices combined with a rise in beef slaughter rates amid ongoing drought were the main drivers of growth during the year. Crop exports grew \$177 million in 2014–15 to \$1.029 billion. Growth was predominately driven by grain sorghum exports, which were \$124 million higher than in 2013–14. Cotton exports fell \$316 million in 2014–15 to \$773 million.

Sugar exports are not available at the state level, with national export data only available after a six-month lag. However, around 95% of Australian sugar was produced in Queensland in 2014. Australian sugar exports totalled \$1.416 billion in 2014, an 11.1% increase on the value of exports in 2013. By country, Indonesia (\$503 million), South Korea (\$421 million), Japan (\$179 million) and Malaysia (\$112 million) were the largest destinations for Australian sugar exports in 2014.

Despite the overall rise in the value of exports, a large portion of Queensland's grazing and crop-producing areas are experiencing significant drought.

## Expanding markets and investment

During the year, the department was involved in a broad range of activities to develop trade and market opportunities.

### *Trade missions, delegations and events*

Extraordinary opportunities to showcase Queensland agriculture to the world occurred in 2014–15. Queensland hosted the G20 in Brisbane in November 2014 and Beef Week, a triennial national event, was held in Rockhampton in May 2015. The department capitalised on these opportunities through media and by encouraging delegations and exchanges, particularly with Asian growth markets.



Figure 13: Beef Week promotions, Rockhampton 2015

DAF supported two ministerial trade missions to Vietnam and China (to the Chinese provinces of Guangzhou and Huizhou) to progress market development, diversification opportunities and investment opportunities for beef, dairy and other agricultural commodities.

DAF officers participated in a further four trade missions and seven international exchanges promoting Queensland food and fibre products and expertise. Outbound activities included travel to:

- Malaysia—to further develop the trading relationship
- South Korea—to promote Queensland's capacity to help supply the Korean high-value grains market and develop business relationships with Korean importers, wholesales and processors
- Vietnam—to discuss trade and collaboration opportunities in support of boxed beef and live cattle exports
- northern China—to gain a better understanding of China's increasing demand for dairy products and identify potential opportunities for Queensland to supply high-value dairy products and technical services.

Delegations hosted throughout the year included:

- a Chinese delegation from Bluetown Agriculture, a subsidiary of one of China's largest property developers—the meeting, organised in conjunction with Trade and Investment Queensland, focused on sourcing mandarins, avocados and rice, and the possibility of future trial shipments
- a delegation of business leaders representing the China Beef Lamb Association—the association, representing 350 companies from across China's beef and lamb supply chain, attended a presentation outlining Queensland's beef industry and gained an insight into the state's focus on world-class quality and safety systems
- a delegation from China's Hubei Province, a major grain-growing region of China—a series of presentations were made to provide the delegation with a better understanding of the Queensland grains industry, relevant research and development, on-farm grain storage practices, biosecurity and the Web-based Agricultural Land Information online mapping toolkit
- a delegation from China (Huizhou and Guangdong)—the delegation signed a memorandum of understanding with the Port of Townsville Limited on a plan to develop direct shipping between Townsville and China, as well as a memorandum of understanding with the Charters Towers Regional Council to examine opportunities for direct maritime logistics for the movement of stock between Townsville and southern China
- a delegation from China researching the lychee industry—the delegation met with Queensland lychee producers and the Australian Lychee Growers Association to discuss the opportunities that exist in relation to the counter-seasonal supply of lychees
- a delegation from China's Hainan Province—investigated potential cooperative opportunities in tropical plant science, live cattle supplies and on-farm best practice animal husbandry protocols
- a South Korean delegation of government and business representatives—the delegation was provided with a series of presentations about Queensland's production capabilities in beef, horticulture and broadacre cropping, and the online availability of agricultural land information
- a senior official from the South Korean department of food safety for a 12-month stay—Dr Kang specialises in red meat supply chains and spent time with Meat and Livestock Australia and Safe Food Production Queensland as part of his visit.

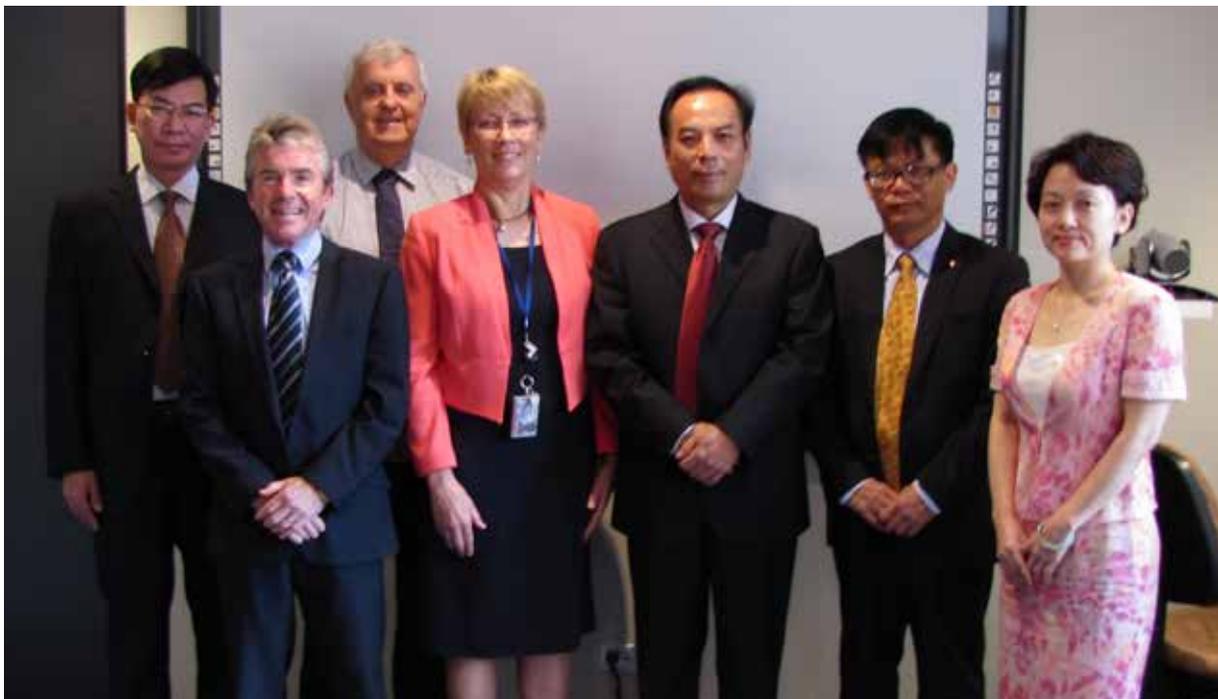


Figure 14: Chinese Government delegation from the Hainan Province meets with DAF representatives

### ***Market access and expansion***

We streamlined accreditation processes and maintained necessary certifications for agricultural produce, native forest timbers and fisheries to enable access to interstate and international markets.

Market expansion activities undertaken throughout the year included:

- gazetting an amendment to the *Australia New Zealand food standards code: standard 1.5.3—irradiation of food* to allow the irradiation of an additional 11 commodities (cherry, peach, table grape, apple, plum, zucchini, nectarine, rockmelon, honeydew, strawberry and apricot)—this approval provides new market access options for Queensland fruit growers
- sending a trial shipment of Queensland broccoli to Japan that resulted in the broccoli selling out in a single day, with retailers able to set a premium price compared with other imported broccoli—a three-year market development plan is now being developed to support broccoli exports to Japan, buyers from Japan have been invited to visit farms in Australia and Queensland aims to secure a share and grow Japan's broccoli imports (estimated at 37 000 tonnes in 2013)
- sending a trial shipment of frozen beef and lamb valued at approximately \$3.5 million to Xiamen Seashine Group supermarkets, a major supermarket chain in China
- shipping the first Calypso™ mangoes to the United States under a new export protocol—the Calypso™ mango (B74), bred by DAF, now makes up just over a quarter of the Australian mango trade and the development of the international market is also progressing, with plans to expand plantings overseas so that there is a counter-seasonal supply (the first targeted production is likely to be in Mexico and the United States in order to supply the United States market).

## Key performance indicator: Trend in agricultural land use

Table 4: Land used for agriculture, 2011–14

Measures	2011	2012	2013	2014
Land used for agriculture (area of farms)	139 835 ha	137 239 ha	129 548 ha	139 933 ha
Proportion of land use for agriculture	81%	79%	75%	81%

Source: Australian Bureau of Statistics, '7121.0—Agricultural commodities, Australia, 2013–14' (total area of land is 173 065 000 hectares)

Queensland is Australia's second-largest state, with more than 173 million hectares of land and the largest use of land for agriculture.

The trend in agricultural land use shows a return to the 2011 level of land used for agriculture. This is despite the trend, both nationally and in Queensland between 2011 and 2013, towards a decrease in agricultural land use. Factors that may impact this trend include population growth, the efficiency of farming practices and climate variability. This increase in agriculture utilisation is supported by revised land-use assessments derived from the *Queensland land use mapping program (QLUMP)*.

Table 5: Current land use

Queensland land use	Area (ha)	Percentage of state (%)
Broadacre cropping	3 643 664	2.11
Sugar cane	559 739	0.32
Perennial horticulture	88 060	0.05
Annual horticulture	54 447	0.03
Grazing	145 465 534	84.42
(of which) sown	83 558	0.05
Intensive livestock	13 644	0.01
Aquaculture	4 405	0.003
Other	22 459 339	13.03

Source: DSITI, QLUMP

### Land and resources important for agriculture

DAF works at a policy and regional level across governments and with industry players to ensure information, planning and infrastructure investment support the needs of agriculture.

#### *Agricultural land audit*

In 2014–15, DAF continued with the second phase of the *Queensland agricultural land audit*, which focused on developing user-friendly products and tools that allow the audit to be utilised to its full potential for planning, investment and decision-making.

The Web-based Agricultural Land Information (WALI) online mapping toolkit is user-friendly and allows people to visualise information on agricultural land use. An updated version of the mapping tool was released, allowing greater functionality and ease of use.

Additional data layers continue to be added to WALL, including protected plants, an updated Strategic Cropping Land trigger map, regional natural resource management boundaries and state development areas. WALL also contains weather and climate mapping, and three custom analysis tools looking at land use and regional and state planning interests. Training sessions were delivered for WALL in Brisbane, Toowoomba, Warwick, Bundaberg, Nambour and Mackay. Two webinar sessions were also delivered.

The 2014 annual addendum to the *Queensland agricultural land audit* was released, identifying all updated policy, data and programs/projects impacting agriculture since the release of the audit in May 2013.

Designed to complement the Agricultural Values Assessment, the Agricultural Climate Assessment was released in May—an auto-generated geo-referenced report that brings together over 350 individual datasets to provide detailed climate information for the specified area.

Also finalised and made available through the DAF website was a socio-economic analysis of constraints to agricultural intensification. The final reports are an economic analysis conducted by DAF and a social analysis conducted by the Department of Science, Information Technology and Innovation. The study concluded that the factors involved in land-use decisions are complex and often involve personal considerations.

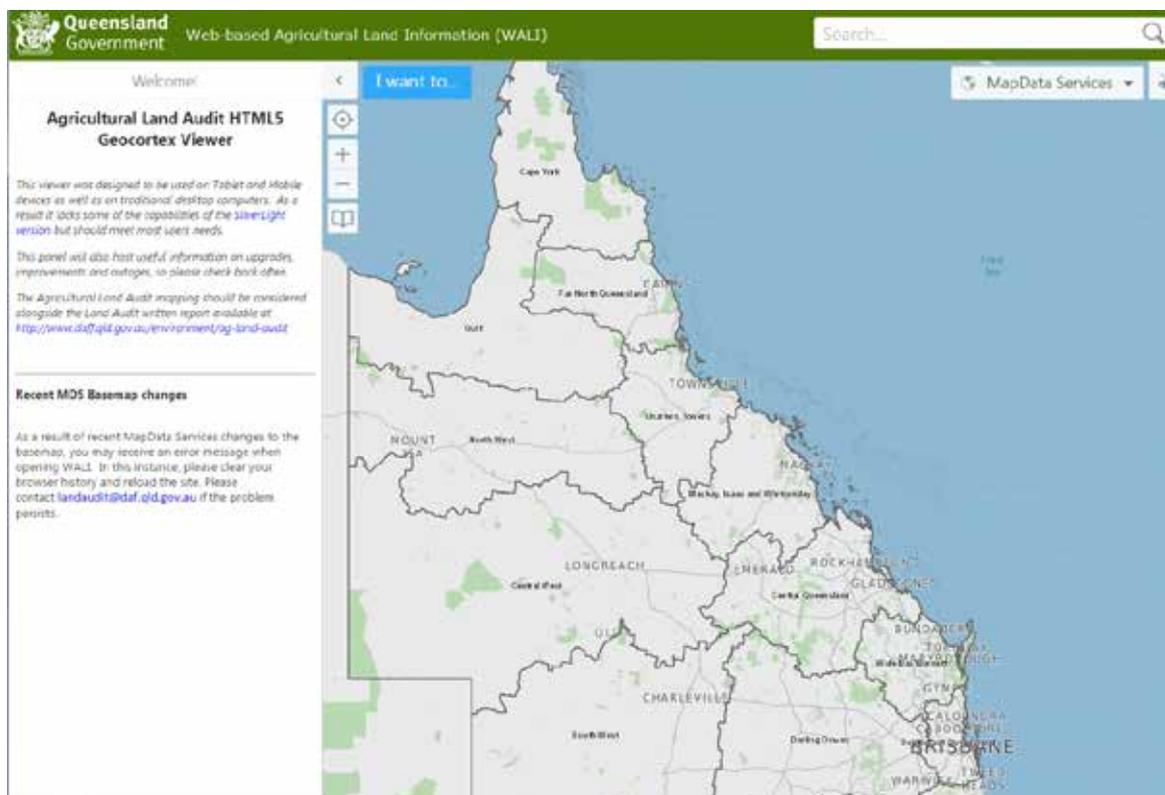


Figure 15: WALL screenshot

### ***Planning schemes and land strategies***

DAF undertakes a range of measures to ensure that development is compatible with maintaining land important for agriculture and that an appropriate balance is maintained between state interest, community interest and economic development.

During 2014–15, we reviewed and provided advice on 19 regional council planning schemes and 29 rural land strategies. The review process enabled councils to receive feedback and better consider the implications for agricultural land when developing planning schemes. The process also better informed directions and provisions for particular interest groups, such as lifestyle/hobby farmers.

## **Intergovernmental agreements**

### ***Committee of Northern Australia Agriculture Ministers***

DAF plays a lead role in supporting the Committee of Northern Australia Agriculture Ministers, as well as chairing and providing the secretariat for the Northern Australia Senior Leaders Group that reports to the committee.

This committee brings together the agriculture ministers from the Australian, Queensland, Western Australian and Northern Territory governments. They work collaboratively to take a coordinated approach to priority northern Australian agriculture matters. The committee addresses a range of issues, from supply chain development to research and development.

The Northern Australia Beef Industry Roundtable is convened by the committee to inform their work plan. The fifth beef roundtable was held in Darwin in November 2014. The sixth beef roundtable was held in Yeppoon in May 2015 to coincide with Beef 2015. A number of new key priorities were developed for government and industry to work on together—including articulating confidence in our safe, clean and sustainable beef, and a commitment to maintain Australia's high standards of biosecurity, including more streamlined regulation to secure overseas markets.

### ***North Queensland Irrigated Agriculture Strategy***

The North Queensland Irrigated Agriculture Strategy was a joint Queensland and Australian government project examining the long-term prospects for irrigated agriculture in the Flinders and Gilbert River catchments. The project was completed in December 2013 when CSIRO released its report on the catchments. DAF has continued its on-ground involvement in these two catchments to explore opportunities and help producers mitigate risks to development.

Further work on the catchments was undertaken in 2014 by the Department of Natural Resources and Mines, CSIRO and DAF to better estimate the impacts on ecosystems and fisheries in the Gulf. The information from these studies and the strategy is being used by the Department of Natural Resources and Mines to make more water available for irrigated agriculture through the Water Resource (Gulf) Plan 2007.

Drought has delayed crop trials and other works, including trials at Hopevale on the Flinders River and Strathmore on the Gilbert River. DAF has commenced initial studies to understand the potential of the groundwater resource in the Flinders catchment to support agricultural development. As part of its ongoing commitment, DAF will continue to progress on-ground activities and commercial partnerships to advance viable irrigated agricultural opportunities for the region.

### ***Murray–Darling Basin Regional Economic Diversification Program***

DAF is delivering two projects in support of the Australian Government's \$15 million Murray–Darling Regional Economic Diversification Program. DAF is providing in-kind support of over \$2.25 million to the two projects, one of which is investigating opportunities for high-value irrigated horticulture in the Border Rivers and Balonne areas. This project is looking at a range of horticulture crops that may suit the soils and climate of the region, as well as investigating new export markets. The second project involves working with irrigators to help them improve water-use efficiency. The implementation of a benchmarking system will allow irrigators to measure and compare the efficiency of their irrigation systems.

## Key performance indicator: Reduction of red tape and regulatory burdens

Significant progress of the department's *Regulatory reform plan* was achieved during 2014–15. Progress on the original target of 17% reduction of regulatory requirements over five years can no longer be measured. This is due to focus reprioritisation by the Office of Best Practice Regulation, which maintained the methodology for the annual assessment.

In 2014–15, DAF reduced regulatory burdens in the following areas:

- consolidated and streamlined regulation of the exhibited animals industry under a single Act (the *Exhibited Animals Act 2015*)—as an example, the Act replaces up to six licensing schemes under multiple Acts with a single licensing scheme (the Act will commence with the *Biosecurity Act 2014* by 1 July 2016)
- eliminated duplication and redundant provisions by consolidating provisions of the Fisheries (Coral Reef Fin Fish) Management Plan 2003 into the Fisheries Regulation 2008 in April 2015.

DAF also progressed the following initiatives directed at reducing regulatory burden:

- made significant progress on development of new regulations, new policies and streamlined procedures to support the commencement of the *Biosecurity Act 2014*—including the release of a regulatory impact statement, and preparation of training and educational resources for the public about the Act and the new obligations that share responsibility for biosecurity in Queensland
- finalised preparations to introduce the Agriculture and Other Legislation Amendment Bill 2015 into the Legislative Assembly—the Bill proposes modest reforms, including
  - harmonising aspects of Queensland regulation of agricultural and veterinary chemicals with Commonwealth legislation, such as allowing application from unmanned aerial vehicles
  - omitting unnecessary obligations and restrictions on suppliers of identification devices for cats and dogs
  - reducing the liability of company directors in certain circumstances, consistent with the Council of Australian Governments guidelines
- released the independent review of fisheries by MRAG Asia Pacific in line with the incoming government's commitments to the community—now that the period for public comment has closed, the government will consider the next steps
- helped the Queensland Competition Authority undertake a review of legislation affecting aquaculture and the application process for development
- released a regulatory impact statement for public comment about proposed changes to the Stocked Impoundment Permit Scheme in December 2014 and received almost 300 submissions, which will inform the final decisions on how best to enhance recreational fishing and reduce administrative burden on individuals, businesses and government—the regulatory impact statement proposed several changes including
  - expanding the scheme
  - allowing funds raised through permit fees to be used for a wider range of purposes
  - adjusting permit fees once every five years instead of annually, which would reduce the burden on small businesses that collect the fees at the point of sale
- contributed to the national review of agricultural and veterinary chemical legislation, with a view to developing a single national regulatory framework—the national review process has highlighted significant areas of differences between jurisdictions on issues such as licensing and training and off-label use (completion of the review is expected to take a further 12 months).

## Objective 2: Improve industry performance through innovation

Research, development and extension (RD&E) is a critical driver of productivity in the agriculture, forestry and fishing industry, and requires long-term commitment to maintain productivity growth and consequent profitability. Innovation and the adoption of new practices and technologies are critical to producers being able to harness emerging opportunities and overcome production challenges to improve industry performance. The extended timeframes to realise benefits can be lengthy.

Evaluations on the returns from investing in agricultural RD&E consistently demonstrate that for every \$1 invested, returns of up to \$10 can be expected over the course of 25 years.

### Outlook

Ever changing climatic conditions, market and consumer preferences, and increasing threats from exotic plant and animal diseases present new areas demanding attention from agricultural RD&E expertise.

A significant amount of agricultural RD&E is funded via the industry levy system, as well as funding from the Australian and Queensland governments, industry and the non-profit sector. Nationally, investment in agricultural RD&E has been static or declining since the 1970s. Revenues from the department's commercialisation activities are also impacted as more opportunities for commercialisation are transferred to industry or entrepreneurs to encourage a commercial focus in the development phase.

Partnerships with industry and urban and regional universities has seen the state's RD&E capability and capacity grow, and further partnerships will be pursued to enable this growth to continue.

### Key performance indicators

- Level of innovation by agricultural businesses
- New varieties, products or technologies released and adopted
- Royalty returns from departmental research and development

### Priorities for 2015–16

Our priorities for 2015–16 are to:

- develop a 10-year RD&E blueprint for agriculture and food
- develop and deliver innovative technologies and practices for farm business and industry
- improve the uptake of innovative technologies and practices through the delivery of extension and technical services
- partner with industry and research bodies to build RD&E capability across Queensland
- continue delivery of best management practice programs to improve the practices of producers and agricultural industries impacting on the Great Barrier Reef.

### Key performance indicator: Level of innovation by agricultural businesses

According to the most recent Australian Bureau of Statistics data ('8166.o: Summary of IT use and innovation in Australian business, 2013–14'), only 27% of agricultural, forestry and fishing businesses in Australia were innovating. This was the lowest level of innovation across all business sectors. The agricultural, forestry and fishing industries also had the joint lowest proportion of businesses that introduced new goods or services (12%), and were also least likely to have introduced new organisational/managerial processes (9%) or marketing methods (5%).

While the Australian Bureau of Statistics also found that 87% of Australian agricultural businesses had internet access, for the vast majority (over 98%) broadband was the main type of connection. Only some 13% of agricultural businesses were promoting their business online. This is well below the 47% for Australian businesses as a whole. Less than one in five businesses in the agriculture, forestry and fishing industry received orders online.

### **National Primary Industries Research, Development and Extension Framework**

RD&E is coordinated nationally. A national framework is in place to better use scarce resources and prevent duplication. Strategies to implement the framework have been developed for 14 primary industry sectors and 8 cross-industry sectors.

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

### **Investing in RD&E**

In 2014–15, DAF invested approximately \$63 million in agricultural RD&E to build Queensland's competitive advantage, particularly in tropical and subtropical agriculture.

This investment was boosted by around a further \$33 million in external funding from major research and development corporations and the private and university sectors to undertake applied RD&E.

In support of research outcomes, throughout 2014–15 the department maintained 35 agricultural research facilities and field sites across the state. These world-class research facilities provide Queensland with infrastructure to underpin high-quality agricultural research and are utilised by universities, the private sector and other research organisations on a cost-recovery basis.

The department also commenced development of a 10-year agriculture and food RD&E blueprint. The aim of the blueprint is to enhance scientific collaboration within the state, ensure it is aligned with emerging opportunities, and to seek new and innovative ways to attract new funds. This blueprint will set the future direction for agricultural RD&E in Queensland. It will emphasise the importance of RD&E in improving the productivity, profitability and sustainability of Queensland's farm businesses.

### **Partnerships to deliver world-class research**

The department's investment in RD&E includes \$14.77 million in partnerships with the university sector and Sugar Research Australia (an industry-owned research and development corporation).

Partnerships with universities enable DAF and university scientists to work collaboratively to deliver enhanced research outcomes for Queensland. This is achieved by:

- providing improved access to networks of international scientists and state-of-the-art research equipment
- utilising additional resources from across disciplines to respond to issues facing the agricultural sector
- generating career opportunities for scientists
- attracting greater RD&E funding to Queensland's agricultural sector than would otherwise be possible
- underpinning increased tertiary training in agriculture in Queensland.

The sugarcane industry has derived significant benefits from RD&E through the DAF grant to Sugar Research Australia. Some key highlights include:

- increased adoption rates of precision agriculture practices, which reduced fertiliser inputs and lowered total farm nutrient loss

- productivity increases and reduced input costs through improved yield monitoring, identifying and managing pest infestations with remote-sensing technologies and improved breeding programs
- research to help solve the yellow canopy syndrome—so far, research efforts have ruled out a number of potential causes; however, the cause is still unknown.

### Key performance indicator: Royalty returns from departmental research and development

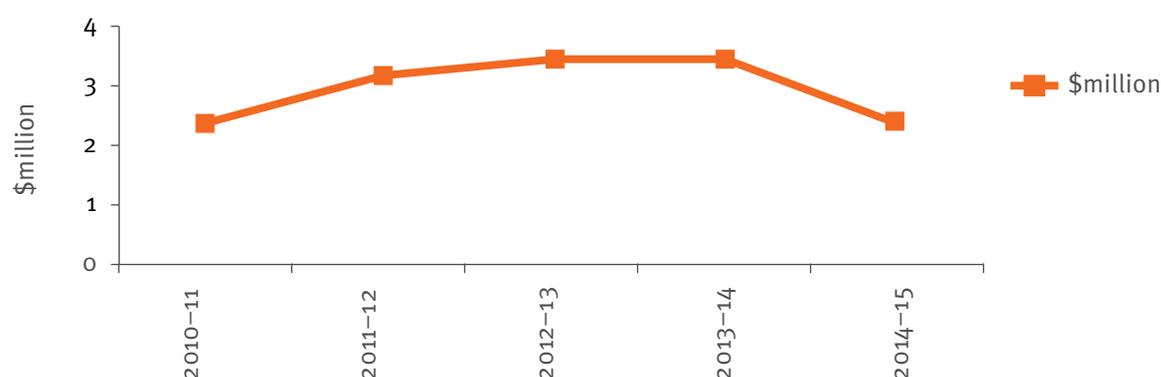


Figure 16: Intellectual property revenue graph (source: DAF RD&E expenditure and revenue)

In 2014-15, the department received \$2.49 million in royalty revenue, which equates to a return on investment of 4.32%. This was down by approximately \$1.3 million on 2013-14 royalty revenue. This decrease was due in part to:

- drought affecting the 2013-14 growing season, which impacted wheat sales for the first time with both volume and quality down—consequently, royalties decreased by approximately \$440 000 compared with previous seasons when sales have been above average
- the department refocusing its core business activities and giving industry and universities more responsibility for management of breeding and development of new varieties and cultivars, including strawberries, wheat and barley.

While such factors will have an ongoing impact on royalty revenue, it is expected that this decrease will be offset by royalties generated from the DAF-developed PlantZap®, Kalei apple and Queen Garnett plum.

## Key performance indicator: New varieties, products or technologies released and adopted

Table 6: Service standards—improvements due to RD&E

Measures	2011–12	2012–13	2013–14	2014–15
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of funded innovation and capacity development activities	60%	54%	60%	73%
Proportion of assisted firms reporting improved performance following funded innovation and capacity development activities	60%	60%	54%	60%

Extension is critical to ensuring producers are able to adopt the research and development outcomes delivered by the department. It involves a range of activities that enable producers to implement the department's research outcomes for the productive and economic benefit of their business. In 2014–15, DAF delivered a range of extension activities, including 353 structured programs and activities to help businesses build capacity, improve performance and access opportunities.

More than 8535 producers and farm businesses participated in structured R&D extension activities. Participant surveys are conducted throughout the year, and an average of survey results indicates that 86 per cent of participants were satisfied with the activities they participated in. An average of 73% indicated that they had made or were making changes to their business as a result of participating in an activity. While the proportion of firms reporting improved performance remains at 60 per cent, improvements to activity surveys are being introduced to ensure greater consistency of data and to provide for greater capacity to analyse data throughout the year.

### Research supporting industry profitability

In 2014–15, DAF progressed a breeding program to address the production challenges and constraints associated with some commodities. Scientists developed and delivered a range of new varieties, cultivars and parent lines for the economic benefit of growers and industry. The team also delivered a range of innovative new products during the year in support of industry productivity. The new technologies implemented by farm businesses will not only improve production outcomes, but will also facilitate the development of market opportunities. Selected highlights are listed below.

#### New varieties

##### *Mung beans*

During the past 10 years, Queensland's mung bean export industry has more than doubled production, from 30 000 tonnes to over 70 000 tonnes annually. DAF-bred varieties account for at least 95% of mung beans produced and exported. The breeding improvement developed a new 'black gram' line of mung bean to replace the Regur variety released in 1975. This new line has clear advantages over regular green gram types in relation to disease resistance and stress tolerance, and has a more than 10% higher yield. While a niche product in Australia, it is a highly prized pulse in India and Pakistan.

DAF's partnership with The University of Queensland and the Queensland Alliance for Agriculture and Food Innovation has also improved the science of how to best grow mung beans. A similar partnership with the Queensland University of Technology has embraced innovative genetic tools and technologies to ensure Queensland's growers and industry continue to earn profits that drive economic development.



Figure 17: DAF plant pathologist speaking to participants at the mung bean industry field walk

### ***Tomatoes***

Queensland's tomato industry is valued at an estimated \$273 million. In 2014–15, a DAF tomato breeding project produced more than 100 new parent lines, a number of which will be selected for commercial release. The new varieties are resistant to a variety of diseases, including fusarium wilt, powdery mildew, root-knot nematode, tomato yellow leaf curl virus and tomato spotted wilt virus. Powdery mildew is one of the two most damaging diseases of tomatoes in eastern Australia and causes production losses estimated at \$20 million to \$25 million annually. Tomato yellow leaf curl virus is the other disease of major concern and impacts large areas of the Bundaberg and Bowen regions, with serious implications for producers. The new lines are expected to be available in the near future.

### ***Reinvigorating Indigenous plantation forestry***

The collaborative Australian Centre for International Agricultural Research sandalwood project, involving the department and the University of the Sunshine Coast, developed germplasm for sandalwood and whitewood. The project captured a diverse range of Cape York Peninsula sandalwood germplasm and successfully established grafted clonal seed orchards in Bamaga and at the Walkamin Research Station. A genetic improvement and testing program is now in place.

Endemic sandalwood species were commercially harvested in the Cape York Peninsula from 1860 to around 1940, when the industry collapsed due to over-harvesting. If domesticated, this species could underpin development of Indigenous and plantation-scale forestry activities in the region.

## New tools and technologies

A diverse range of new tools and technologies were delivered as a result of DAF RD&E. See Table 7 for examples.

Table 7: New tools and technologies developed by DAF and its partners

New tools and technologies	Target user	Benefit
A revised hard-copy of the <i>Australian quality index manual: a tool for evaluating changes in chilled seafood</i> and downloadable app covering 18 major Australian seafood species	Seafood buyers to assess point-of-purchase freshness and quality of seafood	<ul style="list-style-type: none"> <li>Fairer pricing for producers and consumers</li> <li>Improved retail/food service product quality</li> <li>Improved supply chain management</li> <li>Valued by industry as saving hundreds of thousands of dollars per annum in a sector worth an estimated \$353 million per annum</li> </ul>
National weevil hotline (1800 WEEVIL or 1800 933 845) and grain storage information hub ( <a href="http://www.storedgrain.com.au">www.storedgrain.com.au</a> )	Grain growers	<ul style="list-style-type: none"> <li>Immediate support through phone contact with a DAF grain storage specialist</li> <li>Access to the latest articles, information and short videos on all facets of grain storage— including grain aeration, grain quality, storage facilities, grain storage economics, insect identification and control, hygiene and structural treatments</li> </ul>
Certification trademark for midge ratings awarded to DAF	Sorghum growers, seed companies and export industries	<ul style="list-style-type: none"> <li>Ability to identify midge resistance of sorghum</li> <li>Reduces product loss from the pest by \$10 million to \$15 million annually</li> </ul>
Feed forage guide and tools—‘Feeding forages in the Fitzroy’ and three region-specific ‘Forage gross margin calculators’	Beef producers	<ul style="list-style-type: none"> <li>85% of field day respondents indicated that they intended to make at least one change to their business</li> </ul>
Apple (iOS) version of the Stocktake Plus App—a grazing land management decision support tool	Northern Queensland graziers, natural resource management groups, public and private sector extension providers	<ul style="list-style-type: none"> <li>13 630 registered users making better decisions on pasture use</li> </ul>
DAF’s online plant pest diagnostic services ( <a href="http://www.daf.qld.gov.au">www.daf.qld.gov.au</a> )	Horticulture and broadacre cropping producers and agronomists	<ul style="list-style-type: none"> <li>Online sample submission forms make the process of getting samples to diagnosticians more efficient, resulting in over 390 samples being tested from approximately 120 different hosts in the last 6 months</li> </ul>
A search engine to capture some 50 years of experimental pasture plant evaluation data developed by DAF and scientists from CSIRO, James Cook University and the agricultural departments of New South Wales and Northern Territory	Researchers and scientists	<ul style="list-style-type: none"> <li>Ability to quickly query over 180 000 records relating to a wide range of species, soil types and climates to identify the best opportunities for developing future varieties</li> </ul>

Attractant lure—'slime' odour	Apiarists	<ul style="list-style-type: none"> <li>• Ability to trap hive beetle away from apiary sites</li> </ul>
Apple black spot warning service upgrade—a new weather station connected to the internet enabling observation of real-time data (30-minute delay) and infection period warnings without waiting for an official black spot warning (also allows for issue of warning through email and SMS)	Granite Belt apple growers, consultants and researchers	<ul style="list-style-type: none"> <li>• Timely recommendations for disease control</li> <li>• Reduced need for fungicide applications</li> </ul>

## Mitigating agricultural impact on the Great Barrier Reef

### *Great Barrier Reef intergovernmental agreement*

The *Great Barrier Reef intergovernmental agreement 2009* provides a framework for the Australian and Queensland governments to work together to protect the Great Barrier Reef and World Heritage Area.

### *Reef water quality protection plan*

The department continues to play a major role in improving the health of the Great Barrier Reef. In 2014–15, DAF committed \$4.32 million in funding to lead and support actions of the *Reef water quality protection plan 2013*, a key component of the *Reef 2050 long-term sustainability plan*.

These actions were aimed at identifying cost-effective and profitable farm management practices to improve water quality outcomes, providing technical and economic support to accelerate the adoption of these practices and monitoring the adoption of improved land management practices.

The department has effectively engaged and developed partnerships with industry and natural resource management and community groups to help meet the ambitious targets set for improving reef water quality and land management practices.

This year, over 60 regional officers (either fully or partly) supported research, extension, economic and monitoring services to the sugarcane, horticulture, grains and Grazing Best Management Practices programs in Great Barrier Reef catchments.

In 2015, the Auditor-General released a performance audit report on managing reef water quality, which profiled DAF's extension and education programs as effectively engaging with landholders to encourage adoption of improved land management practices. The Auditor-General also found that the dual focus of productivity and environmental sustainability made it difficult to assess whether the practices adopted were improving water quality.

The benefits demonstrated to growers by the department's regional economists provide an incentive for the adoption of improved practices that increase profitability while delivering water quality benefits.

In 2014–15, DAF doubled its investment in resources to monitor industry's adoption of best management practices that improve Great Barrier Reef water quality. DAF staff also played a critical role in improving the quality of information feeding into the reef plan's Paddock to Reef monitoring and evaluation program, and to the production of the annual reef report cards.

## Best management practice

Table 8: Service delivery standard—best management practice of graziers and canegrowers

Measures	2011–12	2012–13	2013–14 <sup>1</sup>	2014–15
Percentage of canegrowers and graziers who have increased best management practice knowledge and skills through participation in government-funded programs	Not measured	Not measured	40% <sup>1</sup>	74%

<sup>1</sup> In 2013–14, this result pertains to canegrowers only. Graziers' survey was delayed due to priorities related to drought activities.

Few extension initiatives have sought to evaluate actual practical adoption of best management practice with the level and rigour applied to this measure. The strong initial results are unlikely to be maintained, as achieving continuous management practice improvement within a defined population is expected to become less feasible over time. The Auditor-General noted that there was still considerable work to be done before the contribution that best management practice changes can make to the health of the Great Barrier Reef is fully understood.

### Grazing Best Management Practices program

The Grazing Best Management Practices (Grazing BMP) program showcases the efforts to date. It's an industry-led, voluntary program to improve the long-term profitability of beef enterprises and reduce chemical and sediment load to the Great Barrier Reef. Adopting best management practices in a holistic manner helps maintain pasture productivity with positive effects for animal health and welfare, and increased business resilience to a variable climate. Through an online benchmarking process, the program provides direct feedback to individual graziers of how their management compares against their peers and allows industry to demonstrate the implementation of sound environmental management practices to the wider community. The program has been implemented in the Burdekin, Fitzroy and Burnett-Mary river catchments—the major catchments flowing to the reef.

The program is delivered through a partnership between multiple organisations that include AgForce, the Fitzroy Basin Association, the Queensland Government (DAF and the Department of Environment and Heritage Protection) and natural resource management groups. DAF provides technical advice, extension and economic support to industry and works collaboratively with its partners. A critical part of the program is the follow-up activities to provide producers with skills and information to address the opportunities and needs identified through the program. These activities included formal workshops, field days, producer meetings and property visits.

In the Burdekin catchment over the four years 2011–14, 272 unique beef businesses (42% of commercial beef properties) participated in program activities—representing over 6.2 million hectares of land (44% of the catchment) and over 850 000 head of cattle (54% of beef cattle within the catchment). The program has used a variety of processes to engage with producers to bring about practice change. The DAF beef extension team delivered and coordinated 199 activities, which included 57 workshops, 30 field days, 14 forums, 63 one-to-one engagements and 35 other activities (e.g. information mail-outs, online webinars and staff training). In 2014–15, a total of 469 businesses managing 8.9 million hectares participated in the program across all reef catchments. Producer engagements totalled 1838, with a total of 2536 participant engagements.

Documented practice changes have included:

- use of land type mapping and remote-sensing imagery for property development planning
- use of the Stocktake Plus app to help match stocking rates with paddock carrying capacity
- land reclamation to restore degraded land to productive land
- improved feed base through the use of legumes, increasing animal productivity by 11% for every \$1 invested
- improved herd management by focusing on superior breed genetics, animal condition and pregnancy testing to increase beef production from fewer cattle
- holistic business improvement to increase marketing opportunities and better management in dry seasons through increased operational efficiency, time management and staff engagement
- improved work health and safety standards on properties.

A cost-benefit analysis on the impact of grazing best management practice based on the Burdekin catchment program activities shows that for every \$1 spent, \$3.65 is expected to be generated in industry benefits.

Significant public benefits, including the reduction of sediment draining into the Great Barrier Reef lagoon and the ecosystem service of maintaining healthy rangeland, were not incorporated into the analysis but would significantly increase the overall cost-benefit ratio of the extension project.

# Our performance: Biosecurity Queensland

## Objective 3: Manage biosecurity risks

Biosecurity Queensland works to minimise the likelihood and severity of negative impacts of pests and diseases of animals and plants, and weeds. This involves effective preparedness, prevention, response and ongoing management of biosecurity risks. Nationally, the objectives of Australia's biosecurity policies and risk-management measures are:

- to safeguard Australia's favourable animal and plant health status
- maintain access to overseas markets
- protect our economy and environment from the impacts of exotic and emerging pests and diseases.

Queensland's inherent vulnerability to biosecurity incursions is a result of a number of unavoidable factors, including the state's largely tropical climate, geography and proximity to our neighbours in the Asia-Pacific region. As a result, Queensland is a frontline state for biosecurity in Australia, combating the most biosecurity incursions each year.

Establishing and maintaining market access for our products is essential for export growth and the future prosperity of our agricultural, fisheries and forestry industries. Discerning markets and the community demand not only pest-free products, but ethically produced ones. Biosecurity Queensland assists by setting high standards for animal welfare and the use of agricultural and veterinary chemicals.

### Outlook

Biosecurity incidents have, and are likely to, become even more frequent as the movement of products and people around the world increases; climates, land use and environments change; free-trade agreements become more common; and market requirements intensify.

Increased global trade is calling for a stronger biosecurity framework based on robust science, diagnostic capability and innovative tools to protect our enviable biosecurity status.

### Key performance indicators

- Risk management systems preparedness for foot and mouth disease
- Significant biosecurity response programs deliver nationally agreed outcomes
- Market access maintained or opened by negotiation, certification or added surveillance

### Priorities for 2015–16

Our priorities for 2015–16 are to:

- implement the *Biosecurity Act 2014* and modernise legislative arrangements for veterinary surgeons, exhibited animals and agricultural and veterinary chemicals
- strengthen and develop new state and local government partnerships and frameworks to support shared decision-making and service delivery
- finalise the review of Queensland's biosecurity capability
- continue the development of better biosecurity information management systems and practices
- manage nationally significant biosecurity eradication responses

- establish a ministerial animal welfare advisory board and a protecting puppies initiative to raise animal welfare standards
- implement a risk-based investment strategy for biosecurity resources and benchmark service delivery.

## Key performance indicator: Significant biosecurity response programs deliver nationally agreed outcomes

Table 9: Service standard—significant biosecurity responses

	2011–12 <sup>1</sup>	2012–13	2013–14	2014–15
Percentage of significant response programs on track to deliver nationally agreed outcomes (on time and on budget)	100%	100%	100%	100%

<sup>1</sup> The result in 2011–12 only measured progress against delivery of agreed outcomes on time. In 2012–13, the tracking of expenditure progress was added. Therefore, the 2011–12 result is not strictly comparable with the remaining years.

Impacts from biosecurity incursions go beyond the industry involved, with significant flow-on effects to the rest of the economy, the environment and social amenity.

During the 2014–15 financial year, Biosecurity Queensland ensured all significant response programs delivered agreed outcomes on time and on budget in accordance with response plans approved under national cost-sharing arrangements.

Queensland is currently delivering six programs under national cost-sharing arrangements:

1. National Red Imported Fire Ant Eradication Program (South East Queensland)
2. National Red Imported Fire Ant Eradication Program (Yarwun)
3. National Electric Ant Eradication Program
4. National Four Tropical Weeds Eradication Program
5. National Red Witchweed Eradication Program
6. Long-term Containment Strategy for Exotic Fruit Flies in Torres Strait.

Cost-sharing arrangements are subject to reviews when circumstances change. The National Electric Ant Eradication Program was the subject of such a review in 2014. The review panel agreed that eradication remained feasible. Funding for 2015–16 has been sought on this basis.

Biosecurity Queensland also effectively responded to over 100 biosecurity incidents, including exotic and established pests and diseases of animals and plants and invasive plants and animals. Some of these included:

- Panama disease tropical race 4 in bananas in North Queensland
- cucumber green mottle mosaic virus in melons west of Townsville
- Hendra virus in a horse in Gladstone
- bovine Johne's disease in cattle on properties across Queensland
- red witchweed on sugarcane and cattle properties near Mackay
- Asian green mussels in waters at Cairns Inlet
- destruction of one American corn snake, two ferrets, one South-East Asian box turtle and two boa constrictors
- 44 class 1 weed eradication programs, such as Hudson pear, Siam weed, Karroo thorn and various cacti.

Biosecurity Queensland's expertise also assisted responses in other states and territories. These responses included:

- banana freckle in the Northern Territory
- cucumber green mottle mosaic virus in the Northern Territory
- red imported fire ants in New South Wales
- giant pine scale in Victoria
- chestnut blight in Victoria.

### **Intergovernmental agreement on biosecurity**

The *Intergovernmental agreement on biosecurity* (IGAB) establishes nationally agreed approaches to mitigate risks across the biosecurity continuum and identifies national priorities for action. The agreement helps the federal, state and territory governments to avoid unnecessary duplication of biosecurity activities, improve the efficiency of resource use, and clarify their respective roles and responsibilities. The IGAB is linked to international agreements.

In August 2014, the National Biosecurity Committee noted that the work of most of the IGAB working groups was near completion or well underway. The committee agreed that the groups would be wound up and replaced by an IGAB Implementation Taskforce to prepare a status report on achievements to date, what needed to be completed and to identify priority reforms and the mechanisms to progress required work under the IGAB. This taskforce was led by Queensland Government's Chief Biosecurity Officer. To implement priority activities, six working groups have been established that cover:

1. national decision-making and investment
2. national emergency preparedness and response collaboration
3. implementation of the established pest and disease policy and investment principles
4. implementation of a collaborative national approach to surveillance and diagnostics
5. securing a national information management capability
6. stakeholder engagement.

The Queensland Government maintains its strong commitment to the biosecurity agenda, actively participating in and providing expertise on each of these six working groups.

### **Emergency response agreements**

Contractual arrangements are in place between the federal, state and territory governments and relevant industry groups to collectively prepare for and share the costs of responding to an emergency pest or disease incursion. These are outlined in the Emergency Animal Disease Response Agreement, the Emergency Plant Pest Response Deed and the National Environmental Biosecurity Response Agreement.

In 2014–15, the Queensland Government continued to support the national biosecurity system by honouring these three national cost-sharing agreements. Under these agreements, the Queensland Government received funding for its significant response programs. Also, in accordance with these agreements, the Queensland Government provided its commitment to cost-sharing of funding for national responses being managed by other states and territories, including red imported fire ants (New South Wales), banana freckle (Northern Territory), avian influenza (New South Wales) and giant pine scale (Victoria and New South Wales).

## Focusing on capability

Queensland experienced unparalleled challenges to its capability to respond to an increasing number, scale and scope of exotic biosecurity pests and diseases in 2014–15. Recent incidents such as Panama disease tropical race 4, cucumber green mottle mosaic virus, red imported fire ants, wild dogs and tropical weeds demonstrate the breadth of serious risks to Queensland’s agricultural industries and environment.



Figure 18: iPad mini trial data collection in the field as part of the Panama disease tropical race 4 response

During 2014–15, there has been an expansion in the management of biosecurity risks to a broader consideration of system requirements and capability. In March 2015, the Queensland Government strengthened its commitment to protecting Queensland agriculture by announcing a detailed review into Queensland’s biosecurity capability. The outcome will be to develop a long-term plan to restore Queensland’s biosecurity response to world’s best practice.

A review is being conducted by a panel comprising an independent chair and two members with extensive strategic government decision-making experience and understanding of emergency responses. The panel is supported by a reference committee—comprising the Chief Biosecurity Officer, DAF Deputy Director-General (Corporate), Assistant Under-Treasurer (Budget Portfolio Division), Executive Director (Economic Policy, Department of the Premier and Cabinet) and chair (Biosecurity Queensland Ministerial Advisory Committee)—who will provide advice to the panel on biosecurity co-investment policy levers and sustainable funding models, including their costs, benefits and risks, and guidance on short, medium and long-term implementation priorities.

In delivering recommendations for the long-term plan, the review will:

1. assess Queensland biosecurity responsibilities and the roles of the various parties—government, industry and other stakeholders
2. assess Queensland's baseline biosecurity capability to meet its current objectives and future challenges
3. benchmark the capability Queensland requires to achieve world's best practice given its statewide service delivery requirements
4. identify examples of best practice in interstate and external agencies that could be used to benchmark Biosecurity Queensland's capabilities.

The final report is to be completed by September 2015 for the government to consider. The report is to state the roles and responsibilities of Biosecurity Queensland and detail a five-year plan with specific recommendations for actions, including costings and options, and key performance indicators. This review will support the work that Biosecurity Queensland had commenced to improve its own agility and capability.

### **Transformation roadmap**

In 2014–15, Biosecurity Queensland continued to implement a roadmap to transform the way it works and to find even better ways of delivering biosecurity services. Five focus areas for improvement have been identified, each with a flagship project.

#### ***Focus area 1***

A flexible and adaptable service delivery method and workforce is underpinned by the Biosecurity Workforce Plan. This plan aims to better enable access to required skills through effective succession planning and strong workforce partnerships to address surge capacity issues.

#### ***Focus area 2***

Shared responsibility and partnerships are being driven by a project to develop a co-investment model for established pests and diseases.

#### ***Focus area 3***

An outcome-based regulation and red-tape reduction focus seeks to improve regulatory models to deliver flexible, responsive and proportionate biosecurity regulation—through the *Biosecurity Act 2014* implementation project.

The new *Biosecurity Act 2014* was passed in March 2014. The Act deals with pests (such as wild dogs and weeds), diseases (such as foot-and-mouth disease) and contaminants (such as lead on grazing land). As the new Act draws together many previous pieces of biosecurity legislation developed independently over the past hundred years, the old supporting regulations also require updating.

Public consultation on the review of earlier biosecurity regulations and new regulations was undertaken in late 2014. The new Act must come in to effect no later than 1 July 2016 and will provide a consistent, modern, risk-based and less prescriptive approach to biosecurity in Queensland. It will make managing biosecurity risks 'a shared responsibility'—for those biosecurity risks and threats under their control.

#### Focus area 4

Improved biosecurity information management requires a range of business process changes supported by contemporary information management solutions to enhance Biosecurity Queensland's capability—through the Biosecurity Information Management System project.

To improve quick access to the information needed to support emergency responses and the changes to the Act, a three-year program of work—the Biosecurity Information Management System (BIMS) Program—commenced in May 2014. BIMS will deliver an integrated toolkit consisting of various information management technologies and enhanced business processes to improve the management of biosecurity risks in Biosecurity Queensland's day-to-day business operations and emergency responses. The Queensland Government is working in partnership with Biosecurity New South Wales to leverage off their system.

BIMS will reduce risks and ensure Queensland's long-term biosecurity capability by:

- enabling the integration of business processes and systems used to support operations
- enabling the sharing of biosecurity information across the department and other jurisdictions
- providing efficiencies in data capture and quality, resulting in a reduction in reporting costs for day-to-day operations and emergency responses.

In early 2015, the Panama disease tropical race 4 response in North Queensland provided a live test case to inform development of the BIMS toolkit, which helped in providing business and technology solutions for this response. Components of the BIMS toolkit were substantially completed for use by the response by 30 June 2015, including a mobility solution for infield data collection for surveillance and sample submission and related spatial information.

This included an in-depth analysis of current business processes and refinement of these processes to improve efficiency. The solutions developed will become components of the broader BIMS toolkit. The opportunity to be directly involved in an actual emergency response proved invaluable in terms of lessons learned and their application to the remainder of the BIMS program.

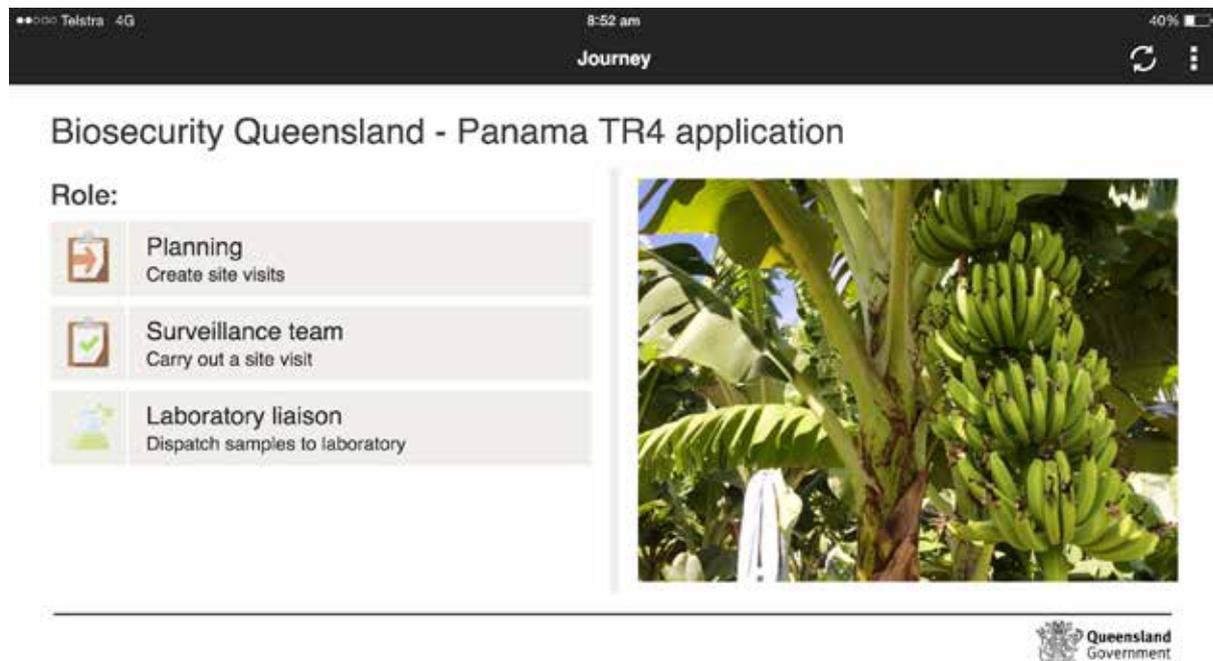


Figure 19: Biosecurity Information Management System in use for the Panama tropical race 4 response

## Focus area 5

Enhancing emergency preparedness is underpinned by the Foot-and-mouth Disease Project, which is part of the larger Biosecurity Preparedness Program.

### **Key performance indicator: Risk-management system preparedness for foot-and-mouth disease**

Foot-and-mouth disease has been used as the context to improve the capabilities of Queensland's biosecurity system. Overseas experience shows that outbreaks spread rapidly and have a broad impact on the economy.

In 2013, the Australian Bureau of Agricultural and Resource Economics estimated the impact on Australia's economy over a 10-year period of hypothetical foot-and-mouth disease outbreaks would be severe. Direct economic losses to the livestock and meat processing sector ranged from \$5.7 billion for a small North Queensland outbreak to \$52.2 billion for a large multi-state outbreak.

The Biosecurity Preparedness Program encompasses a suite of 10 targeted projects addressing key phases of disease management. Projects are aimed at increasing prevention and preparedness activities, and improving response and recovery capacity and capability in the event of an outbreak. The program is expected to be completed by July 2016. However, it is recognised that ongoing preparedness supported by partnership arrangements and a continuous improvement agenda will be essential in future years. This ongoing action will ensure Queensland remains at the forefront of new developments and retains its biosecurity preparedness status.

In 2014–15, the program led the Queensland component of the national foot-and-mouth disease standstill, Exercise Odysseus. Its aim was to enhance national (government and industry) preparedness for, and implementation of, a national livestock standstill in response to an outbreak. The successful exercise was completed, reviewed and reported by December 2014.

Additional outputs of the program in 2014–15 included:

- a *FMD surveillance strategy*
- a *FMD laboratory preparedness strategy*
- drafting of a FMD vaccination strategy, incorporating modelling of vaccination scenarios from the Australian Government's Department of Agriculture
- a *Training needs analysis and training development plan*
- a *Control centre report*
- a *Mass animal destruction analysis report*
- a *Carcass and animal product disposal analysis report*.

### **Key performance indicator: Market access maintained or opened by negotiation, certification or added surveillance**

In 2014–15, confidence in Queensland's biosecurity assurance remained strong. Accreditation, certification and investigation services provided by DAF underpinned this consumer confidence in our reputation for safe and ethically produced agricultural products. Achievements included:

- 126 audits or investigations to ensure the safe use of chemicals in agricultural production
- 10 108 plant health certificates issued supporting market access
- 412 business accreditations renewed or created supporting supply chain competitiveness

- 638 animal welfare investigations undertaken to support the ethical production of food products
- 3965 agricultural chemical users licences issued to support environmentally responsible production
- 93 wildlife exhibit licences renewed or issued to wildlife demonstrators or exhibitors to ensure effective management of animal pests and diseases.

Effective systems and surveillance programs are also critical components of a strong biosecurity system for ensuring freedom from disease. During the year, the department led and coordinated Queensland's participation in a number of national assurance programs, including the:

- National Livestock Identification System—identification and traceability system for livestock
- National Transmissible Spongiform Encephalopathy Freedom Assurance Program—demonstrating to trading partners and the World Organisation for Animal Health that Australia is free of transmissible spongiform encephalopathy (including mad cow disease and scrapie in sheep)
- National Significant Disease Investigation Program—promoting and supporting high-quality disease investigations by private veterinarians to boost Australia's capacity for the early detection of livestock and wildlife diseases that might impact on trade, productivity, public health, wildlife or biodiversity
- Australian National Arbovirus Monitoring Program—monitoring the distribution of the three most economically important arboviruses (insect-borne viruses) affecting livestock that are important to trade (namely bluetongue, Akabane and bovine ephemeral fever)
- National Surveillance System for Fruit Flies—providing a network of fruit fly traps throughout high-risk areas of Queensland for the early detection of the two most economically damaging fruit flies to Australia and providing evidence to trading partners of Queensland's and Australia's continuing freedom from exotic fruit fly
- National Early Warning Surveillance Program for Exotic Plant Pests—pest inspections in areas surrounding locations at risk to the introduction of exotic pests (e.g. airports and seaports) before they become established in Australia.

# Our performance: Fisheries and Forestry

## Objective 4: Ensure sustainable use of fisheries resources

The effective management of fisheries supports a balance between the economic, social and environmental value of the resource.

Queensland has over 7000 kilometres of coastline, many thousands of kilometres of rivers and streams, and hundreds of freshwater impoundments where fishing occurs. To ensure sustainable fisheries resources, during 2014–15 DAF managed and monitored:

- wild capture commercial fisheries, in which 1433 commercial fishing boat licence holders may operate in a variety of fisheries (including trawl, net, crab, line and lobster fisheries)
- harvest fisheries, in which 328 licence holders may operate in a variety of fisheries (including aquarium, bait, shell, sea cucumber and trochus)
- aquaculture businesses, of which there are 139 producing farms
- over 642 000 recreational fishers.

In addition, a number of commercial fisheries are managed by the Australian Government operating in Queensland and a number of fisheries are managed under joint authority arrangements, including fisheries in the Torres Strait and some fish species in the Gulf of Carpentaria.

### Outlook

In 2015–16, there will be a significant opportunity to make improvements to fisheries management policy settings and frameworks. We will continue to engage with stakeholders as we work our way through the fisheries reform program.

### Key performance indicators

- Queensland fish species assessed as sustainably fished
- Compliance with laws by commercial and recreational fishers
- Queensland fisheries accredited for export

### Priorities for 2015–16

Our priorities for 2015–16 are to:

- implement fisheries-related elements of the government's sustainable fishing policy
  - develop a fisheries resource allocation policy based on maximising economic value
  - develop a charter fishing action plan
  - establish three net-free fishing zones in North and Central Queensland
  - review the regulatory structure of commercial fishing to ensure the sustainability of Queensland's fisheries
  - consider Queensland Competition Authority review of aquaculture regulations

- improve consultation mechanisms for fisheries stakeholders
- balance resource use and sustainability needs
  - authorise the use of natural resources
  - monitor and assess fisheries resources
  - maintain trade and access through the accreditation of commercial fisheries
  - undertake education and compliance activities
  - minimise unintended impacts of fishing and developments
  - adopt new technologies that lead to more cost-effective catch reporting and compliance outcomes
  - continue the Shark Control Program.

## Key performance indicator: Queensland fish species assessed as sustainably fished

Table 10: Service standard—Queensland fish stock sustainability

Measure	2011–12	2012–13	2013–14	2014–15
Percentage of key Queensland fish stocks assessed as being sustainably fished	58.33%	75.6%	Methodology changed	

In 2013, the Queensland Government joined other jurisdictions in moving to agreed national protocols for the stock status assessment process. The most recent stock assessment process has been altered to align with a nationally consistent methodology for determining the status of key Australian fish stocks. This has meant that the 2014 assessment will not be directly comparable to previous years' results, which use the former methodology.

Under the new national system for stock status assessment, an assessment of all Queensland species of importance will be completed over 24 months, rather than 12 months. This means a different group of species will be assessed each year, as well as a reassessment of any species of concern. For this reason, the performance may vary over a two-year cycle.

The nationally consistent assessment completed in December 2014 (year one of the new nationally compatible system) indicated that 65% of key Queensland fish stocks were sustainable and 29% were undefined but not considered problematic. Of the 49 stocks formally assessed, 3 (6%) were considered to be problematic in terms of their sustainability. This means 94% of stocks were not considered to have sustainability concerns.

Year two of the new nationally compatible system (2015–16) will involve assessment of a different group of species. For this reason, the 2015–16 target for stocks considered to have no sustainability concerns may be different.

There are no new concerns around sustainability compared with previous years. Changes in recorded performance are reflective of the change in methodology introduced to align performance assessment nationally.

For a full understanding of the changes, including details of the methodology and the fish stocks assessed please refer to stock assessment information on the DAF website at [www.daf.qld.gov.au](http://www.daf.qld.gov.au).

## Key performance indicator: Queensland fisheries accredited for export

Table 11: Queensland fisheries accredited for export

Measure	2011–12	2012–13	2013–14	2014–15
Queensland fisheries accredited for export	21	19	19	19

Fisheries export accreditations are based on independent assessment of how well DAF manages the sustainability of the nominated Queensland fisheries (i.e. those that commercial fishers are interested in exporting). Accreditation to export is granted by the federal Department of Sustainability, Environment, Water, Population and Communities.

In 2012–13, Queensland withdrew the rocky reef fin fish fishery from the accreditation process as there had been no export from that fishery. In the same year, the coral reef and deepwater fin fish fisheries were combined. The past year saw no changes to the number of export approvals granted for Queensland fisheries.

### Fisheries management reforms

The government's sustainable fishing policy sets a new path for fisheries management in Queensland. The policy outlines a five-pronged approach to managing fisheries, four of which are relevant to DAF:

1. develop a fisheries resource allocation policy based on maximising economic value
2. develop a charter fishing action plan
3. establish three net-free fishing zones in North and Central Queensland
4. review the regulatory structure of commercial fishing to ensure the sustainability of Queensland's fisheries.

Work has commenced on the charter fishing action plan and progress has been made to implement the three net-free zones by the end of the 2015 calendar year. Implementation of the net-free zones includes a \$10 million buyback and settlement scheme for impacted commercial fishers.

In 2014–15, DAF also undertook other reform actions and improvements:

- introduced electronic logbooks to improve the accuracy and timeliness of collection of logbook data to simplify the process for trawl fishers and promote more responsive and effective fisheries management
- completed the \$9 million voluntary buyback of commercial net fishing licences that
  - purchased 76 primary licences and 331 fishing symbols, including 117 east coast large mesh netting symbols
  - removed approximately 25% of the capacity of Queensland net fishery
- facilitated an independent review of fisheries by MRAG Asia-Pacific, including releasing the report for public comment on recommendations
- progressed administrative and accountability improvements to the Stocked Impoundment Permit Scheme
- worked closely with the State Assessment and Referral Agency, providing advice on further improvements to the system of providing technical advice on development applications that impact marine plants or that are about waterway barrier works or aquaculture—the Department of Environment and Heritage Protection manages the *Queensland environmental offsets policy*, which includes fisheries offsets.

### Recreational fishing

Obtaining reliable information about the numbers of individuals engaged in recreational fishing and their related direct and indirect expenditure is not easy. To inform the processes, DAF has recently completed the analysis of the most recent recreational fishing survey undertaken during 2013–14.

The 12-month telephone–diary survey revealed that recreational fishing remains a popular activity, with 642 000 Queenslanders over the age of five years old having fished during the 12-month period. The total number is down slightly on previous survey results. This decline is consistent with similar declines reported by the Australian Bureau of Statistics in a range of other outdoor recreational pursuits.

## Key performance indicator: Compliance with laws by commercial and recreational fishers

Table 12: Service standards—compliance with laws by commercial and recreational fishers

Measure	2011–12	2012–13	2013–14	2014–15
Percentage of units inspected that are compliant with fisheries laws	95%	93%	93%	93%

This measure indicates the effectiveness of DAF’s recreational and commercial fishing education and compliance/enforcement services. Maintaining the highest levels of compliance with fisheries regulations ensures the sustainability of fisheries resources, and provides fair and equitable access for all users.

### Queensland Boating and Fisheries Patrol

Compliance education and monitoring is undertaken by the Queensland Boating and Fisheries Patrol’s (QBFP) 89 authorised officers stationed throughout the state. QBFP conduct regular patrols along the Queensland coast, from the border to Torres Strait.

Compliance rates by both commercial and recreational fishers remain consistently high at 93%. QBFP continues to achieve efficiencies in its compliance program by actively promoting ‘cross-decking’ or joint patrols with its compliance partners. In 2014–15, QBFP officers were involved in 397 joint patrols, including 346 with Queensland Police, Maritime Safety Queensland and the Department of National Parks, Sport and Racing.

In 2014–15, 70 court prosecutions were finalised for offences against the *Fisheries Act 1994* and 1031 fisheries infringement notices were issued. To help inform fishers, QBFP advocates improved signage and social network messages.



Figure 20: The Queensland Boating and Fisheries Patrol is working in partnership with BCF (Boating Camping Fishing Limited) to communicate regulatory information to the state’s recreational fishing community

## Engaging the public

Community awareness and their active participation in reporting illegal activity and marine life inadvertently tangled in shark nets and drum lines helps achieve high levels of compliance with laws. In 2014–15:

- 835 fisheries-related calls were received by the 24-hour toll-free Fishwatch hotline (1800 017 116)
- education and advice was made available through brochures, guidebooks, signage and beach patrols
- increased in-time information was provided through social networking sites such as Facebook, YouTube and Twitter—campaigns over the past six months
  - posted over 369 messages, reaching a total audience of over 536 000 people
  - generated almost 3500 comments and over 14 000 likes on Facebook
- the first Qld Fishing app for smartphones was downloaded over 19 977 times (the free app is available through Google Play and the Apple Store for IOS and android systems).



Figure 21: The Queensland recreational fishing guide



Figure 22: The Queensland recreational fishing guide is also now available on the Qld Fishing app

## Intergovernmental agreements relating to management of marine parks

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

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

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

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

## Intergovernmental agreements relating to management of shared waters

Management arrangements are established under the *Offshore constitutional settlement 1995* agreement and resulting memorandum of understanding between the Queensland, Northern Territory and Australian governments to manage shared waters.

The Queensland Fisheries Joint Authority (established in 1995) manages northern fin fish stocks relevant to Queensland, excluding certain species, within the Gulf of Carpentaria.

The areas of some fisheries, such as the East Coast Spanish Mackerel Fishery, extend to the outer edge of the Australian Exclusive Economic Zone. These fisheries are managed by Queensland under the *Offshore constitutional settlement 1995* agreement.

The Torres Strait Protected Zone Joint Authority (established in 1984) is responsible for the management of all fisheries (excluding recreational) in the Torres Strait Protected Zone. This zone is defined in the Torres Strait Treaty, which was ratified in 1985 between Australia and Papua New Guinea, and now appears as a schedule in the *Torres Strait Fisheries Act 1984*. As of 1 July 2015, this responsibility will be assumed by the Australian Fisheries Management Authority.

## Objective 5: Responsibly manage the allocation and use of state-owned forest and related resources

The department's forestry group administers the allocation and sale of state-owned native forest log timber, quarry material and other forest products on a commercial basis under the *Forestry Act 1959*.

This group also oversees the 99-year plantation licence held by HQPlantations Pty Ltd, which enables the company to manage, harvest and regrow plantation timber on state-owned land.

Queensland's domestic production of softwood and hardwood log timber is around 2.5 million cubic metres a year. Around 80% of this total is privately produced plantation softwood, virtually all of which is sold by HQPlantations.

The regionally based timber industry sources some 40% of their native hardwood forest and 90% of native cypress log timber requirements from forest production operations that the department oversees on state forests, timber reserves and state leasehold land. These forests provide ongoing supplies of sawlogs, poles, girders and other log timber.

The department's quarry material sales are the source of some 16% of the quarry material used in Queensland each year, and these sales play a key role in supporting infrastructure, mining, industry and commercial development across the state.

### Outlook

Short- to medium-term demand for state-owned native forest log timber and quarry material will be impacted by commodity prices affecting minerals, subduing development of mining infrastructure and the decline in government revenue across the three tiers of government, impacting public infrastructure investment.

### Key performance indicators

- Financial returns from sales align with business forecast
- Australian forestry standard certification
- Compliance with plantation licence requirements

## Priorities for 2015–16

Our priorities for 2015–16 are to:

- fulfil the state’s contracted supply commitments for native forest log timber, other forest products and quarry material
- review and update the Queensland Government’s response to the joint industry–government *Queensland forest and timber industry plan* that was developed in 2012
- implement the forest and timber industry RD&E program in consultation with industry.

## Key performance indicator: Financial returns from sales aligned with business forecast

Table 13: Service standard—forest product sales

Measure	2011–12	2012–13	2013–14	2014–15
Total of forest product sales, quantities per total forest product full-time equivalent (FTE):				
• native forest timber (m <sup>3</sup> /FTE)	2 297	2 600	3 000	3 210
• quarry material (m <sup>3</sup> /FTE)	64 585	69 340	66 950	49 790

The measures shown in Table 13 assess the efficiency of management and administration of sales of state-owned forest and related resources. The measures specify the total of forest product sales quantities per the department’s forest product full-time equivalent (FTE) staffing for 2014–15.

In 2014–15, the department met very strong timber industry demand for native forest log timber products—such as sawlogs, poles, girders and landscaping timber—by selling 279 000 cubic metres of log timber, an increase of 10% on the previous year’s sales.

The department also sold 4.3 million cubic metres of quarry material to the extractive industry in 2014–15. The department’s quarry material sales were down 24% on the previous year’s, mostly due to significantly reduced investment in mining and other infrastructure construction, particularly in North and Central Queensland.

The department is expecting reduced market demand for native forest log timber products and quarry material in 2015–16 compared to 2014–15. As a result, the department’s sales of state-owned native forest log timber in 2015–16 are expected to be 240 000 cubic metres (39 000 cubic metres lower than in 2014–15), while its sales of state-owned quarry material are expected to be 4.2 million cubic metres (100 000 cubic metres lower than in 2014–15).

## Key performance indicator: Australian forestry standard certification

In March 2015, DAF achieved certification of its native forest management for a further three-year term, following a comprehensive third-party audit that achieved recertification to the *Australian standard: sustainable forest management (AS4708:2013)*. Recertification confirmed DAF’s management practices conform to enhanced requirements of the revised standard, adopted by DAF in August 2014. The revised standard sets strict criteria for legislative compliance, stakeholder engagement, and protection of biodiversity, soil, water and cultural heritage values. The standard is endorsed by the Program for Endorsement of Forest Certification, the international organisation dedicated to promoting sustainable forest management.

Forest certification verifies, by an ongoing independent third-party audit process, that the department’s native forest harvesting activities on state forests, timber reserves, state leasehold and other lands conform to the requirements for sustainable forest management.

DAF's forest certification provides assurance that these state-owned forests continue to deliver a balanced range of custodial and commercial benefits and uses to the community—including conservation, recreation and cultural heritage, as well as the production of timber and other forest products.

The department's continued certification to the standard allows sawmillers and other timber processors that purchase log timber from state-owned native forests to obtain timber 'chain-of-custody' certification under prescribed standards. Such companies are able to label and promote their timber products as being sourced from sustainably managed forests. This process helps DAF customers access increasingly discerning markets requiring legally sourced and environmentally credentialed timber products.

### **Key performance indicator: Compliance with the state forest plantation licence**

The department oversees compliance with the conditions of a 99-year plantation licence held by HQPlantations over about 300 000 hectares of state plantation forest. Under the plantation licence arrangements, HQPlantations owns the plantation trees but the underlying land is retained in the state's ownership as state forest tenure.

The department monitored HQPlantations' compliance with the requirements of the state plantation licence throughout the year. HQPlantations collaborated with the department to address a range of tenure dealings, forest management and public access requirements during 2014–15.

Natural disasters once again created challenging conditions and damage to HQPlantation's estate in 2014–15. In February 2015, severe tropical cyclone Marcia severely damaged most of the Byfield plantation estate in Central Queensland, with an estimated 1 million cubic metres of timber being damaged. HQPlantations initiated a large salvage operation to recover commercially viable log timber, with the first shipment of logs being loaded for export from the Port of Gladstone in June 2015. Departmental officers inspected this operation in 2015 and noted the overall high standard of management and the significant progress made by HQPlantations in relation to the salvage operation. It is expected that this operation will continue for around two years before the logs become degraded due to fungi and insect damage. The salvage operation is expected to make a significant contribution to forest gross value of production next financial year.

### **Support for the forest and timber industry**

The department leads the Queensland Government's participation in the joint industry–government *Queensland forest and timber industry plan*. The plan was developed in 2012 by forest and timber industry representatives and departmental officers to meet the economic challenges facing the industry and to sustain growth and innovation. The plan is built around three strategic priority areas:

1. timber markets and community support
2. business environment and manufacturing
3. forest resources.

Within these priorities, the plan identifies actions for implementation by industry and/or the Queensland Government. A committee, comprising industry and government representatives, provides oversight and advice on the implementation of the plan's actions, a number of which were completed during 2014–15. A Queensland Government funding allocation of \$2.7 million supports implementation of the plan.

Support for RD&E is a major action in the plan. A separate industry-led advisory committee has developed a framework to guide RD&E investment towards industry priorities. The framework describes eight priority research themes across the forest and timber supply chain. A number of major projects targeting the delivery of industry-focused RD&E solutions were developed during 2014–15 and they are currently in the process of being commissioned.

# Our performance: Organisational capability

## Objective 6: Modernise service delivery and strengthen capability

Pervasive use of technology in personal and professional life requires DAF to adapt its service delivery and the supporting business processes and systems to enable the community to better access quality and professional services as and when they need them. While a significant proportion of our business is supported by personal interaction with technical experts, phone enquiries and support services, the department has made considerable investment in expanding our service delivery channels and updating supporting systems.

DAF also focuses on sustaining its existing workforce capability and capacity to meet current service demands, while also looking to develop future capabilities. To this end, the department aligns current workforce capabilities with business priorities and access to modern technology, and undertakes ongoing capability and succession mapping to inform the department's workforce planning.

'Our workforce' (p. 68) outlines in greater detail the development of our people, business systems and processes, and financial capability and public accountabilities.

### Outlook

Whole-of-government initiatives will continue to drive change and unify the sector to make it easier for individuals and businesses to find and use services, participate in policy and service development, and access open data held by departments.

### Key performance indicators

- Customer satisfaction
- Integration with the government's One-Stop Shop
- People, budget and service performance measures
- Services and administrative costs

### Priorities

Our priorities for 2015–16 are to:

- provide services through one-stop shops (e.g. North Queensland land and water approvals, land management and QGov)
- improve consultation with stakeholders and the community, and co-design of policy and service developments
- open DAF data to support community accountability and transparency
- develop existing and new partnerships to achieve innovations in service delivery for the benefit of Queenslanders.

## Key performance indicator: Customer satisfaction

Table 14: Customer satisfaction

Measure	2011–12	2012–13	2013–14	2014–15
Customer enquiries resolved at first point of contact (industry standard 80%)	83.9%	82.60%	82.48%	80.05%
Grade of service (industry standard 80% in 20 seconds)	77.96%	89.03%	90.53%	89.80%
Abandonment (industry standard 4%)	3.34%	2.42%	2.14%	2.22%

DAF's first point of contact for the public is managed through our Customer Service Centre and network of regional counters.

The Customer Service Centre handled 78 166 DAF customer interactions through multiple channels (phone calls, web and emails) in 2014–15. Customer interactions were down by 3.29% from 2013–14 (80 827), but around the same level as 2012–13. The Customer Service Centre consistently exceeds the industry standard of 80% resolution of enquiries at first point of contact, with 80.05% achieved for 2014–15.

## Key performance indicator: Integration with the government's One-Stop Shop

Integration with the government's One-Stop Shop progressed according to established plans and timelines. During 2014–15, DAF worked across government to streamline customer services through the QGov one-stop shop. This integrated approach aims to improve the customer experience with government services and obligation requirements.

We delivered:

- transition of all tier one (routine information) transactions to relevant government franchises during 2014–15, while work continues to enhance content in line with One-Stop Shop project timelines
- 21 new online self-service transactions
- an interim channel management strategy for DAF in June 2015
- a database of pests, diseases and disorders affecting the agriculture industry, published on the Business and Industry Portal, that enables users to filter and search for information based on different criteria such as common name, scientific name or animal/crop affected—the database also allows pre-filtered lists to be published in multiple locations even though the information is maintained in one central place (the database contained 49 entries when published live on 30 September 2014, with a further 300 entries being refined for publication).

Our involvement in the government's One-Stop Shop regional and rural counter service delivery pilots in the Scenic Rim and Lockyer Valley involved the transfer of one counter services officer to the Beaudesert one-stop shop. Experience gained from interaction with other agencies' systems has helped inform the future delivery of integrated services across government.

DAF is working on a roadmap for 2015–16, which will specify our deliverables and commitments for the One-Stop Shop initiative for the coming year.

## Key performance indicator: People, budget and service performance measures

Table 15: Departmental human resource indicators compared to public sector benchmarks

Measure	Target	Status
Workforce indicators equal to or exceed public service benchmarks	Based on service average	<ul style="list-style-type: none"> <li>Sick leave at end of June 2015 was 3.2%, which is slightly above the public service average of 2.9%</li> <li>85% (averaged across the department) of performance development agreements established, regularly reviewed and assessed</li> <li>100% of SES officers had their performance development agreements reviewed and assessed in line with Public Service Commission timelines</li> </ul>

The department benchmarks its performance against the public service workforce indicators and the service's results from the annual Working for Queensland survey. This enables us to monitor our performance against service average and target initiatives to strengthen our capability. Additional information on workforce is located in the 'Our workforce' section (p, 68).

## Key performance indicator: Services and administrative costs

Table 16: Budget and service performance standards met

Measure	Status
Balanced budget	<ul style="list-style-type: none"> <li>DAF recorded a balanced budget for the 2014–15 financial year—the department's operating result as at 30 June 2015, excluding an increase in the asset revaluation reserve of \$16.2 million, is a break-even result (for details see 'Our financial performance summary', p. 13)</li> </ul>
Service standards	<ul style="list-style-type: none"> <li>13 of the 14 standards were within or exceeded targeted performance levels in 2014–15 (one measure was unable to be reported due to change of methodology)</li> </ul>

Details of budget expenditure and performance against the service standards have been highlighted throughout this report. To review DAF's 2014–15 service standards and actual results against the estimated actual published in the budget papers, see Appendix 3 (p. 126).

# Our governance

Corporate governance refers to how an organisation is managed and made accountable for its performance.

Effective governance ensures the department maintains high standards of performance, integrity and accountability, and promotes confidence in dealing with the department. The governance committees are essential to processes that further the best use of organisational capabilities to achieve departmental goals and objectives.

DAF's Leaders Everywhere program continues to see senior leaders meeting regularly with staff in regions and head office to discuss the department's strategic priorities and key challenges, and to engage staff in service improvement and innovation. Leaders Everywhere encourages staff to demonstrate leadership in their workplace and with customers through behaviours that support the public service values.

The Director-General is the accountable officer for the department. He is assisted by the department's governance committee structure, which includes the Board of Management and four supporting internal governance committees that provide advice and assurance to the board.

The committees meet on either a monthly or quarterly basis, and report regularly to the board. Each is chaired by a member of the board.

## Governance committees

### Director-General

- Overall responsibility under the *Public Service Act 2008* (s 98) for the management, governance and operation of the department

### Board of Management

Chair: Director-General

- Advises the Director-General on strategic issues, investment decisions and significant organisational and operational matters
- Provides leadership on organisational purpose, strategic direction and organisational culture

### Audit and Risk Management Committee

Chair: Deputy Director-General, Agriculture

- Reviews, monitors and recommends improvements to the department's governance arrangements, risk management, internal control processes, financial reporting processes and processes for monitoring compliance with legislation and government policy
- Provides advice and assurance to the Director-General in meeting his obligations under the *Financial Accountability Act 2009*

### Strategic Coordination Committee

Chair: Deputy Director-General, Agriculture

- Ensures initiatives and key projects remain consistent with the strategic plan, service delivery model and government objectives
- Facilitates work across the department to achieve strategic objectives and promotes the core principles of good public sector governance—accountability, integrity, efficiency, leadership and risk management

### Finance Committee

Chair: Director-General

- Provides advice and assurance that there is a clear line of sight on all significant investment decisions (this committee meets quarterly or as required)

### ICT Investment and Strategy Committee

Chair: Deputy Director-General, Corporate

- Provides assurance to the Director-General and the Board of Management that information and communications technology (ICT) management, operations and expenditure deliver the outcomes sought within budget and timelines
- Monitors significant ICT projects' risk

### Business and Corporate Partnership Board

Secretariat 2014–15: Deputy Director-General, Corporate

- Responsible for the long-term performance, business success and timely delivery of departmental key priorities within the partnership
- Provides leadership and sets the strategic direction of the partnership to enable it to meet its goals and objectives

Membership: Directors-General of DAF; Department of Tourism, Major Events, Small Business and the Commonwealth Games; Department of Natural Resources and Mines; Department of Energy and Water Supply; Department of Environment and Heritage Protection; and Department of National Parks, Sport and Racing; and the head of Corporate for each Business and Corporate Partnership hub

Figure 23: Our governance committee structure at 30 June 2015

## Accountability, integrity and risk management

The Audit and Risk Management Committee helps the Director-General improve the organisation's accountability and performance in accordance with its charter and with due regard to the Queensland Treasury *Audit committee guidelines: improving accountability and performance* (June 2012).

The role of the committee is to provide independent assurance and assistance to the Director-General regarding the:

- agency's integrity framework
- department's external accountability responsibilities as prescribed in the relevant legislation and standards
- risk, control and compliance frameworks.

### Meetings and membership

The Audit and Risk Management Committee convened five times during 2014–15, including a special meeting to review the department's 2013–14 annual financial statements. The Queensland Government Internal Audit Service provided secretariat support to the committee during 2014–15.

Table 17: Between 1 July 2014 and 30 June 2015, the Audit and Risk Management Committee had the following membership composition (as appointed by the Director-General)

Name	Position	Committee role	Number of meetings	Number of meetings attended	Remuneration paid
Dr Beth Woods	Deputy Director-General, Agriculture	Chair	5	4	na
Bob Shead	Consultant	External member	5	5	\$3000
Sue Ryan	Deputy Director-General, Policy and Program Support, Department of Natural Resources and Mines	External member	5	4	na
Graham Carpenter	Consultant	External member	5	5	\$2900
Dr Jim Thompson	Chief Biosecurity Officer, Biosecurity Queensland	Internal member	5	3	na
Maria Mohr	Executive Director, Policy and Operations, Fisheries Queensland	Internal member	5	4	na

## Remuneration

As external members of the Audit and Risk Management Committee, Bob Shead and Graham Carpenter are entitled to be paid \$200 per hour (excluding GST) for their services to prepare for, and attend, up to five meetings per annum. This is subject to a maximum of \$3000 per calendar year (excluding GST).

Although an external member, as an officer from another government department, Sue Ryan is not remunerated for her work on the committee.

## Performance and achievements

The Audit and Risk Management Committee provided governance oversight and advice to the Director-General in relation to all aspects of its charter responsibilities.

Key achievements, and enablers to this, were the review and revision of the committee charter and, in turn, review and revision of the committee's composition to achieve optimum balance in effectiveness and efficiency. The committee reviewed the findings and recommendations of 13 internal audit reports during the year.

Committee members were also provided with recommendations arising from Queensland Audit Office reports to Parliament that relate to the department. During 2014–15, all six recommendations were actioned and closed.

## Integrity and public sector ethics

The department continued its commitment to maintaining a positive organisational culture that values and promotes ethical leadership and strong ethical decision-making.

New employees of the department complete an online induction module that educates them about their responsibilities under the *Code of conduct for the Queensland public service*. All employees are required to complete code of conduct and ethical decision-making training on a regular basis throughout their employment. All employees are required to ensure their performance and behaviour complies with the code of conduct.

These mandatory courses emphasise the workplace behaviours expected of all staff.

The principles and values contained in the code of conduct are incorporated into departmental policies, procedures and plans.

The department takes all alleged breaches of the code of conduct seriously and manages processes in accordance with best practice. The majority of matters received were managed through local management action.

## Internal audit

The Queensland Government Internal Audit Service (QGIAS) is a business unit within the Department of Environment and Heritage Protection, and provides internal audit services to DAF and four other Queensland Government agencies as part of a co-sourced corporate services arrangement under the Business and Corporate Partnership.

The role, operating environment and operating parameters of QGIAS are established in the 2014 and 2015 internal audit charters that have due regard to professional standards and the *Audit committee guidelines: improving accountability and performance* issued by Queensland Treasury (June 2012).

QGIAS provides independent assurance and advice to the Director-General, senior management and the Audit and Risk Management Committee.

In 2014–15, QGIAS:

- discharged the responsibilities established in the 2014 and 2015 internal audit charters by executing the internal audit program of work prepared as a result of risk assessments, materiality and contractual and statutory obligations
- provided reports on results of internal audits and assurance reviews undertaken to the Audit and Risk Management Committee and the Director-General
- monitored and reported on status of implementation of internal audit and external audit recommendations to the Audit and Risk Management Committee (management is responsible for implementation of audit recommendations)
- liaised with Queensland Audit Office to ensure there was no duplication of audit effort
- supported management by providing advice and information on corporate governance and related issues, including fraud and corruption prevention programs and risk management
- reviewed the departmental annual financial statements and Chief Finance Officer assurance statements prior to them being presented to the Audit and Risk Management Committee
- developed the *DAF 2015–2016 strategic internal audit plan*, which was approved by the Director-General after endorsement from the Board of Management and Audit and Risk Management Committee.

### Key audit activities

QGIAS completed the following reviews under the DAF Strategic Internal Audit Plan (January 2014 to June 2015) and fee-for-service review:

- finance function health check and improvements to end-of-month and end-of-year reporting
- control self-assessment and Chief Finance Officer assurance framework process
- attendance, leave management and related human resource records
- Drought Relief Assistance Scheme (phase 1 and 2)
- Great Barrier Reef water quality protection
- administration of the Stocked Impoundment Permit Scheme
- quarry management and tender processes
- business continuity and disaster recovery planning (phase 1)
- recordkeeping practices
- right to information and privacy requirements
- contract management and probity compliance
- Aurion migration
- National Fire Ant Eradication Program (efficiency audit—Yarwun).

QGAIS commenced a further nine reviews under the DAF Strategic Internal Audit Plan (January 2014 to June 2015).

## External scrutiny

The Queensland Audit Office undertakes financial and performance audits within the public sector. In 2014–15, the following audit reports required action by DAF.

### Queensland Audit Office reports

The Queensland Audit Office report to Parliament, *Results of audit: internal control systems 2013–14—report 1: 2014–15*, tabled on 11 July 2014, summarised evaluations and selected testing of controls that operated within the 21 government departments during the 2013–14 financial year. The report identified a variety of issues regarding risk assessment processes used by accountable officers to manage their entities' financial risk. Across the whole of government, there was ineffective monitoring and reporting of risks, and a lack of integration between risk management and organisational planning. DAF developed and implemented a risk improvement plan to address the issues raised in relation to its risk-management weaknesses.

The Queensland Audit Office report to Parliament, *Managing water quality in Great Barrier Reef catchments—report 20: 2014–15*, was tabled on 10 June 2015. The audit focused on the efficacy of the activities and programs undertaken or funded by Queensland Government agencies to reduce diffuse source pollution from agriculture. The department will work with the newly formed Office of the Great Barrier Reef (in the Department of Environment and Heritage Protection) and other relevant departments to address these recommendations. The recommendations most closely related to DAF business concern the design and implementation of programs attributed to the *Reef water quality protection plan 2013*—including review to establish they are the most effective and efficient suite of programs, and that a rigorous verification process is applied to data on land management practice change to improve confidence in, and the accuracy of, inputs into catchment modelling.

### Review of the National Electric Ant Eradication Program

In August 2014, members of the National Electric Ant Eradication Program's oversight committee (the Tramp Ant Consultative Committee) conducted a review to determine the ongoing feasibility of the eradication program. The review was triggered by a delay in the final treatment round on a number of sites due to unseasonal rainfall, as well as the detection of infestation in previously unknown areas, which meant that eradication activities could not be completed by the indicative end of the program on 30 June 2015.

The review panel agreed that eradication remains technically feasible and cost-effective, and recommended that the eradication program continue beyond the current funding date to ensure eradication in the 2015–16 operating year. A revised work plan that deals with all infestation detected prior to 30 April 2015 has been agreed to by national cost-sharing partners. An extension of funding is being sought from the Agricultural Minister's Forum for a further \$1.057 million to continue eradication activities until 30 June 2016.

## Risk management

The main focus for DAF risk management in 2014–15 was the implementation of a risk improvement plan, which included establishing an enterprise risk profile, better integration of risk assessment with business planning and monitoring of risk across the department.

The *Enterprise risk profile* was completed in October 2014 and aligned the department's strategic priorities and tasks. The profile outlines the department's key risks and highlights the risk level across different areas of the business. It forms part of the department's integrated risk-management framework and guides investment in the major change projects of the business.

A further focus was on raising awareness and skills around risk management. Highlights for 2014–15 included:

- individual coaching to support business area risk coordinators write risk statements, consistently assess risk exposure by reviewing effectiveness of controls and apply the risk assessment matrix
- launching a new risk-management eLearning toolkit to help staff undertake the risk-management processes within their business areas—the toolkit is based upon the seven-step process to risk management and provides guidance and additional resources relevant to all areas of the department
- revising the way the department reviews and reports on its enterprise and operational risks
- publishing and promoting the DAF *Legislation compliance framework*.

During 2015–16, the following activities will be undertaken to improve DAF's overall risk management:

- clarify the relationship between business continuity and emergency management through development of a DAF business continuity management framework
- improve business continuity plans
- promote awareness and provide training to support the department's legislation compliance framework.

## Financial management framework

The DAF *Financial management framework* outlines the controls, measures and mechanisms for analysis and reporting of the financial performance of the department's service delivery.

The framework is supported by the *Finance and asset management strategic plan 2015–2020*, which outlines the roadmap to effectively transform the way current finance and asset management services are delivered, measured and reported.

The objectives of the strategic plan are to:

- renew finance and asset management services and functions to better support customer needs and priorities
- develop finance and asset management resources and core capabilities to enhance the capability profile of all finance and asset management resources
- optimise processes and enabling systems.

Other major achievements under the DAF *Financial management framework* for 2014–15 include:

- completing a finance and asset management capability assessment of staff and better aligning teams to skills
- implementing a procurement and contract management framework aligned with whole-of-government procurement reforms
- identifying options for improved fleet management and vehicle utilisation
- implementing phase 2 of the Adaptive Insights budget tool to permit five-year forward budget estimates
- documenting business requirements for the upgrade of the financial system from SAP4.6c to SAP ECC5
- developing the 2014–18 DAF Strategic Asset Plan, which included capital expenditure projects and infrastructure programs for DAF's future science and biosecurity service delivery
- implementing improved process and procedures as recommended in the finance health check review and the Queensland Audit Office's review of financial statements
- completing the fees and charges review and identifying improvements to revenue collection policies and procedures.

# Information management

## Information systems

During the reporting period, DAF continued to operate, maintain and develop a range of information systems to support services, initiatives and corporate operations. Highlights include:

- upgrade of internal ICT systems, including self-service with the ITP Service Desk, numerous software applications to ensure compatibility with Window 7 and Windows Server 2012 release 2
- maintenance of systems for managing content for web publishing and the administration and management of various grants and rebates
- introduction of the new budget tool, Adaptive Insights, across the department and a new electronic time sheet system (TADPOLE) across DAF Corporate
- completion of the DAF Customer Relationship Management (CRM) pilot using MS Dynamics software—the success of the pilot has led to initiation of a CRM Implementation Project (this project will develop the strategy and scope for further stages of CRM implementation across DAF)
- BIMS delivering a mobility proof of concept—allowing in-field data collection on electronic forms for the Panama tropical race 4 response
- replacement of the dated Fire Ant Information System with a modern technology platform, the Fire Ant Management System—the implementation of this system strengthens Biosecurity Queensland’s capacity to eradicate fire ants by assisting management and operational staff with timely and accurate information
- migration of Biosecurity Queensland’s Microchipper/Animal Implanter Number and Regulated Dog Register from the Department of State Development’s ICT environment to DAF’s
- launch of the Qld Fishing app, which provides information for recreational fishers about fish identification and fisheries regulation
- the successful trial of e-Logbooks with a sample of commercial fishers.

## Recordkeeping

DAF is operating a recordkeeping strategy to ensure that the department is compliant with the *Public Records Act 2002*, *Public Service Act 1996* and Information Standard 40—Recordkeeping. Policies are in place for recordkeeping, email management, retention and disposal of records, managing information on shared network drives and information security.

A new strategic recordkeeping directions approach has been agreed to that addresses the new digital recordkeeping paradigm and supports the Born Digital, Stay Digital strategy. The approach addresses recordkeeping holistically, adopting a risk-based approach to the assessment of recordkeeping requirements.

Records Management Services has responsibility for providing a compliant recordkeeping framework for the department. The Electronic Document and Records Management System (eDRMS) platform has been upgraded to ensure continuing technical currency supporting corporate recordkeeping. New e-learning packages, training materials and eDRMS client deployment options have been developed to support eDRMS usage statewide. Increasing numbers of records are being received, captured and managed electronically. Recordkeeping considerations are being formally addressed in both the development and decommissioning of business systems

A comprehensive retention and disposal schedule for Agriculture has been developed and has been approved by the State Archivist. Retention schedules for Fisheries and Forestry have been developed and are being reviewed by Queensland State Archives prior to approval. Time-expired records have been identified for disposal, and 1015 boxes of hardcopy files have been disposed of securely. Permanent records have also been identified and 689 boxes of hard-copy records have been transferred to Queensland State Archives.

## Research information services

Agri-science research support is provided through the Research Information Service operating at the Ecosciences Precinct. This service provides vital support to Agri-Science Queensland and Biosecurity Queensland.

## Open data

DAF continues to improve the data available through the Queensland's Government's Open Data Portal ([www.data.qld.gov.au](http://www.data.qld.gov.au)) and QSpatial (Queensland Spatial Catalogue). As at the end of June 2015, DAF and its portfolio bodies had released 108 agriculture, fisheries and forestry datasets on the Open Data Portal. All existing released datasets were refreshed according to the specified review time frames.

Following a move from the Queensland Geographic Information System to QSpatial in October 2014, the number of supporting resources has been consolidated. This offers the public improved access to a variety of spatial and associated data, including the ability for users to select data relating to specific regions, and negates the need for individual listing of multiple resources such as those associated with land audit

DAF is committed to releasing as much of its data through the Open Data Portal as possible. During 2015–16, a number of steps will be taken to progress this, including:

- cataloguing all known DAF datasets, including titles of those not suitable for publication
- streamlining the publishing of regular updates and new datasets to the Open Data Portal
- educating staff to encourage proactive data release.

# Our workforce

## Workforce profile

DAF had 1999 full-time equivalent staff at 30 June 2015. This included Business and Corporate Partnership staff providing ICT and fleet management support to DAF and five other agencies.

The permanent retention rate of the department was 91% and the permanent separation rate was 9%.

## Workforce planning and performance

During 2014–15, we continued to align workforce skills and resources with current and future core business priorities. We have embraced workforce flexibility across the business to help us better meet fluctuating demands for services and specific skill requirements for projects.

We are also reviewing our five-year strategic workforce plan with a view to sustain and build the DAF workforce. Capability development will encompass our own staff, a network of service partners, other government staff, and industry and community capabilities. Capability mapping and succession planning initiatives have been identified for business-critical roles. These initiatives will work to build internal talent, promote opportunities for relieving and development, and recruit graduates in critical occupational groups. The capability maps are also used to inform and manage learning and development programs for staff based on a 70:20:10 model (on-the-job mentoring: e-learning: courses).

The department continues to be committed to a culture that values and embraces health and safety, leadership, high performance, accountability and innovation.

## Flexible working arrangements

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

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

## Simplifying industrial arrangements

The department fostered open communication and consultation with staff, stakeholders and the unions on matters that affect the workforce. The DAF Consultative Committee provides a forum for airing and resolving matters arising under the *State government departments certified agreement 2009* or on other issues that may impact on the workforce.

We contributed to the Queensland Industrial Relations Commission's modernisation of Queensland's public sector awards. Our workforce covers diverse occupational groups from policy officers, administrators, professional and technical specialists, scientists and operational field staff under a range of awards. Detailed analysis continues for the blue collar awards, which are the most complex. It is being undertaken to ensure equitable outcomes for employees and better service provision.

## Performance excellence

Our strategic plan, business plans and individual performance agreements are all aligned to the government's vision for agriculture and our plan for the future. This provides a clear line of sight and clear expectations of individual and team work performance.

All new starters complete the online induction program, which provides information about the department, conditions of employment, ethical behaviour, safety at work and information security. Personal workplace inductions conducted by managers complement the online program. Workplace induction incorporates understanding of business goals and expectations, local procedures and policies, and integration into the work team.

Throughout the year the department recognised and celebrated the achievements, innovations and service excellence of staff at various events and awards. Information about the achievements of staff is publicised on the department's internal website.

## Developing our leaders and managers

DAF is committed to ensuring the department has a senior leaders succession plan in place. During the year, executives and senior officers developed leadership capabilities through:

- all executives implementing a comprehensive performance agreement
- executive participation in the Public Service Commission–led Executive Capability Assessment and Development process
- participation in Public Service Commission management development programs
- the roll-out and 100% participation rate of active senior officers in the 360-degree feedback program to further develop the department's leadership team
- team leader participation in the Public Service Commission–led Leadership Capability Assessment and Development process.

During 2014–15, DAF's Performance Management Framework Education Program was rolled out across the agency to further foster and recognise performance excellence with middle management.

This program enabled supervisors and employees to make informed decisions about their business unit priorities, individual goals, behaviour expectations (aligned to the department's culture and values) and development needs.

The department delivered a number of blended learning and development initiatives in 2014–15 for all staff, focused on building management and leadership skills. These included:

- Managing People—a program providing supervisors and managers with practical skills to build and motivate their teams
- Change Management—a program providing supervisors and staff with the tools to understand and manage change both as a team and as individuals

Practical tools and strategies to build resilience in managers and staff are also available online.

## Values

We continue to ensure that we integrate the Queensland public service sector-wide values. These values have been widely recognised and accepted as sincere expressions of the values necessary to make DAF an effective and satisfying place to work.

The substantial staff response rate to the Public Service Commission–led 2014 Working for Queensland Survey helped to identify where we could:

- improve department-wide workforce strategies
- model valued behaviours
- make changes to organisational leadership and communication
- enhance learning and development initiatives
- celebrate our department’s collaboration at a work-group and managerial level.

Our Leaders Everywhere program continues to encourage all staff to demonstrate leadership in their workplace, in terms of aligning their behaviour and work to the department’s culture and values.

## Early retirement, redundancy and retrenchment

During the period, one employee received a redundancy package at a cost of \$229 000. The voluntary redundancy package was provided to honour a verbal contract made between the department and the officer (under the previous government) to facilitate the transition of a business unit.

No early retirement or retrenchment packages were paid during this period.

## A safe and healthy workplace

The department is committed to building a proactive health and safety culture through strong senior leadership, active networks and consultation processes, an integrated systems framework, comprehensive risk-management practices for work health and safety (WHS), and the inclusion of health and safety in all aspects of business.

Over the two previous financial years, 2012–13 and 2013–14, DAF’s health and safety program has reduced statutory claims by more than \$631 000. It has also resulted in significantly fewer paid days of absence.

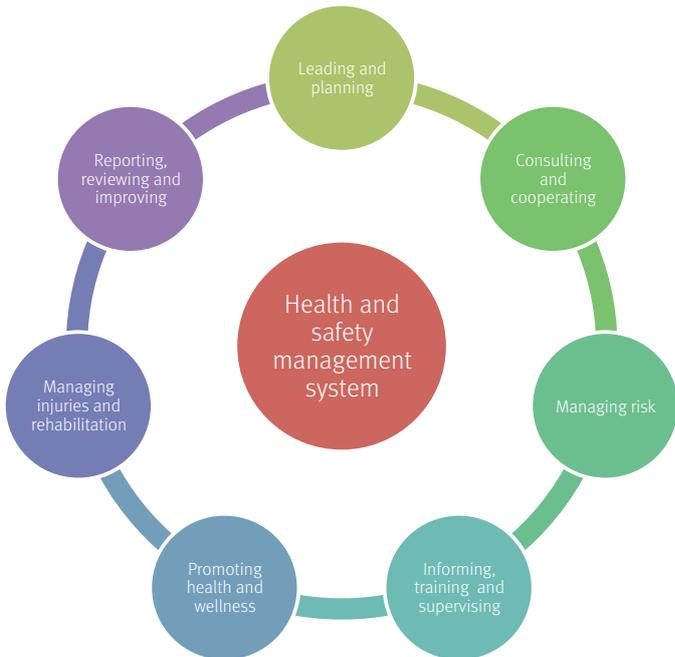


Figure 24: The health and safety management system

The WHS 'road map' is the implementation strategy of the health and safety program—it sets priorities for achieving a safe and healthy department.

Initiatives delivered include:

- a revised WHS policy, documented WHS responsibilities and performance principles, and resource kits for staff
- an online health and safety management system to share best practice procedures, tools and resources
- online incident reporting and database to support evidence-based campaigns and target priority risk areas, such as operational and emergency safety equipment, and communication devices for field work
- regular meetings of WHS network groups to promote awareness and best practice
- a Wellness Program, including the delivery of resilience workshops, flu vaccinations programs and health expos
- an annual Health and Safety Week event to positively influence attitudes—the event culminates with the Leadership Awards, recognising excellence and innovation.

Recently the department was awarded a 'Silver Recognition' in the Queensland Government's Healthier, Happier Workplaces initiative.



Figure 25: Biosecurity officers at remote first-aid skills training

# Our finances

# DEPARTMENT OF AGRICULTURE AND FISHERIES

## Financial Statements

for the year ended 30 June 2015

### Contents

	Page
Statement of Comprehensive Income _____	74
Statement of Financial Position _____	75
Statement of Changes in Equity _____	76
Statement of Cash Flows _____	77
Statement of Comprehensive Income by Major Departmental Services _____	78
Statement of Assets and Liabilities by Major Departmental Services _____	80
Notes To and Forming Part of the Financial Statements _____	82
Management Certificate _____	118
Independent Auditor's Report _____	119

### General Information

Public Service Departmental Arrangement Notice (No1) 2015 made under the *Public Service Act 2008* changed the name of the department from Department of Agriculture, Fisheries and Forestry (DAFF) to the Department of Agriculture and Fisheries (DAF) during 2014-15. These financial statements cover DAF.

DAF is a Queensland Government department established under the Public Service Act 2008.

The department is controlled by the State of Queensland, which is the ultimate parent entity.

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

Level 8  
80 Ann Street  
BRISBANE QLD 4000

A description of the nature of the department's operations and its principal activities, are included in the notes to the financial statements.

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

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2015**

	Notes	2015 \$'000	2014 \$'000
<b>Income from Operations</b>			
Appropriation revenue	2	289,450	271,296
User charges, fees and fines	3	68,893	67,799
Grants and other contributions	4	54,893	57,044
Royalties and other territorial revenue	5	26,798	28,966
Other revenue		760	1,486
<b>Total Revenue</b>		<b>440,795</b>	<b>426,592</b>
Gains on disposal/remeasurement of assets	6	1,936	5,369
<b>Total Income from Operations</b>		<b>442,730</b>	<b>431,960</b>
<b>Expenses from Operations</b>			
Employee expenses	7	187,423	200,052
Supplies and services	9	182,667	163,849
Grants and subsidies	10	49,609	38,101
Depreciation and amortisation	11	20,040	21,278
Impairment losses		112	1,654
Revaluation decrement		-	1,673
Other expenses	12	2,879	6,806
<b>Total Expenses from Operations</b>		<b>442,730</b>	<b>433,413</b>
<b>Operating Result for the year</b>		<b>-</b>	<b>(1,453)</b>
<b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified subsequently to Operating Result:</u>			
Increase/(decrease) in asset revaluation surplus	21	16,190	(2,144)
<b>Total Other Comprehensive Income</b>		<b>16,190</b>	<b>(2,144)</b>
<b>Total Comprehensive Income</b>		<b>16,190</b>	<b>(3,597)</b>

*The accompanying notes form part of these statements.*

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**Statement of Financial Position**  
**as at 30 June 2015**

	Notes	2015 \$'000	2014 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	13	46,420	37,356
Receivables	14	45,499	50,497
Inventories		1,174	1,067
Other current assets	15	5,594	4,383
		<u>98,688</u>	<u>93,303</u>
Non-current assets classified as held for sale		-	848
<b>Total Current Assets</b>		<b><u>98,688</u></b>	<b><u>94,151</u></b>
<b>Non-Current Assets</b>			
Receivables	14	15	29
Intangible assets	16	2,856	3,124
Property, plant and equipment	17	360,176	352,222
Other non current assets	15	13,821	14,221
<b>Total Non-Current Assets</b>		<b><u>376,868</u></b>	<b><u>369,596</u></b>
<b>Biological Assets</b>			
Biological assets		2,062	1,281
<b>Total Biological Assets</b>		<b><u>2,062</u></b>	<b><u>1,281</u></b>
<b>Total Assets</b>		<b><u>477,617</u></b>	<b><u>465,028</u></b>
<b>Current Liabilities</b>			
Payables	18	13,595	16,316
Accrued employee benefits	19	6,495	5,920
Unearned revenue	20	30,144	21,919
Other current liabilities		40	56
<b>Total Current Liabilities</b>		<b><u>50,274</u></b>	<b><u>44,212</u></b>
<b>Non-Current Liabilities</b>			
Unearned revenue	20	20,928	22,290
<b>Total Non-Current Liabilities</b>		<b><u>20,928</u></b>	<b><u>22,290</u></b>
<b>Total Liabilities</b>		<b><u>71,203</u></b>	<b><u>66,502</u></b>
<b>Net Assets</b>		<b><u>406,415</u></b>	<b><u>398,525</u></b>
<b>Equity</b>			
Contributed equity		401,259	409,560
Accumulated surplus/deficit		(11,035)	(11,035)
Asset revaluation surplus	21	16,190	-
<b>Total Equity</b>		<b><u>406,415</u></b>	<b><u>398,525</u></b>

*The accompanying notes form part of these statements.*

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2015**

		Accumulated Surplus/ Deficit	Asset Revaluation Surplus	Contributed Equity	TOTAL
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2013</b>		(9,543)	2,144	416,780	409,381
Opening Balance Adjustment		(40)	-	(10)	(50)
Operating result for the year		(1,453)	-	-	(1,453)
<i>Other Comprehensive Income</i>					
- Increase/(Decrease) in asset revaluation surplus	21	-	(2,144)	-	(2,144)
<i>Total Comprehensive Income for the year</i>		(1,453)	(2,144)	-	(3,597)
<i>Transactions with Owners as Owners:</i>					
- Appropriated equity withdrawals	2	-	-	(7,625)	(7,625)
- Net transfers in/(out) from other Queensland Government entities		-	-	415	415
<i>Net Transactions with Owners as Owners</i>		-	-	(7,210)	(7,210)
<b>Balance as at 30 June 2014</b>		<b>(11,035)</b>	<b>-</b>	<b>409,560</b>	<b>398,525</b>
<b>Balance as at 1 July 2014</b>		(11,035)	-	409,560	398,525
Operating result for the year		-	-	-	-
<i>Other Comprehensive Income</i>					
- Increase/(Decrease) in asset revaluation surplus	21	-	16,190	-	16,190
<i>Total Comprehensive Income for the year</i>		-	16,190	-	16,190
<i>Transactions with Owners as Owners:</i>					
- Appropriated equity withdrawals	2	-	-	(6,664)	(6,664)
- Net transfers in/(out) from other Queensland Government entities		-	-	(1,638)	(1,638)
<i>Net Transactions with Owners as Owners</i>		-	-	(8,302)	(8,302)
<b>Balance as at 30 June 2015</b>		<b>(11,035)</b>	<b>16,190</b>	<b>401,259</b>	<b>406,415</b>

*The accompanying notes form part of these statements.*

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**Statement of Cash Flows**  
**for the year ended 30 June 2015**

	Notes	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Service appropriation receipts		289,462	261,083
User charges and fees		71,848	107,295
Grants and other contributions		62,316	58,754
Royalties and other territorial receipts		26,798	29,296
GST input tax credits received from Australian Taxation Office		6,503	5,615
GST collected from customers		13,112	13,674
Other inflows		726	1,477
<i>Outflows:</i>			
Employee expenses		(187,420)	(198,826)
Supplies and services		(183,792)	(150,238)
Grants and subsidies		(49,609)	(52,898)
GST paid to suppliers		(19,896)	(18,805)
GST remitted to Australian Taxation Office		-	(1,182)
Other outflows		(2,364)	(2,262)
<b>Net cash provided by (used in) operating activities</b>	22	<b>27,683</b>	<b>52,983</b>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Sales of property, plant and equipment		1,498	14,182
<i>Outflows:</i>			
Payments for property, plant and equipment		(12,774)	(13,347)
Payments for intangibles		(679)	(903)
<b>Net cash provided by (used in) investing activities</b>		<b>(11,955)</b>	<b>(68)</b>
<b>Cash flows from financing activities</b>			
<i>Outflows:</i>			
Equity withdrawals	2	(6,664)	(7,625)
<b>Net cash provided by (used in) financing activities</b>		<b>(6,664)</b>	<b>(7,625)</b>
Net increase (decrease) in cash and cash equivalents		9,064	45,290
Cash and cash equivalents at beginning of financial year		37,356	(7,934)
<b>Cash and cash equivalents at end of financial year</b>	13	<b>46,420</b>	<b>37,356</b>

*The accompanying notes form part of these statements.*

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**Statement of Comprehensive Income by Major Departmental Services<sup>(1)</sup>**  
**for the year ended 30 June 2015**

	Agriculture <sup>(4)</sup>		Fisheries and Forestry <sup>(4)</sup>		Biosecurity Queensland	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Income from Operations <sup>(2)</sup></b>						
Appropriation revenue	176,017	162,637	29,421	30,523	75,632	68,948
User charges, fees and fines	12,252	10,256	8,263	9,310	12,772	13,798
Grants and other contributions	38,007	41,190	35	26	16,850	15,828
Royalties and other territorial revenue	2,493	3,741	24,305	25,225	-	-
Other revenue	552	1,003	47	212	182	235
<b>Total Revenue</b>	<b>229,321</b>	<b>218,827</b>	<b>62,071</b>	<b>65,295</b>	<b>105,435</b>	<b>98,808</b>
Gains on disposal/remeasurement of assets	1747	5,075	87	178	102	116
<b>Total Income from Operations</b>	<b>231,068</b>	<b>223,902</b>	<b>62,158</b>	<b>65,474</b>	<b>105,538</b>	<b>98,924</b>
<b>Expenses from Operations <sup>(2)</sup></b>						
Employee expenses	86,963	93,329	29,338	31,292	50,617	53,909
Supplies and services	86,860	76,695	25,885	30,295	50,041	39,793
Grants and subsidies	42,672	34,470	5,114	1,967	1,823	1,664
Depreciation and amortisation	13,193	13,439	1,632	1,954	2,666	2,772
Impairment losses	142	1,619	7	66	1	(20)
Revaluation decrements	-	1,673	-	-	-	-
Other expenses	1,766	5,090	256	315	727	1,349
<b>Total Expenses from Operations</b>	<b>231,596</b>	<b>226,316</b>	<b>62,231</b>	<b>65,889</b>	<b>105,876</b>	<b>99,466</b>
<b>Operating Result for the year</b>	<b>(528)</b>	<b>(2,414)</b>	<b>(73)</b>	<b>(416)</b>	<b>(338)</b>	<b>(542)</b>
Increase/(decrease) in asset revaluation surplus	9,931	(2,144)	3,056	-	3,203	-
<b>Total Comprehensive Income</b>	<b>9,403</b>	<b>(4,558)</b>	<b>2,983</b>	<b>(416)</b>	<b>2,865</b>	<b>(542)</b>

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

Income	32,254	31,873	10,655	10,529	20,660	20,416
Expenses	32,782	32,755	10,829	10,820	20,998	20,981

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

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

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

In addition to the corporate services provided to DAF, the department also participates in a corporate partnership arrangement whereby some agencies host a number of strategic and operational corporate services provided to a number of other recipient departments. This arrangement was developed with a focus on ensuring economies of scale, service integration, scalability and responsiveness.

The host agency of each corporate service function receives the appropriation of funds and reports Full Time Equivalent positions in the respective agency. The model is multi-layered for different corporate services functions. That is, some functions are provided to 2 agencies, and some provided to 6 agencies with any combination in between.

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

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

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

Functions (and allocation of revenue and expenses) hosted by other agencies in the corporate partnership are disclosed in the relevant department's financial statements.

<sup>(4)</sup> Forestry has been combined with Fisheries in 2014-15 and Agri-Science is now part of Agriculture. Hence, the comparative year has been restated for comparison purposes.

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**Statement of Comprehensive Income by Major Departmental Services<sup>(1)</sup>**  
**for the year ended 30 June 2015**

	Corporate Partnership <sup>(3)</sup>		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Income from Operations<sup>(2)</sup></b>				
Appropriation revenue	8,380	9,188	289,451	271,296
User charges, fees and fines	35,607	34,435	68,893	67,799
Grants and other contributions	1	-	54,893	57,044
Royalties and other territorial revenue	-	-	26,798	28,966
Other revenue	(22)	37	760	1,486
<b>Total Revenue</b>	<b>43,966</b>	<b>43,660</b>	<b>440,795</b>	<b>426,592</b>
Gains on disposal/remeasurement of assets	-	-	1,936	5,369
<b>Total Income from Operations</b>	<b>43,966</b>	<b>43,660</b>	<b>442,730</b>	<b>431,960</b>
<b>Expenses from Operations<sup>(2)</sup></b>				
Employee expenses	20,505	21,521	187,423	200,052
Supplies and services	19,880	17,065	182,667	163,849
Grants and subsidies	-	-	49,609	38,101
Depreciation and amortisation	2,550	3,114	20,040	21,278
Impairment losses	(38)	(11)	112	1,654
Revaluation decrements	-	-	-	1,673
Other expenses	130	53	2,879	6,806
<b>Total Expenses from Operations</b>	<b>43,027</b>	<b>41,742</b>	<b>442,730</b>	<b>433,413</b>
<b>Operating Result for the year</b>	<b>940</b>	<b>1,918</b>	<b>-</b>	<b>(1,453)</b>
Increase/(decrease) in asset revaluation	-	-	16,190	(2,144)
<b>Total Comprehensive Income</b>	<b>940</b>	<b>1,918</b>	<b>16,190</b>	<b>(3,597)</b>

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

Income	-	-	63,568	62,818
Expenses	-	-	64,609	64,556

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

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

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

In addition to the corporate services provided to DAF, the department also participates in a corporate partnership arrangement whereby some agencies host a number of strategic and operational corporate services provided to a number of other recipient departments. This arrangement was developed with a focus on ensuring economies of scale, service integration, scalability and responsiveness.

The host agency of each corporate service function receives the appropriation of funds and reports Full Time Equivalent positions in the respective agency. The model is multi-layered for different corporate services functions. That is, some functions are provided to 2 agencies, and some provided to 6 agencies with any combination in between.

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

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

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

Functions (and allocation of revenue and expenses) hosted by other agencies in the corporate partnership are disclosed in the relevant department's financial statements.

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**Statement of Assets and Liabilities by Major Departmental Services<sup>(1)</sup>**  
**as at 30 June 2015**

	Agriculture <sup>(2)</sup>		Fisheries and Forestry <sup>(2)</sup>		Biosecurity Queensland	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current Assets</b>						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	10,419	17,047	6,101	4,765	13,267	4,234
Inventories	196	107	429	473	550	487
Other current assets	1,051	990	47	7	91	47
	<u>11,666</u>	<u>18,144</u>	<u>6,576</u>	<u>5,245</u>	<u>13,908</u>	<u>4,768</u>
Non-current assets classified as held for sale	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>11,666</b>	<b>18,144</b>	<b>6,576</b>	<b>5,245</b>	<b>13,908</b>	<b>4,768</b>
<b>Non-Current Assets</b>						
Receivables	-	-	15	29	-	-
Intangible assets	-	-	472	708	692	881
Property, plant and equipment	267,290	270,635	22,490	14,308	54,660	51,811
Other non-current assets	12,774	13,449	-	-	-	-
<b>Total Non-Current Assets</b>	<b>280,064</b>	<b>284,084</b>	<b>22,977</b>	<b>15,045</b>	<b>55,352</b>	<b>52,692</b>
<b>Biological Assets</b>						
Biological assets	1,833	1,063	-	-	229	218
<b>Total Biological Assets</b>	<b>1,833</b>	<b>1,063</b>	<b>-</b>	<b>-</b>	<b>229</b>	<b>218</b>
<b>Total Assets</b>	<b>293,563</b>	<b>303,291</b>	<b>29,553</b>	<b>20,290</b>	<b>69,489</b>	<b>57,678</b>
<b>Current Liabilities</b>						
Payables	3,762	3,840	1,936	855	1,538	1,415
Accrued employee benefits	2,728	2,509	850	766	1,617	1,321
Unearned revenue	25,495	18,776	3,326	1,763	1,324	1,380
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>31,985</b>	<b>25,125</b>	<b>6,112</b>	<b>3,384</b>	<b>4,478</b>	<b>4,116</b>
<b>Non-Current Liabilities</b>						
Unearned revenue	20,928	22,290	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>20,928</b>	<b>22,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>52,913</b>	<b>47,415</b>	<b>6,112</b>	<b>3,384</b>	<b>4,478</b>	<b>4,116</b>

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

<sup>(2)</sup> Forestry has been combined with Fisheries in 2014-15 and Agri-Science is now part of Agriculture. Hence, the comparative year has been restated for comparison purposes.

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**Statement of Assets and Liabilities by Major Departmental Services<sup>(1)</sup>**  
**as at 30 June 2015**

	Unallocated <sup>(2)</sup>		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current Assets</b>				
Cash and cash equivalents	46,420	37,356	46,420	37,356
Receivables	15,712	24,451	45,499	50,497
Inventories	-	-	1,174	1,067
Other current assets	4,405	3,338	5,594	4,383
	<u>66,537</u>	<u>65,145</u>	<u>98,688</u>	<u>93,303</u>
Non current assets classified as held for sale	-	848	-	848
<b>Total Current Assets</b>	<b>66,537</b>	<b>65,993</b>	<b>98,688</b>	<b>94,151</b>
<b>Non-Current Assets</b>				
Receivables	-	-	15	29
Intangible assets	1,691	1,535	2,856	3,124
Property, plant and equipment	15,736	15,468	360,176	352,222
Other non-current assets	1,047	772	13,821	14,221
<b>Total Non-Current Assets</b>	<b>18,475</b>	<b>17,774</b>	<b>376,868</b>	<b>369,596</b>
<b>Biological Assets</b>				
Biological assets	-	-	2,062	1,281
<b>Total Biological Assets</b>	<b>-</b>	<b>-</b>	<b>2,062</b>	<b>1,281</b>
<b>Total Assets</b>	<b>85,012</b>	<b>83,767</b>	<b>477,617</b>	<b>465,028</b>
<b>Current Liabilities</b>				
Payables	6,360	10,205	13,595	16,316
Accrued employee benefits	1,300	1,324	6,495	5,920
Unearned revenue	-	-	30,144	21,919
Other current liabilities	40	56	40	56
<b>Total Current Liabilities</b>	<b>7,699</b>	<b>11,585</b>	<b>50,274</b>	<b>44,212</b>
<b>Non-Current Liabilities</b>				
Unearned revenue	-	-	20,928	22,290
Other liabilities	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>20,928</b>	<b>22,290</b>
<b>Total Liabilities</b>	<b>7,699</b>	<b>11,585</b>	<b>71,203</b>	<b>66,502</b>

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

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

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

---

<b>Note</b>	<b>Note Title</b>
	Objectives and principal activities of the department
1	Summary of significant accounting policies
2	Reconciliation of payments from consolidated fund
3	User charges, fees and fines
4	Grants and other contributions
5	Royalties and other territorial revenue
6	Gains on disposal/remeasurement of assets
7	Employee expenses
8	Key management personnel and remuneration expenses
9	Supplies and services
10	Grants and subsidies
11	Depreciation and amortisation
12	Other expenses
13	Cash and cash equivalents
14	Receivables
15	Other current assets
16	Intangible assets
17	Property, plant and equipment
18	Payables
19	Accrued employee benefits
20	Unearned revenue
21	Asset revaluation surplus by class
22	Reconciliation of operating result to net cash from operating activities
23	Commitments for expenditure
24	Contingencies
25	Financial instruments
26	Schedule of administered Items
27	Reconciliation of payments from consolidated fund to administered income
28	Trust transactions and balances
29	Budget vs Actual Comparison
30	Events occurring after balance date

**Objectives and Principal Activities of the Department**

The Department of Agriculture and Fisheries (DAF) has the vision of prosperous and productive agriculture, fisheries and forestry sectors. We provide a leading role in growing and sustainably developing the agriculture, fisheries and forestry industry and its related businesses and to optimise their contribution to economic, environmental and social outcomes for Queensland.

Our objectives are to:

- connect industry to opportunities enabling producers and businesses to grow their markets, secure investment, lift productivity and better manage economic and climatic adversity
- manage biosecurity risks to protect agricultural resources, human health, social amenity and the environment and manage the State's reputation for quality disease-free products
- optimise the value of fisheries and forestry resources to provide for their ongoing economic, environmental and social value provide customer responsive services
- provide customer responsive services

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

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

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

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

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

**1. Summary of significant accounting policies**

**(a) Statement of Compliance**

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

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Minimum Financial Reporting Requirements for the year ending 30 June 2015, and other authoritative pronouncements.

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

**(b) The Reporting Entity**

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

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

**(c) Administered Transactions and Balances**

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

Administered transactions are disclosed in Note 26. These transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

**(d) Trust Transactions and Balances**

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

As the department acts only in a custodial role in respect of these transactions and balances, they are not recognised in the financial statements, but are disclosed in Note 28. Applicable audit arrangements are also shown.

**(e) Appropriation revenue/Administered Revenue**

Appropriations provided under the Appropriation Act 2014 are recognised as revenue when received or when appropriation revenue receivable is recognised after approval from Queensland Treasury.

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

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

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

Fees and fines collected, but not controlled, by the department are reported as administered revenue. Refer Note 26.

**(g) Grants and Other Contributions**

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

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

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

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

A subsidy payment is a payment or contribution made to an organisation or person which is not repaid or reciprocated. Gifts and donations are disclosed in Note 12 - Other Expenses.

**(i) Special Payments**

Special payments include ex gratia expenditure and other expenditure that the department is not contractually or legally obliged to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the department maintains a register setting out details of all special payments greater than \$5,000. The total of all special payments (including those of \$5,000 or less) is disclosed separately within Note 12 - Other Expenses. However, descriptions of the nature of special payments are only provided for special payments greater than \$5,000.

**(j) Cash and Cash Equivalents**

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

**(k) Receivables**

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is generally required within 30 days from invoice date, except trade debtors associated with research and development projects, where a 90 day term applies.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written-off as at 30 June. Increases in the allowance for impairment are based on loss events as disclosed in Note 25(c).

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

**(l) Inventories**

Inventories held for sale are valued at the lower of cost and net realisable value, except for sundry crops and saleable vaccine, which are measured at the lower of fair value less estimated point of sale costs and net realisable value.

Cost is assigned on the first-in-first-out method. These costs include expenditure incurred in acquiring the inventories and bringing them to their existing condition.

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

Expenses associated with marketing, selling and distribution are deducted to determine net realisable value.

Inventories not held for sale can include materials and stores to be consumed in the operations of the department and items held for distribution for no or nominal consideration.

**(m) Biological Assets**

Under *AASB 141 Agriculture* such assets are defined as living animals and plants. They are distinguished from other assets by the fact that they have the natural capacity to grow and/or procreate. These include livestock, which are accounted for in the department's accounts. The department measures biological assets at the end of each reporting period at the assets fair value less costs to sell. Fair Value is the amount that could be expected to be received from the disposal of an asset in an active and liquid market.

Under the provision of *Forestry Act 1959*, the department is required to oversee the harvesting of log timber from certain State-owned native forests, which are not controlled by the department. Under the guidelines of *AASB 141 Agriculture* the department considers that it does not meet the criteria of managing an agricultural activity, which would have required the valuation of available log timber as biological assets. Consequently, the value of native forest products has not been recognised in the Statement of Financial Position. This assessment will be reviewed should circumstances change.

**(n) Non-current Assets Classified as Held for Sale**

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

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

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

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

**(p) Acquisitions of Assets**

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

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

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

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

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

Buildings	\$10,000
Infrastructure	\$10,000
Land	\$1
Capital Works in Progress	N/A
Plant and equipment	\$5,000
Heritage and Cultural	\$5,000

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

Under the provision of *Forestry Act 1959*, the department also oversees the extraction of quarry materials from certain State-owned native forests, which are not controlled by the department. Under the guidelines of AASB 116 *Property, Plant and Equipment* the department considers that the quarries and all materials contained within them satisfy the definition of Land. However due to the impracticalities associated with valuing this land and quarry materials prior to extraction, the department has not recognised a value for quarry materials in the Statement of Financial Position. This assessment will be reviewed should circumstances change.

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

Land, buildings, infrastructure and heritage and cultural assets are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB13 *Fair Value Measurement* and Queensland Treasury's *Non-Current Asset Policies* for the Queensland Public Sector (NCAP). These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable (refer also to an explanation later in this note regarding the impact of different methods of accounting for accumulated depreciation and accumulated impairment losses in conjunction with revaluations).

In respect of these asset classes, the cost of items acquired during the financial year has been judged by the management of DAF to materially represent their fair value at the end of the reporting period.

Plant and equipment is measured at cost in accordance with the *Non-Current Asset Policies*. The carrying amounts for plant and equipment at cost should not materially differ from their fair value.

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

Non-current physical assets measured at fair value are revalued on an annual basis by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices. Revaluations based on an independent professional valuer or internal expert appraisals are undertaken at least once every five years. However, if a class of asset experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class of asset may have changed by 20% or more from one reporting period to the next), the department will arrange for the fair values concerned to be reviewed and revised accordingly.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs (refer to Note 1(s)).

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

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

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

(r) **Revaluations of Non-Current Physical Assets (cont'd)**

On revaluation:

- for assets revalued using a cost valuation approach (e.g. depreciated replacement cost) - accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'; and
- for assets revalued using a market or income-based valuation approach - accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

In previous years, Queensland Treasury's NCAP mandated the gross method of revaluation for all revaluations. However, from 1 July 2014, the NCAP now require either the gross or net method be used, according to the valuation approach adopted for individual assets (as explained above). This means a reported asset class may contain assets for which revaluations are accounted for using either method. Currently, DAF do not have any assets revalued under the net method.

(s) **Fair Value Measurement**

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the department include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the department include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the department assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

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

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

None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. More specific fair value information about the department's Property, Plant and Equipment is outlined in Note 17.

(t) **Intangibles**

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

It has been determined that there is not an active market for any of the department's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

***Purchased software***

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

***Internally generated software***

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

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

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

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

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

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

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

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

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

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

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

Asset class	Category	Rate %
Buildings	Buildings and improvements	1.25–6.67%
	Access roads	1.25–4%
	Land improvements	1.25–6.67%
Infrastructure	Wild dog barrier fence	2.7%
Plant and equipment	Computer equipment	20–25%
	Motor vehicles	5–20%
	Boats and boating equipment	5–25%
	Heavy plant	5–20%
	Scientific equipment	5–12.5%
	Office equipment	5–20%
	Leasehold improvements	2.5–10%
	Other plant and equipment	5–20%
Heritage and Cultural Assets	Artwork	0%
Intangible assets	Software purchased	25%
	Software internally generated	25%

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

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

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

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

Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. However, this increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is usually recognised as income, except if the asset has been revalued, in which case the adjustment is treated as a revaluation increase. Refer Note 1(r).

When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

**(w) Leases**

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

**(w) Leases (cont'd)**

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

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

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

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

**(x) Payables**

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

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

**(y) Financial Instruments**

**Recognition**

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

**Classification**

Financial instruments are classified and measured as follows:

- Cash and cash equivalents.
- Receivables – held at amortised cost.
- Payables – held at amortised cost.

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

All other disclosures relating to the measurement and financial risk management of financial instruments held by the department are included in Note 25.

**(z) Employee Benefits**

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

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

**Wages, salaries and sick leave**

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

As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

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

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

**Annual leave**

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

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

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

**Long service leave**

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

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

**Superannuation**

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

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

**Key Management Personnel and Remuneration**

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to Note 8 for the disclosures on key executive management personnel and remuneration.

(aa) **Financing/Borrowing costs**

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

Finance costs include:

- Finance lease charges;
- Ancillary administration charges.

No borrowing costs are capitalised into qualifying assets.

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

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

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

DAF has three main service areas:

**Agriculture**

The objective of this service area is to lift the productivity of Queensland's agricultural businesses, with the aim of doubling production by 2040. We work with industry associations, research bodies and all levels of government to:

- secure the future of the agricultural industry through planning and capitalising on regional opportunities
- undertake research and deliver services that enable businesses to build capacity, improve productivity, manage risks and increase resilience.

**Biosecurity Queensland**

The objective of this service area is to mitigate the risks and impacts of animal and plant pests, diseases and weeds to the economy, the environment, social amenity or human health by leading the Government's efforts in prevention of, response to and recovery from biosecurity threats. This service area also maintains market and consumer confidence by ensuring the welfare of animals and reducing the risk of agricultural chemical contamination.

**Fisheries and Forestry**

The objective of this service area is to support sustainable long term management of four of Queensland's natural resources to enable the economic growth of the fisheries and forestry industries. We do this by:

- ensuring (1) fisheries and (2) fish habitats are sustainably managed through science, regulation and education creating the basis for profitable businesses and enjoyable recreational fishing experiences
- maximising financial returns to the state from the sale of (3) forest products and (4) quarry materials within environmental and community expectations.

(ad) **Insurance**

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

**(ae) Services Received Free of Charge or for Nominal Value**

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

**(af) Contributed Equity**

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

**(ag) Taxation**

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the department. GST credits receivable from, and GST payable to the Australian Taxation Office are recognised (refer to Note 14).

**(ah) Issuance of Financial Statements**

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

**(ai) Accounting Estimates and Judgements**

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

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

- Impairment of Trade Receivables – Note 14.
- Valuation of Property, plant and equipment – Note 17.
- Contingencies – Note 24.

Further, the matters covered in each of those notes necessarily involve estimation uncertainty with the potential to materially impact on the carrying amount of the department's assets and liabilities in the next reporting period.

**(aj) Other Presentation Matters**

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

*Comparatives* - Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

In addition, the classification of certain expenses was reviewed during 2014-15, with the comparative figures being restated. Further information on this can be found in note 9 (Supplies and Services) and note 10 (Grants and Subsidies).

*Current/Non-Current Classification* - Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

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

The department did not voluntarily change any of its accounting policies during 2014-15. The Australian Accounting Standard applicable for the first time as from 2014-15 that had the most significant impact on the department's financial statements is AASB 1055 *Budgetary Reporting*.

AASB 1055 became effective from reporting periods beginning on or after 1 July 2014. In response to this new standard, the department has included in these financial statements a comprehensive new Note 'Budget vs Actual Comparison' (Note 29). This note discloses the department's original published budgeted figures for 2014-15 compared to actual results, with explanations of major variances, in respect of the department's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. Note 29 also includes a comparison between the original published budgeted figures for 2014-15 compared to actual results, and explanations of major variances, in respect of the department's major classes of administered income, expenses, assets and liabilities.

The department has reviewed the nature of its present arrangements with other entities to determine the impact of AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*. It has concluded that it does not presently have any control or joint arrangement over any other entities, hence there is currently no impact on the department's financial statement. However, the department will continue to review its relationships with other entities from year to year to identify any need to apply AASB 10's and AASB 11's principles.

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

- AASB 124 *Related Party Disclosure* requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities on or after 1 July 2016. The department already discloses information about the remuneration expenses for key management personnel (refer to Note 8) in compliance with requirements from Queensland Treasury. Therefore, the most significant implications of AASB 124 for the department's financial statements will be the disclosures to be made about transactions with related parties, including transactions with key management personnel or close members of their families.

- AASB 15 *Revenue from Contracts with Customers* will become effective from reporting periods beginning on or after 1 January 2017. This standard contains much more detailed requirements for the accounting for certain types of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from sales of the department's goods and services, such that some revenue may need to be deferred to a later reporting period to the extent that the department has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). The department does not expect a significant impact on its present accounting practices.

- AASB 9 *Financial Instruments* and AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* will become effective from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on the department are that they will change the requirements for the classification, measurement and disclosures associated with the department's financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the department's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions DAF enters into, all of the department's financial assets are expected to be required to be measured at fair value (instead of the measurement classifications presently used in Notes 1(y) and 25). In the case of the department's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

AASB 9 also requires the difference between the carrying amount of 'held to maturity' investment and its initial fair value to be recognised as an adjustment to the balance of Accumulated Surplus on initial application of AASB 9.

Another potential impact of AASB 9 relates to calculating impairment losses for the department's receivables. Assuming no substantial change in the nature of the department's receivables, the impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, the department will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised.

Currently, the department have one 'held to maturity' investment which does not have active market and hence the fair value of the "held to maturity" investment will be approximately equal to cost. The most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment from the adoption of the AASB 9 assuming no change in the types of financial instruments that the department enters into.

- AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* amends AASB 13 *Fair Value Measurement* effective from annual reporting periods beginning on or after 1 July 2016. The amendments provide relief from certain disclosures about fair values categorised as level 3 under the fair value hierarchy (refer to note 1(s)). Accordingly, the following disclosures for level 3 fair values in note 17 will no longer be required:

- the disaggregation of certain gains/losses on assets reflected in the operating result;
- quantitative information about the significant unobservable inputs used in the fair value measurement; and
- a description of the sensitivity of the fair value measurement to changes in the unobservable inputs.

As the amending standard was released in early July 2015, the department has not early adopted this relief in these financial statements, as per instructions from Queensland Treasury. However, the department will be early adopting this disclosure relief as from the 2015-16 reporting period (also on instructions from Queensland Treasury).

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

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
<b>2. Reconciliation of payments from consolidated fund</b>		
<b>Reconciliation of payments from consolidated fund to appropriation revenue for services recognised in Statement of Comprehensive Income</b>		
Budgeted appropriation revenue	287,899	257,016
Transfers from/to other headings	1,563	465
Unforeseen Expenditure	-	3,602
<b>Total Appropriation Revenue (cash) - 30 June 2015</b>	<b>289,462</b>	<b>261,083</b>
<b>Appropriated 1 July to 30 June 2015</b>		
Less: opening balance of appropriation revenue for services revenue receivable	(12,137)	(1,924)
Plus: Closing balance of appropriation revenue receivable	12,125	12,137
<b>Net Appropriation Revenue</b>	<b>289,450</b>	<b>271,296</b>
<b>Appropriation Revenue recognised in Statement of Comprehensive Income</b>	<b>289,450</b>	<b>271,296</b>
<b>Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity</b>		
Budgeted equity adjustment appropriation	(4,625)	(7,625)
Transfers from/to other headings	(2,039)	-
<b>Equity Adjustment Recognised in Contributed Equity</b>	<b>(6,664)</b>	<b>(7,625)</b>
<b>3. User Charges, Fees and Fines</b>		
Fee for service <sup>(1)</sup>	54,676	52,953
Sale of goods	3,261	3,946
Fees and fines	7,493	7,552
Property rental	3,463	3,348
<b>Total User Charges, Fees and Fines</b>	<b>68,893</b>	<b>67,799</b>
<sup>(1)</sup> In 2014-15, there is a reporting requirement to distinguish between grants and procurement of revenue, and the 2013-14 year has been restated for comparison purposes.		
<b>4. Grants and Other Contributions</b>		
<i>Grants:</i>		
Commonwealth	14,223	13,591
State	97	924
<i>Contributions:</i>		
Commonwealth	10,157	9,335
Industry <sup>(1)</sup>	30,139	32,980
Goods and services received below fair value	276	215
<b>Total Grants and Other Contributions</b>	<b>54,893</b>	<b>57,044</b>
<sup>(1)</sup> In 2014-15, there is a reporting requirement to distinguish between grants and procurement of revenue and, the 2013-14 year has been restated for comparison purposes.		
<b>5. Royalties and Other Territorial Revenue</b>		
Royalties and other territorial revenue	26,798	28,966
<b>Total Royalties and Other Territorial Revenue</b>	<b>26,798</b>	<b>28,966</b>

The department under the provisions of the *Forestry Act 1959* has issued sales permits regarding the supply of forest products (including native forest log timber and quarry material) from lands relevant to the *Forestry Act 1959*. The department recognises the revenue for forest products based on the returns provided by the permit holders.

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>6. Gains on disposal/remeasurement of assets</b>		
Net gains on disposal of property, plant and equipment	250	4,935
Impairment reversal	38	-
Net increment in valuation of biological assets	1,649	434
<b>Total Gains on sale/revaluation of assets</b>	<b>1,936</b>	<b>5,369</b>
<b>7. Employee Expenses</b>		
<b>Employee Benefits</b>		
Wages and salaries	145,892	146,185
Termination benefits	229	3,830
Employer superannuation contributions <sup>(1)</sup>	19,487	19,527
Annual leave levy <sup>(1)</sup>	15,254	15,215
Long service leave levy <sup>(1)</sup>	3,179	3,401
Other employee benefits	1,647	1,436
<b>Employee Related Expenses</b>		
Workers compensation premium <sup>(2)</sup>	1,752	1,872
Payroll tax <sup>(2)</sup>	(17)	8,586
<b>Total Employee Expenses</b>	<b>187,423</b>	<b>200,052</b>

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

	<b>2015</b>	<b>2014</b>
Number of employees <sup>(3)</sup>	1,999	1,991

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

<sup>(2)</sup> Cost of workers' compensation insurance are a consequence of employing employees, and are not counted in employees' total remuneration package. They are not employee benefits, but rather employee related expenses. DAF is not liable to pay payroll tax from 1 July 2014.

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

	<b>2015</b>	<b>2014</b>
Number of employees:		
Department of Agriculture and Fisheries	1,759	1,752
Corporate Partnership Agreement (providing services to other departments)	240	239
<b>Total number of employees</b>	<b>1,999</b>	<b>1,991</b>

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

**8. Key Management Personnel and Remuneration**

**a) Key Management Personnel**

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2014-15. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date appointed to position
Director-General	The Director General is responsible for the efficient, effective and economic administration of the department overseeing Agriculture, Fisheries and Forestry and Biosecurity Queensland.	CEO / s92 <i>Public Service Act 2008</i>	3 April 2012
Deputy Director-General, Corporate	The Deputy Director-General is responsible for the efficient, effective and economic administration of the Human Resource, ICT, Strategy, Performance, Business Services, Finance, Media, Communications and Corporate Partnership functions of the department.	SES3 / s110 <i>Public Service Act 2008</i>	22 May 2013
Deputy Director-General, Agriculture Queensland	The Deputy Director-General is responsible for the efficient, effective and economic administration of Queensland Agriculture and Fisheries, Food, Forestry and Regional Services and functions of the department.	SES4 / s110 <i>Public Service Act 2008</i>	4 June 2012
Executive Director, Regions and Industry Development	The Executive Director is responsible for the efficient, effective and economic administration of the Regional Services functions and services, industry policy and service delivery reform of the department.	SES3 / s110 <i>Public Service Act 2008</i>	17 October 2011
Executive Director, Finance and Asset Management (Chief Finance Officer)	The Executive Director, Finance (Chief Finance Officer) is responsible for the efficient, effective and economic administration of financial operations and functions for the department.	SES2 / s110 <i>Public Service Act 2008</i>	23 April 2012
Chief Biosecurity Officer, Biosecurity Queensland	The Chief Biosecurity Officer is responsible for the efficient, effective and economic administration of Queensland's Biosecurity functions and responsibilities of the department.	SES4 / s110 <i>Public Service Act 2008</i>	12 October 2012
Managing Director, Agri-Science Queensland	The Managing Director is responsible for the efficient, effective and economic administration of Queensland's Agricultural Science services and functions of the department.	SES3 / s122 <i>Public Service Act 2008</i>	31 October 2011
Deputy Director General, Fisheries and Forestry	The Deputy Director General is responsible for the efficient, effective and economic administration of Queensland Fisheries and Forestry activities and responsibilities.	SES3/ s110 <i>Public Service Act 2008</i>	13 February 2013

**b) Remuneration**

Remuneration policy for the department's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment (including motor vehicle entitlements) for the key management personnel are specified in employment contracts. The Director-General's contract under the previous Government also provides for an At Risk Component payment.

For the 2014-15 year, remuneration of key management personnel increased by 2.2% in accordance with government policy.

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

Remuneration expenses for key management personnel comprises the following components:

- Short term employee benefits which include:
  - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.
  - performance payments recognised as an expense during the year
  - non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

**b) Remuneration (cont'd)**  
**1 July 2014 – 30 June 2015**

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Total Expenses <sup>(1)</sup>
	Monetary Expenses \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000
Director-General <sup>(2)</sup>	380	-	7	41	428
Deputy Director-General, Corporate <sup>(3)</sup>	210	-	4	24	239
Deputy Director-General, Agriculture (including Agri-Science Queensland)	240	-	5	27	271
Executive Director, Regions and Industry Development	192	-	3	22	216
Executive Director, Finance and Asset Management (Chief Finance Officer) <sup>(3)</sup>	177	13	4	20	214
Chief Biosecurity Officer, Biosecurity Queensland	212	-	4	25	241
Managing Director, Agri-Science Queensland	218	-	4	24	247
Deputy Director General Fisheries and Forestry Queensland	231	-	4	24	259
<b>Total</b>	<b>1,860</b>	<b>13</b>	<b>35</b>	<b>207</b>	<b>2,115</b>

<sup>(1)</sup> The key management personnel and remuneration expenses above for 2014-15 do not include any termination benefits.

<sup>(2)</sup> The short term employee benefits in 2014-15 included the 2013-14 At Risk Component, which was paid in the pay period ending 31 October 2014.

<sup>(3)</sup> These positions are shared with the Department of Tourism, Major Events, Small Business and the Commonwealth Games and are fully funded by the Department of Agriculture and Fisheries to 30 June 2015 as per the Corporate Partnership arrangement.

**1 July 2013 – 30 June 2014**

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Total Expenses <sup>(1)</sup>
	Monetary Expenses \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000
Director-General <sup>(2)</sup>	340	1	7	38	387
Deputy Director-General, Corporate <sup>(3)</sup>	219	-	4	24	247
Deputy Director-General, Agriculture (including Agri-Science Queensland)	237	-	5	27	269
Executive Director, Regions and Industry Development	205	-	4	21	230
Executive Director, Finance and Asset Management (Chief Finance Officer) <sup>(3)</sup>	166	26	3	20	215
Chief Biosecurity Officer, Biosecurity Queensland	212	23	4	20	259
Managing Director, Agri-Science Queensland	215	-	4	23	242
Deputy Director General Fisheries and Forestry Queensland	219	-	4	23	247
<b>Total</b>	<b>1,814</b>	<b>50</b>	<b>37</b>	<b>196</b>	<b>2,097</b>

<sup>(1)</sup> The key management personnel and remuneration expenses above for 2013-14 do not include any termination benefits.

<sup>(2)</sup> The short term employee benefits in 2013-14 included the 2012-13 At Risk Component, which was paid in the pay period ending 15 November 2013.

<sup>(3)</sup> These positions are shared with the Department of Tourism, Major Events, Small Business and the Commonwealth Games and are fully funded by the Department of Agriculture and Fisheries to 30 June 2014 as per the Corporate Partnership arrangement.

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

**c) Performance payments**

The remuneration package for the Director-General under the previous Government included a potential performance up to a maximum of \$63,367. Eligibility for such a performance payment in respect of 2013-14 was conditional on the achievement of objectives that are documented in that position's performance agreement.

The total remuneration package for the Director-General included a portion that was "at risk" and paid only if they met or exceeded the agreed performance standards. The performance evaluation process comprised:

- reporting on end of year achievement and self-assessment by the Director-General against their performance agreement/intended outcomes;
- a rigorous, independent and objective assessment of CEOs performance at the end of the financial year, culminating in recommendations to the Premier; and
- the Premier's ultimate discretion regarding whether the Director-General was paid a performance payment and, if so, how much.

No At Risk Component payment was made for 2014-15 in accordance with the Government's commitment to discontinue such payments.

The basis for performance payments expensed in the 2014-15 financial year is set out below:

Position	Basis for Payment	Date Paid	Amount
Director-General	Consistent with the abovementioned timeframe and process, this payment relates to the achievement of performance criteria during 2013-14. The payment made was determined in accordance with the terms of the performance agreement for this position.	Pay Period Ended 31 October 2014	\$10,350

The basis for performance payments expensed in the 2013-14 financial year is set out below:

Position	Basis for Payment	Date Paid	Amount
Director-General	Consistent with the abovementioned timeframe and process, this payment relates to the achievement of performance criteria during 2012-13. The payment made was determined in accordance with the terms of the performance agreement for this position.	Pay Period Ended 15 November 2013	\$14,562

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
<b>9. Supplies and services</b>		
Consultants and contractors	48,875	38,144
Operating lease rentals	28,180	28,068
Building Services	6,160	7,409
Repairs and maintenance	7,662	6,965
Transport	7,503	6,976
Travel	5,545	5,195
Computer/information technology	15,158	14,394
Telecommunications and electricity	6,346	6,414
Shared services provider fee	6,578	8,226
Materials	8,281	6,635
Portable and attractive items	3,112	1,959
Service delivery costs and service level agreement charges	12,958	11,465
Bank fees and charges	38	40
Outsourced service delivery	18,855	14,422
Other	7,415	7,537
<b>Total Supplies and Services</b>	<b>182,667</b>	<b>163,849</b>
<b>10. Grants and Subsidies <sup>(1)</sup></b>		
<i>Grants:</i>		
Queensland and local government <sup>(2)</sup>	10,918	4,767
Industry	2,967	2,858
Universities	57	39
Individuals	241	-
Charities/community groups	-	100
Subsidies <sup>(3)</sup>	35,350	30,272
Commonwealth	76	65
<b>Total Grants and Subsidies</b>	<b>49,609</b>	<b>38,101</b>
<sup>(1)</sup> In 2014-15, there is a reporting requirement to distinguish between grants and procurement of expenses, and the 2013-14 year has been restated for comparison purposes.		
<sup>(2)</sup> This includes increased payments to the Qld Cattle Industry Biosecurity Fund (QCOBF), Darling Downs Moreton Rabbit Board (DDMRB) and a buyback of commercial net fishing licenses from commercial net fishers.		
<sup>(3)</sup> These relate to drought assistance payments to individuals and businesses.		
<b>11. Depreciation and amortisation</b>		
Depreciation and amortisation were incurred in respect of:		
Buildings	5,474	5,652
Infrastructure	245	229
Plant and equipment	13,585	14,799
Software purchased	209	71
Software internally generated	527	527
<b>Total Depreciation and Amortisation</b>	<b>20,040</b>	<b>21,278</b>

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
<b>12. Other expenses</b>		
External audit fees <sup>(1)</sup>	227	223
Insurance premiums - Queensland Government Insurance Fund	730	643
Insurance premiums - general	157	168
Loss on disposal of property, plant and equipment and intangibles <sup>(2)</sup>	763	3,863
Loss on disposal of property, plant and equipment and intangibles - Capital WIP	-	526
Sponsorships	135	144
Special Payments <sup>(3)</sup>	241	-
Donations and gifts	29	4
License fees and permits	227	308
Interest	5	7
Patent, Copyright & Trademark Acquisition	348	299
Royalties Paid	15	484
Other	1	139
<b>Total Other Expenses</b>	<b>2,879</b>	<b>6,806</b>

<sup>(1)</sup> Total external audit fees for the year ended 30 June 2015 is estimated at \$240,000. There are no non-audit services included in this amount.

<sup>(2)</sup> The loss in 2013-14 is primarily due to sale of surplus industrial land at Eagle Farm \$1.78 million and sale of surplus plant and equipment \$1.52 million.

<sup>(3)</sup> Special payments include 2 payments of \$100,000 each in relation to Panama - Tropical Race 4 banana disease outbreak and 1 payment of \$40,530 in relation to the West Indian Drywood Termites (WIDT) containment program.

**13. Cash and cash equivalents**

Cash at bank	46,381	37,311
Imprest accounts	39	45
<b>Total Cash and Cash Equivalents</b>	<b>46,420</b>	<b>37,356</b>

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

**14. Receivables**

**Current**

Trade debtors	26,915	26,508
Less: allowance for impairment loss <sup>(1)</sup>	(55)	(438)
	26,860	26,069
Loans and advances receivable <sup>(2)</sup>	728	6,735
GST input tax credits receivable	1,572	1,629
GST payable	(22)	(455)
	1,550	1,174
Appropriation revenue receivable	12,125	12,137
Annual leave levy reimbursements	2,978	3,537
Long service leave levy reimbursements	1,211	766
Finance lease debtors	-	3
Other	48	76
<b>Total Current Receivables</b>	<b>45,499</b>	<b>50,497</b>

**Non-Current**

Finance lease debtors	15	29
<b>Total Non-Current Receivables</b>	<b>15</b>	<b>29</b>

<sup>(1)</sup> Refer to Note 25 Financial Instruments (Credit Risk Exposure) for an analysis of movements in the allowance for impairment loss.

<sup>(2)</sup> The 2013-14 amount includes outstanding payments from the sale of land in 2010-11.

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
<b>15. Other assets</b>		
<i>Current</i>		
Prepayments	5,594	4,383
<i>Non-Current</i>		
Prepayments	13,821	14,221
<b>Total Other Assets</b>	<b>19,415</b>	<b>18,604</b>
<b>16. Intangible assets</b>		
<b>Software Purchased: At Cost</b>		
Gross	1,499	1,468
Less: Accumulated amortisation	(394)	(831)
<b>Total Software Purchased</b>	<b>1,105</b>	<b>637</b>
<b>Software Internally Generated: At Cost</b>		
Gross	6,973	6,973
Less: Accumulated amortisation	(5,221)	(4,694)
<b>Total Software Internally Generated</b>	<b>1,751</b>	<b>2,279</b>
<b>Software Work in Progress</b>		
At cost	-	208
<b>Total Software Work in Progress</b>	<b>-</b>	<b>208</b>
<b>Total Intangible Assets</b>	<b>2,856</b>	<b>3,124</b>

**Intangibles Reconciliation**

	Software Purchased		Software Internally Generated		Software Work In Progress		Total	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$'000	2014 \$'000
Carrying amount at 1 July 2014	637	14	2,279	2,806	208	-	3,124	2,820
Acquisitions	679	694	-	-	-	208	679	902
Retirement	(3)	-	-	-	(208)	-	(211)	-
Amortisation	(209)	(71)	(527)	(527)	-	-	(736)	(598)
<b>Carrying amount at 30 June 2015</b>	<b>1,105</b>	<b>637</b>	<b>1,751</b>	<b>2,279</b>	<b>-</b>	<b>208</b>	<b>2,856</b>	<b>3,124</b>

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 Actual \$'000	2014 Actual \$'000
<b>17. Property, plant and equipment</b>		
<b>Land: At fair value</b>		
Gross	110,560	106,142
Less: accumulated impairment losses	(1,855)	(1,432)
<b>Total Land</b>	<b>108,705</b>	<b>104,710</b>
<b>Buildings: At fair value</b>		
Gross	259,474	231,001
Less: accumulated depreciation	(132,569)	(114,301)
Less: accumulated impairment losses	(6,037)	(3,823)
<b>Total Buildings</b>	<b>120,868</b>	<b>112,877</b>
<b>Heritage and Cultural Assets: At fair value</b>		
At fair value	150	150
<b>Total Heritage and Cultural Assets</b>	<b>150</b>	<b>150</b>
<b>Infrastructure: At fair value</b>		
Gross	37,103	34,686
Less: accumulated depreciation	(21,456)	(20,171)
<b>Total Infrastructure</b>	<b>15,647</b>	<b>14,515</b>
<b>Plant and Equipment: At cost</b>		
Gross	217,404	218,817
Less: accumulated depreciation	(101,121)	(98,121)
Less: accumulated impairment	(1,861)	(1,852)
<b>Total Plant and Equipment</b>	<b>114,422</b>	<b>118,845</b>
<b>Capital Work in Progress: At cost</b>		
At cost	384	1,124
<b>Total Capital Work in Progress</b>	<b>384</b>	<b>1,124</b>
<b>Total Property, Plant and Equipment</b>	<b>360,176</b>	<b>352,222</b>

*Land*

State Valuation Services (SVS) provides an individual factor change per property derived from the review of market transactions (Observable Market Data). These market movements are determined having regard to the review of land values undertaken for each local government area issued by the Valuer-General Department of Natural Resources and Mines. SVS undertakes investigation and research into each factor provided for the interim land asset Indexation.

All Local Government property market movements are reviewed annually by market surveys to determine any material changes in values. For local government areas where the Valuer-General has issued land values, an index will be provided. Ongoing market investigations undertaken by SVS assists in providing an accurate assessment of the prevailing market conditions and detail the specific market movement that are applicable to each property. The department's land was indexed in 2014-15. The department's land was last comprehensively revalued in 2010-11 prior to the formation of this department under the machinery-of-Government arrangements and is scheduled for the next comprehensive valuation in 2015-16.

*Buildings*

State Valuation Services (SVS) provided the valuation for Buildings and improvements which are indexed using the most appropriate method of indexation and determined by the type of asset to which the index is be applied. Improvements such as specialised Government assets were indexed with a Building Price Index (BPI) which is based on recent tenders for typical specialised buildings (Observable Market Data) and is the most appropriate index to apply for specialised government assets. General non-residential construction was indexed using the Queensland Treasury's OESR Implicit Price Deflator as the recommended and is the most appropriate index to use for these particular assets. Residential assets were indexed by the Cordell Housing Price Index which is specific to Queensland house price movements (Observable Market Data) and is the most appropriate index to use for residential housing specific to Queensland properties. The department's Buildings and Improvements were indexed in 2014-15. The department's Buildings and Improvements were last comprehensively revalued in 2010-11 prior to the formation of this department under the machinery-of-Government arrangements and are scheduled for the next comprehensive valuation in 2015-16.

Certain Buildings valued at \$0.149 million are restricted by contractual obligations preventing their sale.

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

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

*Infrastructure*

State Valuation Services (SVS) provided the valuation for Infrastructure which is indexed using the most appropriate method of indexation and determined by the type of asset to which the index is applied. Improvements such as specialised Government assets were indexed with a Building Price Index (BPI) which is based on recent tenders for typical specialised buildings (Observable Market Data) and is the most appropriate index to apply for specialised government assets. The department's Infrastructure was indexed in 2014-15. The department's infrastructure was last comprehensively revalued in 2010-11 prior to the formation of DAF under the machinery-of-Government arrangements and are scheduled for the next comprehensive valuation in 2015-16.

*Plant and Equipment*

The department has plant and equipment with an original cost of \$23.053 million (2014: \$24.171 million) that has been written down to a nil value and are still being used in the provision of services. Included in the original cost of \$23.053 million are assets written down to residual cost of \$1.151million. These assets will be replaced in accordance with business planning processes.

Certain Plant and Equipment assets valued at \$0.538 million are restricted by contractual obligations preventing their sale.

*Work in Progress*

The department is carrying the capital works in progress as per the Queensland Treasury's policies.

*Heritage and Cultural Assets*

Due to materiality considerations allowable by Queensland Treasury, the department's Heritage and Cultural assets were not indexed in 2014-15. The department's Heritage and Cultural assets were last comprehensively revalued in 2010-11 prior to the formation of this department under the machinery-of-Government arrangements and are scheduled for the next comprehensive valuation in 2015-16.

<b>Fully impaired/depreciated assets still in use</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Buildings	15,980	11,978
Plant and equipment	23,053	24,171
<b>Total significant asset classes of fully depreciated assets</b>	<b>39,033</b>	<b>36,149</b>

The buildings with an original cost of \$15.980 million (2014: \$11.978 million) included is \$5.658 million (2014: \$3.444 million) of impairment.

The department has plant and equipment with a gross cost of \$18.596 million (2014: \$24.171 million), fully depreciated with no residual value.

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

The department has buildings with an original cost of \$8.307 million (2014: \$8.781 million) which are presently not being used in the provision of services, that are fully depreciated.

The department has included a number of assets in the accounts, which are classified as restricted assets. These are assets, the uses of which are wholly or partly restricted by legislation or other externally imposed requirements. The total value of restricted assets for 30 June 2015 is \$0.687 million (2014: \$0.732 million).

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

17. Property, plant and equipment (cont'd)

Property, Plant and Equipment Reconciliation

	Land	Buildings	Infrastructure	Plant and Equipment	Capital Works in Progress	Heritage & Cultural	Total
	2015	2015	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2014	104,710	112,877	14,515	118,845	1,124	150	352,222
Acquisitions (including upgrades)	-	13	-	8,203	4,570	-	12,786
Transfer in from other Queensland Government entities	1,991	2,258	-	11	-	-	4,260
Disposals	(554)	(83)	-	(530)	-	-	(1,167)
Transfer out to other Queensland Government entities	(1,076)	(1,033)	-	(54)	-	-	(2,163)
Transfers between asset classes	97	3,054	619	1,541	(5,311)	-	-
Net revaluation increments	3,960	11,472	758	-	-	-	16,190
Impairment losses recognised in equity	(423)	(2,220)	-	(10)	-	-	(2,653)
Impairment on retirement	-	6	-	-	-	-	6
Depreciation	-	(5,474)	(245)	(13,585)	-	-	(19,304)
<b>Carrying amount at 30 June 2015</b>	<b>108,705</b>	<b>120,869</b>	<b>15,647</b>	<b>114,421</b>	<b>384</b>	<b>150</b>	<b>360,176</b>

	Land	Buildings	Infrastructure	Plant and Equipment	Capital Works in Progress	Heritage & Cultural	Total
	2014	2014	2014	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2013	118,971	113,714	14,462	125,728	4,999	150	378,024
Acquisitions (including upgrades)	-	48	-	8,084	5,215	-	13,347
Transfer in from other Qld Government entities	468	99	-	4	-	-	571
Disposals	(9,479)	(2,456)	-	(1,174)	(527)	-	(13,636)
Transfer out to other Qld Government entities	-	-	-	(156)	-	-	(156)
Transfers between asset classes	-	7,122	282	1,159	(8,563)	-	-
Net revaluation increments/ (decrements)	(3,818)	-	-	-	-	-	(3,818)
Impairment losses recognised in operating surplus/(deficit)	(1,432)	-	-	-	-	-	(1,432)
Depreciation	-	(5,652)	(229)	(14,799)	-	-	(20,680)
<b>Carrying amount at 30 June 2014</b>	<b>104,710</b>	<b>112,877</b>	<b>14,515</b>	<b>118,845</b>	<b>1,124</b>	<b>150</b>	<b>352,222</b>

\*Impairment losses and reversals of impairment losses are shown as separate line items in the Statement of Comprehensive Income

Categorisation of fair values recognised as at 30 June 2015 (refer to Note 1(s))

	Level 2 \$'000		Level 3 \$'000		Total \$'000	
	2015	2014	2015	2014	2015	2014
<b>Land</b>	56,123	55,955	52,583	48,756	<b>108,706</b>	<b>104,710</b>
<b>Buildings</b>	64,714	60,084	56,154	52,791	<b>120,868</b>	<b>112,875</b>
<b>Infrastructure</b>	-	-	15,647	14,515	<b>15,647</b>	<b>14,516</b>
<b>Heritage and Cultural</b>	-	-	150	150	<b>150</b>	<b>150</b>
<b>Total</b>	<b>120,837</b>	<b>116,039</b>	<b>124,534</b>	<b>116,212</b>	<b>245,371</b>	<b>232,251</b>

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

17. Property, plant and equipment (cont'd)

Level 3 fair value reconciliation (refer to note 1(s))

	Land	Buildings	Infrastructure	Heritage and Cultural	Total
	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2014	48,756	52,791	14,515	150	116,212
Acquisitions (including upgrades)	26	-	-	-	26
Transfer in from other Queensland Government entities	460	-	-	-	460
Disposals	-	(37)	-	-	(37)
Transfer out to other Queensland Government entities	(356)	(108)	-	-	(464)
Transfer from WIP	33	352	619	-	1,004
Net revaluation increments/(decrements) <sup>(1)</sup>	3,664	5,768	758	-	10,190
Depreciation	-	(2,611)	(245)	-	(2,856)
<b>Carrying amount at 30 June 2015</b>	<b>52,582</b>	<b>56,154</b>	<b>15,647</b>	<b>150</b>	<b>124,534</b>

<sup>(1)</sup> Gains/(losses) recognised in other comprehensive income comprises:

Net revaluation increments/(decrements)	3,664	5,768	758	-	10,190
<b>Total gains/(losses) recognised in other comprehensive income</b>	<b>3,664</b>	<b>5,768</b>	<b>758</b>	<b>-</b>	<b>10,190</b>

Level 3 fair value reconciliation (refer to note 1(s))

	Land	Buildings	Infrastructure	Heritage & Cultural	Total
	2014	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2013	54,005	54,081	14,462	150	122,698
Acquisitions (including upgrades)	-	103	-	-	103
Disposals	-	(146)	-	-	(146)
Transfer from WIP	-	1,230	-	-	1,230
Transfers between classes	-	-	282	-	282
Gains/(losses) recognised in operating result <sup>(2)</sup>	(1,432)	-	-	-	(1,432)
Gains/(losses) recognised in other comprehensive income <sup>(3)</sup>	(3,818)	-	-	-	(3,818)
Depreciation	-	(2,476)	(229)	-	(2,705)
<b>Carrying amount at 30 June 2014</b>	<b>48,756</b>	<b>52,791</b>	<b>14,515</b>	<b>150</b>	<b>116,212</b>

<sup>(2)</sup> Gains/(losses) recognised in operating result comprises:

Impairment losses	(1,432)	-	-	-	(1,432)
<b>Total gains/(losses) recognised in operating result</b>	<b>(1,432)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,432)</b>

<sup>(3)</sup> Gains/(losses) recognised in other comprehensive income comprises:

Net revaluation increments/(decrements)	(3,818)	-	-	-	(3,818)
<b>Total gains/(losses) recognised in other comprehensive income</b>	<b>(3,818)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,818)</b>

DEPARTMENT OF AGRICULTURE AND FISHERIES  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

17. Property, plant and equipment (cont'd)

Transfer into level 3 from level 2

Level 3 significant valuation inputs and relationship to fair value

Description	Fair value at 30 June 2015 \$'000	Type and amount for significant level 3 inputs	Possible alternative amounts for significant level 3 inputs	Impact of alternative amounts for significant level 3 inputs
Land	52,583	Valuer's judgement and allowance for restrictions recognised by the market	+/- 0%-10%	Increase/decrease in the unobservable inputs allowances would increase/decrease the fair value.
Building	56,154	Valuer's judgement including condition assessment	+/- 0%-10%	Improved/reduced condition would increase/decrease the fair value.
Infrastructure	15,647	Condition rating/remaining useful life	+/- 0%-10%	Improved/reduced condition would increase/decrease the fair value.
Heritage and Cultural	150	Valuer's judgement including condition assessment	+/- 0%-10%	Improved/reduced condition would increase/decrease the fair value.
<b>Total</b>	<b>124,534</b>			

Description	Fair value at 30 June 2014 \$'000	Type and amount for significant level 3 inputs	Possible alternative amounts for significant level 3 inputs	Impact of alternative amounts for significant level 3 inputs
Land	48,756	Valuer's judgement and allowance for restrictions recognised by the market	+/- 0%-10%	Increase/decrease in the unobservable inputs allowances would increase/decrease the fair value.
Building	52,791	Valuer's judgement including condition assessment	+/- 0%-10%	Improved/reduced condition would increase/decrease the fair value.
Infrastructure	14,515	Condition rating/remaining useful life	+/- 0%-10%	Improved/reduced condition would increase/decrease the fair value.
Heritage and Cultural	150	Valuer's judgement including condition assessment	+/- 0%-10%	Improved/reduced condition would increase/decrease the fair value.
<b>Total</b>	<b>116,212</b>			

Usage of alternative level 3 inputs (as per the above table) that are reasonable in the circumstances as at the revaluation date would not result in material changes in the reported fair value. There are no significant inter-relationships between unobservable inputs that materially impact fair value.

The department's assets are valued at highest and best use.

DEPARTMENT OF AGRICULTURE AND FISHERIES  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
<b>18. Payables</b>		
<b>Current</b>		
Trade creditors	7,305	10,450
Taxes, fees and fines payable	68	767
Accrued expenses	6,129	4,672
Prepaid royalties	3	79
Royalties payable	90	349
<b>Total Current Payables</b>	<u><u>13,595</u></u>	<u><u>16,316</u></u>
<b>19. Accrued employee benefits</b>		
<b>Current</b>		
Salaries and wages outstanding	1,348	627
Employer superannuation contribution payable	-	65
Annual leave levy payable	4,306	4,373
Long service leave levy payable	841	854
<b>Total Current Accrued Employee Benefits</b>	<u><u>6,495</u></u>	<u><u>5,920</u></u>
<b>20. Unearned revenue</b>		
<b>Current</b>		
Unearned revenue	30,144	21,919
<b>Non-Current</b>		
Unearned revenue	20,928	22,290
<b>Total Unearned Revenue</b>	<u><u>51,072</u></u>	<u><u>44,209</u></u>

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

21. Asset revaluation surplus by class

	Land	Buildings	Infrastructure	Heritage & Cultural	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2014	-	-	-	-	-
Revaluation surplus	3,960	11,472	758	-	16,190
<b>Balance 30 June 2015</b>	<b>3,960</b>	<b>11,472</b>	<b>758</b>	<b>-</b>	<b>16,190</b>
	Land	Buildings	Infrastructure	Heritage & Cultural	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2013	2,144	-	-	-	2,144
Revaluation deficit	(2,144)	-	-	-	(2,144)
<b>Balance 30 June 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

22. Reconciliation of operating result to net cash from operating activities

	2015 \$'000	2014 \$'000
Operating surplus/(deficit)	-	(1,453)
<b>Non-cash items:</b>		
Depreciation and amortisation expense	20,040	21,278
Biological assets unrealised (revenue)/expense	-	(434)
Net losses on sale or disposal of property, plant and equipment and intangibles	513	4,389
Net gains on sale or disposal of property, plant and equipment	-	(4,935)
Impairment losses	208	-
Impairment Loss Reversal	(38)	1,654
Asset revaluation decrements	-	1,673
Stocktake write off/write on	-	111
Non cash items	(1,152)	51
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in receivables	5,262	39,713
(Increase)/decrease in appropriation services revenue receivable	12	(10,213)
(Increase)/decrease in long service leave receivables	(445)	1,846
(Increase)/decrease in annual leave receivables	560	689
(Increase)/decrease in inventories	(107)	34
(Increase)/decrease in other assets	(886)	86
(Increase)/decrease in biological assets	(781)	686
Increase/(decrease) in payables	(2,386)	(1,596)
Increase/(decrease) in accrued employee benefits	576	965
Increase/(decrease) in other liabilities	(276)	192
Increase/(decrease) in unearned revenue	6,863	(2,112)
(Increase)/decrease in GST input tax credits receivable	138	1,740
Increase/(decrease) in GST payable	(419)	(1,382)
<b>Net cash from operating activities</b>	<b>27,683</b>	<b>52,983</b>

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

**23. Commitments for Expenditure**

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

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

	<b>2015</b>	<b>2014</b> <sup>(1)</sup>
	<b>\$'000</b>	<b>\$'000</b>
. Not later than 1 year	28,447	28,368
. Later than 1 year and not later than 5 years	77,074	85,609
. Later than 5 years	422,668	438,459
<b>Total non-cancellable operating lease commitments</b>	<b><u>528,189</u></b>	<b><u>552,436</u></b>

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

(1) The 2013-14 commitments have been re-stated to account for long term lease arrangements at EcoSciences Precinct and Health & Food Sciences Precinct.

**(b) Capital Expenditure Commitments**

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

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Buildings	-	14
Plant and equipment	1,284	1,138
Intangibles	-	454
Other	57	-
	<b><u>1,341</u></b>	<b><u>1,606</u></b>
Payable:		
. Not later than 1 year	1,341	1,606
<b>Total capital expenditure commitments</b>	<b><u>1,341</u></b>	<b><u>1,606</u></b>

**(c) Grants and Subsidies Commitments**

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

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
. Not later than 1 year	41,488	19,322
. Later than 1 year and not later than 5 years	21,870	26,496
<b>Total grants and subsidies expenditure commitments</b>	<b><u>63,358</u></b>	<b><u>45,818</u></b>

**(d) Other Expenditure Commitments**

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

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
. Not later than one year	24,626	23,171
. Later than one year and not later than five years	5,048	7,018
. Later than five years	515	1,222
<b>Total other expenditure commitments</b>	<b><u>30,189</u></b>	<b><u>31,411</u></b>

24. Contingencies

(a) Litigation in progress

As at 30 June 2015, the following cases were filed in the courts naming the State of Queensland through DAF or DAF, as defendant:

	2015	2014
Court of Appeal	1	-
Supreme Court	1	2
District Court	1	3
Magistrates Court	9	1
Queensland Civil and Administrative Tribunal (QCAT)	1	-
Federal Court	1	-
Queensland Industrial Relations Commission	1	1
<b>Total number of litigation in progress</b>	<b>15</b>	<b>7</b>

It is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time. The department has also received notification of one other case that is not yet subject to court action. This may or may not result in subsequent litigation. Depending on the outcome of the litigation process, indemnity for the department may be sought in respect of some of the above matters through the Queensland Government Insurance Fund.

(b) Contaminated land sites

Assets of the former Forestry Plantations Queensland (FPQ) were transferred to HQPlantations Pty Ltd (HQPlantations) or the State respectively in 2010. This included the transfer of potentially contaminated land and assets to the State including: underground (fuel) storage tanks, above-ground (fuel) storage tanks and herbicide disposal pits. Responsibility for the potentially contaminated land assets now rest with DAF. In 2011, an independent state-wide review of around 3000 sites with possible contamination prioritised 99 sites for further investigation. An internal review in 2014 further reduced this to 77 sites requiring action.

DAF has developed a contaminated lands asset plan, with Stage 1, being an independent assessment of the fuel storage tanks which is now almost complete. Preliminary advice indicates that at least one of the 15 underground storage tanks will need to be removed, with the remaining tanks either decommissioned in-situ or removed. Initial cost estimates for removal of one tank and in-situ decommissioning of the remainder is in the order of \$350,000. Removal of all tanks may be appropriate to further minimise future risk; with the additional cost not expected to exceed \$100,000 (that is, a total of approximately \$450,000). The total budget for Plantation Oversights for 2015-16 is \$312,000 with limited provision allocated for these expenses. A further submission to Treasury may be required seeking guidance on options to fund any residual expenditure shortfall.

(c) Long-Term Sales Permits

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

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

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

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

25. Financial Instruments

(a) Categorisation of Financial Instruments

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

Category	Note	2015 \$'000	2014 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents	13	46,420	37,356
Receivables	14	45,514	50,526
<b>Total Financial Assets</b>		<b>91,934</b>	<b>87,882</b>
<b>Financial Liabilities</b>			
Payables	18	13,595	16,316
<b>Total Financial Liabilities</b>		<b>13,595</b>	<b>16,316</b>

(b) Financial Risk Management

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

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

All financial risk is managed by the Finance and Asset Management Division under policies approved by the department. The department provides written principles for overall risk management, as well as policies covering specific areas. The department measures risk exposure using a variety of methods as follows:

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

(c) Credit Risk Exposure

Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

**Financial Assets**

The carrying amount of receivables disclosed in Note 14 represents the maximum exposure to credit risk.

Collateral is held as security for Forestry receivables however no credit enhancements relate to financial assets held by the department.

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

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

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

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

Ageing of invoices raised including those impaired financial assets are disclosed in the following tables:

**2015 Financial Assets Past Due But Not Impaired**

	Ageing			Total overdue \$'000
	Less than 30 days \$'000	30 - 60 days \$'000	More than 60 days \$'000	
Receivables	24,701	936	184	25,822
<b>Total</b>	<b>24,701</b>	<b>936</b>	<b>184</b>	<b>25,822</b>

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

25. Financial Instruments (cont'd)

(c) Credit Risk Exposure (cont'd)

2014 Financial Assets Past Due But Not Impaired

	Ageing			Total overdue
	Less than 30 days	30 - 60 days	More than 60 days	
	\$'000	\$'000	\$'000	\$'000
Receivables	14,741	563	5,440	20,744
<b>Total</b>	<b>14,741</b>	<b>563</b>	<b>5,440</b>	<b>20,744</b>

2015 Individually Impaired Financial Assets

	Ageing			Total overdue
	Less than 30 days	30 - 60 days	More than 60 days	
	\$'000	\$'000	\$'000	\$'000
Receivables	-	-	55	55
Allowance for impairment	-	-	(55)	(55)
<b>Carrying Amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2014 Individually Impaired Financial Assets

	Ageing			Total overdue
	Less than 30 days	30 - 60 days	More than 60 days	
	\$'000	\$'000	\$'000	\$'000
Receivables	-	-	438	438
Allowance for impairment	-	-	(438)	(438)
<b>Carrying Amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	2015	2014
	\$'000	\$'000
<b>Movements in Allowance for Impairment</b>		
Opening Balance	(438)	(327)
(Increase)/decrease in allowance recognised in profit or loss	383	(111)
<b>Closing Balance</b>	<b>(55)</b>	<b>(438)</b>

(d) Liquidity Risk

Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The department is exposed to liquidity risk in respect of its payables only.

The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The liquidity risk of financial liabilities held by the department are disclosed in Note 18. The department only has financial liabilities no more than 12 months and hence the liquidity risk is based on the undiscounted cash flows relating to the liabilities at reporting date.

(e) Market Risk

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

(f) Interest Rate Sensitivity Analysis

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

(g) Fair Value

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

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

26. Schedule of Administered Items

	Revenue Collection		QRAA		Forestry Assets	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Administered Income</b>						
Appropriation revenue	-	-	9,211	9,036	157	167
User charges, fees and fines	1,671	1,740	-	-	-	-
Other revenue	-	-	-	-	193	38
<b>Total Administered Income</b>	<b>1,671</b>	<b>1,740</b>	<b>9,211</b>	<b>9,036</b>	<b>350</b>	<b>205</b>
<b>Administered Expenses</b>						
Grants to Queensland Rural Adjustment Authority	-	-	9,211	9,036	-	-
Grant to Australian Agricultural College Corporation	-	-	-	-	-	-
Depreciation and Amortisation	-	-	-	-	158	167
Decrement revaluation of land	-	-	-	-	38	-
Loss on disposal/remeasurement of assets	-	-	-	-	-	528
Other expenses	-	-	-	-	182	3
Transfers of Administered Income to Government	1,671	1,740	-	-	38	38
<b>Total Administered Expenses</b>	<b>1,671</b>	<b>1,740</b>	<b>9,211</b>	<b>9,036</b>	<b>416</b>	<b>736</b>
<b>Operating Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(66)</b>	<b>(531)</b>
<b>Administered Assets</b>						
<b>Current</b>						
Cash and cash equivalents	(52)	(88)	-	-	(47)	1
Receivables	128	664	-	-	39	37
<b>Total</b>	<b>76</b>	<b>576</b>	<b>-</b>	<b>-</b>	<b>(8)</b>	<b>38</b>
<b>Non-Current</b>						
Property, Plant and Equipment	-	-	-	-	3,204	3,212
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,204</b>	<b>3,212</b>
<b>Total Assets</b>	<b>76</b>	<b>576</b>	<b>-</b>	<b>-</b>	<b>3,195</b>	<b>3,250</b>
<b>Administered Liabilities</b>						
<b>Current</b>						
Payables	11	511	-	-	21	40
<b>Total</b>	<b>11</b>	<b>511</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>40</b>
<b>Net Assets</b>	<b>65</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>3,174</b>	<b>3,210</b>
<b>Administered Equity</b>						
<b>Contributed Equity</b>						
Appropriated	65	65	-	-	3,664	3,812
Total Contributed Equity	65	65	-	-	3,664	3,812
Accumulated Surplus/Deficit	-	-	-	-	(693)	(628)
Asset Revaluation Surplus	-	-	-	-	204	25
<b>Total</b>	<b>65</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>3,174</b>	<b>3,210</b>

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

26. Schedule of Administered Items (cont'd)

	General - Not Attributed		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Administered Income</b>				
Appropriation revenue	2,500	1,017	11,868	10,220
User charges, fees and fines	-	-	1,671	1,740
Other revenue	-	-	193	38
<b>Total Administered Income</b>	<b>2,500</b>	<b>1,017</b>	<b>13,733</b>	<b>11,998</b>
<b>Administered Expenses</b>				
Grants to Queensland Rural Adjustment Authority	-	-	9,211	9,036
Grants to Australian Agricultural College Corporation	2,500	1,017	2,500	1,017
Depreciation and Amortisation	-	-	158	167
Decrement revaluation of land	-	-	38	-
Loss on disposal/remeasurement of assets	-	-	-	528
Other expenses	-	-	182	3
Transfers of Administered Income to Government	-	-	1,709	1,778
<b>Total Administered Expenses</b>	<b>2,500</b>	<b>1,017</b>	<b>13,799</b>	<b>12,529</b>
<b>Operating Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>(66)</b>	<b>(531)</b>
<b>Administered Assets</b>				
<i>Current</i>				
Cash and cash equivalents	-	-	(99)	(88)
Receivables	-	-	167	701
<b>Total</b>	<b>-</b>	<b>-</b>	<b>68</b>	<b>614</b>
<i>Non-Current</i>				
Property, Plant and Equipment	-	-	3,204	3,212
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,204</b>	<b>3,212</b>
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>3,272</b>	<b>3,826</b>
<b>Administered Liabilities</b>				
<i>Current</i>				
Payables	-	-	32	551
<b>Total</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>551</b>
<b>Net Assets</b>	<b>-</b>	<b>-</b>	<b>3,240</b>	<b>3,275</b>
<b>Administered Equity</b>				
Contributed Equity				
Appropriated	216	216	3,946	4,093
Total Contributed Equity	216	216	3,946	4,093
Accumulated Surplus/Deficit	(216)	(216)	(909)	(844)
Asset Revaluation Surplus	-	-	204	25
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,240</b>	<b>3,275</b>

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
<b>27. Reconciliation of payments from consolidated fund to administered income</b>		
Budgeted appropriation	9,203	9,330
Equity Adjustment	159	850
Less Appropriated equity withdrawal adjustment payable	-	(2)
Transfers from/to other headings - variation in Headings	476	(465)
Unforeseen expenditure	2,537	-
<b>Total Administered Receipts</b>	<b>12,375</b>	<b>9,713</b>
Less: Opening balance of administered revenue receivable	(507)	-
Plus: Closing balance of administered revenue receivable	-	505
Add: Other Administered appropriation receivable	-	2
<b>Total Administered Items</b>	<b>11,868</b>	<b>10,220</b>
<i>This is represented by:</i>		
Administered item revenue recognised in the statement of comprehensive income	11,868	10,220
<b>Total</b>	<b>11,868</b>	<b>10,220</b>
<b>Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity</b>		
Budgeted equity adjustment appropriation	(159)	-
Transfers from/(to) other headings	-	(848)
<b>Total equity adjustment receipts (payments)</b>	<b>(159)</b>	<b>(848)</b>
Plus: opening balance of equity adjustment payable	2	-
Less: closing balance of equity adjustment payable	-	(2)
<b>Equity adjustment recognised in contributed equity</b>	<b>(157)</b>	<b>(850)</b>
<b>28. Trust transactions and balances</b>		
The department acts as trustee for and manages a number of trusts on behalf of companies and individuals for forestry activities.		
As the department performs only a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for the information of users.		
<b>Trust Collections and Distributions</b>		
<b>Collections</b>		
Forestry security deposits	121	71
Other distributions	41	22
<b>Total Collections</b>	<b>162</b>	<b>93</b>
<b>Distributions</b>		
Forestry security deposits	86	328
Other	68	21
<b>Total Distributions</b>	<b>155</b>	<b>349</b>
<b>Increase (Decrease) in Trust Assets</b>	<b>7</b>	<b>(257)</b>
<b>Trust Assets and Liabilities</b>		
<b>Current Assets</b>		
Cash	624	617
<b>Total Current Assets</b>	<b>624</b>	<b>617</b>
<b>Current Liabilities</b>		
Forestry security deposits	583	549
Other trust balances payable	41	68
<b>Total Current Liabilities</b>	<b>624</b>	<b>617</b>
<b>Total Trust Liabilities</b>	<b>624</b>	<b>617</b>

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

**DEPARTMENT OF AGRICULTURE AND FISHERIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

**29. Budget vs Actual Comparison**

NB. A budget vs actual comparison, and explanations of major variances, has not been included for the Statement of Changes in Equity, as major variances relating to that statement have been addressed in explanations of major variances for other statements.

**Statement of Comprehensive Income**

	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
<b>Income from operations</b>					
Appropriation revenue		287,899	289,450	1,551	1
User charges, fees and fines	1	56,429	68,893	12,464	22
Grants and other contributions	2	40,114	54,893	14,779	37
Royalties and other territorial revenue	3	23,587	26,798	3,211	14
Other revenue	4	100	760	660	660
<b>Total Revenue</b>		<b>408,129</b>	<b>440,794</b>	<b>32,665</b>	<b>8</b>
Gains on disposal/remeasurement of assets	5	450	1,936	1,486	330
<b>Total Income from operations</b>		<b>408,579</b>	<b>442,730</b>	<b>34,151</b>	<b>8</b>
<b>Expenses from operations</b>					
Employee expenses	6	203,897	187,423	16,474	8
Supplies and services	7	140,572	182,667	(42,095)	(30)
Grants and subsidies	8	40,391	49,609	(9,218)	(23)
Depreciation and amortisation	9	21,563	20,040	1,523	7
Impairment losses	10	3	112	(109)	(3,625)
Other expenses	11	2,153	2,879	(726)	(34)
<b>Total Expenses from operations</b>		<b>408,579</b>	<b>442,730</b>	<b>(34,151)</b>	<b>(8)</b>
<b>Operating Result for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Comprehensive Income</b>					
Items that will not be reclassified subsequently to Operating Result:					
Increase/(decrease) in asset revaluation surplus	12	7,972	16,190	8,218	103
<b>Total Other Comprehensive Income</b>		<b>7,972</b>	<b>16,190</b>	<b>8,218</b>	<b>103</b>
<b>Total Comprehensive Income</b>		<b>7,972</b>	<b>16,190</b>	<b>8,218</b>	<b>103</b>

**Explanation of major variances:**

- The increase is largely due to additional revenue for National Cost Sharing (NCS) arrangements from other States and Territories (including the National Red Imported Fire Ant Eradication Program (NRIFAEP)), which were not finalised until after the 2014-15 State Budget was delivered. In addition, increased revenue received by Information and Technology Partners (ITP) relating to discretionary services provided higher than expected through the Business and Corporate Partnership (BCP).
- The increase is largely due to additional revenue from the Australian Government for programs delivered under NCS arrangements (including NRIFAEP), which were not finalised until after the 2014-15 State Budget was delivered. Contributing also to the increase was revenue from Industry Bodies and Research and Development Corporations for contracted research, development and extension projects being higher than expected.
- The increase largely relates to higher than expected royalties received from the sale of hardwood timber and quarry materials.
- The increase is due to revenue received for the Hendra Virus Transmission Dynamics Research initiative and payments from the Department of Education under the Skills Queensland initiative.
- Higher than expected cattle prices due to more favourable conditions has led to an increase in the livestock valuation.
- 2014-15 Budget was structured on nominal full-time equivalent thresholds for budget management purposes. The actual number of occupied positions during this period was less.
- The increase reflects additional expenses for programs delivered under NCS following finalisation of the funding arrangements after the 2014-15 State Budget was delivered, which relates largely to NRIFAEP, and pest and disease emergency responses (including Red Witchweed and Panama TR4). There was also increased expenses associated with contracted Research and Development and projects undertaken by ITP through the BCP. The variance can also be attributed to the increased use of short term hire labour hire contractors, which has provided the department with greater flexibility to meet surge, seasonal and emergency response demands across the state.
- The increase largely relates to additional expenses associated with the Drought Relief Assistance Scheme (DRAS) which provides support to producers affected by drought conditions across the State for freight subsidies and to improve water-related infrastructure. Additional expenses also include a strategic contribution to Horticulture Innovation Australia (HIA) for research into Fusarium TR4 wilt and a one-off drought program administration fee to Queensland Rural Adjustment Authority (QRAA).
- The reduced expense is mainly due to the timing of plant and equipment purchases and capital works projects during 2014-15.
- The increase is mainly due to the impairment of customer relationship management software.
- The increase mainly relates to the loss on sale of the former Deception Bay and Malanda departmental sites.
- The increase in asset revaluations reflects market movements at 30 June 2015.

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

29. Budget vs Actual Comparison (cont'd)

Statement of Financial Position					
	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
<b>Current Assets</b>					
Cash and cash equivalents	13	34,360	46,420	12,060	35
Receivables	14	29,376	45,499	16,123	55
Inventories		1,450	1,174	(276)	(19)
Other current assets	15	4,479	5,594	1,115	25
		69,665	98,688	29,023	42
<b>Total Current Assets</b>		<b>69,665</b>	<b>98,688</b>	<b>29,023</b>	<b>42</b>
<b>Non-Current Assets</b>					
Receivables		47	15	(32)	(68)
Intangible assets	16	5,811	2,856	(2,955)	(51)
Property, plant and equipment	17	366,924	360,176	(6,748)	(2)
Other non current assets		13,069	13,821	752	6
<b>Total Non-Current Assets</b>		<b>385,851</b>	<b>376,868</b>	<b>(8,983)</b>	<b>(2)</b>
<b>Biological Assets</b>					
Biological assets		1,873	2,062	189	10
<b>Total Biological Assets</b>		<b>1,873</b>	<b>2,062</b>	<b>189</b>	<b>10</b>
<b>Total Assets</b>		<b>457,389</b>	<b>477,617</b>	<b>20,228</b>	<b>4</b>
<b>Current Liabilities</b>					
Payables	18	9,470	13,595	(4,125)	(44)
Accrued employee benefits	19	4,961	6,495	(1,534)	(31)
Unearned revenue	20	18,094	30,144	(12,050)	(67)
Other current liabilities		293	40	253	86
<b>Total Current Liabilities</b>		<b>32,818</b>	<b>50,274</b>	<b>(17,456)</b>	<b>(53)</b>
<b>Non-Current Liabilities</b>					
Unearned revenue	21	21,970	20,928	1,042	5
<b>Total Non-Current Liabilities</b>		<b>21,970</b>	<b>20,928</b>	<b>1,042</b>	<b>5</b>
<b>Total Liabilities</b>		<b>54,788</b>	<b>71,203</b>	<b>(16,415)</b>	<b>(30)</b>
<b>Net Assets</b>		<b>402,601</b>	<b>406,415</b>	<b>(3,815)</b>	<b>(1)</b>
<b>Equity</b>					
Contributed Equity		405,772	401,259	(4,513)	(1)
Accumulated surplus/(deficit)		(11,143)	(11,035)	108	(1)
Asset revaluation surplus		7,972	16,190	8,218	103
<b>Total Equity</b>		<b>402,601</b>	<b>406,415</b>	<b>(3,814)</b>	<b>(1)</b>

Explanation of major variances:

13. The increase is largely due to higher than expected funding received in advance of service delivery for contracted research, development and extension projects due to additional project approvals and the proceeds from asset sales.
14. The increase is largely due to a higher than expected end of year appropriation revenue receivable relating to the timing of service delivery and a receivable under NCS arrangements for the NRIFAEP and the eradication of Four Tropical Weeds.
15. The increase largely relates to prepayments related to Information Technology support and maintenance arrangements.
16. The decrease is largely due to the majority of expenditure for the Biosecurity Information Management System (BIMS) not being capitalised as expected due to the operating nature of the costs.
17. The decrease is largely due to asset sales, transfers and impairment, and the timing of plant and equipment purchases and capital works projects.
18. The increase in relates to the timing of expenses that were posted in June 2015 where the appropriation funding had been deferred to 2015-16. In addition the final payment to Sugar Research Australia was accrued in June, due to the timing of contractual negotiations.
19. The increase relates to the timing of payments for accrued employee benefits for salaries and wages on-costs.
20. "The increase largely relates to higher than expected funding for Research and Development projects and funding from Gladstone Port Authority for fish habitat projects.
21. The decrease represents the recognition of revenue for the building fit-out from CSIRO for EcoSciences Precinct and Health Food Sciences Precinct.

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

29. Budget vs Actual Comparison (cont'd)

Statement of Cash Flows	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
Service appropriation receipts		287,899	289,462	1,563	1
User charges and fees	22	58,237	71,848	13,611	23
Grants and other contributions	23	40,114	62,316	22,202	55
Royalties and other territorial receipts	24	23,587	26,798	3,211	14
GST input tax credits received from Australian Taxation Office		13,181	6,503	(6,678)	(51)
GST collected from customers		-	13,112	13,112	-
Other inflows		865	726	(139)	(16)
<i>Outflows:</i>					
Employee expenses	25	(204,022)	(187,420)	16,602	(8)
Supplies and services	26	(154,837)	(183,792)	(28,955)	19
Grants and subsidies	27	(40,391)	(49,609)	(9,218)	23
GST paid to suppliers		-	(19,896)	(19,896)	-
Other outflows		(1,964)	(2,364)	(400)	20
<b>Net cash provided by (used in) operating activities</b>		<b>22,669</b>	<b>27,683</b>	<b>5,014</b>	<b>22</b>
<b>Cash flows from investing activities</b>					
<i>Inflows:</i>					
Sales of property, plant and equipment	28	672	1,498	826	123
<i>Outflows:</i>					
Payments for property, plant and equipment	29	(18,227)	(12,774)	5,453	(30)
Payments for intangibles		-	(679)	(679)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(17,555)</b>	<b>(11,955)</b>	<b>5,600</b>	<b>(32)</b>
<b>Cash flows from financing activities</b>					
<i>Outflows:</i>					
Equity withdrawals	30	(4,625)	(6,664)	(2,039)	44
<b>Net cash provided by (used in) financing activities</b>		<b>(4,625)</b>	<b>(6,664)</b>	<b>(2,039)</b>	<b>44</b>
Net increase/(decrease) in cash and cash equivalents		489	9,064	8,575	1,754
Cash and cash equivalents at beginning of financial year		33,871	37,356	3,485	10
<b>Cash and cash equivalents at end of financial year</b>	13	<b>34,360</b>	<b>46,420</b>	<b>12,060</b>	<b>35</b>

Explanation of major variances:

22. The increase is largely due to additional revenue for NCS arrangements from other States and Territories (including NRIFAEP), which were not finalised until after the 2014-15 State Budget was delivered. In addition, increased revenue received by ITP relating to discretionary services provided higher than expected through the BCP.
23. The increase is largely due to additional revenue from the Australian Government for programs delivered under NCS arrangements including NRIFAEP which were finalised after the 2014-15 State Budget was delivered. Contributing also to the increase was revenue from Industry Bodies and Research and Development Corporations for contracted research, development and extension projects being higher than expected.
24. The increase largely relates to higher than expected royalties received from the sale of hardwood timber and quarry materials.
25. 2014-15 Budget was structured on nominal full-time equivalent thresholds for budget management purposes. The actual number of occupied positions during this period was less.
26. The increase reflects additional expenses for programs delivered under NCS following finalisation of the funding arrangements after the 2014-15 State Budget was delivered, which relates largely to NRIFAEP, and pest and disease emergency responses (including Red Witchweed and Panama TR4). There was also increased expenses associated with contracted Research and Development and projects undertaken by ITP through the BCP. The variance can also be attributed to the increased use of short term hire labour hire contractors which has provided the department with greater flexibility to meet surge, seasonal and emergency response demands across the state.
27. The increase largely relates to additional expenses associated with the DRAS which provides support to producers affected by drought conditions across the State for freight subsidies and to improve water-related infrastructure. Additional expenses also include a strategic contribution to HIA for research into Fusarium TR4 wilt and a one-off drought program administration fee to QRAA.
28. The increase is mainly due to higher than expected proceeds from the sale of assets (including Deception Bay).
29. The decrease is largely due to the timing of plant and equipment acquisitions and capital works projects.
30. The increase largely relates to funding adjustments from equity to operating for BIMS expenses.

DEPARTMENT OF AGRICULTURE AND FISHERIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

29. Budget vs Actual Comparison (cont'd)

Administered Items	Variance Notes	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of Budget
<b>Administered Income</b>					
Appropriation revenue	31	9,395	11,868	2,473	26
User charges, fees and fines	32	1,831	1,671	(160)	(9)
Other revenue		-	193	(193)	-
<b>Total Administered Income</b>		<b>11,226</b>	<b>13,733</b>	<b>2,507</b>	<b>22</b>
<b>Administered Expenses</b>					
Grants and subsidies					
Grants to Queensland Rural Adjustment Authority		9,203	9,211	(8)	-
Grants to Australian Agricultural College Corporation	33	-	2,500	(2,500)	-
Depreciation and Amortisation		192	158	34	18
Other expenses		-	182	(182)	-
Transfers of Administered Income to Government	34	1,831	1,709	122	7
<b>Total Administered Expenses</b>		<b>11,226</b>	<b>13,799</b>	<b>(2,573)</b>	<b>(23)</b>
<b>Operating Surplus/(Deficit)</b>		<b>-</b>	<b>(66)</b>	<b>66</b>	<b>-</b>
<b>Administered Assets</b>					
<i>Current</i>					
Cash and cash equivalents		75	(99)	(174)	(232)
Receivables		38	167	129	340
<b>Total</b>		<b>113</b>	<b>68</b>	<b>(45)</b>	<b>(40)</b>
<i>Non-Current</i>					
Property, Plant and Equipment	35	4,215	3,204	(1,011)	(24)
<b>Total</b>		<b>4,215</b>	<b>3,204</b>	<b>(1,011)</b>	<b>(24)</b>
<b>Total Assets</b>		<b>4,328</b>	<b>3,272</b>	<b>(1,056)</b>	<b>(24)</b>
<b>Administered Liabilities</b>					
<i>Current</i>					
Payables		48	32	16	33
<b>Total</b>		<b>48</b>	<b>32</b>	<b>16</b>	<b>33</b>
<b>Net Assets</b>		<b>4,280</b>	<b>3,240</b>	<b>(1,040)</b>	<b>(24)</b>
<b>Administered Equity</b>					
Contributed Equity					
Appropriated		4,560	3,946	614	13
Total Contributed Equity		4,560	3,946	614	13
Accumulated Surplus/Deficit		(313)	(909)	596	(191)
Asset Revaluation Surplus		33	204	(171)	(517)
<b>Total</b>	35	<b>4,280</b>	<b>3,240</b>	<b>(1,040)</b>	<b>(24)</b>

Explanation of major variances:

31. The increase reflects the additional funding provided towards supporting service delivery for the Queensland Agricultural Training Colleges
32. The decrease reflects a lower than expected demand for intensive livestock environmental regulatory fees.
33. Refer to Variance Note 31.
34. Refer to Variance Note 32.
35. The decrease reflects the sale of former Forestry Plantations Queensland assets.

30. Events occurring after balance date

There are no events subsequent to balance date, which would have material effect on the information provided in the department's controlled or administered financial statements.

**Certificate of the Department of Agriculture and Fisheries**

---

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with Section 62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Agriculture and Fisheries for the financial year ended 30 June 2015 and of the financial position of the department at the end of that year; and
- c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

*Leith Brown*

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

*Jack Noye*

Jack Noye  
Director-General

17/8/15

Date

17/8/15.

Date

QAO  
certified statements

## INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Agriculture and Fisheries

### Report on the Financial Report

I have audited the accompanying financial report of the Department of Agriculture and Fisheries, which comprises the statement of financial position and statement of assets and liabilities by major departmental services, as at 30 June 2015, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certificates given by the Director-General and the Chief Finance Officer.

#### *The Accountable Officer's Responsibility for the Financial Report*

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

#### *Auditor's Responsibility*

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

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

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

### *Independence*

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

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

### *Opinion*

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

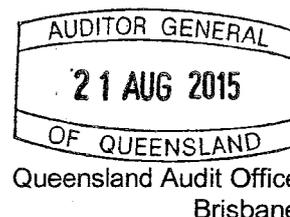
- (a) I have received all the information and explanations which I have required
- (b) in my opinion:
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Agriculture and Fisheries for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

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

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



A M GREAVES FCA-FCPA  
Auditor-General of Queensland



# Our essential disclosures

To support accountability and transparency across government, the following appendices contain our essential disclosures.

In addition, a number of reporting requirements are now released online through the Open Data Portal in lieu of inclusion in the annual report.

Reporting requirement	Available series
Consultancies	2012–13, 2013–14, 2014–15
Overseas travel	2012–13, 2013–14, 2014–15
<i>Queensland cultural diversity policy</i>	2013–14
<i>Queensland Government language services policy</i>	2014–15
<i>The Queensland multicultural action plan</i>	2012–13
Government bodies	2014–15

## Appendix 1: Related entities

Table A1: Related entities (2014–15)

Name	Type of entity	Functions	Legislation under which the entity was established	Annual reporting arrangement
Queensland Agricultural Training Colleges <sup>1</sup>	Statutory body	Provide high-quality agricultural and rural vocational education and training	<i>Queensland Agricultural Training Colleges Act 2005</i>	Annual report tabled in Parliament
Darling Downs–Moreton Rabbit Board	Statutory body	To take reasonable steps to ensure the board's operational area is kept free from rabbits	<i>Land Protection (Pest and Stock Route Management) Act 2002</i> (will continue under the new <i>Biosecurity Act 2014</i> )	Annual report tabled in Parliament
QRAA	Statutory body	Administering approved financial assistance schemes	<i>Rural and Regional Adjustment Act 1994</i>	Annual report tabled in Parliament
Safe Food Production Queensland	Statutory body	Food safety relating to the production of primary produce	<i>Food Production (Safety) Act 2000</i>	Annual report tabled in Parliament
Veterinary Surgeons Board of Queensland	Statutory authority	Registration of veterinary surgeons and the control of veterinary science practice	<i>Veterinary Surgeons Act 1936</i>	The transactions of the entity are included in the department's financial statements

<sup>1</sup> Previously the Australian Agricultural College Corporation—renamed Queensland Agricultural Training Colleges under the *Queensland Agriculture Training Colleges Act 2005* as at 1 July 2014

## Appendix 2: Boards and committees

Details on board and committee membership, sittings and remuneration can be found online at [www.data.qld.gov.au](http://www.data.qld.gov.au).

Table A2: Boards and committees (2014–15)

Name (and type) of board or committee	Functions and responsibilities	Achievements for 2014–15
Agriculture, Fisheries and Forestry Skills Industry Advisory Group (advisory)	Advise industry and government on workforce development strategies to meet the priorities of the Queensland primary industries and fisheries sectors	Oversaw the development and release of the <i>Blueprint for agricultural education in Queensland: 2015–2020</i> (released 4 December 2014)
Animal Ethics Committee (regulatory)	Provide approvals for animal use and monitor activities that use animals for scientific purposes	The committee met on 26 occasions and considered 135 applications to use animals for research or teaching; considered 273 annual reports, 116 project completions and 93 amendments; and inspected and reported on 16 facilities
Animal Welfare Advisory Committee (advisory)	Provide the minister with advice on animal welfare matters	No advisory meetings were held during 2014–15
Biosecurity Queensland Ministerial Advisory Council (advisory)	Provide independent strategic advice on Queensland's biosecurity	The council met twice in 2014–15 It is currently in the process of providing advice to the minister in relation to the renewed biosecurity strategy for Queensland and providing input for the independent review into Queensland's biosecurity capability
Biosecurity Queensland Ministerial Advisory Council—Invasive Plants and Animals Subcommittee (advisory)	Provide current, high-level independent and strategic advice to the Biosecurity Queensland Ministerial Advisory Council on a broad range of invasive plant and animal issues referred to it by the council and the department—for example, weeds, pest animals (including pest fish and invasive invertebrates) and marine pests	The committee continued its review of the Queensland weed and pest animal strategies and received updates on the DAF–local government co-investment model and the Queensland component of the federal government drought package for feral animal management In addition, the sub-committee considered the feral pig problem in Queensland and the new 1080 system
Biosecurity Queensland Ministerial Advisory Council—Cattle Tick Management Queensland Subcommittee (advisory)	Provides advice to the minister on aspects of cattle tick control and management in Queensland	The committee met once during 2014–15, providing input into development of strategies for future management of cattle ticks under the new <i>Biosecurity Act 2014</i> Appointments expired in November 2014, new committee being formed awaiting nominations and appointment
Fisheries Netting Buyback Stakeholder Working Group (advisory)	Provides the mechanism for industry consultation on the implementation of a \$9 million targeted voluntary buyback program of commercial fishing licences (N1 and N2) The buyback targets large mesh and gill nets, with a special focus on important recreational fishing locations and areas of high conservation value	The stakeholder working group met in January 2014 to discuss the outcome of the second scheme and plan the third scheme eligibility criteria The working group presented a suggested way forward for the third scheme to the minister, which enabled rules to be finalised for the last stage of the buyout (to commence 25 August 2014) The working group has been disbanded following the completion of the final netting buyback scheme in December 2014

Name (and type) of board or committee	Functions and responsibilities	Achievements for 2014–15
Fisheries Review Committee (ministerial advisory committee)	<p>In 2014, the then minister commissioned a full review of fisheries management</p> <p>The review was undertaken by independent consultants MRAG Asia Pacific, and the minister appointed the committee as a fishery stakeholder advisory committee to provide advice to both himself and MRAG Asia Pacific during the review process</p>	<p>The committee met several times during 2014 by teleconference and twice for workshops, and their advice contributed to MRAG Asia Pacific's deliberations</p> <p>The committee was disbanded after the review concluded at the end of 2014</p>
Horticulture Industry Development Advisory Group (advisory)	Facilitate the ongoing growth and prosperity of the Queensland horticulture industry	The group met twice to monitor key issues for industry development, discuss working group activities and provide feedback on policy and program initiatives
Line Fishery Working Group (advisory)	Consult with commercial fishers to investigate the benefits of a resource-sharing allocation with the recreational and charter sector to promote economic viability of line fishing in Queensland	<p>Developed and provided advice to DAF on a harvest strategy for quota setting for coral trout</p> <p>New quota decision rules for coral trout were adopted following targeted consultation in March and April 2014</p> <p>The chief executive of DAF declared a revised quota from 1 July—the decision rules bring in line quota setting with best practice management</p> <p>The working group was disbanded in May 2015—there was no remuneration for this working group</p> <p>With broader issues that now need to be discussed with all sectors in order to achieve policy outcomes as set out in the government's sustainable fishing policy, DAF will be appointing a new working group with broader representation from all line fishery sectors later in the 2015 to advise the department on achieving these outcomes</p>
Ministerial Agricultural Land Audit Overseeing Committee (consultative)	Provide advice about the agricultural land audit regarding methodology, approach, information sources, reporting style and communication, and draft reports	<p>Proxy members agreed to a recommendation from the government steering committee to postpone the commencement of the independent program evaluation by six months to allow additional time for uptake of newly released audit products</p> <p>The minister officially dissolved the overseeing committee on 5 May 2015</p>
Queensland Dog Offensive Group (advisory)	Provides advice to the Biosecurity Queensland Ministerial Advisory Committee on the strategic direction of wild dog management in Queensland	The committee considered government initiatives to provide greater access to 1080 and a trial to assess the practicality of greater compliance of wild dog control by landholders under the <i>Land Protection (Pest and Stock Route Management) Act 2002</i>

Name (and type) of board or committee	Functions and responsibilities	Achievements for 2014–15
Queensland National Livestock Identification System Advisory Committee (advisory)	Provides advice to the minister on aspects of livestock identification and traceability	The committee met twice in the year The committee provided policy input and advice on the Queensland position on a wide range of matters, including cattle, sheep and goats, pigs and lama identification, national vendor declarations, changes to legislation, device and tag accreditation, and property identification codes and device-based status
State Land Pest Managers Committee (regulatory)	<p>Improve the management of weeds, pest animals and diseases on state-controlled land</p> <p>Coordinate, and achieve consistency in, weed, pest animal and disease management activities on state-controlled land</p> <p>Oversee the implementation of activities for managing weeds, pest animals and diseases on state-controlled land</p> <p>Integrate activities for managing weeds, pest animals and diseases on state-controlled lands into local and regional strategies</p>	The committee agreed on a state land pest management framework and reporting template, which will help state agencies coordinate their activities and demonstrate how they are meeting obligations for the management of invasive plants, animals and diseases on land under their direct control
Veterinary Surgeons Board of Queensland (regulatory/registration)	Exercise and discharge the powers, authorities, duties and functions conferred by the <i>Veterinary Surgeons Act 1936</i> , including registration of veterinary surgeons and veterinary specialists, administration of the disciplinary provisions and acting in the public interest on consumer protection and animal welfare in the delivery of veterinary services	<p>Registrations in 2014–15 totalled 2555 veterinary surgeons and 89 veterinary specialists</p> <p>The board met 9 times to consider 60 complaint cases (6 progressed to professional misconduct proceedings and 4 were referred to the Queensland Civil and Administrative Tribunal), determined suitability of 60 premises for use as veterinary premises, and resolved issues relating to policy, governance and legislative matters</p>
Wild Dog Barrier Fence Panel (regulatory)	Assists DAF by overseeing management decisions relating to the wild dog barrier fence operations	The panel reviewed progress against the 2014–15 operational plan and viewed current work in many areas, including areas of reconstruction

## Appendix 3: Departmental statements

Table A3: Performance statements (2014–15)

	Notes	2014–15 target/estimate	2014–15 estimated actual	2014–15 actual
<b>Service area: Agriculture</b>				
Percentage of graziers and canegrowers who have increased knowledge and skills through participation in best management practice programs	1	20%	20%	74%
Percentage of applications for business assistance as a result of natural disaster or drought processed within 21 days of lodgement		90%	94%	95%
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of funded innovation and capacity-development activities		60%	60%	73%
Proportion of assisted firms reporting improved performance following funded innovation and capacity development activities		60%	60%	60%
Level of funding partner satisfaction that research outcomes contribute to industry productivity growth	2	60%	79%	79%
Percentage return on research and development investment through royalty returns		4%	4%	4.32%
<b>Service area: Biosecurity Queensland</b>				
Percentage of significant response programs on track to deliver nationally agreed outcomes (on time and on budget)	3	100%	100%	100%
Percentage of high-priority laboratory results completed, verified and made available within agreed time and quality specifications		95%	96%	96%
Average cost per transaction to deliver biosecurity registration, certification and licensing services	4	\$20.50	\$23.24	\$22.71
<b>Service area: Fisheries and Forestry</b>				
Percentage of key Queensland fish stocks assessed as being sustainably fished	5	75%	n/a	n/a

	Notes	2014–15 target/estimate	2014–15 estimated actual	2014–15 actual
Percentage of applications for development-related approvals processed within agreed time frames		100%	100%	100%
Percentage of units inspected that are compliant with fisheries laws		93%	93%	93%
Total of forest product sale quantities per total forest product full-time equivalent (FTE):				
Native forest timber (m <sup>3</sup> /FTE)	6	2 650	3 110	3 210
Quarry material (m <sup>3</sup> /FTE)		52 940	54 150	49 790

### Variance reporting

1. Few extension initiatives have sought to evaluate actual practice adoption with this level of rigour, so there was no suitable local benchmark to base an adoption target upon at the time. Conventional experience suggested that 20% would be a significant achievement. Achieving continuous management practice improvement within a defined population is expected to become less feasible over time.
2. The 2014–15 target/estimate was based on previous survey results. In 2014–15, work was undertaken to better link the survey questions with funding partners' satisfaction with the achievement of stated research outcomes and the effect the research outcomes had on productivity. As a result, 2014–15 recorded a higher degree of satisfaction, which accounts for the increase from the 2014–15 target/estimate to the 2014–15 estimated actual.
3. The National Red Imported Fire Ant Eradication Program's (NRIFEAP) South East Queensland and Yarwun eradication programs are both on track, and the independent review of the South East Queensland NRIFAEP commenced in May. Negotiations are ongoing at the national level to extend the National Electric Ant Eradication Program to 30 June 2016. The request has been agreed to by the Agricultural Senior Officer's Committee and will be progressed to the Agricultural Minister's Forum.
4. The actual transaction costs are marginally higher than the target estimate. The volume of applications and licences received in the last quarter were higher than the number forecast at the time of calculating the estimated actual.
5. There are no new concerns around sustainability. Changes in recorded performance are reflective of the change in methodology introduced to align performance assessment nationally. This measure has been discontinued—for 2015–16, a new measure will be introduced to reflect the new methodology.
6. The increase from the 2014–15 target/estimate to the 2014–15 estimated actual is a result of DAF forest products' higher than expected year-to-date log timber sales underpinned by strong market demand for timber products.

## Appendix 4: Administered legislation

The public business of the State of Queensland is divided among its ministers. Each ministerial portfolio carries particular responsibilities, including the administration of relevant legislation. As at 30 June 2015, DAF administered the following legislation for the Minister for Agriculture and Fisheries and Minister for Sport and Racing.

The Department of Agriculture, Fisheries and Forestry (established under Administrative Arrangements Order No. 3 2012 on 3 April 2012) became the Department of Agriculture and Fisheries under Administrative Arrangements Order (No 1) 2015 on 16 February 2015.

Table A4: Legislation administered by DAF (2014–15)

Legislation	Note
<i>Agricultural and Veterinary Chemicals (Queensland) Act 1994</i>	
<i>Agricultural Chemicals Distribution Control Act 1966</i>	
<i>Agricultural Standards Act 1994</i>	<i>Agricultural Standards Act 1994</i> will be repealed when the <i>Biosecurity Act 2014</i> commences
<i>Animal Care and Protection Act 2001</i>	
<i>Animal Management (Cats and Dogs) Act 2008</i>	
<i>Apiaries Act 1982</i>	<i>Apiaries Act 1982</i> will be repealed when the <i>Biosecurity Act 2014</i> commences
<i>Biological Control Act 1987</i>	
<i>Biosecurity Act 2014</i>	<i>Biosecurity Act 2014</i> received assent on 13 March 2014—it will commence no later than 1 July 2016
<i>Brands Act 1915</i>	
<i>Chemical Usage (Agricultural and Veterinary) Control Act 1988</i>	
<i>Diseases in Timber Act 1975</i>	<i>Diseases in Timber Act 1975</i> will be repealed when the <i>Biosecurity Act 2014</i> commences
<i>Drugs Misuse Act 1986 (Part 5B)</i>	
<i>Exhibited Animals Act 2015</i>	<i>Exhibited Animals Act 2015</i> received assent on 11 June 2015—it will commence with the <i>Biosecurity Act 2014</i> no later than 1 July 2016
<i>Exotic Diseases in Animals Act 1981</i>	<i>Exotic Diseases in Animals Act 1981</i> will be repealed when the <i>Biosecurity Act 2014</i> commences
<i>Fisheries Act 1994</i>	Except for fish habitat areas
<i>Food Production (Safety) Act 2000</i>	
<i>Forestry Act 1959</i>	Jointly administered by the Minister for Agriculture and Fisheries and Minister for Sport and Racing, and the Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef
<i>Land Protection (Pest and Stock Route Management) Act 2002</i>	Except to the extent that it is relevant to stock route management Relevant parts of the <i>Land Protection (Pest and Stock Route Management) Act 2002</i> will be repealed when the <i>Biosecurity Act 2014</i> commences

Legislation	Note
<i>Nature Conservation Act 1992</i>	To the extent that it is relevant to demonstrated and exhibited native animals Relevant parts of the <i>Nature Conservation Act 1992</i> will be repealed when the <i>Exhibited Animals Act 2015</i> commences
<i>Plant Protection Act 1989</i>	<i>Plant Protection Act 1989</i> will be repealed when the <i>Biosecurity Act 2014</i> commences.
<i>Queensland Agricultural Training Colleges Act 2005</i>	<i>Queensland Agricultural Training Colleges Act 2005</i> was known as the <i>Agricultural Training Colleges Act 2005</i> until 1 July 2014, with further significant amendments commencing on 1 August 2014
<i>Rural and Regional Adjustment Act 1994</i>	
<i>Stock Act 1915</i>	<i>Stock Act 1915</i> will be repealed when the <i>Biosecurity Act 2014</i> commences
<i>Sugar Industry Act 1999</i>	
<i>Torres Strait Fisheries Act 1984</i>	
<i>Veterinary Surgeons Act 1936</i>	

## Appendix 5: Compliance checklist

Table A5: Compliance checklist (2014–15)

Summary of requirement		Basis for requirement	Annual report page reference
Letter of compliance	<ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant minister</li> </ul>	ARRs— section 8	iii
Accessibility	<ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> <li>Public availability</li> <li>Interpreter service statement</li> <li>Copyright notice</li> <li>Information licensing</li> </ul>	ARRs—section 10.1  ARRs—section 10.2 <i>Queensland Government language services policy</i>  ARRs—section 10.3 <i>Copyright Act 1968</i>  ARRs—section 10.4 <i>Queensland Government enterprise architecture— information licensing</i>  ARRs—section 10.5	iv-v  133-134  ii  ii  ii  ii
General information	<ul style="list-style-type: none"> <li>Introductory information</li> <li>Agency role and main functions</li> <li>Operating environment</li> <li>Machinery-of-government changes</li> </ul>	ARRs—section 11.1  ARRs—section 11.2  ARRs—section 11.3  ARRs—section 11.4	1, 2  3-4, 128-129  1,2  Outlook sections  3, 128
Non-financial performance	<ul style="list-style-type: none"> <li>Government's objectives for the community</li> <li>Other whole-of-government plans/ specific initiatives</li> <li>Agency objectives and performance indicators</li> <li>Agency service areas and service standards</li> </ul>	ARRs—section 12.1  ARRs—section 12.2  ARRs—section 12.3  ARRs—section 12.4	9-12  21, 29, 37, 42, 52-53  3, 18-58  6, 126-127
Financial performance	<ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>	ARRs—section 13.1	13-17

Summary of requirement		Basis for requirement	Annual report page reference
Governance—management and structure	<ul style="list-style-type: none"> <li>Organisational structure</li> <li>Executive management</li> <li>Government bodies</li> <li><i>Public Sector Ethics Act 1994</i></li> </ul>	ARRs—section 14.1 ARRs—section 14.2 ARRs—section 14.3 ARRs—section 34.4 <i>Public Sector Ethics Act 1994</i> (section 23 and schedule) ARRs—section 14.4	5 7-8, 60 Appendix 1 Appendix 2 4, 62
Governance—risk management and accountability	<ul style="list-style-type: none"> <li>Risk management</li> <li>External scrutiny</li> <li>Audit committee</li> <li>Internal audit</li> <li>Information systems and recordkeeping</li> </ul>	ARRs—section 15.1 ARRs—section 15.2 ARRs—section 15.3 ARRs—section 15.4 ARRs—section 15.5	60-62, 64-65 64 60-62 62-63 66-67
Governance—human resources	<ul style="list-style-type: none"> <li>Workforce planning and performance</li> <li>Early retirement, redundancy and retrenchment</li> </ul>	ARRs—section 16.1 <i>Directive no.11/12: early retirement, redundancy and retrenchment</i> ARRs—section 16.2	68-71 70
Open data	<ul style="list-style-type: none"> <li>Open data</li> </ul>	ARRs—section 17	67, 121
Financial statements	<ul style="list-style-type: none"> <li>Certification of financial statements</li> <li>Independent auditor's report</li> <li>Remuneration disclosures</li> </ul>	FAA—section 62 FPMS—sections 42, 43 and 50 ARRs—section 18.1 FAA—section 62 FPMS—section 50 ARRs—section 18.2 <i>Financial reporting requirements for Queensland Government agencies</i> ARRs—section 18.3	188 119-120 94-96

**Notes:**

FAA—*Financial Accountability Act 2009*

FPMS—*Financial and Performance Management Standard 2009*

ARRs—*Annual report requirements for Queensland Government agencies*

# Acronyms

<b>BIMS</b>	Biosecurity Information Management System
<b>BPP</b>	Biosecurity Preparedness Program
<b>CRM</b>	Customer Relationship Management
<b>CSIRO</b>	Commonwealth Scientific Industrial Research Organisation
<b>DAF</b>	Department of Agriculture and Fisheries
<b>DRAS</b>	Drought Relief Assistance Scheme
<b>eDRMS</b>	Electronic Document and Records Management System
<b>EPBC</b>	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
<b>FTE</b>	full-time equivalent
<b>GSRMAP</b>	<i>Great Sandy regional marine aquaculture plan</i>
<b>ICT</b>	information and communications technology
<b>IGAB</b>	<i>Intergovernmental agreement on biosecurity</i>
<b>NDRRA</b>	National Disaster Relief and Recovery Arrangements
<b>NRIFAEP</b>	National Red Imported Fire Ant Eradication Program
<b>QBFP</b>	Queensland Boating and Fisheries Patrol
<b>QGIAS</b>	Queensland Government Internal Audit Service
<b>QRAA</b>	Queensland Rural Adjustment Authority
<b>RD&amp;E</b>	research, development and extension
<b>WALI</b>	Web-based Agricultural Land Information
<b>WHS</b>	work health and safety

# Glossary

<b>aquaculture</b>	the rearing of aquatic animals or the cultivation of aquatic plants for food
<b>banana freckle</b>	a fungal disease that causes large and small spots on leaves and fruit of bananas; severe infection results in yellowing of the leaf, which withers and dies; the disease may also cause blemishes on fruit
<b>biodiversity</b>	the variety within and between all species of plants, animals and micro-organisms and the ecosystems within which they live and interact
<b>bioenergy</b>	energy from any fuel that is derived from biomass (living or recently living organisms or their metabolic by-products, e.g. cow manure)
<b>bovine Johne's disease</b>	a serious disease of cattle, sheep, goats, alpacas, llamas, camels and deer that produces chronic diarrhoea or ill thrift leading to emaciation and eventually death
<b>broadacre cropping</b>	the growing of plants and/or the production of bulk plant materials (such as cereal grains, oil seeds or pulses) for commercial purposes that live for less than two years, are dependent on cultivation of the soil and usually require some nutrient, weed and moisture control
<b>chain-of-custody</b>	tracks a wood or forest product from its origin in a certified forest through to its end use by the consumer
<b>cucumber green mottle mosaic virus</b>	a plant disease that infects cucurbit crops, including watermelon, cucumber, melons, zucchini, pumpkin, squash, bitter melon, and bottle gourd; CGMMV can result in substantial crop losses
<b>foot-and-mouth disease</b>	a highly contagious viral infection that affects cloven-hoofed animals (animals with hooves divided into two parts, such as cattle, sheep, pigs, goats, deer and buffalo); it does not currently occur in Australia
<b>forest product</b>	any material derived from a forest for commercial use (e.g. log timber, other timber, seed, foliage, wildflowers)
<b>grazing</b>	the use of land for the production of animals that are fed on native or introduced pastures or plants
<b>gross value of production</b>	the value of final goods and services produced in a given period
<b>Hendra virus</b>	a zoonotic disease (one that can transfer from animals to people, e.g. flying fox to horse, horse to human) that can cause disease in horses but only rarely in humans; in horses, it can cause an acute onset of clinical signs and rapid progression to death associated with either respiratory and/or neurological signs
<b>national vendor declarations</b>	a cattle industry marketing initiative to help producers document the history of chemical use and treatment of animals offered for sale
<b>open data</b>	data in its rawest form, made available free of charge

<b>Open Data Portal</b>	a collection of agency-owned datasets that allows the public to find, access and reuse raw data from the Queensland Government
<b>Panama disease tropical race 4</b>	a destructive fungal disease of banana plants of which there are four strains; it invades the vascular tissue (xylem) through the roots causing discolouration and wilting; tropical race 4 varies from other strains in that onset is generally quicker and the disease is generally more aggressive
<b>plantation forestry</b>	the establishment and management of plantations of trees (native or exotic species) for commercial production of timber
<b>property identification codes</b>	an assigned code issued by Biosecurity Queensland to identify properties that hold livestock
<b>pulses</b>	annual crops yielding 1–12 seeds of various sizes, shapes and colours within a pod (e.g. kidney beans, lentils, navy beans, dry peas); also called grain legumes
<b>red imported fire ants</b>	small red ants originally from South America that inflict a painful, fiery sting and could severely damage the environment, our outdoor lifestyle and the agriculture and tourism industries
<b>red witchweed</b>	a parasitic weed that grows attached to the roots of a ‘host plant’—the weed robs its host of water and nutrients, suppressing its growth; hosts include commercially important grasses and summer cereals
<b>remote-sensing imagery</b>	the use of satellites, airborne sensors and ground-based platforms to map and monitor Queensland’s landscape
<b>transmissible spongiform encephalopathy</b>	a group of progressive neurological disorders that are transmissible and affect a number of animal species and people
<b>yellow canopy syndrome</b>	a condition affecting sugarcane crops in Queensland, it can be caused by drought stress, phytotoxicity (or herbicide damage), insect attack, disease, nutrient deficiency or natural maturing

# Contact us

Enquiries regarding this document are welcome:

## **Call**

13 25 23 (Queensland callers only)

(07) 3404 6999 (outside Queensland)

Monday, Tuesday, Wednesday and Friday: 8 am to 5 pm

Thursday: 9 am to 5 pm

## **Post**

Department of Agriculture and Fisheries

GPO Box 46

Brisbane Qld 4001

Australia



