

2019–2020 ANNUAL REPORT



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Letter of compliance

18 September 2020

The Honourable Mark Furner MP
Minister for Agricultural Industry Development and Fisheries
1 William Street
BRISBANE QLD 4000

Dear Minister

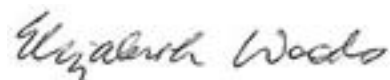
I am pleased to submit for presentation to Parliament the *Annual report 2019–20* and financial statements for the Department of Agriculture and Fisheries.

I certify that this annual report complies with:

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

A checklist outlining the annual reporting requirements can be found in Appendix 6, page 144 of this annual report.

Yours sincerely



Dr Elizabeth Woods

Director-General
Department of Agriculture and Fisheries

Message from the Director-General

The past year has been one of unparalleled events and challenges. A year of disruption. It has been a difficult time for many—with global market instability, response to and continuing recovery from natural disasters including the devastating bushfires and ongoing drought, plus, more recently, the coronavirus (COVID-19) pandemic.

This period has seen tremendous dislocation but also the community coming together. The impacts of COVID-19 have demonstrated just how fundamental the agriculture, food and fibre sector—of both Queensland and Australia—is to the broader economy. It underpins our way of life. I am particularly proud of our efforts in supporting the enduring viability of the sector and the state's economic recovery as we face the challenges arising from COVID-19. The management of and recovery from the pandemic is a marathon, not a sprint, and we have shown our commitment to this. On 19 March 2020, we stood up the department's State Coordination Centre to manage the internal and external issues arising from the COVID-19 pandemic. The State Coordination Centre continues to work diligently to provide a coordinated and consistent approach to our response.

Regular and sustained dialogue with industry has been key to the department's response to these many challenges. To support local producers and jobs, we worked closely with industry to identify concerns, coordinate responses and rapidly address critical issues such as the availability of overseas labour and the seasonal workforce. The deployment of more than 100 agriculture coordination officers to provide vital support to producers, industry and local governments affected by COVID-19 has helped enormously. These officers have been helping producers and industry across Queensland access relevant information quickly. This focused engagement gave a voice to industry, agribusinesses, and the fishing and forestry sectors across their value chains. It created a direct link between government and industry to implement practical solutions quickly and strengthen Queensland communities.

In March, applications opened for the new Market Diversification and Resilience Grants Program, providing help to Queensland agribusiness exporters directly affected by the COVID-19 outbreak. In June, we initiated support under *Queensland's economic recovery strategy: unite and recover for Queensland jobs* for digital transformation in the agribusiness and food industry to reinvigorate trade relationships and diversification in a post-pandemic environment.

The dramatic, wide-ranging and rapid changes we face present both opportunities and challenges for Queensland and the sector. Much of the department's strategic direction has now been set through the ongoing work to implement the strategic policies for fisheries, biosecurity, and research and development.

Following an extensive industry engagement process, the Growing for Queensland strategy was developed for consideration by Cabinet. However, due to the impacts of and reprioritisation of resources associated with the government's COVID-19 response, the implementation of the strategy has been delayed.

The Growing for Queensland strategy is a whole-of-government strategy based around five opportunities for transformation: exploring frontiers, unlocking regional jobs, expanding value chains, harnessing people power, and building natural capital. It provides key focus areas for government to ready Queensland's agriculture sector for the future. The five opportunities for transformation will now inform the government's response to and recovery from COVID-19.

The department continues to provide assistance as the drought heads into its seventh year, with just over two-thirds of Queensland's land area drought-declared. We provided support through the multi-agency Drought Assistance Package and implementation of the Queensland drought reforms in support of the National Drought Agreement, as well as the Queensland Drought and Climate Adaptation Program.

In parallel with its response activities, the department continued to make significant progress against its other strategic priorities. Our major initiatives helped to strengthen the sector's value to the economy, the environment and communities, contributing to achievement of four of the six priorities under the Queensland Government's *Our Future State: Advancing Queensland's Priorities*—**Create jobs in a strong economy, Keep Queenslanders healthy, Protect the Great Barrier Reef** and **Be a responsive government**.

Earlier in 2019–20, I was proud to see great Queensland products succeeding in export markets during the trade mission to Indonesia and Singapore and inbound trade meetings and delegations from China, Taiwan, South Korea and Japan.

I am also pleased to report that the *Queensland agriculture and food research, development and extension 10-year roadmap and action plan* advanced, with a broad portfolio of programs across Queensland Government coming together and supporting the development and competitiveness of Queensland's agriculture and food industries through research, innovation and adoption. Innovation and collaboration will be critical to the sector's ability to navigate the changing operating environment it faces in coming years.

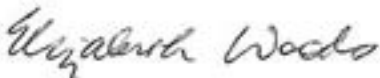
To ensure that Queensland is protected from biosecurity threats and invasive plants and animals, we continued implementing the *Queensland biosecurity strategy: our next five years 2018–2023* and the *Queensland invasive plants and animals strategy 2019–2024*, and established the new Biosecurity Queensland Ministerial Advisory Council. We also delivered the full treatment season for eradication of red imported fire ants, despite the many challenges.

Our support for agriculture industries in Great Barrier Reef catchments to improve Reef water quality is on track. We have continued progressing the service reforms in the *Queensland sustainable fisheries strategy 2017–2027* and are implementing the Native Timber Action Plan. The year also saw a number of changes to recreational, charter and commercial fishing rules to ensure our fish stocks remain available for future generations.

While we all face an uncertain future with COVID-19 impacting our plans and resources, it is more important than ever to deliver services efficiently, effectively and economically to meet community and consumer expectations and needs in a flexible, agile and responsive manner. DAF remains focused on transforming the way we do business, to create a contemporary and response-ready workforce and industry.

In closing, I would like to thank our partners and all our staff for their dedication and willingness to diversify and explore new methods of working during and in recovery from the COVID-19 pandemic. Extraordinary efforts were made to ensure that the department maintained its business operations across the state during the peak of the crisis. I am extremely appreciative and proud of the efforts of each and every one of the department's officers. I would also like to thank the leadership team for their dedication and efforts and the Minister and his team for their strong support.

On behalf of the department, I am pleased to present the annual report for 2019–20, which provides a complete overview of our highlights and achievements. The sector played a vital role during the coronavirus pandemic; it will also play a critical part on the road to economic recovery. I am very optimistic about the future of Queensland's agrifood sector.



Dr Elizabeth Woods

Director-General
Department of Agriculture and Fisheries

Performance snapshot

This snapshot shows how the Department of Agriculture and Fisheries (DAF) supported the Queensland Government's objectives for the community under *Our Future State: Advancing Queensland's Priorities* in 2019–20.



Create jobs in a strong economy

Gross value of agriculture, fisheries and forestry production \$16.99 billion	<ul style="list-style-type: none"> • \$599.7 million spent on providing agriculture, fisheries and forestry services
Rural exports \$9.97 billion (excluding sugar exports)	<ul style="list-style-type: none"> • 2 international investment briefings and 25 international delegations supported to promote agricultural trade and investment opportunities • 9826 plant health certificates issued and 3532 inspections undertaken to provide market access for Queensland commodities • 466 live animal export certificates issued to facilitate international market access for Queensland animals • \$1.3 million allocated for Growing Queensland's Food Exports, helping 15 companies to export agrifood products to Asia and the Middle East
Jobs and employment	<ul style="list-style-type: none"> • 41 000 agriculture, forestry and fishing businesses supported across Queensland • 80 226 Queenslanders directly employed in agriculture, forestry and fishing jobs (about 3.2% of Queensland's workforce) • Up to 652 potential new jobs created by 14 business enterprises under round 2 of the Rural Economic Development Grants Scheme



Keep Queenslanders healthy

Safe and ethical food production	<ul style="list-style-type: none"> • 301 audits or investigations completed to ensure the safe use of chemicals in food production and reduce contaminant risks • 6 new licences issued under the <i>Drugs Misuse Act 1986</i> for the commercial production of industrial cannabis (hemp) in Queensland
Animal welfare	<ul style="list-style-type: none"> • 1395 animal welfare investigations undertaken to ensure high standards of animal welfare and support the ethical production of food products
Fresh food availability	<ul style="list-style-type: none"> • Queensland's #eatqld campaign launched in March 2019, encouraging Queenslanders to eat local, stay healthy and support jobs in the state's agriculture sector—reaching 2.3 million potential consumers through social media and supporting agricultural and fisheries industries to develop new consumer interest in June 2020 to minimise adverse impacts of the COVID-19 pandemic • The targeted 'Strawesome' campaign launched as part of the overall #eatqld campaign • \$32.2 million provided for freight subsidies and emergency water rebates for 7513 claims by drought-affected producers under the Drought Relief Assistance Scheme

DAF directly contributes to four priorities—**Create jobs in a strong economy, Keep Queenslanders healthy, Protect the Great Barrier Reef** and **Be a responsive government**.



Protect the Great Barrier Reef

Reduced impact	<ul style="list-style-type: none"> • 75% of primary producers in Reef catchments adopting improved management practices after participating in DAF extension programs • 5233 agricultural chemical user licences issued to ensure environmentally responsible production
Fish stocks	<ul style="list-style-type: none"> • 85% of key Queensland fish stocks assessed as showing no sustainability concerns • 769 penalty infringement notices and 1267 caution infringement notices issued under the <i>Fisheries Act 1994</i> • 55 prosecutions for offences under the <i>Fisheries Act 1994</i> finalised • 25 surface fish-aggregating devices deployed in South East Queensland, providing fishers with access to alternative species while taking pressure off traditional species that are currently overfished • More than 1.7 million juvenile fish or fingerlings released into 100 waterways across Queensland by 67 active community stocking groups • Improved recreational fishing from fish-attracting structures deployed in Kinchant and Cressbrook dams



Be a responsive government

Responsive and easy-to-use services	<ul style="list-style-type: none"> • 126 exotic and established animal and plant pest and disease incidents effectively managed • 8 nationally cost-shared eradication programs led by Biosecurity Queensland • 86 698 biosecurity entities with livestock or poultry or bees registered, ensuring up-to-date information is available in the event of an emergency disease or pest incursion • 1700 commercial fishing licences and 330 charter fishing licences managed under the <i>Fisheries Act 1994</i> • About 2500 Queensland commercial fishing vessels with vessel-tracking units registered in Trackwell (the vessel-monitoring platform managed by the Australian Fisheries Management Authority) • 87% of 86 287 customer enquiries resolved at the first point of contact by the Customer Service Centre • 75% of 7513 claims for business assistance as a result of drought or natural disaster processed within 21 days; 83% processed within 25 days, and 91% processed within 30 days (additional resources deployed to process claims) • 6 343 464 web page views • 253 254 Facebook and 10 490 Twitter followers
Rapid support to manage COVID-19	<ul style="list-style-type: none"> • More than 100 agriculture coordination officers deployed to support producers, the agriculture industry and local governments across Queensland to ensure agriculture supply chains could continue to deliver for Queensland communities

Financial overview

This financial overview provides a summary of DAF's financial performance and position for controlled and administered activities, and comments on significant movements for the period 1 July 2019 to 30 June 2020.

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 strategic plan.

This overview explains how to interpret DAF's financial statements (including explanatory variance notes), by providing a summary (in Table 1, pages 7–8) of the three primary financial statements:

1. statement of comprehensive income
2. statement of cash flows
3. statement of financial position.

It also provides more detail on items that make up these statements and the changes that occurred during the reporting period that impacted DAF's financial outcomes.

For a more comprehensive set of financial statements covering all aspects of the department's activities, see 'Financial statements' on page 66.

The statements include a comparison of actual financial results with the budget estimates published in the 2019–20 State Budget Papers and provide explanations of major variances.

Table 1 Summary of DAF's financial statements (controlled funds) for the period 1 July 2019 to 30 June 2020

Statement of comprehensive income	2019–20 actual (\$m)	2019–20 budget (\$m)
Total income	599.7	525.0
Less: total expenses	599.7	525.0
Operating result for 2019–20	—	—

The increase in income and expenses is largely due to additional funding released in 2019–20 from the funds held centrally by government for the continuation of the Drought Assistance Package and higher than expected information technology project revenue through the Business and Corporate Partnership arrangements. There was also a realignment of existing Queensland Government funding for the 10-year National Red Imported Fire Ant Eradication Program from 2021–22 to 2026–27 to accelerate treatments in 2019–20.

The operating result for 2019–20 is a balanced budget position.

Statement of cash flows	2019–20 actual (\$m)	2019–20 budget (\$m)
Balance of cash at 1 July 2019	48.5	34.1
Operating activities	16.7	40.1
Investing activities	(14.7)	(16.5)
Financing activities	(9.8)	(18.5)
Net increase/(decrease) in cash held	(7.8)	5.1
Cash received from administered changes	0.5	0
Cash at 30 June 2020	41.2	39.2

The decrease in cash balances at the end of the financial year is largely due to expended appropriation revenue to be recovered from the Consolidated Fund and prepayments to The University of Queensland for the quarterly Queensland Alliance for Agriculture and Food Innovation instalment, as well as 3 days of employee expenses within the last pay period at the end of June. This is offset by an increase due to Queensland Agricultural Training Colleges' cash balance being transferred to DAF on their cessation (effective 1 March 2020).

(continued)

Table 1 continued

Statement of financial position	2019–20 actual (\$m)	2019–20 budget (\$m)	
Current assets (including cash balances)	94.1	86.1	<p>The increase in current assets is mainly due to increased appropriation receivable to the Consolidated Fund for end-of-year appropriation adjustments and higher than expected prepayments for the quarterly Queensland Alliance for Agriculture and Food Innovation instalment, as well as 3 days of employee expenses within the last pay period at the end of June.</p> <p>The decrease in non-current assets and liabilities mainly represents the right-of-use assets and lease liabilities recognised under the new leasing accounting standard (effective 1 July 2019). Subsequent to the budget being published, treatment of the Ecosciences Precinct under the Queensland Government Accommodation Office framework has been reclassified as a non-lease arrangement with the Department of Housing and Public Works. In addition, the decrease in non-current assets is offset by an increase due to Queensland Agricultural Training Colleges' property, plant and equipment being transferred to DAF on their cessation (effective 1 March 2020).</p> <p>The increase in current liabilities is largely due to increased funding received in advance for research and development projects and the Reef water quality science projects and unexpended disaster relief funding received for the North West Queensland Beef Recovery Package.</p>
Non-current assets (including property, plant and equipment)	524.9	639.3	
Total assets	619.0	725.4	
Current liabilities	60.8	51.8	
Non-current liabilities	117.6	284.5	
Total liabilities	178.4	336.3	
Net assets	440.6	389.1	
Total equity at 30 June 2020	440.6	389.1	

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 2019–20 is a balanced budget position.

Income—where the dollars came from

Total operating revenues were \$599.7 million, including:

- \$366.8 million (61.2%) through funding provided as appropriation revenue by Parliament
- \$148.0 million (24.7%) in user charges and fees for goods and services (including national cost-sharing revenues for biosecurity pest and disease programs from other states and territories, income received for research and development projects and the provision of services to other government agencies through the Business and Corporate Partnership arrangements)
- \$44.9 million (7.4%) from grants and other contributions (including national cost-sharing revenue from the Australian Government for biosecurity pest and disease programs)
- \$37.8 million (6.3%) from other income sources (including royalty revenues on forest products removed from state land)
- \$2.2 million (0.4%) from the disposal and re-measurement of assets.

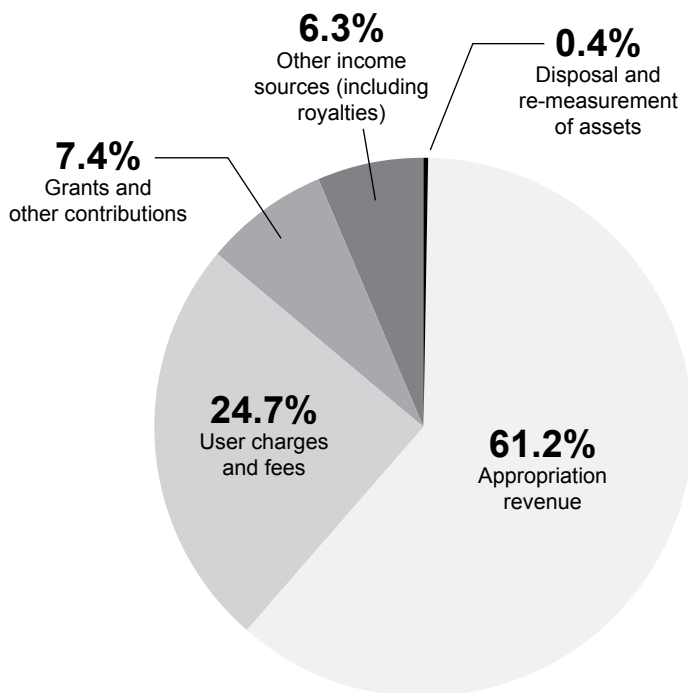


Figure 1 Operating revenues, 1 July 2019 to 30 June 2020

Expenses—where the dollars were spent

Total operating expenses were \$599.7 million, including:

- \$237.5 million (39.6%) in employee expenses
- \$274.9 million (45.8%) for supplies and services (including contractors for national cost-sharing biosecurity pest and disease programs, research and development projects, the provision of services through Business and Corporate Partnership arrangements, outsourced service delivery arrangements, accommodation, travel and other operating costs)
- \$54.4 million (9.1%) in grants and subsidies (including payments under the Drought Relief Assistance Scheme, and payments to Safe Food Production Queensland and the Darling Downs –Moreton Rabbit Board)
- \$26.8 million (4.5%) in depreciation and amortisation expenses
- \$3.6 million (0.6%) in other expenses (including asset write-downs, special payments, Queensland Government Insurance Fund premiums and audit fees)
- \$2.5 million (0.4%) in finance/borrowing costs.

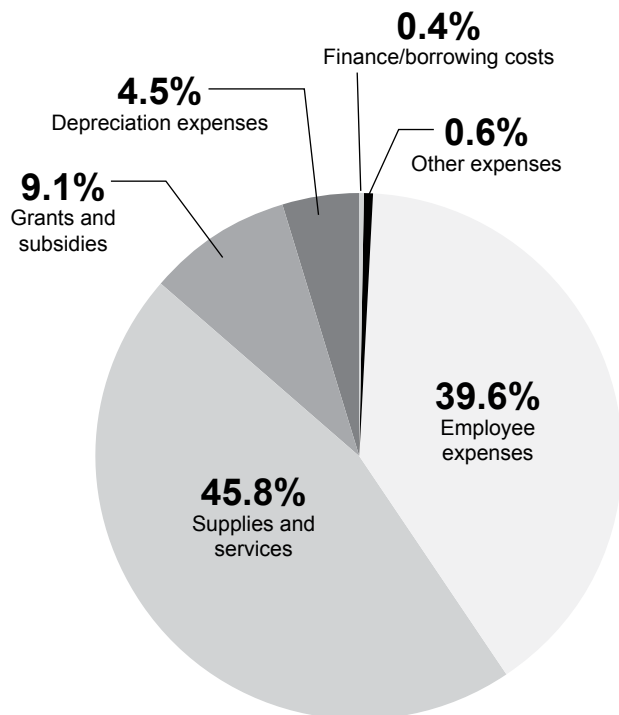


Figure 2 Operating expenses, 1 July 2019 to 30 June 2020

Figure 3 provides a breakdown of operating expenses into the three core service delivery areas of DAF:

- Agriculture (\$277.3 million or 51.7%)
- Biosecurity Queensland (\$173.4 million or 32.3%)
- Fisheries and Forestry (\$85.0 million or 16.0%).

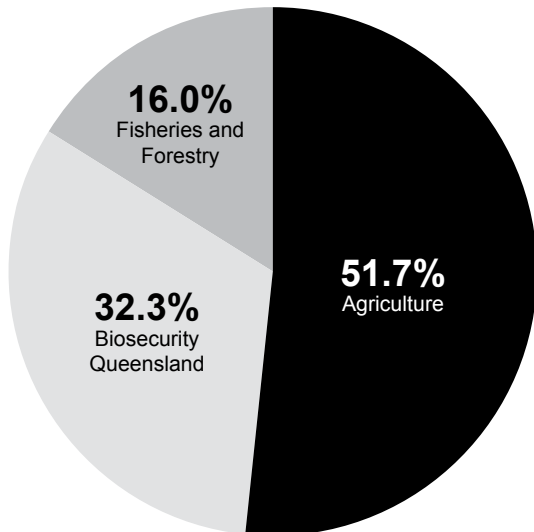


Figure 3 Operating expenses by service areas, 1 July 2019 to 30 June 2020

Expenses for corporate services relating to DAF provided 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 are not allocated across departmental services.

Equity—what we are worth

Equity represents net worth, which is calculated by ‘what we own’ (total assets of \$619.0 million) less ‘what we owe’ (total liabilities of \$178.4 million). At 30 June 2020, DAF’s equity was \$440.6 million.

Assets—what we own

At 30 June 2020, DAF had total assets of \$619.0 million. The department’s major assets are cash, property, plant and equipment (mainly land, buildings, infrastructure, plant and equipment), right-of-use assets (for leased office accommodation), prepayments and receivables (including trade debtors).

Liabilities—what we owe

At 30 June 2020, DAF had total liabilities of \$178.4 million, which include accrued employee expenses, lease liabilities, payables (including trade creditors), an appropriation payable to the Consolidated Fund for end-of-year appropriation adjustments, and revenues received in advance of service delivery (largely funding received in advance of service delivery for research and development projects).

Capital expenditure

Capital outlays of \$17.4 million in 2019–20 were focused on developing and upgrading research facilities and replacing plant and equipment to deliver outcomes for agriculture, biosecurity, fisheries and forestry. During 2019–20, the department also made a capital grant payment to Queensland Crop Research Ltd of \$0.250 million towards infrastructure improvements at the Tosari property near Millmerran to prepare the site for future field trial use by the department.

Administered funds

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

During 2019–20, DAF received administered revenue of \$127.4 million comprising administered appropriation revenue from Queensland Government, Racing Queensland's contribution to the Queensland Racing Integrity Commission (QRIC) and the collection of regulatory receipts (including taxes, fees and fines) on behalf of Queensland Government.

Grants were paid to QRIDA for the administration of assistance schemes and to QRIC as a contribution to oversee the integrity and welfare standards of racing animals and participants in Queensland. Regulatory receipts and Racing Queensland's contribution were paid into Queensland Government's consolidated revenue.

At 30 June 2020, DAF had net administered assets of \$50.8 million, which largely represents equity funding (\$50.0 million) that had not been paid to QRIDA at 30 June 2020 for the Queensland Government's \$1 billion COVID-19 Jobs Support Loan Scheme. DAF also manages surplus assets that were transferred back to the government prior to the sale of Forestry Plantations Queensland to the private sector.

Outlook for 2020–21

Operating budget

DAF's 2020–21 budget will focus on providing strong support to *Queensland's economic recovery strategy: unite and recover for Queensland jobs*, with measures to help Queensland businesses and industry rebuild and take advantage of new opportunities while they respond and adapt to existing and emerging challenges arising from the ongoing impacts of the COVID-19 pandemic. Doing this aligns with our vision for a productive and profitable agriculture, fisheries and forestry sector that operates on a sustainable basis and continues to create jobs for Queenslanders.

Significant funding adjustments have been approved since the 2019–20 budget was published. These include the following:

1. Additional funding of \$4.7 million over 5 years has been allocated to deliver on the response to the *Inquiry into animal cruelty in the management of retired thoroughbred and standardbred horses in Queensland*.
2. A range of COVID-19 economic recovery initiatives have been approved since March 2020 under *Queensland's economic recovery strategy: unite and recover for Queensland jobs*. Some of these are:
 - Additional funding of \$3.7 million over 2 years has been allocated to help industry recover from the negative impact on the economy. Initiatives include business counselling and the Market Diversification and Resilience Grants Program.
 - Approximately \$0.6 million is to be forgone in revenue through rent relief for tenant businesses of the department who are adversely impacted by COVID-19.

- Up to \$0.5 million is being redirected to the Emergency Animal Welfare COVID-19 Exhibited Animal Assistance Program.
- Additional funding of \$17.5 million over 4 years will strengthen Queensland’s cornerstone industries following the economic impacts of the COVID-19 pandemic. Initiatives include:
 - reinvigorated agricultural trade relationships (\$5 million over 4 years) to support ecommerce and virtual trade facilitation in key markets and assist coordination of demand for additional regular air freighter services, in conjunction with Trade and Investment Queensland
 - agribusiness diversification assistance (\$2 million over 3 years) to build capability and explore potential diversification opportunities in agricultural businesses, including for tourism
 - digital transformation in agribusiness (\$5.5 million over 3 years) to develop integrated supply chains that improve traceability, biosecurity and food safety
 - cluster fencing grants (\$5 million over 2 years) to continue to reinvigorate the sheep and wool industry in western Queensland through the Queensland Feral Pest Initiative.

Biosecurity and fighting pests remains a top priority for 2020–21. DAF will continue to progress biosecurity control and eradication programs, including those for red imported fire ants, red witchweed, *Varroa jacobsoni*, browsing ants, exotic fruit flies in the Torres Strait, four tropical weeds and electric ants.

Capital expenditure

DAF’s 2020–21 budget includes a capital expenditure program of \$19.8 million, focused on upgrading departmental facilities and replacing plant and equipment.

Agency role and main functions

Who we are

The Department of Agriculture and Fisheries (DAF) is established under the *Public Service Act 2008*.

The department has a long and proud history. A Department of Agriculture was first established in Queensland on 17 June 1887. Since then we have undergone a number of reorganisations and name changes before becoming the Department of Agriculture and Fisheries in 2015.

DAF forms part of the portfolio of the Minister for Agricultural Industry Development and Fisheries.

Our responsibilities are outlined in Administrative Arrangements Order (no. 1) 2020 of 11 May 2020. Details of the Acts we administer can be found in Appendix 1.

DAF's principal place of business is 1 William Street, Brisbane, with most central business district staff located in 41 George Street, Brisbane. Larger regional offices are located in Toowoomba, Rockhampton and Townsville.

In 2019–20, the department operated from 94 work centres across the state. Around 67% of our staff live and work in locations outside the Brisbane central business district, contributing to Queensland's vibrant regional communities.

Our vision

A productive and profitable agriculture, fisheries and forestry sector, on a sustainable basis.

Our purpose

Promote a sustainable and innovative agriculture, fisheries and forestry sector, develop rural businesses and add value to communities and the economy.

Our strategic objectives

Our focus is to deliver on the following objectives:

- **Innovative**—Work with industry to create the conditions to drive innovation, productivity and jobs.
- **Responsive**—Build capacity of agribusinesses and communities to meet sector challenges.
- **Sustainable**—Promote responsible use of natural resources to underpin productivity, environmental sustainability and healthy lifestyles.

Our values

DAF's service delivery, decision-making and organisational management are governed by the following values:

- **Customers first**—Know your customers. Deliver what matters. Make decisions with empathy.
- **Ideas into action**—Challenge the norm and suggest solutions. Encourage and embrace new ideas. Work across boundaries.
- **Unleash potential**—Expect greatness. Lead and set clear expectations. Seek, provide and act on feedback.
- **Be courageous**—Own your actions, successes and mistakes. Take calculated risks. Act with transparency.
- **Empower people**—Lead, empower and trust our staff. Play to everyone's strengths. Develop yourself and those around you. Make health and safety everyone's priority.

With the introduction of the *Human Rights Act 2019*, a new value—**Respect human rights**—is being included, effective from 1 July 2020.

Our services

DAF's services were delivered through three service areas:

- **Agriculture**—to lift the productivity of Queensland's food and fibre businesses
- **Biosecurity Queensland**—to mitigate the risks and impacts of animal and plant pests and diseases and weeds to the economy, the environment, social amenity and human health, and to uphold standards for animal welfare and agricultural chemical use
- **Fisheries and Forestry**—to ensure sustainable and productive fisheries and the responsible allocation and use of state-owned forests and related resources.

The delivery of our services is supported by our Corporate business group and services received from the Business and Corporate Partnership (see page 54).

Our service delivery is supported through implementation of our impact and investment framework. The framework describes our work and the impacts we seek to achieve, enabling us to measure and evaluate performance and identify where we should invest. It provides a consistent, organisation-wide approach to deliver services valued by the community and build long-term sustainability.

Statutory and other bodies

Our work is complemented by the following bodies:

- Darling Downs – Moreton Rabbit Board
- Queensland Rural and Industry Development Authority
- Safe Food Production Queensland
- Veterinary Surgeons Board of Queensland
- Queensland Racing Integrity Commission.

Details on the roles and functions of these entities can be found in Appendix 2.

Our strategic risks and opportunities

The department leverages opportunities and manages challenges by being risk-aware, not risk-averse.

Key strategic risks

Disruptive events—High-impact external threats (e.g. climatic events, pests, diseases, economic shocks and cyber attacks) will challenge the capacity of the department and the sector to respond rapidly, reform our processes and stretch resources across competing priorities.

Protection of biological ecosystems—More efficient and environmentally sustainable industry practices, and improved management and prevention of invasive pests and weeds, may not fully meet community and industry aspirations for protecting Queensland's environment and lifestyles.

Climate change—Agriculture, forestry and fisheries production faces significant pressure from climate change, which may compromise operations in the longer term.

Organisational agility—Challenges in adapting and renewing business models, securing partnerships and resourcing may affect the department's ability to keep pace with change, innovate and meet expectations.

Key strategic opportunities

Economic shifts—Rapidly growing middle classes and a focus on food security in Asia, South America and Africa are driving increases in food demand, giving the department opportunities to support Queensland's produce and agricultural expertise in new and expanded markets, and to facilitate new sources of investment for the sector.

Virtual connections—Exploiting advances in technology and big data will change the way government, business and customers operate; it will be easier and cheaper to interact, transact and make better decisions.

Strategic partnerships—Strong partnerships with research organisations, industry bodies and government agencies will enable the department to leverage expertise and share responsibility for managing risks.

Informed consumers—Assisting businesses to meet consumers' expectations about the origin, safety and ethical production of food and fibre will help to increase demand for Queensland's produce.

Responding to COVID-19

The impact of the COVID-19 pandemic response and recovery has seen the department significantly refocus its services in the second half of 2019–20. We provide strong support to *Queensland's economic recovery strategy: unite and recover for Queensland jobs* to help the state recover from COVID-19 by getting Queenslanders back to work and kickstarting our economy.

Looking to the coming year, the ongoing impact of COVID-19 and the overall economic outlook will see risks and opportunities continue to evolve. Resources may be stretched across competing priorities by high-impact or multiple external threats (COVID-19 or other pandemics, climatic events, pests, diseases, economic shocks and cyber attacks) while our identified opportunities, such as virtual connections, may expand.

Contribution to Queensland Government's priorities for the community

Our Future State: Advancing Queensland's Priorities are the Queensland Government's objectives for the community. The department contributes to the following objectives.



Create jobs in a strong economy

Helping rural communities and industry adapt promotes economic continuity, development and new investment. Boosting business competitiveness through research, innovation and adaptation across primary industries and regions creates jobs and exports to grow the economy. Managing sustainable use of resources supports long-term rural production and ongoing employment.



Protect the Great Barrier Reef

Supporting sustainable industries and resource management balances economic growth with environmental protection and improves Reef water quality.



Keep Queenslanders healthy

Managing risks to production ensures the continuous supply of nutritious, safe and fresh food—supporting Queenslanders' health and regional prosperity. Growing the resilience of agricultural producers helps them better manage uncertainties and change.



Be a responsive government

Providing easy-to-use services supports people to access assistance and meet regulatory requirements while reducing transaction costs.

Other whole-of-government plans and initiatives

In addition to the government's objectives for the community, whole-of-government plans and specific initiatives influence our service delivery. Details of these additional commitments are provided in Appendix 5.

Operating environment

The sector we serve

Everyone in Queensland is connected to food and agriculture. The sector is vital to Queensland's future and underpins many rural communities by supporting regional economic development and jobs, community health and wellbeing, and the environment. Queensland has the highest proportion of agricultural land (84%) of any Australian state. Stretching beyond the farm gate, the agribusiness and food sector either partly or entirely supports employment of approximately 330 000, or roughly one in seven, Queenslanders.

The sector is diverse and produces a wide variety of high-quality food and fibre products. Queensland grows 94% of the nation's sugarcane, has 47% of the meat cattle herd, and produces 34% of the nation's cotton, 33% of grains and 30% of vegetables.

Queensland's vibrant and robust produce enjoys a well-earned global reputation as safe and nutritious. We are a food-secure state, exporting 58% of all agricultural output. By value, Japan is Queensland's largest agricultural product export destination at 21%, followed by China (17%), South Korea (15%) and the United States (13%). Together, these destinations account for 66% of total exports.

The agriculture sector is key to the economic recovery and continued sustainability of our regions. In most rural and regional local government areas, over 25% of businesses are agriculture, fisheries and forestry businesses. In line with this, the agriculture, forestry and fishing sector is a major regional employer, accounting for up to 25% of total direct employment. Family members of business owners and other Australian workers make up the majority of the sector's workforce, but overseas workers are used substantially in the horticulture sector.

Table 2 Agriculture, fisheries and forestry snapshot (by GVP)

Total	Horticulture	Livestock and livestock products	Cropping	Fisheries and forestry	Overseas exports
\$16.99 billion (approximately 7% of the state's economic output)	\$4.4 billion	\$8.9 billion	\$2.5 billion	\$1.1 billion	\$11 billion (including sugar) 12% of state commodities

Source: Department of Agriculture and Fisheries 2020, *Agtrends update: April 2020*, Queensland Government, Brisbane.

Outlook

The agriculture, fisheries and forestry sector is expected to continue its performance as a resilient sector through the COVID-19 pandemic and is well placed to lead economic recovery for Queensland, including the regions. For 2019–20, it is estimated that the effect of the pandemic on the value of food production (at the farm gate plus first-stage processing) in Queensland will be a decrease of approximately \$300 million (only 2%).

In the recovery phase, impacts for the sector from COVID-19 will depend on the domestic recovery path and those of our key trading partners. Demand for most Queensland agricultural products is expected to remain strong, while seasonal conditions are expected to dominate the outlook. The agriculture, fisheries and forestry sector has the potential to support the Queensland economy to recover from the disruption and grow into the future. With the pandemic highlighting the need for greater transparency, resilience and flexibility, it is expected that COVID-19 will become a catalyst for agribusinesses to reassess their supply chains, diversify their markets, and accelerate the adoption of digital technology. Also, the sector will continue to have strong workforce demand and produce high-quality products for domestic and international consumers, stimulating the Queensland economy through exports, regional employment and domestic consumption.

Organisational structure

DAF's organisational structure was made up of three core service delivery areas—Agriculture, Biosecurity Queensland, and Fisheries and Forestry—supported by Corporate. Each area was led by a Deputy Director-General.

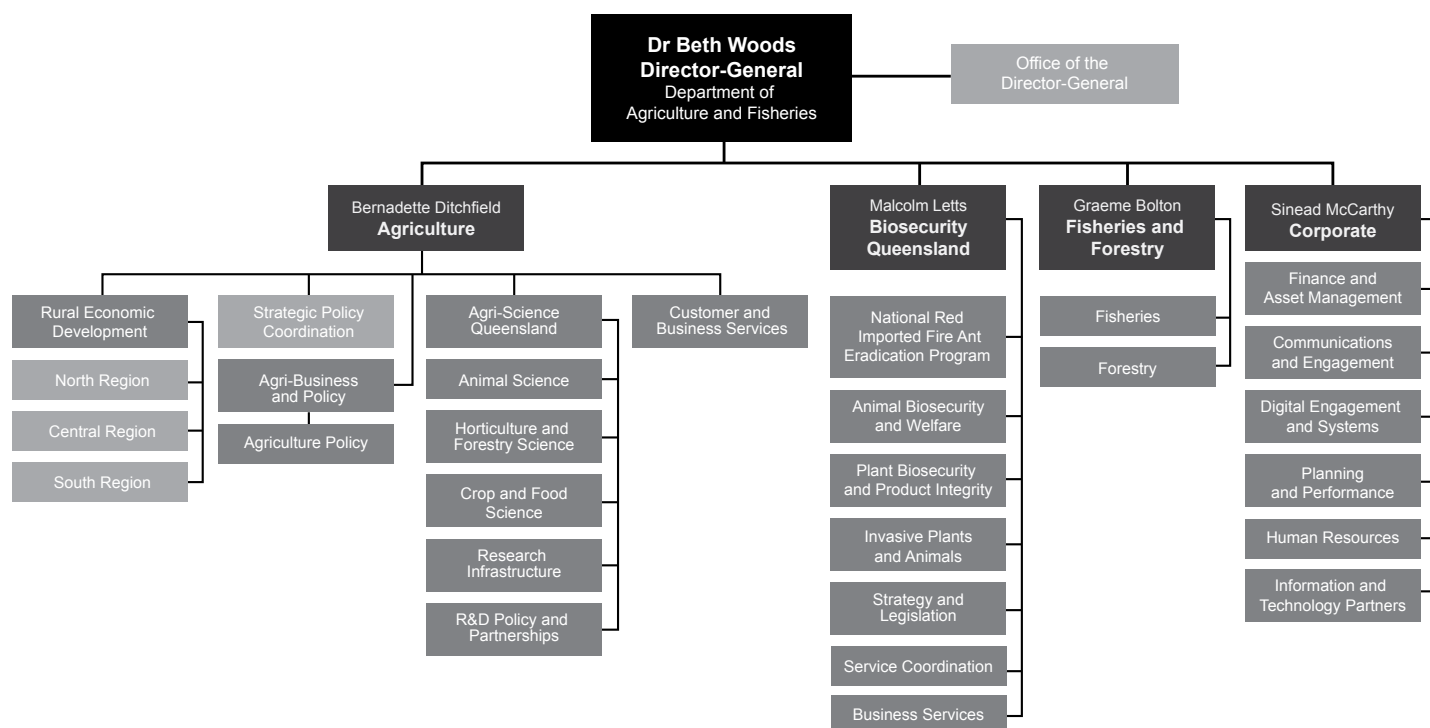


Figure 4 DAF's organisational structure as at 30 June 2020

Executive leadership

Our leadership team

Dr Elizabeth (Beth) Woods

OAM, FTSE, Director-General

As Director-General of DAF since 2016, Beth led the development of initiatives to deliver an innovative, productive and sustainable agriculture, fisheries and forestry sector. She brought extensive experience gained as the Deputy Director-General of Agriculture and of Science in the former Department of Employment, Economic Development and Innovation. Previously she was the foundation Director of the Rural Extension Centre at The University of Queensland (UQ), and Professor of Agribusiness at UQ from 1997 to 2004.

Beth completed her DPhil in Agricultural Economics as a Rhodes Scholar at Oxford University. She has served on the CSIRO Board, the Gatton College Council and the Rural Adjustment Scheme Advisory Council. She has chaired the Rural Industries Research and Development Corporation, the Australian Centre for International Agricultural Research, the National Drought Policy Review and the International Rice Research Institute. She was a member of the Australian Rural Research and Development Council (2011–12) and a member of the World Bank's Agricultural Pull Mechanism expert panel. She has completed a term as Chair of WorldFish, headquartered in Penang and part of the CGIAR network of independent research centres administered through the World Bank.

Bernadette Ditchfield

Deputy Director-General, Agriculture

Bernadette is responsible for leading the development of policies, research and initiatives that lift the productivity of Queensland's food and fibre businesses. Bernadette has an extensive background in policy development and service delivery, coupled with a strong industry development focus. In 2019–20, Bernadette was also responsible for leading the department's *FutureDAF* initiative, which worked with all departmental staff to drive innovation and a culture of continuous improvement.

Bernadette has more than 20 years experience in the private and public sectors, and has held senior roles in the Department of Natural Resources, Mines and Energy, Queensland Treasury and the Department of the Premier and Cabinet.

Malcolm Letts

Deputy Director-General and Chief Biosecurity Officer, Biosecurity Queensland

Malcolm has held this role since October 2017; before this, he was Deputy Director-General, Agriculture. He leads the state's efforts in the management of animal and plant pests and diseases, invasive species, animal welfare and agricultural chemicals. Malcolm's extensive experience includes agricultural industry development, food safety and traceability, rural and industry development, trade, investment attraction and agricultural policy.

Malcolm is the Queensland Government representative on the National Biosecurity Committee and has chaired a number of state and national biosecurity committees. Malcolm's focus continues to position Queensland as the national biosecurity leader to ensure that Queensland, as the frontline state for biosecurity, continues to build its capability to meet the biosecurity needs of all Queenslanders not only today but into the future.

Graeme Bolton

Deputy Director-General, Fisheries and Forestry

With more than 20 years executive experience, Graeme spent the first part of his career in the private sector as a director in a planning and surveying consultancy. Joining the public service in 2004, he was instrumental in leading and delivering major reforms to Queensland's planning legislation. Graeme then spent 5 years in the Middle East, where he was responsible for the delivery of Qatar's national growth and development strategy, strategic planning for the new metropolitan rail network, and precinct and legacy planning for the 2022 FIFA World Cup.

Since returning to Australia in 2014, Graeme has held senior executive roles in state and local government. Graeme was appointed Deputy Director-General, Fisheries and Forestry in May 2020 after being in the role for 12 months as part of the Senior Executive Service Mobility Program.

Sinead McCarthy

Deputy Director-General, Corporate

Sinead was appointed Deputy Director-General, Corporate in May 2019 after a period of acting in the role from May 2018 to February 2019. Sinead is responsible for the delivery of a broad range of corporate services to enable the department to deliver against its strategic objectives.

Prior to this time, Sinead was Chief Counsel with In-house Legal in the Business and Corporate Partnership, leading a team of multidisciplinary lawyers providing legal services to four Queensland Government departments: the Department of Agriculture and Fisheries, the Department of Natural Resources, Mines and Energy, the Department of Environment and Science, and the former Department of Innovation, Tourism Industry Development and the Commonwealth Games. Services included conducting civil litigation and prosecutions, advising on commercial arrangements and providing portfolio-specific and general corporate advice.

Sinead also led the strategic planning, performance and risk functions within the Department of Natural Resources, Mines and Energy.

Commencing in private legal practice, Sinead now has 20 years experience with the public sector, both in Queensland and in the civil service in the United Kingdom.

Agency objectives and performance

Our objectives reflect three themes: innovative, responsive and sustainable. Details of our objectives, strategies and performance for each of these themes are provided in the following sections.

Theme 1: Innovative

Objective: Work with industry to create the conditions to drive innovation, productivity and jobs

The global agricultural landscape is transforming; coming years will see enormous change in the way we grow, produce, harvest, distribute and consume food and fibre. Boosting business competitiveness through research, innovation and adaptation across primary industries and regions creates jobs and exports to grow the economy. Emerging industries will also be a key driver. Coordinated and connected efforts across the agtech community will help producers to keep pace with rapid change and build collective capability in an increasingly digital world. Opportunities to work and learn together are needed to ensure the success of existing investment and initiatives.

Strategy

Inspire talent, investment and ideas to drive industry development.

Outcomes sought

- Increased private sector investment in agricultural supply chains
- Increased exports and job opportunities from businesses entering new and high-value markets
- Stronger regional economies
- Productivity improvements and innovation through our research, development and extension services and the rural jobs initiative

Key performance indicators

Indicator	Results				
	2015–16	2016–17	2017–18	2018–19	2019–20
Increase in value of Queensland's food and fibre exports ¹	\$9.153 billion	\$9.762 billion	\$9.449 billion	\$9.578 billion	\$9.971 billion
Increase in total value of primary industry commodities ²	\$19.26 billion	\$20.06 billion	\$19.52 billion	\$18.78 billion	\$16.99 billion

Notes

1. Queensland's rural overseas merchandise exports, 2020. (Sources: ABS unpublished trade data; Queensland Treasury.) Figures represent the total value of Queensland's rural exports, excluding sugar due to confidentiality. This series has been revised in line with Queensland Treasury methodology. Sugar is worth approximately \$1.5 billion annually to the Queensland economy. (Source: Australian Sugar Milling Council 2020, *Sugar industry summary statistics*, <<https://asmc.com.au/policy-advocacy/sugar-industry-overview/statistics>>.)
2. Figures represent the total GVP for Queensland's primary industry commodities. The figure for 2019–20 is a forecast. It is a drop of 5% from the October 2019 estimate, and 11% less than the average for the past 5 years. The value of the sector remains strong, despite disruption of COVID-19 and the ongoing drought. (Source: Department of Agriculture and Fisheries 2020, *AgTrends update: April 2020*, Queensland Government, Brisbane.)

Performance

OUTCOME Increased private sector investment in agricultural supply chains

Increasing the value of export products is key to future growth. Increasing our global competitiveness will rely on our ability to attract necessary investment and to develop markets that extract maximum value from what we produce, supported by efficient supply chains throughout regional Queensland.

»» Key action

Develop a strategy for agribusiness and food industry development to encourage employment growth and private sector investment

The *Growing for Queensland discussion paper* was released on 26 June 2019 and consultation concluded on 31 August 2019. During the extensive engagement process, the department:

- received 30 written submissions and conducted 25 interviews
- conducted 20 regional workshops that were attended by 348 participants from 115 organisations, culminating in the identification of 75 ideas
- ran a social media campaign that reached more than 73 000 people and attracted more than 15 000 e-hub views.

Following the engagement process, the Growing for Queensland strategy was developed for consideration by Cabinet in March 2020. However, due to the impacts of the COVID-19 pandemic, and reprioritisation of resources associated with the government's response, the strategy was delayed.

The strategy is based around five opportunities for transformation—exploring frontiers, unlocking regional jobs, expanding value chains, harnessing people power and building natural capital—to ready Queensland's sector for the future. It will inform the government's response to the COVID-19 pandemic, which will be released in 2020–21 for implementation.

OUTCOME Increased exports and job opportunities from businesses entering new and high-value markets

Exports are key to increasing growth, particularly for products where there is limited opportunity for increased domestic demand. Processing and manufacturing can add value and overcome export market biosecurity barriers for fresh produce. Export support programs, including Growing Queensland's Food Exports and Rural Economic Development Grants, provide support for businesses to access their target markets.

»» Key action

Promote Queensland agricultural products and innovations internationally to grow exports and attract investment

Trade missions and inbound trade delegations

Targeted trade missions and inbound trade delegations provide practical opportunities to strengthen existing international trading relationships and establish new business in support of Queensland's future economic growth.

DAF supported a successful ministerial trade and investment mission to Indonesia and Singapore (3–9 November 2019), focusing on investment attraction and increasing trade in live cattle, beef, horticulture and premium value-added food and beverages.

However, in March 2020, all trade and investment missions, inbound delegations and outbound delegations were suspended due to the COVID-19 pandemic. One trade delegation was cancelled due to the introduction of COVID-19 precautionary measures.

Before this, we supported a range of inbound trade delegations and associated events with officials from a number of countries, including South Korea, China, Taiwan and Japan.

Grants to grow exports and develop industry

The \$1.3 million Growing Queensland's Food Exports program helps food companies build their business capability to take advantage of opportunities to grow exports. The program continued to support 15 grant recipients undertaking export market development projects in diverse markets including Japan, China, Taiwan and the Philippines.

The program has already provided positive outcomes for some Queensland growers. One ongoing project is evaluating the potential to sea freight Lockyer Valley vegetables to Japan, while five strawberry export trials to Macau, Hong Kong and Jakarta provided a detailed analysis of the supply chains. The intelligence gained will be vital to growing new export markets.

Market diversification and resilience

To support agribusinesses whose export markets are affected by COVID-19, DAF led the delivery of the new Market Diversification and Resilience Grants Program in partnership with QRIDA. Funding of \$500 000 was initially allocated for two grant components—a project grant of up to \$50 000 and a smaller equipment purchase grant of up to \$7500. Round 1 closed on 20 April 2020.

The program was heavily subscribed, particularly by fishing businesses, reflecting the significant impact of COVID-19 on the Queensland seafood sector. A total of 40 applications (35 for equipment and 5 for projects) have been approved for funding. The funding will enable many Queensland enterprises to diversify into new markets and recover from the early impacts of COVID-19.

Following the strong interest in round 1, a further \$300 000 has been allocated for a second round of the program, which is scheduled to be launched in August 2020 and will be led by DAF Fisheries.

OUTCOME Stronger regional economies

Businesses across the sector are a key component of rural and regional Queensland, contributing significantly to local economies. By exploring place-based industry development opportunities, we can create the right conditions for growth in regional jobs.

»» Key action

Provide grants of up to \$250 000 matched with co-contributions from grant applicants for projects under the Rural Economic Development Grants Scheme to promote industry development and jobs in rural communities

More than 600 jobs are anticipated in regional Queensland after 14 businesses representing a wide range of industries (including horticulture, aquaculture and meat processing) secured a share of \$3.3 million in funding under round 2 of the Rural Economic Development Grants Scheme in March 2020. These jobs are expected to comprise 182 direct short-term jobs, 166 long-term jobs and 304 indirect jobs.

The round 2 grants went to agribusiness enterprises located in North Burnett, Goondiwindi, Southern Downs, Balonne, Lockyer Valley, Longreach, the Cassowary Coast, Whitsunday, Banana, Murweh, the Sunshine Coast, the Scenic Rim, Toowoomba and North Queensland. They allow for new developments in citrus, grain supply, strawberry processing, vegetable processing, advanced package sheds, banana processing, cattle hide processing, mango grading, kangaroo meat processing, nursery production, feedlots and pre-cut vegetable processing.

The program, administered by QRIDA, is a \$10 million grant program over 3 years, ending in 2021. In June 2020, businesses with a primary production background in regional and rural Queensland were invited to submit an expression of interest for round 3 of the program. Across rounds 1 and 2 (round 1 offered in 2018–19), 28 businesses received Rural Economic Development Grants that are expected to create 1200 jobs across the agriculture sector in regional Queensland.

»» Key action

Support producers, the agriculture industry and local governments to manage COVID-19

Agriculture coordination officers

In April 2020, more than 100 agriculture coordination officers (drawn from existing DAF regional economic development, extension, research and biosecurity staff) were made available to provide rapid assistance to support producers, the agriculture industry and local governments to manage the complexities of the COVID-19 pandemic. Officers helped with quick access to relevant information through websites and other means (in locations with limited or no internet connectivity). They undertook proactive checks to understand the issues impacting agribusinesses and to ensure people had the information they needed to manage their situation. Staff with suitable regional and technical knowledge were also available to respond to enquiries from local governments.

Air freight of high-value agriculture and fisheries exports

DAF, Trade and Investment Queensland and Austrade worked together on getting access to cargo space on flights from airports for Queensland producers. The first flight to Singapore from Toowoomba (Wellcamp) was in June 2020, taking top-class Queensland beef and vegetables to a new international market. The flight was undertaken through the federal International Freight Assistance Mechanism, which subsidises air freight to accelerate the return of Australia's high-value agriculture and fisheries exports to key international export markets.

A network of nine airlines and six freight forwarders are involved in these flights, which will continue from Queensland and include new routes of Toowoomba–Singapore and Brisbane – Los Angeles.

OUTCOME

Productivity improvements and innovation through our research, development and extension services and the rural jobs initiative

Queensland continues to make progress in the development of new products and services that our consumers want. Queensland is home to many facilities—including manufacturing hubs, the Far North Queensland Food Incubator, the Coopers Plains Health and Food Sciences Precinct (including the BrewLab), the Ecosciences Precinct, and Salisbury Research Facility (forest products)—where innovators are prototyping new and improved products.

Our research, development and extension (RD&E) focus is on utilising science to deliver real benefits to Queensland. We do this by actively engaging with industry to better understand their business challenges and opportunities and developing RD&E programs that address these. DAF maintains a network of 36 research facilities and field sites across the state, has formal research investment partnerships with 4 universities, and collaborates with a large number of farmers, universities, commercial companies, state and federal agencies, research and development (R&D) corporations and overseas groups to ensure our research is both world-class and effective.

» Key action

Continue to implement the *Queensland agriculture and food research, development and extension 10-year roadmap and action plan*

Aligned to the Advance Queensland agenda, the roadmap is focused on increasing innovation and commercialisation, identifying and promoting agriculture and food RD&E opportunities, and supporting the sector to grow and develop new businesses.

Significant progress has been made in implementing the action plan since the roadmap's launch in May 2018. Of the 168 milestones against the 14 major actions:

- 90 are complete
- 16 have transitioned to ongoing programs
- 53 are underway and more than 60% complete.

DAF researchers and extension staff work across an extensive range of industries with a large number of funding and research partners to deliver benefits to Queensland farmers and the broader economy. Some examples are:

- **Precision horticulture**—More than 900 growers, agronomists and commercial technology providers were engaged in the 'Adoption of precision systems technology in vegetable production (VG16009)' project, supporting the uptake of agtech in the vegetable industry.
- **Bioreactors for the Great Barrier Reef**—Denitrifying woodchip bioreactors were able to achieve up to 100% removal of the incoming nitrate, proving a cost-effective treatment option for nitrate removal from agricultural systems.
- **Veneer-based bridge girders**—Veneer-based girders that are 22% lighter, 35% stronger and 5% stiffer than the traditional hardwood girders were developed with our industry partner, who installed 150 new girders at a value exceeding \$600 000 in the first 12 months of the project.
- **High-santalol oil Australian sandalwood in the Cape**—DAF and the University of the Sunshine Coast identified and cloned five native Australian sandalwood trees that could lead to the development of a new industry for Aboriginal and Torres Strait Islander communities in Cape York.
- **Opal-AU**—This new, disease-resistant variety of mung bean has yields 28% higher than the average. It was launched to help the Queensland mung bean industry—which is worth about \$100 million—increase high-value exports of our shiny green beans globally.
- **Sorghum pre-breeding**—Vital pre-breeding and scientific outcomes for sorghum were delivered. These included 156 elite lines licensed to sorghum seed companies to develop new hybrids that will be essential for sustainable growth in our sorghum industry, which has a value of about \$295 million.
- **Drought and Climate Adaption Program (DCAP) Building Drought Resilience (GrazingFutures) project**—An independent cost-benefit analysis of GrazingFutures found that over the period 2017–20 the project provided a benefit-cost ratio of 4.7 to 1 and an internal rate of return of 21.4%.
- **DAF grazing extension support and the Grazing Resilience and Sustainable Solutions (GRASS) project**—This extension influenced management decisions on approximately 6 million hectares of extensive grazing land during the 2019–20 financial year in the Burdekin, Mackay–Whitsunday, Fitzroy and Burnett–Mary catchments.
- **FutureBeef eExtension**—The FutureBeef website had over 199 000 visitors with over 360 000 pages viewed in 2019–20. Ten FutureBeef webinars were delivered with a total of 1282 people registered and 4574 views of the webinar recordings.
- **Protecting feedlot cattle**—DAF and Zoetis recently renewed the commercial licence for the Rhinogard® vaccine against bovine herpesvirus 1 to control bovine respiratory disease complex in feedlot cattle. It is estimated that this disease costs the industry \$50 million each year.

- **Sport fishing to improve**—DAF deployed 904 fish-attracting structures in three impoundments across Queensland, with survey results demonstrating that fish are using the structures at levels similar to existing natural structures. Installation of the fish attractors will help grow regional economies by providing improved opportunities for freshwater sport fishing.

»» Key action

Set directions to accelerate innovation

- DAF supported the Agricultural Ministerial Advisory Council (AgMAC), which met once during the year to discuss a range of strategic issues including preparedness for responses to the fall armyworm outbreak in the Torres Strait and Far North Queensland, a possible outbreak of African swine fever, and the COVID-19 pandemic. AgMAC provided strong leadership in response to these strategic issues.
- DAF continued to grow its innovation culture through the *FutureDAF* program, which gave staff opportunities to attend a range of innovation-focused webinars, to be part of DAF's Innovation Champions Network, and to kickstart their bright ideas through the *FutureDAF* Innovation Fund. During 2020, the program moved to full online delivery, taking into account the disruptions from COVID-19 and associated risks.

»» Key action

Gain returns from commercialised new horticultural varieties

DAF contributes significantly to agricultural product innovations through our breeding programs and other initiatives that grow the market share and value of these products. DAF operates a range of industry-supported fruit, nut and vegetable breeding programs that develop new varieties adapted to Queensland conditions. These new varieties help producers meet changing consumer demands, increase productivity, grow regional economies and boost exports. Some examples of these are:

- **New mandarin**—A new low-seeded mandarin variety developed by DAF at its Bundaberg Research Facility was released for commercialisation in conjunction with Hort Innovation and the local North Burnett grower associations. Currently known as '11CO17', the variety will be provided a marketing name during 2020–21.
- **Calypso® mango**—This is DAF's most successful horticultural variety, achieving sales of \$64 million during 2019–20 in a very competitive category. DAF has a 50% equity share in the variety, which is currently grown by 14 producers across tropical and subtropical Australia. The total domestic estate has now surpassed 400 000 trees and produced almost 15 million kilograms of fresh fruit last season.
- **Strawberries**—DAF leads the Australian Strawberry Breeding Program and the commercial subtropical varieties released from the Maroochy Research Facility now comprise 85% of the Queensland winter planting population. Last season, over 43.5 million plants were sold to Queensland and Western Australian growers. In addition to promoting the varieties to growers, the master licensee continues to focus on attracting new propagators to produce plants to ensure supply meets demand. The breeding program is currently focused on new varieties suitable for temperate and Mediterranean growing regions.

»» Key action

Increase horticulture exports

In 2018–19, Queensland exported more than \$300 million worth of fruit and vegetable produce, including mangoes, citrus and avocados, to Asian markets. To help build on this success, the 'Toward consistent export quality' workshop was held in Brisbane in October 2019, as an initiative of the Serviced Supply Chains export project led by DAF. The workshop attracted 80 horticulture fresh produce exporters and service providers from Queensland and interstate, along with RD&E professionals from Australia, Cambodia, China, Indonesia, Pakistan, the Philippines and Vietnam.

The workshop focused on how to make Queensland's fresh produce exports the first choice of importers and retailers in Asian markets through better understanding the challenges faced by horticulture exporters and outlining potential solutions. The project is driving practice change along export chains by demonstrating the benefits of a 'monitoring to improve' approach. For example, Queensland mango exporter Manbulloo Ltd has increased by 45% the number of shipments in which they monitor handling conditions. Through the monitoring, Manbulloo identified and implemented improved handling practices that have led to average shipment temperatures decreasing from 16.0 °C to 13.2 °C. This means that fruit arrives with an additional 3.9 days of shelf life. DAF's expertise in horticultural supply chain management will help improve exported food quality and safety, enhance Queensland's export performance, and ultimately translate these into more job opportunities throughout Queensland.

Theme 2: Responsive

Objective: Build capacity of agribusinesses and communities to meet sector challenges

Increased travel and trade, geographical proximity and changing climatic conditions are increasing risks of diseases, invasive plants and animals, food fraud and diminished food safety. Mitigating the impacts of biosecurity and climatic events supports the wellbeing and resilience of rural communities and ensures Queenslanders can market and access healthy, affordable food and enjoy safe, sustainable recreation. We promote shared ownership in developing more effective, accessible and regionally based services that the community values. Collaboration with stakeholders is central to protecting Queensland's reputation for safe, quality food and fibre products, market access, ecosystems, industries and way of life.

Strategy

Anticipate and respond to the emerging needs of our environment, economy and people.

Outcomes sought

- Collaborative place-based solutions addressing critical challenges and opportunities (e.g. drought, Murray–Darling water management and northern and western Queensland recovery)
- Increased industry and community participation in biosecurity prevention and response
- Greater consumer and market confidence in the quality and supply of Queensland's agricultural products
- Easier business transactions with the department

Key performance indicators

Indicator	Results				
	2015–16	2016–17	2017–18	2018–19	2019–20
Increase in gross value of production (at the farm gate) ¹	\$15.18 billion	\$15.67 billion	\$15.46 billion	\$14.75 billion	\$13.23 billion
Cost of managing significant biosecurity responses relative to the value of agricultural industry production ²	--	--	--	1:696	1:603
Level of satisfaction with biosecurity partnership performance ³	--	--	--	3.06	3.54

Notes

- Figures are total GVP. The forecast value for 2019–20 is 6% less than in 2018–19 and 12% less than the 5-year average. In the final two quarters of 2019–20, COVID-19 has had a significant impact on production. Ongoing drought and other seasonal conditions have also significantly impacted trend performance. Sources: Department of Agriculture and Fisheries 2020, *Queensland AgTrends* dashboard, Queensland Government, Brisbane; Department of Agriculture and Fisheries 2020, *AgTrends update: April 2020*, Queensland Government, Brisbane.
- This indicator flags the efficiency of significant biosecurity responses in maintaining and protecting the value of animal and plant production output to the Queensland economy. Expenditure on biosecurity incident responses can vary significantly between years, depending on factors such as the number, size and location of incursions detected during the year. For additional information, see Appendix 3, note 12 (page 139).
- This measure assesses the effectiveness of the intended partnership arrangements. Five key dimensions of satisfaction (mutual trust, clarity of purpose, collaboration, role clarity and empowerment of responsibility), as well as overall satisfaction with the partnership arrangements, are measured. The scale is 1–5, low to high.

Performance

OUTCOME

Collaborative place-based solutions addressing critical challenges and opportunities (e.g. drought, Murray–Darling water management and northern and western Queensland recovery)

The risks of decision-making in uncertain environments can be reduced through providing trusted and independent information. Collaborative place-based solutions help with this. The Queensland Climate Adaptation Strategy and the Agriculture Sector Adaptation Plan provide a framework and direction for adaptation, with further tools available to provide practical support. Valuable climate change research, information, programs and tools to better inform decision-making and investment include Long Paddock, the Queensland Future Climate online resource and DCAP.

Drought places a significant burden on affected communities. Support available during drought and disasters includes the Drought Relief Assistance Scheme (DRAS), the Emergency Water Infrastructure Rebate, sustainability loans, financial counselling, drought rebates and fee relief.

»» Key action

Support the rebuilding of rural communities and industries by providing assistance to northern and western Queensland recovery operations and by maintaining assistance under the existing Drought Relief Assistance Scheme

Drought reform remains a priority to ensure primary producers are better equipped for a changing climate. Assistance to producers under DRAS remained at an elevated level due to worsening of the drought and expansion of the drought-declared area to include South East Queensland. A total of \$32.2 million was spent on DRAS in 2019–20, a record expenditure for this program.

Eligibility for assistance under Category C recovery grants for those impacted by the 2019 monsoonal flooding was extended to 30 June 2020. Category C recovery grants were also activated for primary producers impacted by the bushfires of 2019. The Australian Government approved that these grants would be increased to \$75 000. Also, forums have also been established to provide extension advice on animal nutrition and welfare to producers and small landholders impacted by drought in areas not normally drought-declared.

»» Key action

Continue to build strong partnerships to grow the effectiveness of the Drought and Climate Adaptation Program

Providing better information and tools boosts the capability of agribusinesses to adapt and helps businesses manage emerging risks. The key to success is collaborating with partners, industry and businesses to take the sector into the future.

The DCAP projects are on track to deliver project milestones. They were monitored closely to minimise the impacts of COVID-19 on implementation. Although face-to-face engagement activities were affected, project staff successfully modified delivery strategies to virtual methods, including webinars, Microsoft Teams and Zoom meetings, and teleconferences.

Program governance processes through the DCAP steering committee and technical reference panel continue to provide oversight of the program. These processes have been strengthened through a review of the steering committee terms of reference, and introduction of a new committee decision register.

Five new DCAP innovation projects were funded and commenced in early 2020. External monitoring and evaluation indicate the program is on track and is an exemplar in the delivery of applied RD&E processes in Queensland agriculture.

Cost–benefit analyses for DCAP projects commenced in February 2020 and are on track to report at the end of July 2020. Interim results indicate that the benefit–cost ratios are exceeding expectations with almost all projects at a ratio of 4:1 or better.

»» Key action

Implement the Intergovernmental Agreement on National Drought Program Reform

On 12 December 2018, the Council of Australian Governments (COAG) signed a new National Drought Agreement, which replaced the Intergovernmental Agreement on National Drought Program Reform. The new agreement sets out a joint approach to drought preparedness, responses and recovery, with a focus on accountability and transparency. It recognises the need to support farming businesses and communities as they manage and prepare for climate change and variability. It focuses measures on bolstering risk management practices and enhancing long-term preparedness and resilience.

A report on the implementation of the agreement prepared by agriculture ministers was endorsed by COAG on 13 March 2020. This report provides an overview of the actions of all governments against their roles and responsibilities as set out in the agreement.

Queensland and other jurisdictions continue to have meetings with the Australian Government regarding the drought and drought programs for primary producers. The most recent ministerial national drought meeting was held in Moree on 10 December 2019.

An independent drought program review provided 20 recommendations to the Minister for Agricultural Industry Development and Fisheries on 31 January 2019. The Queensland Government supported 13 recommendations fully and another 6 in-principle, and in 2019–20 set aside \$74.6 million over 4 years (ending in 2022–23) to continue the multi-agency Drought Assistance Package.

Up until March 2020, drought program reform was on track to be implemented by 1 July 2020. However, the impact of COVID-19 delayed the reform and consequently pushed back implementation. In May 2020, the Minister stated that due to COVID-19, implementation of the recommendations of the program review would be postponed to July 2021.

»» Key action

Reshape vocational education and training in the state's central west by implementing a modern, cost-effective training solution, working closely with the Department of Employment, Small Business and Training

A shifting and dynamic agriculture sector will require a workforce that is able to adapt to new ways of working. Upskilling and further training will become critical for businesses and industry to remain competitive.

Agriculture has an ageing workforce with an average age of 57, and many young people have no awareness of the opportunities that the sector offers. Programs that promote diverse career options and provide students with experiences in agriculture can help to attract young jobseekers, who inject new ideas into the sector and support the social fabric of rural Queensland. Our focus is on attracting and connecting the next generation to the sector by:

- supporting school-based agricultural programs, agriculture science tours and agricultural units as part of the national curriculum, all helping to link school students with career opportunities in agriculture
- increasing recognition of the sector as a professional, exciting and rewarding career path
- repurposing, managing and maintaining the former Queensland Agricultural Training Colleges (QATC) sites at Longreach and Emerald to suit activities that meet community needs.

QATC ceased operations on 6 December 2019, after arrangements were made for student and staff transition. Legislation repealing the *Queensland Agricultural Training Colleges Act 2005* was passed and QATC ceased to exist on 29 February 2020. DAF has had all previous QATC assets transferred to its operations and has now assumed responsibility for managing the former QATC facilities at Emerald, Blackwater (Berrigurra) and Longreach.

A short-term occupancy agreement was negotiated with the Central Western Remote Area Planning and Development Board (RAPAD) for future use of the Longreach facilities, and a business case for a longer term arrangement has been submitted and will be considered by government. The short-term arrangement provides RAPAD with the ability to facilitate accommodation of community events, training and commercial interests and, importantly, retention of the former college's memorabilia and other historical elements. DAF has also entered into a 2-year agreement with local Longreach butchers to utilise the site's abattoir facilities and holding yards.

A strategic occupancy review for the Emerald facilities will be undertaken in partnership with the Central Highlands Development Corporation. The review will consider all possibilities that would best utilise the facility and include training, research and development, innovation and technology, and commercial opportunities.

➤➤ Key action

Work with industry to investigate the feasibility of abolishing stamp duty on agricultural insurance products and removing the reliance of primary producers on government assistance during natural disaster

KPMG was engaged to produce a report on the feasibility of abolishing stamp duty on agricultural insurance products. The Queensland Government is considering this report.

➤➤ Key action

Improve swimmer safety through:

- continuing the Shark Control Program
- undertaking research and trialling the application of new technologies (including drones to mitigate risk)
- delivering education and awareness programs in partnership with the Department of Innovation and Tourism Industry Development and Queensland Fire and Emergency Services.

The Queensland Shark Control Program commenced in 1962 using a combination of shark nets and drum lines to reduce the likelihood of shark attacks in Queensland. The program operates at 86 of Queensland's most popular beaches, 27 of which are located within the Great Barrier Reef Marine Park.

During 2019–20, the program removed 487 sharks. Catch statistics for the program are available at daf.qld.gov.au. There were two shark-related fatalities in Queensland in 2019–2020; however, they were outside of program locations (North West Island and Fraser Island).

Releasing entangled whales is a program priority. Fully trained marine animal release teams located at Mackay, the Sunshine Coast and the Gold Coast are experts in the safe release techniques used with these animals. Since 2006, the teams have ensured the successful release of all but two whales as they migrated along Queensland's coast.

The Shark Control Program was suspended within the Great Barrier Reef Marine Park in September 2019 due to a Federal Court ruling confirming an earlier decision by the Administrative Appeals Tribunal that imposed additional conditions on the permit to operate in the marine park. DAF worked with the Australian Government to find a way to reinstall the program's equipment in the marine park while complying with the new permit conditions.

Drum lines were returned to the water following significant operational changes on 17 February 2020. This was made possible after the Great Barrier Reef Marine Park Authority issued an amended permit that took workplace health and safety issues into account when tagging and releasing sharks. Since the drum lines have been returned, 74 sharks have been caught (including 20 tiger sharks and 27 bull sharks); also, 8 sharks have been tagged and released alive.

A report on alternative shark mitigation measures suitable for Queensland, undertaken by Cardno, was released in October 2019. The Shark Control Program Scientific Working Group reviewed the report and discussions are underway on appropriate trials, including the use of drones. The Whitsundays subgroup of the working group, formed in response to the 2018 and 2019 shark attacks, will continue to investigate new technologies, monitor existing plans and formulate ideas on how best to approach shark control in the Whitsunday region. The subgroup comprises stakeholders from the region as well as scientists and representatives from DAF.

A working group established with the former Department of Innovation and Tourism Industry Development and Queensland Fire and Emergency Services in mid-2019 continued to meet fortnightly to plan the delivery of swimmer safety education and awareness programs. DAF led the development of a refreshed SharkSmart campaign, which commenced rollout in 2020. The Government Advertising and Communication Committee approved the stage 1 campaign submission in November 2019; however, the launch of the campaign was postponed in March 2020 due to COVID-19. The campaign is expected to be released in September 2020 and will run through to late January 2021.

OUTCOME

Increased industry and community participation in biosecurity prevention and response

Invasive species present a distinct threat to primary producers. Community and industry participation strengthens Queensland's biosecurity.

» Key action

Continue to position Queensland as a leader in preparedness and enhance Queensland's biosecurity prevention and response capability through the Queensland Biosecurity Capability Implementation Program

Ongoing market access is underpinned by food safety regulations and systems. Queensland enjoys a clean and green reputation, and our products are highly sought after by interstate and international consumers. To preserve the integrity of our products, we have key strategies in place. The *Queensland biosecurity strategy: our next five years 2018–2023*, the *Torres Strait and Northern Peninsula area regional biosecurity strategy* and the *Queensland invasive plants and animals strategy 2019–2024* reinforce shared responsibility in managing pest weeds and animals, while the Queensland Feral Pest Initiative provides pest management funding.

A 4-year program of work to improve biosecurity capability in Queensland was substantially completed on 30 June 2020. During this time, 7 key projects and over 20 smaller projects were delivered to improve the capability and capacity of Biosecurity Queensland and partner organisations. The Biosecurity Capability Implementation Program Board, comprising staff from DAF and other government agencies plus non-government representatives, oversaw the program.

The board met for the last time on 30 June 2020 and noted that the majority of the key projects' objectives had been met. Due to COVID-19, the accreditation of several plant laboratory tests will be completed beyond 30 June 2020. Activity will also continue to maintain capability in biosecurity emergency operations, marine preparedness and plant diagnostics.

The independent evaluation of the program's performance found that the program has closed much of the capability gap but concluded that ever-increasing biosecurity risks will require an ongoing capability enhancement program.

»» Key action

Implement the *Queensland biosecurity strategy: our next five years 2018–2023* and develop action plans in collaboration with key stakeholders for each of the themes

The Biosecurity Queensland Ministerial Advisory Council (BQMAC), the nominated entity for monitoring and evaluating progress under the strategy, considered all draft plans on 29 January 2020. BQMAC members reviewed action plans for all six themes of the strategy. Some notable action plans captured for this round are:

- **Theme 1: Collaborative governance and leadership**—This involves partnering with local Aboriginal and Torres Strait Islander bodies to implement the *Torres Strait Island and Northern Peninsula area biosecurity strategy* for locally owned biosecurity solutions.
- **Theme 2: Every Queenslanders plays a part**—The Mission Biosecurity project is a partnership with New South Wales and other governments to appoint a spokesperson for biosecurity (Costa Georgiadis) to help mainstream the concept of biosecurity. Behaviour change programs have been designed for red imported fire ants, African swine fever, Panama disease tropical race 4 and recreational fishers using prawns as bait. Another notable milestone for Queensland has been the achievement of over 100 000 social media followers—our channels reach more people than all other biosecurity channels in Australia and New Zealand combined.
- **Theme 3: Empowered to act**—Biosecurity Queensland has partnered with Animal Health Australia and Plant Health Australia to deliver training for our key industry liaison officers so that industry can better respond alongside government in a biosecurity incident. A dedicated bee biosecurity officer was also appointed this year to help build the capacity of beekeepers to identify and manage exotic and endemic pests and diseases of bees.
- **Theme 4: Bright ideas and better ways**—The Wet Tropics Management Authority and QuestaGame have worked together to facilitate citizen science approaches to data collection via the BonANTza app, which helps to track ants.
- **Theme 5: Valuing and building on our investments**—Projects undertaken include the development of investment principles, meta-reviews for the return on biosecurity investments, and a capability health pulse check to establish that we are moving in the right direction.
- **Theme 6: Better intelligence systems**—Queensland has led a nationally significant project to promote the increased uptake of high-throughput sequencing for biosecurity diagnostics and environmental monitoring and surveillance.

Our ‘partnership health metric’, which helps measure the health of the biosecurity partnership, is now in its third year. The 2019 results (for 2018–19) show a significant increase in the scores from previous years.

An annual report about progress under the strategy is also provided to BQMAC to help with continuous improvement. BQMAC will continue to work with the department to provide advice around future strategic directions and action plans.

OUTCOME**Greater consumer and market confidence in the quality and supply of Queensland's agricultural products**

Queensland faces unique and rising challenges in tackling biosecurity threats to our agricultural industries. Queensland leads the world in the design and implementation of complex non-human biosecurity responses.

»» Key action**Deliver Queensland's obligations under the national biosecurity system (including strengthening of Australia's fruit fly system)**

Queensland leads national policy initiatives including:

- developing a national framework for the management of near-border incursions
- planning African swine fever preparedness and prevention
- chairing the National Biosecurity Communication and Engagement Network
- improving livestock traceability
- leading and participating in national Animal Health Committee task groups to enhance industry and government capacity and capability
- scoping of an industry and government cost-sharing agreement for exotic production weeds
- delivering the National Bee Pest Surveillance Program with the assistance of the apiary industry.

»» Key action**Provide grant funding through the Queensland Feral Pest Initiative to assist producers to construct wild dog exclusion fencing**

The Queensland Feral Pest Initiative provided funding to assist producers to construct wild dog exclusion fencing in 2019–20. All except one of the round 2 cluster fencing projects are completed and fully acquitted. Round 3 fencing projects are in the early stages of implementation, with progress reports due in July 2020, but these projects have been delayed by COVID-19. The overall impact will not be known until the economic impacts and material delays are fully realised, in 6–12 months. DAF is working directly with each proponent, addressing region-specific issues as they become apparent.

Round 4 funding applications closed on 31 May 2020 and are currently being considered. Funding for round 5 has recently been announced.

»» Key action**Continue eradication programs for red imported fire ants, electric ants, exotic fruit flies in the Torres Strait, varroa mite and four tropical weeds****Red imported fire ants**

The National Red Imported Fire Ant Eradication Program is on track to deliver on the commitments made under the 10-year eradication plan (for 2017–18 to 2026–27). After 3 years of intensive eradication treatment in the Lockyer Valley, the Scenic Rim and parts of the Ipswich local government area (the program's Eradication Area 1), program monitoring indicates the absence of fire ants.

In response to COVID-19, as an essential service, the program implemented its business continuity plan to allow treatment and eradication activities to continue as scheduled. At 30 June 2020, the program had completed:

- 98% (85 891 out of 87 589 hectares) of the planned eradication treatment in Area 1
- 93% (241 363 out of 257 847 hectares) of the planned eradication treatment in the western boundary area
- 96% (51 291 out of 53 245 hectares) of the planned treatment activities in the western suppression area.

On 27 May 2020, the Biosecurity Regulation 2016 was amended to further reduce the chance of fire ants spreading through human-assisted movement. This included changes to fire ant biosecurity zones to provide greater protection for areas that have already received eradication treatment and recognition of the 10-year plan's west-to-east eradication strategy in South East Queensland.

The program continues to develop initiatives that complement the 2019 efficiency and effectiveness review recommendations. This includes the development of digital data-capture capabilities for operational field staff to increase efficiency, the development of remote-sensing technologies to improve surveillance capabilities and the development and promotion of self-management initiatives to allow individuals and businesses to manage fire ants independently of the program.

Electric ants

The 2018–19 quarterly progress reports and annual report were endorsed by the National Biosecurity Management Consultative Committee.

There were no triggers for review of the response plan activated during 2019–20. A preliminary analysis of the new time frame for eradication was conducted in June 2020, and this estimates that eradication will be completed in July 2021. New infestations in 2019–20 amounted to approximately 17.7 hectares. Clearance processes were completed on 34 hectares of infestation (177 hectares of operational area). Eradication activities were conducted on approximately 1400 hectares.

Exotic fruit flies in the Torres Strait

The Exotic Fruit Fly in the Torres Strait Eradication Program is a key component of Australia's defence against these pests and has undoubtedly prevented outbreaks on the Australian mainland.

Exotic fruit flies blow into the Torres Strait each summer and have successfully been eradicated from the region each year since 1996. Biosecurity Queensland works with the Australian Government Department of Agriculture, Water and Environment to deliver the eradication effort. The program is nationally cost-shared by the Australian Government and all state and territory governments, along with a range of horticultural industry groups.

Biosecurity Queensland staff usually travel to the region from the mainland to deliver a male fruit fly annihilation 'blocking' activity, but because of the COVID-19 pandemic travel to remote communities had to be minimised. Biosecurity Queensland had been working with the Torres Strait Regional Authority over the previous year under the Far Northern Biosecurity Initiative, and joint blocking operations commenced in November 2019. This included training the authority's local rangers on some islands. This meant that when COVID-19 travel restrictions commenced in April, Biosecurity Queensland was able to facilitate a rapid handover of the full operational delivery of the program to the rangers. They successfully installed the fruit fly blocks on behalf of Biosecurity Queensland on six Torres Strait islands, and the latest trapping results show a huge decrease in fruit fly numbers.

We expect that the response plan operations will still be delivered and completed within the indicative budget. Eradication remains technically feasible.

Varroa mites

The proof-of-freedom report for the 2016 incident of *Varroa jacobsoni* (varroa mites) in Townsville, which provides the details necessary to demonstrate that the incident has been eradicated, was submitted to the Consultative Committee on Emergency Plant Pests and then to the National Management Group (NMG). On 1 July 2020, the NMG agreed that the 2016 incident of varroa mites has been eradicated.

The National Varroa Mite Eradication Program is currently responding to two separate detections of varroa mites on Asian honey bees that were collected from the Port of Townsville in May 2019 and April 2020. Genetic analysis has confirmed the 2020 incursion is a new incursion and not related to any previous detection of Asian honey bees in Australia. A revised response plan has been developed, and approval by the NMG is pending.

Based on the current information, Biosecurity Queensland is confident that the 2019 and 2020 incursions of varroa mites can also be successfully eradicated. The consultative committee has agreed with this, and that the eradication is cost-beneficial.

Four tropical weeds

The eradication program is on track, although wet weather caused delays in surveillance activities. This meant that the program could not meet annual surveillance targets for some species, but the coordination of surveillance activities was informed by biological time frames, to restrict reproduction.

Constraints associated with the response to COVID-19 also affected availability of seasonal staff, and restrictions on vehicles have limited surveillance opportunities.

Red witchweed

Red witchweed detections declined during all quarters of 2019–20 from those of the previous 4 years. This demonstrates the efficacy of the program's surveillance program and integrated treatments. The prolonged wet season led to extensive weed and grass growth, but aerial herbicides have proven effective in addressing this issue. Affected landholders continue to be supportive of the eradication program.

The National Red Witchweed Response Plan received the NMG's in-principle endorsement in January 2020. The response plan and associated \$5.2 million budget were approved by the NMG in June 2020, with all national cost-share partners committing to fund the program to 2025.

White spot disease

In March–April 2020, surveillance sampling was undertaken in Moreton Bay as part of the national proof of freedom for white spot syndrome virus, the causative agent for white spot disease. A number of positive detections of white spot syndrome virus were recorded from the samples collected within the northern areas of Moreton Bay in March–April 2020. This followed three previous surveillance rounds with negative test results. The positive detections and future management options are being discussed at a national level through the Aquatic Consultative Committee on Emergency Animal Disease. Movement restrictions remain in place for certain carrier species from the restricted area (between Caloundra and the New South Wales border and west to Ipswich).

»» Key action

Continue collaborative monitoring and management of Panama disease tropical race 4 in bananas

The Panama TR4 Program achieved a historic milestone in 2019–20, with industry and the Queensland Government reaching an agreement to jointly fund and manage the program until 2023. This is a major step forward in building industry's capacity to manage the long-term risks and impacts of the disease.

Protecting the \$580 million banana industry remains the key focus for the program. Surveillance continued across the banana-growing regions, as early detection is critical to containment. A major review of the surveillance program was undertaken and new measures were introduced to strengthen its objectives while achieving efficiencies. Communication and education programs continue to raise awareness in the community and build stakeholders' capacity to limit the spread of the disease.

March 2020 marked 5 years since the first detection of Panama disease tropical race 4 in Far North Queensland. The program's strategies have successfully contained the disease to just four farms in the Tully Valley. Also, the program has built the capacities of three of these farms to self-manage their biosecurity requirements, with regular audits verifying their compliance. The program is working with the fourth farm (where the disease was only detected in February 2020) to self-manage its biosecurity requirements.

The Panama TR4 Program Management Board will oversee the strategic direction of the program for 2020–21.

➤➤ Key action

Continue responding to fall armyworm

Fall armyworm is a recent threat to Queensland industry. The pest was first detected in the Torres Strait in January 2020 and has since spread to the Queensland mainland, reaching as far south as Bundaberg. DAF initially responded to the incursion as a biosecurity incident and engaged with industry and government stakeholders via national emergency response arrangements.

Once it was determined that it was not feasible to eradicate the pest from Australia, DAF engaged with industry and other stakeholders via ministerial roundtable meetings to brief them on the situation and better understand their issues and concerns. An internal DAF taskforce was established to coordinate activities, which included establishing a statewide network of traps to monitor the spread of the pest and engaging with R&D corporations, research providers and industry bodies to identify research priorities. DAF also established a joint government–industry communications group. Monitoring of the pest's presence across the state, priority research and ongoing assistance and advice to industry will continue in 2020–21.

➤➤ Key action

Commission the Animal Welfare Advisory Board to conduct a review into the welfare of companion animals

The Animal Welfare Advisory Board Review into the welfare of companion animals was completed in 2018–19. DAF will implement any recommendations that are approved by the Minister.

➤➤ Key action

Conduct an independent inquiry into the management of retired racehorses

The Queensland Government conducted an independent inquiry (the Martin Inquiry) into the management of retired racehorses, including the regulatory oversight arrangements for abattoirs and knackerries and the transport of horses to those facilities. The inquiry followed a report on 7.30 (ABC television) in October 2019 about the 'wastage' of retired racehorses and the treatment of horses at a Queensland abattoir.

The Queensland Government fully supported, supported in part, or supported in-principle all 55 recommendations made by the Martin Inquiry. DAF, QRIC and Racing Queensland are collaborating to implement the government's response to the recommendations.

The Animal Welfare Project was established in February 2020 to respond to the DAF-led recommendations from the Martin Inquiry and will continue for the next 3 years. Early work has focused on progressing the Australian Animal Welfare Standards and Guidelines for Livestock Processing Establishments and the review of the Australian Animal Welfare Standards and Guidelines for the Land Transport of Livestock in relation to horse welfare, and on a learning and development program for inspectors appointed under the *Animal Care and Protection Act 2001*.

OUTCOME**Easier business transactions with the department**

DAF remains focused on transforming the way we do business, to provide services economically and efficiently and meet community and consumer expectations and needs in a flexible, agile and responsive manner.

»» Key action

Begin to transform our operations and improve the ability to work and access services from anywhere through the priority actions of the *DAF digital strategy 2018–22*

The DAF Digital Strategy Implementation Plan 2019–20 focused on delivering foundation activities to enable the department to simplify and streamline business processes using contemporary and innovative technology solutions.

The role and scope of the department's information and communication technology (ICT) governance committees has been reviewed to strengthen project governance and increase the focus on benefits realised for ICT projects and initiatives.

Microsoft Office 365 was rolled out to all staff, and adoption of Office 365 across the department has been accelerated due to the need for increased communication, collaboration and connectivity while working remotely during the COVID-19 response. Corresponding to this, efforts for digital strategy change management have shifted to support digital capability uplift for staff, particularly with Microsoft Teams.

»» Key action

Implement our stakeholder engagement strategy and promote use of the toolkit to clarify expectations on ways of engaging and influencing the department's policies and services

Our stakeholder engagement charter is now published on the DAF website. Our stakeholder engagement learning and development plan has been approved and will be implemented in 2020–21.

Almost 120 staff in Brisbane, Berrinba, Toowoomba, Cairns and Dutton Park undertook training on engaging customers in stressful situations. In 2020, the response to COVID-19 interrupted some activities, including implementation of changes to our stakeholder engagement strategy and toolkit and training workshops with regional staff. These activities will resume in 2020–21.

Theme 3: Sustainable

Objective: Promote responsible use of natural resources to underpin productivity, environmental sustainability and healthy lifestyles

Managing sustainable use of resources supports long-term rural production, ongoing employment and the continued health of natural assets like the Great Barrier Reef, providing benefits for current and future generations. Similarly, managing risk effectively helps to ensure the continuous supply of safe and fresh food, keeping Queenslanders healthy and regions prosperous. Increasing the uptake of improved management practices, modernising fisheries management and facilitating enhanced compliance activity supports and enables the sector in its responsible use of natural resources.

Strategy

Support agricultural, fishing and forestry industries to be sustainable and responsible.

Outcomes sought

- Reduced impact of agriculture, fishing and forestry on the environment, the Great Barrier Reef and climate change
- Maximum economic yield achieved from fisheries resources
- Responsible management of state-owned forestry resources
- Increased transparency and traceability across the supply chain
- New business opportunities for rural economies

Key performance indicators

Indicator	Results				
	2015–16	2016–17	2017–18	2018–19	2019–20
Queensland's fish stocks with no sustainability concerns ¹	93%	91%	82%	85%	85%
Improvement in water quality in the Great Barrier Reef catchments as a result of improved agricultural practices (hectares under improved management) ²	--	--	--	--	129 874

Notes

1. For an explanation of this key performance indicator, see Appendix 3, note 14 (page 139).
2. This was a new key performance indicator in 2019–20. Agriculture is one of the sectors contributing to Great Barrier Reef water quality, and DAF is one of many organisations delivering agricultural programs/projects under the *Reef 2050 water quality improvement plan 2017–2022*. The 2019–20 result is based on preliminary data and may change as analysis continues. This indicator illustrates the hectares under improved management. The data relates to four DAF programs that work with farmers directly to target improvements in specific management practices that influence off-farm water quality in Reef catchments. Reporting on the impacts of all Reef 2050 investments is available online in the Reef report cards. See also page 41.

Performance

OUTCOME

Reduced impact of agriculture, fishing and forestry on the environment, the Great Barrier Reef and climate change

Responsible management of natural resources is critical for the future sustainability and enjoyment of Queensland's renowned natural assets.

Programs such as the Grazing Resilience and Sustainable Solutions (GRASS) program, the Natural Resources Investment Program, Sustainability Loans, and multiple projects under the *Reef 2050 water quality improvement plan 2017–2022* provide support for activities that improve the sustainability of the sector. At a business level, tools such as Breedcow and Dynama, the Farm Economic Analysis Tool and Agbiz enable businesses to assess the economic benefits of technology and make more informed decisions.

Queensland is a leader in collaborative research, development, extension and adoption, and we promote and share our expertise through programs including FutureBeef, Leading Sheep and the enhanced extension coordination program under the *Reef 2050 water quality improvement plan 2017–2022*.

The *Queensland agriculture and food research, development and extension 10-year roadmap and action plan* articulates a vision for how RD&E can support industry productivity and sustainability. Additional digital tools such as the Rookwood Weir Irrigated Crop Suitability Tool, AgMargins (an agricultural gross margin calculator), AgTrends Spatial and the Water Entitlement Viewer help businesses and industry make smart investment decisions based on information specific to their local and regional circumstances.

» Key action

Support agricultural industries in Great Barrier Reef catchments to improve Reef water quality outcomes through practice change

The delivery of project milestones for DAF's \$11.6 million investment in Reef water quality activities was tracking well until restrictions relating to COVID-19 came into effect in late March 2020. These restrictions will most likely impact on project targets to effect practice change to improve Reef water quality. Until March, other issues (such as drought and low commodity prices) had impacted delivery, but DAF addressed these issues by increasing communication and engagement efforts and by delaying or modifying trials.

While COVID-19 restrictions curtailed most planned face-to-face extension and training events, and activities during late March 2020, DAF extension teams overcame this by making greater use of online tools to engage with producers. In addition, DAF regional staff helped producers navigate through the COVID-19 health management protocols to develop health management plans for managing their seasonal and permanent workers.

During 2019–20, some significant achievements were made. These include the following:

- The International Bioreactor Forum in March 2020 in Cairns was the first dedicated bioreactor forum in Australia. Organised by DAF and involving contributions from bioreactor network members, specifically Terrain NRM, James Cook University and Jaragun NRM, the forum brought together over 50 attendees, including extension officers, researchers, landholders, policy officers and consultants. The forum was used to draw out opportunities, barriers, innovative ideas and actions to progress bioreactor technology for water quality improvement. Discussion from the forum is contributing to bioreactor guidelines.
- The online Farm Economic Analysis Tool was released. It helps sugarcane producers assess opportunities and costs of changing management practices.
- Workshops on profitable decision-making were undertaken in 6 regions and attended by 38 graziers. Surveys indicate that 74% of participants found the information covered by the speakers to be very or extremely useful.

- The Land Condition Assessment Tool app is now used by a number of organisations for Paddock to Reef and Reef 2050 water quality improvement plan 2017–2022 projects. Training was delivered at five events from late February to early March.

The sugar industry celebrated 500 cane farming businesses accredited for best management practices. Through independent audits, the Smartcane BMP program provides a way for growers to verify their practices and confirm their reputations as responsible land stewards. Together, these 500 growers, individuals and families manage 30% of the state's sugarcane land at or above industry best practice.

»» Key action

Negotiate with industry to determine a 10-year roadmap to create a pathway towards zero net emissions in the agriculture sector by 2050

Work towards the roadmap commenced in early 2019–20. The first steps were engagement with select industry representative bodies and the development of a marginal abatement cost curve for Queensland agriculture to 2030.

However, significant delays in the release of the Queensland Climate Transition Options Paper led to delays in further engagement with industry and so with development of the roadmap.

In 2020, contract negotiations commenced with the Queensland Farmers' Federation to partner in the development of the roadmap, using the marginal abatement cost curve as a base for workshop discussions. However, due to the COVID-19 response, both partners have agreed to delay this work until later in 2020. The scope of work will also be revisited at this time.

OUTCOME

Maximum economic yield achieved from fisheries resources

In recent years, investment in aquaculture has increased, reflecting a growing consumer preference for sustainably produced seafood. The Queensland Government is at the forefront of aquaculture development and has identified six land-based aquaculture development areas along the Queensland coast. We facilitate the aquaculture industry development network and support industry through the Bribie Island Research Centre, the *Great Sandy regional marine aquaculture plan* and the *Oyster industry plan for Moreton Bay Marine Park*.

»» Key action

Continue to implement the *Queensland sustainable fisheries strategy 2017–2027* to support fisheries reform

Implementation of the *Queensland sustainable fisheries strategy 2017–2027* continues, with all actions scheduled in 2019–20 now completed and ready for government consideration. Since the release of the year 2 progress report on 24 July 2019, the consultation report on the discussion paper about proposed changes to the Fisheries Regulation 2008 has been published, the first stage of fisheries reforms has been implemented (on 1 September 2019), 14 harvest strategies have been drafted, 2 harvest strategies have been implemented (for the reef line and spanner crab fisheries), and 9 stock assessments have been delivered to inform sustainable catch limits for key species.

Full details of actions and progress can be found in the *Queensland sustainable fisheries strategy 2017–2027: progress report year 3*, available at daf.qld.gov.au.

Some key areas of progress under the strategy are discussed in the following paragraphs.

Fisheries economics

Fisheries Queensland commenced the first statewide comprehensive analysis of the economic contribution made by Queensland's commercial and charter fishing businesses to the state's economy. The economic research was undertaken by BDO EconSearch, who have over 20 years experience in analysing the economics of Australian fisheries. BDO EconSearch is preparing a set of draft reports to analyse the economic contribution of 15 fisheries plus a consolidated statewide analysis for each of the 2017–18 and 2018–19 financial years.

The analysis will consider the direct contributions of fishing businesses and the contributions generated by flow-on effects through the economy. This will provide real data on the number of jobs provided by commercial and charter fishing, the capital invested, the profits made and the contributions to regional areas. This data is valuable to both Fisheries Queensland and the businesses themselves, to inform better decision-making on the management of fisheries and investment in the industry. The collection of similar information for the 2019–20 financial year is underway and the analysis is expected in early 2021.

The Queensland commercial and charter fishing industries generated gross value of production of approximately \$236.5 million and \$176 million respectively, with total gross state product (direct and indirect) of approximately \$442.1 million and \$60 million. There are nearly 1100 active commercial fishing businesses that provide 1775 direct full-time equivalent jobs and a further 2499 indirect full-time equivalent jobs. There are 330 charter fishing licences and a number of operations that are not required to be licensed with approximately 200 direct full-time equivalent jobs. The majority of these jobs are located in regional coastal communities.

Expert panels and working groups

Following the close of expressions of interest on 13 January 2020, new appointments to the Spanner Crab Working Group and the Reef Line Working Group have been finalised. Gulf Working Group appointments have been deferred pending government consideration of the remaining fisheries reforms.

In total, 12 fishery-specific working groups are in place and meet regularly (6 times during 2019–20) to provide operational advice on respective fisheries. Membership of a number of working groups has now expired. An expression-of-interest process for membership of these is expected to commence when resources are available during the COVID-19 recovery. The Sustainable Fisheries Expert Panel is in place and meets regularly to provide advice on best practice fisheries management and implementation of the *Queensland sustainable fisheries strategy 2017–2027*. The panel met twice in 2019–20.

Vessel tracking

The rollout of vessel tracking to the remaining fisheries, including harvest and beam trawl fisheries, commenced on 1 January 2020. Further consideration is being given as to whether offshore charter operators should also be required to use vessel tracking.

Authority holders that have their units professionally installed can apply for an installation rebate (up to a maximum of \$220 per unit) through QRIDA.

Fisheries management

In July 2019, a discussion paper outlining 102 proposed amendments to the Fisheries Regulation 2008 was released. On 1 September 2019, the Fisheries Regulation 2008 was replaced with the Fisheries (Commercial Fisheries) Regulation 2019 and the Fisheries (General) Regulation 2019. This represented the first of two proposed packages of regulatory amendments and implemented 36 out of the 102 proposed reforms including a number of changes for recreational fishing rules and urgent changes to address sustainability issues for scallop, snapper and pearl perch. The remaining 66 proposed amendments to the commercial, charter and recreational fishing sectors are yet to be considered.

Earlier amendments to the *Fisheries Act 1994* to allow more responsive decision-making enabled harvest strategies to be approved for the reef line and spanner crab fisheries. Catch limits for the 2020–21 reef line and spanner crab fishing seasons were based on these new harvest strategies and have been implemented. A further 12 draft harvest strategies have been prepared in consultation with the relevant fishery working groups. However, further regulatory amendments are required before these draft harvest strategies can be released for consultation and implemented.

Fisheries assessment and monitoring

All targets for 2019–20 deliverables across the portfolio were met on time and within budget. Parts of the catch-monitoring programs were paused due to the COVID-19 response and the need to comply with health directives. Affected staff were redeployed to support other priorities across DAF and the wider Queensland Government. All monitoring of recreational and commercial catch was recommenced in line with relaxation of COVID-19 restrictions.

Fisheries Queensland determines the sustainability of fish stocks every 2 years using a nationally agreed ‘weight of evidence’ approach. The last of these stock status assessments occurred in 2018 (based on 2017 data) and showed that 10% of fish stocks were considered unsustainable or in need of management intervention. Of these, 4 stocks were determined to be overfished (with biomass levels below 20% of unfished levels) and 4 stocks were considered depleted or recovering.

The *Queensland sustainable fisheries strategy 2017–2027* included a commitment to develop a streamlined process for delivery of quantitative stock assessment for key target species. In 2019–20, new stock assessments were completed for 5 species and 9 stocks. Since 2017, Fisheries Queensland has completed 26 new stock assessments, showing that 42% of key target fish stocks were considered unsustainable or in need of management intervention. Of these, 3 stocks were determined to be overfished (with biomass levels below 20% of unfished levels), and 8 stocks were considered in urgent need of management intervention (with biomass levels below 40% of unfished levels). These results include iconic fish stocks like scallops—historically Queensland’s single most valuable species—which have been overfished for several years and are showing no signs of recovery.

Fisheries Queensland plays a key role in managing the impacts of development on fisheries habitat, which is important to support the natural systems on which fisheries rely. In 2019–20, Fisheries Queensland provided technical advice on 210 applications for development under the *Planning Act 2016* to avoid or manage a range of impacts on marine plants, waterways providing for fish passage and fish habitat areas. In addition to these, Fisheries Queensland approved a further 1221 developments in accordance with accepted development requirements. Over 1000 other assessment tasks were also completed—these related to pre-lodgement advice, planning, impact assessment, tenure, resource allocation and compliance matters under a range of other Queensland legislation. The Queensland Government’s environmental offset framework provides for rehabilitation of unavoidable impacts to these matters of state environmental significance. In 2019–20, 112 727 square metres of marine plant disturbance was authorised under 88 development approvals. Also, 17 development approval amendments triggered operational works (i.e. the removal, destruction or damage of a marine plant), of which 24 900 square metres was temporary and 87 827 square metres was permanent.

Recreational fishing surveys

Fisheries Queensland completed the 2019–20 statewide recreational fishing survey, with support from the Social Research Centre. This was the eighth Queensland recreational fishing survey undertaken by the department since 1997; the previous one was completed in 2014. Also, it was the first statewide survey since 2000 that estimates how much money Queenslanders spend to go fishing.

More than 2000 fishing households across Queensland took part in a 12-month diary program where they logged their recreational fishing activities and expenditure. Data was collected from more than 6600 fishing events, and this will provide estimates of how often people went fishing, what species they caught, how many they caught, where they went fishing and how much they spent on fishing gear and other items.

The data is currently being analysed and will provide input into stock assessments and fisheries management for decades to come. Queensland is one of only two states to have a substantial time series of statewide recreational fishing activity—this gives our scientists a better understanding of the sustainability of Queensland’s fish stocks and allows management to make more informed decisions.

Fisheries Queensland interviews recreational fishers at boat ramps when they are returning from fishing to collect valuable data on their trips and catches. In 2019–20, our staff completed 2708 survey shifts, which included 14 524 interviews and measurement of 13 135 fish. The number of interviews and number of fish measured were significantly less than those in 2018–19 because of COVID-19 travel restrictions between March and June 2020.

In November and December 2019, Fisheries Queensland surveyed stakeholders about their satisfaction with our engagement. This survey has been compared with results from the initial 2017 survey. Response rates across stakeholder groups were low, and similar to the 2017 survey benchmarks. The overall engagement satisfaction metric has declined from 56.1 in 2017 to 49.8 in 2019. Data analysis and publishing of results will occur in 2020–21.

»» Key action

Review the Fisheries Regulation 2008 to create a legislative framework for recreational fishers that is contemporary, simple to understand and reflective of community expectations

Following a number of consultation processes in 2019, fisheries legislation underwent major structural reforms in September 2019 to allow responsive decision-making:

- The *Fisheries Act 1994* now sets out Fisheries Queensland's responsibilities for the economically viable, socially acceptable and ecologically sustainable development of Queensland's fisheries resources.
- The Fisheries Regulation 2008 was remade into the Fisheries (General) Regulation 2019, which outlines general regulatory requirements relevant to the management and use of Queensland's fisheries resources.
- The new Fisheries (Commercial Fisheries) Regulation 2019 outlines the regulatory requirements that apply to Queensland’s commercial fisheries, including how activities are to be carried out.
- The new Fisheries Declaration 2019 outlines restrictions on particular fishing activities across all sectors.
- The new Fisheries Quota Declaration 2019 outlines the quota entitlements for particular commercial fisheries, including the commercial catch limits.

Along with the changes to the structure of the legislation, a number of changes were made to fishing rules across all sectors—including management action to rebuild depleted snapper, pearl perch and scallop stocks. A number of proposals, particularly in relation to the more complex commercial fishing reforms and charter fishing rules, remain subject to consideration in 2020–21.

»» Key action

Establish fish-aggregating devices in South East Queensland to promote recreational fishing

Fisheries Queensland has deployed 25 surface fish-aggregating devices (FADs) in South East Queensland to alleviate the pressure on snapper and pearl perch stocks, which are currently considered overfished. These FADs have demonstrated the ability to attract pelagic fish and are very popular with recreational fishers and charter fishing businesses. Future plans for additional FADs include subsurface FADs in South East Queensland and surface FADs along the northern Queensland coastline and off Weipa.

»» Key action

Upgrade the fisheries compliance system

The Queensland Boating and Fisheries Patrol (QBFP) monitors compliance of nearly 942 000 recreational fishers and 1700 commercial fishing licence holders annually. During 2019–20, the QBFP undertook 19 300 recreational and 2500 commercial fishing inspections. An effective fisheries compliance activity system is required to support QBFP's operations.

A proof of concept for a new compliance activity system was successfully delivered in June 2020. A minimum viable product delivering the majority of the identified business needs will now be developed using the technologies identified through the proof of concept.

OUTCOME

Responsible management of state-owned forestry resources

DAF is responsible for managing state-owned forest products in a way that optimises benefits for Queenslanders, while ensuring future generations continue to profit from these community resources. State-owned native timber helps support Queensland's regionally based timber processing industry. DAF allocates and sells state-owned native timber through sales permits issued under the *Forestry Act 1959*.

A range of short-term and long-term sales permits are in place across Queensland. In South East Queensland, long-term sales permits for native hardwood sawlogs will expire on 31 December 2024. The future supply of native timber resources is a key issue facing the industry in Queensland.

»» Key action

Develop a Queensland Government policy on the future of timber production in state-owned native forests

Following consultation with the forest and timber industry and other stakeholders, on 4 November 2019 the Queensland Government announced the Native Timber Action Plan, which outlines a revised native forestry policy agenda for Queensland. It is focused on the long-term sustainable supply of native timber, the protection of biodiversity and the support of Queensland's regionally based native timber industry.

Implementation of a range of actions under the Native Timber Action Plan has commenced and will continue in 2020–21. This includes the establishment of the Native Timber Advisory Panel, which will be responsible for making and overseeing plans with industry that support its long-term sustainable future. However, establishing the Native Timber Advisory Panel was delayed due to the government's focus on managing and responding to the COVID-19 pandemic.

»» Key action

Supply state-owned forest products and quarry material on a commercial and environmentally responsible basis

DAF continued to authorise access to state-owned forest products and quarry material in accordance with defined supply commitments and contractual requirements.

A high degree of business continuity was maintained during the COVID-19 pandemic, including managing forest product sales agreements and maintaining field operations to support the forest and timber industry.

OUTCOME **Increased transparency and traceability across the supply chain**

Australian and international consumers have long sought premium Queensland products, and consumers are now seeking a stronger connection with where their food and products come from.

»» Key action

Promote supply chain innovation

To help build on the success of Queensland's multimillion-dollar fruit and vegetable export markets, including those for mangoes, the 'Toward consistent export quality' workshop was held in Brisbane in October 2019. An initiative of the Serviced Supply Chains export project led by DAF, the workshop attracted 80 horticulture fresh produce exporters and service providers from Queensland and interstate, along with RD&E professionals from Australia, Cambodia, China, Indonesia, Pakistan, the Philippines and Vietnam. The workshop focused on how to make Queensland's fresh produce exports the first choice of importers and retailers in Asian markets through better understanding the challenges faced by horticulture exporters and outlining potential solutions.

DAF's expertise in horticultural supply chain management will help improve exported horticulture food quality and safety, enhance Queensland's export performance, and ultimately translate into more job opportunities throughout Queensland.

OUTCOME **New business opportunities for rural economies**

We seek to facilitate collaborative partnerships across rural and regional Queensland to unlock the potential for more profitable and productive agribusinesses and value chains that will drive opportunities for sustainable development, diversification and growth into the future.

»» Key action

Support workforce skilling

DAF supports the Queensland Agricultural Workforce Network, an industry-led network of workforce advisors who can assist any producer in Queensland. The network's value was highlighted by the contribution it made to industry, government and communities during the COVID-19 response as both a communication vehicle and the provider of vital local and regional intelligence on workforce needs, issues and opportunities. Its activities included:

- providing rapid and accurate intelligence on emerging local and regional impacts of COVID-19 in agriculture workforces
- communicating information and advice on the management of COVID-19 in agriculture workplaces and labour supply chains
- supporting producers in the initial phases of the COVID-19 pandemic (April 2020)
- producing maps and data to predict scenarios that help industry, government and other stakeholders develop policy and actions to address potential labour supply issues arising from COVID-19 restrictions.

»» Key action

Implement the one-stop service

The one-stop service has been fully implemented statewide. It is designed to facilitate sustainable agricultural development by the private sector in Queensland by helping proponents better navigate government processes, including those on development assessment. The development may be for expansion, diversification, new businesses, investment in the industry or related supply chain projects.

The service comprises a web information portal and a client management service. It operates within existing government legislative frameworks and does not aim to replace existing systems, but rather links clients with the appropriate information, agencies and services.

In 2019, a new web portal was built within the Business Queensland portal to provide access to a wide range of up-to-date and relevant information such as for planning and development, trade and investment, and business support. Data shows a high level of client interaction and usage, with 1000 site entrances recorded in May 2020 alone.

The client management service is designed to help clients through the various stages of a project and may include referrals to other agencies or linking people with government services. It is a tailored service that has been developed around case management principles to respond to the specific nuances of any given project.

Client and stakeholder consultation and targeted promotion of the one-stop service have been conducted across the state through local governments and key industry bodies. The service website now also provides links to relevant information about COVID-19. The client management service has been adopted statewide by agriculture coordination officers, who are using the system to assist businesses during the COVID-19 crisis and recovery.

»» Key action

Increase agricultural diversification in the north-west

DAF's rural economic development service has been active in increasing agricultural development, diversification and jobs in north-western Queensland. It links to *A strategic blueprint for Queensland's North West Minerals Province* and the associated *North West Queensland economic diversification strategy 2019*, which has allocated \$1.28 million in funding to drive catalytic agricultural and associated supply chain projects across the region in 2020–21. On-ground project activities commenced in 2019 in the Cloncurry, McKinlay, Richmond and Etheridge shires and include:

- fodder production trials
- dryland and irrigated cropping trials
- creation of common-user infrastructure, with the focus on the development of an integrated cattle handling and processing centre in McKinlay Shire
- the development of a targeted program for investment attraction, both domestic and international.

»» Key action

Assist aquaculture industry development

DAF's rural economic development service piloted a highly successful concept project to target aquaculture investment, help proponents through due diligence processes and realise growth in aquaculture in Queensland. The Aquaculture Industry Development Network has been actively working with proponents and regulators to realise the successful expansion of Queensland's aquaculture sector while maintaining legislative robustness and integrity.

New investment has been realised and jobs have been created. Investors from Tasmania are now operating facilities in North Queensland, and Victorian investors have now entered the Queensland aquaculture sector.

It is expected that production volumes, employment numbers and gross value of production figures, as reported through aquaculture licensing requirements at the end of 2020, will show increases of up to 40%. With more investment commitments in the pipeline, it is expected this growth will continue for a further 3–5 years.

Priorities for 2020–21

The key actions planned for each of our service areas in 2020–21 are given below.

Agriculture

- Implement *Growing for Queensland: an agribusiness and food industry development strategy 2020–2025*.
- Support digital transformation in the agribusiness and food industry, reinvigorating trade relationships and diversification in a post-COVID-19 environment through Stage 2 of *Queensland's economic recovery strategy: unite and recover for Queensland jobs*.
- Promote Queensland's agricultural products and innovations internationally to grow exports and attract investment.
- Provide grants of up to \$250 000 matched with co-contributions from grant applicants for projects under round 3 of the Rural Economic Development Grants Scheme to promote industry development and jobs in rural communities.
- Support the Queensland Government's priority to **Protect the Great Barrier Reef** with RD&E on land management practices that improve Reef water quality as well as productivity.
- Support the Queensland Government's recovery efforts in response to business disruptions and natural disasters, continue drought assistance programs while this drought lasts and deliver reforms to drought programs through DCAP.

Biosecurity Queensland

- Continue to position Queensland as a leader in biosecurity preparedness and enhance Queensland's biosecurity prevention and response capability.
- Implement and monitor action plans in collaboration with key stakeholders for each of the themes from the *Queensland biosecurity strategy: our next five years 2018–2023*.
- Deliver Queensland's obligations under the national biosecurity system.
- Continue to implement the *Queensland invasive plants and animals strategy 2019–2024*.
- Provide grant funding to landholders to build wild dog fencing and tackle other pests.
- Assist the Biosecurity Queensland Ministerial Advisory Council.
- Continue eradication and containment programs for red imported fire ants, electric ants, browsing ants, exotic fruit flies in the Torres Strait, red witchweed, Panama disease tropical race 4, varroa mites and four tropical weeds.
- Continue to build the Queensland Government's response preparedness for African swine fever and work with the pork industry to build their preparedness for African swine fever.
- Commit to meeting national standards for livestock welfare and continue to contribute to national processes to develop and review appropriate animal welfare standards and guidelines.
- Work collaboratively with QRIC and Racing Queensland to implement the Queensland Government's response to recommendations from the independent *Inquiry into animal cruelty in the management of retired thoroughbred and standardbred horses in Queensland* (the Martin Inquiry).
- Contribute to the national program to harmonise the regulation and use of agricultural chemicals and veterinary medicines.

Fisheries and Forestry

- Continue to implement the *Queensland sustainable fisheries strategy 2017–2027* to support fisheries reform.
- Implement final regulatory reforms to major Queensland fisheries (including trawl, crab and East Coast inshore fisheries).
- Finalise the upgrade to the fisheries compliance system and the delivery of commercial and recreational fishing apps.
- Continue to improve swimmer safety through:
 - making changes to the Shark Control Program, including within the Great Barrier Reef Marine Park, to meet new permit conditions
 - undertaking research and trialling the application of new technologies (including drones in swimmer risk mitigation)
 - running education and awareness programs in partnership with the Department of State Development, Innovation and Tourism and Queensland Fire and Emergency Services.
- Increase the number of fish-aggregating devices in South East Queensland and extend these to other areas to attract alternative species for fishers to target while decreasing pressure on traditionally overfished species.
- Implement the Native Timber Action Plan and engage with stakeholders to support regional jobs and build an economic and environmentally sustainable future for the native timber industry.
- Establish the Native Timber Advisory Panel to oversee and make recommendations to government about the industry's future.
- Supply state-owned forest products and quarry material on a commercial and environmentally responsible basis.

Governance—structure and management

The Director-General, as the accountable officer for DAF, has responsibility under the *Public Service Act 2008* (s. 98) for the governance and operation of the department. The Board of Management supports the Director-General in this role.

Governance committees

The DAF governance structure (see Figure 5) aligns strategy to performance and accountability. Departmental governance committees advise and assist the Director-General in fulfilling her role to manage the department in a way that promotes the effective, efficient and appropriate management of public resources. Further details on each of the committees are provided in Table 3. DAF is also part of the Business and Corporate Partnership and participates in those governance arrangements.

The DAF impact and investment framework (see also page 15) supports our governance. This framework links planning and performance to the delivery of impact. It provides a line of sight for individuals from their day-to-day work to departmental goals and positions DAF to demonstrate how its work makes a difference and represents good value for money.

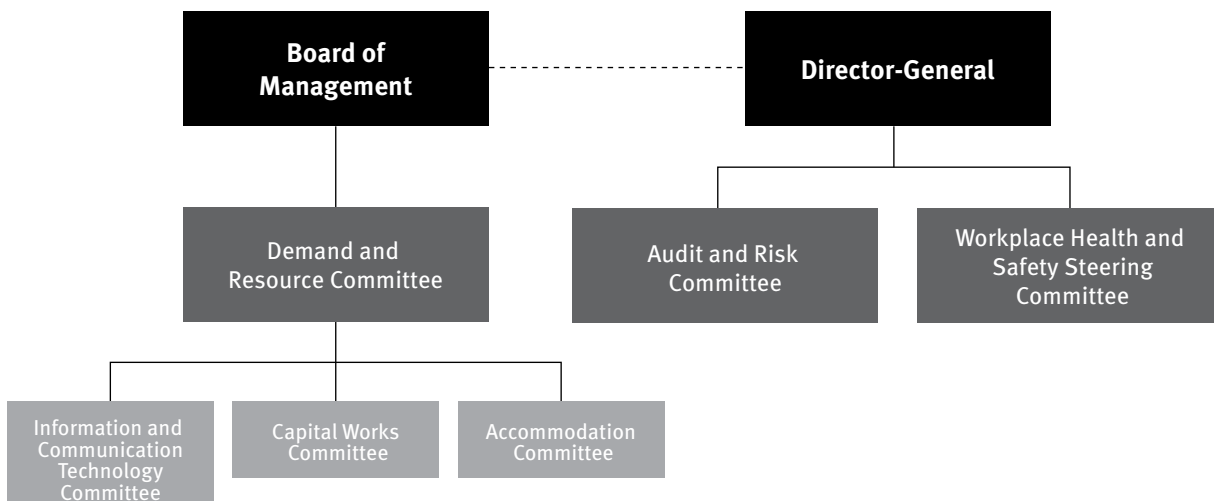


Figure 5 DAF's governance committee structure as at 30 June 2020

Table 3 DAF's governance committees at 30 June 2020

Committee name	Chair and key responsibilities
Board of Management	<p>Chair: Director-General</p> <p>Takes responsibility for the long-term performance, business success and timely delivery of key priorities for DAF</p> <p>Provides leadership and decision-making that sets the strategic direction of the department to ensure goals and objectives are met</p>
Demand and Resource Committee	<p>Chair: Deputy Director-General, Corporate</p> <p>Provides oversight in developing and implementing systems, practices and controls to ensure the efficient, effective and economic financial and performance management of the department</p> <p>Endorses and submits for Board of Management consideration and approval:</p> <ul style="list-style-type: none"> • budgets • major expenditure (capital and operational) within defined criteria • risk management and assurance • strategies and plans to improve performance
Information and Communication Technology Committee (subcommittee of the Demand and Resource Committee)	<p>Chair: Deputy Director-General, Corporate</p> <p>Provides assurance to the Director-General and the Board of Management that information and communication technology (ICT) management, operations and expenditure deliver the outcomes sought within risk appetite, budget and time lines</p>
Capital Works Committee (subcommittee of the Demand and Resource Committee)	<p>Chair: Executive Director, Agri-Science Queensland</p> <p>Evaluates proposals for minor capital expenditure and maintenance programs</p> <p>Provides recommendations to the Demand and Resource Committee on budget proposals and allocations</p>
Accommodation Committee (subcommittee of the Demand and Resource Committee)	<p>Chair: Executive Director, Finance and Asset Management</p> <p>Provides strategic advice and support for the management of office accommodation and housing</p>
Audit and Risk Committee	<p>Chair: Sue Ryan (independent member)</p> <p>Reviews, monitors and recommends improvements to the department's governance arrangements, risk management, internal and financial control processes and processes for monitoring compliance with legislation and government policy</p> <p>Provides independent advice and assurance to the Director-General in meeting obligations under the <i>Financial Accountability Act 2009</i></p>
Workplace Health and Safety Steering Committee	<p>Chair: Director-General</p> <p>Ensures statutory and organisational requirements for the management of workplace health and safety (WHS) matters are met</p> <p>Considers strategic WHS issues across the department</p> <p>Ensures the appropriate development and implementation of WHS processes, policies and procedures to safeguard a work environment free from harm</p>

Business and Corporate Partnership

The Business and Corporate Partnership delivers corporate services and business programs to support four Queensland Government departments—DAF, the Department of Environment and Science (DES), the Department of Natural Resources, Mines and Energy (DNRME) and the Department of State Development, Tourism and Innovation (DSDTI), formerly the Department of Innovation and Tourism Industry Development—to deliver their priorities.

The partnership operates through three corporate hubs embedded in DAF, DES and DNRME. Each hub is managed by a Head of Corporate, who is responsible for delivering a set of core services (to the host agency) and a number of cooperative services (to partnering agencies). DAF hosts the information technology (IT), online learning and fleet services and receives legal, internal audit, procurement, right-to-information and privacy services from its partner agencies.

Current membership of the Business and Corporate Partnership board includes the Deputy Director-General, Corporate, DAF (chair), the Heads of Corporate for DNRME and DES, and a representative of DSDTI and the Department of Housing and Public Works.

Ethics and integrity

Our employees are expected to demonstrate high ethical standards and values in accordance with the *Code of conduct for the Queensland public service*. All employees undertake code of conduct and ethical decision-making training upon commencement and then annually. At 30 June 2020, 94% of staff had completed this training.

The department has a zero tolerance for fraudulent or corrupt behaviour. In 2019–20, 99% of staff completed fraud awareness and corruption prevention training. This training is mandatory upon commencement and must be completed again every 2 years. Our Fraud Awareness and Corruption Prevention Week ran from 17 to 23 November 2019. Initiatives for the week included presentations to staff on information security and conflicts of interest by the Crime and Corruption Commission and an eminent expert in cybercrime and financial crimes. Staff also attended a number of webinars on conflicts of interest, with a focus on how to identify and manage such conflicts in line with the department's Declaration of Interests and Managing Conflicts of Interest Policy and Procedure.

Review of our complaints management framework was completed and our Customer Complaint Policy and Procedure was developed. Training sessions on these were provided to those DAF staff who could be involved in dealing with complaints. The fact sheet 'Mythbusting—gifts and benefits' was also developed and published.

Human rights

Section 97 of the *Human Rights Act 2019* requires relevant agencies to report on certain matters, including:

- details of actions to further the objects of the Act
- human rights complaints received by the agency, including number and outcome of complaints and other information prescribed by regulation
- details of reviews of policies, programs, procedures, practices or services undertaken for compatibility with human rights.

Please see Appendix 4 for these details.

Governance—accountability and risk management

Risk management

The department manages its risks through our enterprise risk management framework, accompanying guidelines and a strategic risk profile that captures the department's top 13 risks, including a risk relating to COVID-19. The approach continues to support the department's strategic and operational environment—it helps to manage opportunities and risks and prioritise resources in line with our risk appetite.

The framework is based on the AS/NZS ISO 31000:2018 risk management guidelines and accompanying principles. By managing risk, we improve organisational performance and are enabled to achieve the objectives stated in the *DAF strategic plan 2019–2023*. The framework ensures that we effectively identify, monitor and manage significant business and financial risks, including fraud, and that major risks are managed at executive level as part of DAF's planning, monitoring and reporting activities.

The department's enterprise risk profile was reviewed to ensure the top 13 risk statements reflected the priorities to be managed across the year and beyond. The department also updated its risk register and reporting templates. Each business group, in turn, updated their corresponding operational risk registers, ensuring a line of sight in the management of risks at all levels of the department.

DAF's approach to risk management continued to include feedback on and improvements to the framework and its operations by two key governing committees, including the Demand and Resource Committee, which is responsible for leading risk management. This included ensuring systems for monitoring, decision-making on and management of risks; policy implementation; and engendering commitment for risk management ownership across the department. The Audit and Risk Committee continued its role of assuring the establishment and implementation of the framework and that it remained suitable to the needs of the department, and ensuring that risks are owned by senior management. This saw the inclusion of risk treatments and their alignment to DAF's objectives and associated key performance indicators.

Throughout 2019–20, a range of enterprise-wide risk assessments were conducted. These included the following:

- We reviewed and updated the strategic and corresponding operational risk registers to ensure line of sight from risks and associated treatments to strategic outcomes sought, and to ensure risks were assigned an owner and managed for escalation to the Board of Management or relocated into the operations of the department for local level management.
- With the onset of COVID-19, the department undertook significant work in preparedness and response activities. These risks are appropriately monitored and managed at both the strategic and operational levels.
- The department assessed information security risk in its critical information assets, which supported our implementation of the new Information Security Management System.
- We completed quarterly reviews and reporting on treatment progress and control effectiveness against the enterprise risk profile.
- We ensured the establishment and implementation of a crisis management, disaster recovery and business continuity management framework suitable to the needs of DAF, including its internal and external responsibilities.

Ongoing activities for risk management within DAF include continuing to embed the guidelines to ensure risks are identified, assigned ownership and managed in the new normal business operations.

Information Security Management System

In line with the Queensland Government Information Security Policy (IS18), we have implemented our Information Security Management System (ISMS). This was achieved during 2018–19, and our focus throughout 2019–20 was on continuing to improve the scope, governance, risk management and performance management of and within the system.

During the year, the ISMS Working Group met monthly with the project team, and also reported monthly to the Information and Communication Technology Committee. The project experienced a two-month hiatus during March and April 2020 at the height of the department's COVID-19 response while project resources were reprioritised to the DAF response. This pause resulted in core project activities being rescheduled, with completion of risk assessments extended out into the 2020–21 financial year.

Key achievements in 2019–20 include:

- completion of the 2018–19 annual return
- the expansion and updating of the ISMS scope to include all DAF information assets, applications and systems
- implementation of most improvement activities identified through audit or risk assessment, leading to a reduction in the overall information risk profile.

Work also continued on our information security performance system. The department was able to implement our Information System Security Assurance Plan, with reporting to commence in July 2020. During 2019–20, a series of communication and awareness activities were also released, focusing on improving the department's awareness and practice of cyber hygiene.

Business continuity management

DAF's business continuity management system, which is outlined in our *Business continuity management manual*, aligns with the relevant international standards: *ISO 22301:2012 Societal security—business continuity management systems—requirements* and *ISO 31000:2009 Risk management—principles and guidelines*.

In December 2019, all DAF business groups tested their business continuity plans. Recommendations from the exercise outcomes report have been implemented or progressed.

In February 2020, preparation for potential disruption from COVID-19 led to the activation of various business continuity structures. The activation of these structures ramped up into the DAF COVID-19 response before the declaration of a global pandemic by the World Health Organization on 11 March 2020.

Our response accelerated the implementation of many recommendations from the 2019 business continuity testing, including:

- remote working approvals and uplift of technological capability
- identification of critical business functions and their dependencies
- increased staff communications regarding business continuity.

DAF's Business Continuity Reference Group met quarterly throughout 2019–20 to oversee and progress initiatives to improve the maturity of DAF's business continuity management.

Audit committee

Audit and Risk Committee

The Audit and Risk Committee helps the Director-General improve the organisation's accountability and performance in accordance with its charter and Queensland Treasury's *Audit committee guidelines: improving accountability and performance* (June 2012). The Audit and Risk Committee is the only governance committee that has an independent chair. It also has independent as well as departmental representatives. Independent members, who are external to the public service, are entitled to be remunerated for their time.

The committee convened five times during 2019–20. Internal Audit Service provided secretariat support to the committee. Key matters considered by committee members included review and revision of the committee charter, review of 61 internal audit recommendations and closure of 38 internal audit recommendations. Committee members were also provided with recommendations from Queensland Audit Office (QAO) reports to Parliament related to the department. During 2019–20, 11 recommendations were actioned and closed. See pages 58 and 59 for the internal and external audits of the department's operations.

Table 4 Audit and Risk Committee membership between 1 July 2019 and 30 June 2020

Name	Position	Committee role	Number of meetings	Number of meetings attended	Remuneration paid
Sue Ryan	Consultant	Chair External member	5	5	\$12 000
Virendra Dua	Consultant	External member	5	5	\$9 300
Dr Wayne Hall	Executive Director, Agri-Science Queensland	Internal member	5	5	--
Claire Andersen	Executive Director, Fisheries	Internal member	4	4	--
Graeme Bolton	Deputy Director- General, Fisheries and Forestry	Internal member	1	1	--

Note: Audit and Risk Committee external members' fees are paid by DES under the Business and Corporate Partnership arrangements.

As an independent external member and chair of the committee, Sue Ryan was entitled to be paid \$2400 per meeting (excluding GST) to a maximum of \$12 000 per calendar year (excluding GST).

As an independent external member, Virendra Dua was entitled to be paid \$1860 per meeting (excluding GST) to a maximum of \$9300 per calendar year (excluding GST). These fees were payable to the committee members for their services to prepare for, and attend, up to five meetings per year.

Internal audit

Internal audit provides the Director-General, the senior executive and the Audit and Risk Committee with independent, objective assurance on DAF's risk management, control and governance processes. As part of the Business and Corporate Partnership, Internal Audit Service (a business unit within DES) undertakes internal audits for DAF.

Internal Audit Service completed the following reviews under the DAF 2019–20 Strategic Internal Audit Plan:

- Vessel Monitoring System Approved Unit Providers Review
- Processes and Controls for Registered Biosecurity Entities
- National Red Imported Fire Ant (Phase 1): Identify Program KPIs
- Statement of Assurance Review
- Regional Office Administrative Processes Review
- Complaints Management Review
- Preparedness for Amendments to the *Biosecurity Act 2014*
- Reef Program Governance Review
- DAF State Coordination Centre (SCC) (COVID-19 response) Review
- Market Diversification and Resilience Grants (MDRG) Program—Phase 2 Review
- Biosecurity Qld COVID-19 Response and Continuity Review—Plant Biosecurity Laboratory (PBL).

The following reviews have commenced under the plan:

- Governance and Oversight of Drought Programs
- Crisis Management and Planning Review
- Contractor Engagement and Labour Hire Review
- National Red Imported Fire Ant Phase 2: Program KPIs Review.

Additional activities undertaken by Internal Audit Service were:

- reporting on the results of internal audits and assurance reviews undertaken, and the status of DAF management's implementation of audit recommendations, to the Audit and Risk Committee
- liaising with QAO to ensure there was no duplication of audit effort
- providing advice on corporate governance and related issues, including fraud and corruption prevention programs and risk management
- reviewing the department's annual financial statements and Chief Finance Officer's assurance statement prior to them being presented to the Audit and Risk Committee.

External scrutiny

DAF's operations were subject to scrutiny from a range of external sources that help us improve and meet government and community expectations of accountability. Table 5 outlines the reviews, external audits and legal actions where the department has been required to respond in 2019–20.

Table 5 Reviews, external audits and legal actions requiring response from DAF

Organisation	Report and findings	DAF response
Auditor-General/QAO	<p><i>Managing cyber security risks—report 3: 2019–20</i></p> <ul style="list-style-type: none"> Examined whether entities effectively managed their cyber security risks, by assessing whether entities: <ol style="list-style-type: none"> understood and assessed the extent to which their information assets and organisational processes were exposed to cyber security risks designed and implemented effective information controls to mitigate identified cyber security risks 17 recommendations were suggested for consideration by all departments 	<ul style="list-style-type: none"> Recommendations 2, 3, 4, 5 and 17 were completed and closed in December 2019 At the last Audit and Risk Committee meeting (16 June 2020), recommendation 1 was considered to be approximately 95% complete and on track for completion by the expected implementation date of 30 June 2020 Also at that time, recommendations 6 to 16 were considered to be approximately 80% complete and on track for completion by the expected implementation date of 1 December 2020
Ombudsman Decision 10, December 2019	<p><i>Investigation into complaint associated with fisheries investment warnings</i></p> <ul style="list-style-type: none"> The department's relevant administrative actions and decision-making were reasonable in the circumstances 	<ul style="list-style-type: none"> No further action was required DAF has voluntarily updated its web information on how to request an internal review under the <i>Fisheries Act 1994</i>
Bernard Wonder Consultant	<p><i>Efficiency and effectiveness review of the National Red Imported Fire Ant Eradication Program</i></p> <ul style="list-style-type: none"> Provided feedback to the Steering Committee for the National Red Imported Fire Ant Eradication Program about whether the 10-year plan is being correctly implemented There were 37 recommendations for the committee and the program to consider 	<ul style="list-style-type: none"> 19 recommendations have been completed since the report was finalised in December 2019 The remaining 18 recommendations are on track to be completed as soon as possible with quarterly updates being provided to the committee

Information systems and recordkeeping

Information systems

Contemporary, efficient information systems help DAF make sound decisions and improve its services. They also enable the department to meet its legislative obligations and strategic objectives.

This year's key ICT initiatives included:

- implementation of RANGER—a new customer relationship system that provides a single point of truth for data capture and processes for forestry and quarry management undertaken by the department's Forestry business group
- continued development of CALS (Chemical Application Licensing System)—to digitise existing manual processes that cause delays in issuing licences to agriculture and service businesses
- continued development of Remote Sensing Surveillance—which will be used for broadscale monitoring of fire ants and to clear priority areas following the intensive treatment phase
- implementation of PaRIS (Project and Reporting Information System)—which provides project and performance management business functions with the management of approval processes and project life cycles for RD&E projects
- implementation of D.A.V.E (a digital asset management system)—a centralised and secure digital library giving the department controlled access to its digital imagery and audiovisual assets
- further development of Keystone—the primary solution used for the management of all calls and requests received by the DAF Customer Service Centre and regional economic development staff.

Records governance

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

The framework includes:

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

eDOCS is the corporate document and records management system for all DAF functions. All documents are held in file structures with appropriate security access according to the Information Security Policy. There have been no serious security breaches of this system.

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

The department identifies and captures high-value records from business systems and new desktop technologies into the corporate recordkeeping system. We develop and apply technology to automate the capture of records to ensure their security, integrity and preservation where possible.

The number of records transferred to offsite storage continues to decline as the transition to digital recordkeeping increases. A proactive appraisal and disposal program is in place. Departmental records are covered by the following approved retention and disposal schedules:

- Agriculture—QDAN 719
- Fisheries—QDAN 724
- Forestry—QDAN 725.

The department has taken responsibility for the records from the former QATC.

Releasing information

Open data

A number of annual reporting requirements are addressed through publication of information on the Queensland Government's Open Data portal (data.qld.gov.au) instead of inclusion in the annual report.

The following information requirements must be reported through the Open Data portal:

- consultancies
- overseas travel
- the *Queensland language services policy*.

Also reported through the portal are:

- government committees and remuneration
- regulatory performance framework self-assessment.

Governance—human resources

At 30 June 2020, DAF had 2123.78 active full-time equivalent (FTE) staff and a permanent separation rate of 4.82%.

The FTE total included 223 Business and Corporate Partnership staff providing services to other agencies.

Strategic workforce planning and performance

A workforce for now and the future

We have continued our strategy to empower our people and to maintain a focus on key workforce initiatives built around talent acquisition, leadership, capability, new ways of working and culture. In 2019–20, we delivered blended leadership and capability learning and development initiatives to future-proof our leadership. Initiatives to support this approach to enabling included:

- finalising our Learning and Development Strategy, which includes a map of internal and external development opportunities for all leadership levels based on a 70:20:10 model of real-world problem-solving, practice and theory
- delivering highly interactive ‘Leader as coach’ workshops to help leaders use conversational frameworks to build capability and resilience in their teams
- promoting modules of micro-learning activities on everyday coaching skills for better conversations (sponsored by the Queensland University of Technology and the Public Service Commission, hosted via our internal LearnWorX system)
- delivering ‘Confident people management’, an action-learning program, to high-performing team leaders and emerging leaders (including a pre-course 360° feedback report based on *Leadership competencies for Queensland*)
- streamlining performance and development agreement templates, guidelines and supporting resources, including training, to integrate the sector-wide *Leadership competencies for Queensland* capability framework
- updating our internal resources and improving accessibility to new self-assessment tools and the competency compass to identify skills and areas for development
- providing online learning via staff access to LinkedIn Learning’s more than 10 000 courses teaching managerial, business, software and creative skills
- supporting internal talent development through the Study and Research Assistance Scheme
- recognising and rewarding outstanding performance and exceptional achievement by progressing the careers of 40 professional officers to the next level under the Professional and Technical Officers Progression Scheme.

Following our achievement of White Ribbon Australia accreditation in May 2019, we have continued to implement actions identified in the *2019–2022 White ribbon workplace accreditation operational plan*. Important activities included:

- the ongoing coordination of departmental efforts led by our White Ribbon Working Group and Champion
- the delivery of domestic and family violence and anti-discrimination training programs across the state
- participation in multiple awareness-raising and fundraising events and activities
- continued partnership with a regional Save the Children refuge.

A diverse and inclusive workplace helps us understand and serve the needs of all Queenslanders. Key initiatives supported in 2019–20 to improve our diversity profile and raise awareness of DAF as a place to work included:

- funding two employees to participate in a mentorship program advancing the careers of Aboriginal and Torres Strait Islander people—the program seeks to increase awareness of difference, unconscious bias and privilege through pairing mentors and mentees to provide cultural coaching
- appointing three Aboriginal and Torres Strait Islander field officers within QBFP to assist, develop and maintain relationships between communities and QBFP officers
- hosting an International Women’s Day event, celebrating achievements of women and providing an opportunity to reflect on progress made, with a particular focus on the year’s theme, ‘Each for equal’—a call to action for accelerating gender parity
- joining with 20 other Queensland Government agencies in the Musgrave Park Family Fun Day, as a part of NAIDOC week celebrations—we promoted DAF’s drone technology and provided opportunities to view the Queensland Recreational Fishing App and to speak with QBFP officers.

Early retirement, retrenchment and redundancy

During 2019–20, two employees received redundancy packages at a cost of \$410 260.68.

Healthy and safe people and workplaces

The health and safety of all employees, contractors and visitors is a key value for the department and our commitment to the prevention of workplace injuries and illness is a strategic priority.

Our efforts have focused intensely on ensuring the work health and safety of our people during the department’s response to the COVID-19 pandemic in 2020. Strong campaigns to safeguard the health of our workforce—while working in the field, laboratory, facility or virtual environment—have been sustained throughout this period in accordance with the directions from Queensland’s Chief Health Officer.

In 2019–20, we released the *DAF 2020 strategic plan for workplace health, safety and wellbeing* as part of our commitment to continuous improvement in the health, safety and wellbeing of our people. The strategy is framed around four focus areas:

- engagement—engaging with safety, health and wellbeing in everything we do, every day
- systems—reshaping our systems for clarity and greater understanding of our WHS obligations and requirements
- leadership—increasing leaders’ capabilities to foster a safer and healthier workplace culture
- assurance—implementing an improved quality assurance framework for safety, health and wellbeing.

The Workplace Health and Safety Steering Committee (led by the Director-General), the Deputy Directors-General and champions from respective business groups have led key initiatives as part of the strategy in 2019–20, including:

- redefining the department’s WHS roles and responsibilities at all levels of the organisation
- building a digital integrated incident reporting and case management system
- designing a new user-centred health and safety management system
- establishing and refreshing our WHS consultative committees
- uplifting our risk management capability to focus on the department’s risk profile and safe operating procedures.

In 2019–20, the department also continued to deliver existing workplace health and wellbeing initiatives such as the annual influenza vaccination program, rehabilitation and return-to-work management, a mentally healthy workplaces pilot, the Fitness Passport, the WHS Leadership Awards, our Employee Assistance Program, and Lifeblood (Australia’s blood donation challenge).

As a result of the department’s successful WHS program, we continued to see positive results and favourable financial outcomes in our WorkCover Queensland premium. The claims costs for the 2019–20 period were just over \$170 000 less than for the previous year.

In 2020–21, we will continue to progress our health and safety objectives by releasing an online WHS induction module, embedding our digital integrated incident reporting and case management system, implementing strategic audit protocols, and strengthening safety leadership and safety culture programs.

Table 6 DAF’s WHS governance committees at 30 June 2020

Committee name/level	Chair and key responsibilities
Workplace Health and Safety Steering Committee	Chair: Director-General Ensures statutory and organisational requirements for the management of WHS matters are met Meets bimonthly Supported by the Workplace Health and Safety Reference Group and the WHS governance groups
Workplace Health and Safety Reference Group	Chair: Manager, Work Health and Safety Advises the Workplace Health and Safety Steering Committee on operational performance and strategy effectiveness Drives actions and implements the WHS strategy Reviews trends and emerging issues across business areas Meets monthly Supported by the WHS governance groups
WHS governance groups	Chair: General manager or director level within the relevant business groups Oversee the management of health and safety matters and resources within the business areas Meet monthly Supported by the WHS network groups
WHS business groups (business group/program/project level)	Chair: As identified by the relevant business groups Ensure commitment in achieving WHS goals and manage operational WHS risks/issues Meet at least bimonthly or as needed
WHS site committees	Chair: Facility manager or site coordinator (or the most senior officer on site) Identify and report WHS issues and opportunities within the site/centre/facility/region Escalate issues beyond local resolutions Meet at least once per quarter

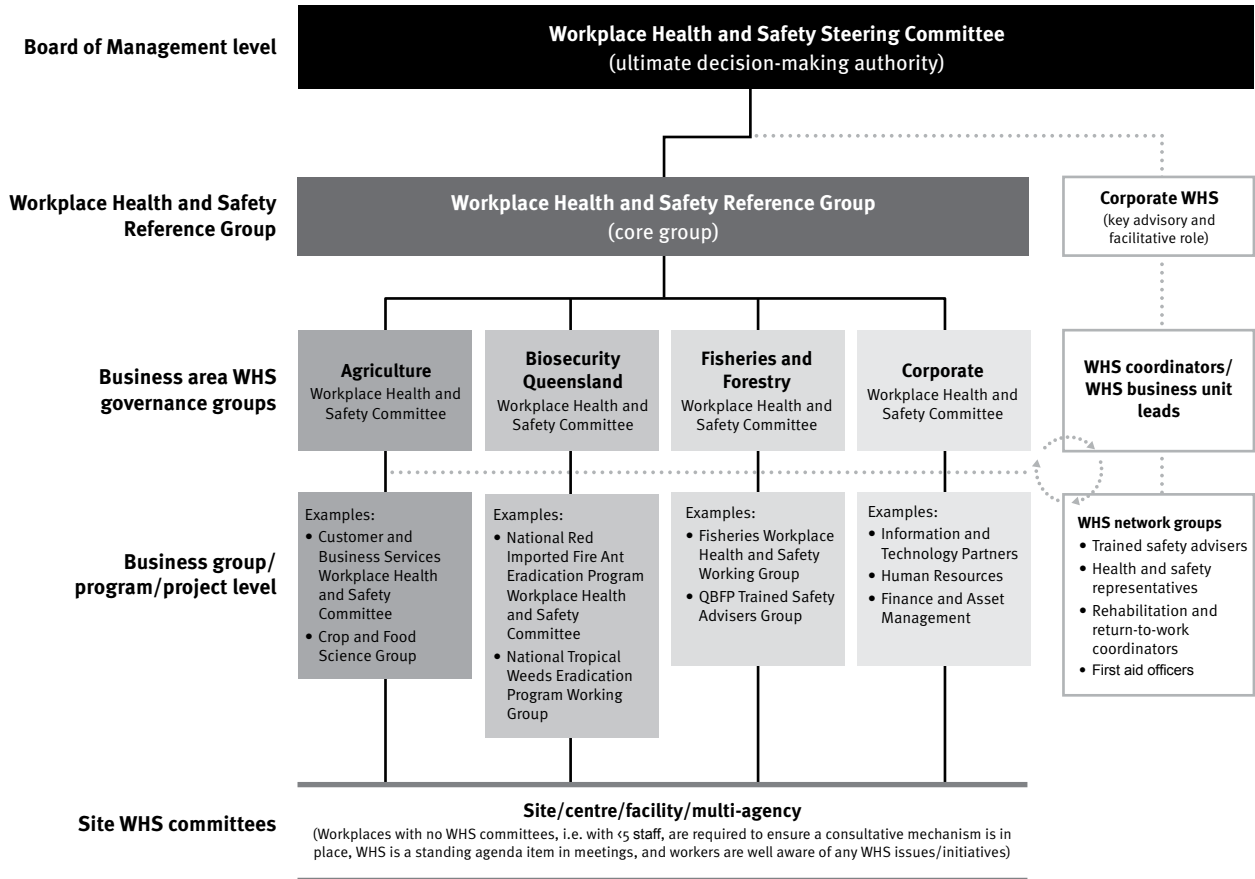


Figure 6 Relationships between DAF's WHS committees

DEPARTMENT OF AGRICULTURE AND FISHERIES
Financial Statements
For the year ended 30 June 2020

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Financial Statements
For the year ended 30 June 2020

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DEPARTMENT OF AGRICULTURE AND FISHERIES
Statement of comprehensive income
For the year ended 30 June 2020

		2020	2020	Budget	2019
		Actual	Original	Variance*	Actual
	Notes	\$'000	Budget	\$'000	\$'000
Income from operations					
Appropriation revenue	B1-1	366,818	329,014	37,804	316,077
User charges and fees	B1-2	148,033	125,084	22,949	142,124
Grants and contributions	B1-3	44,856	41,406	3,450	36,879
Royalties	B1-4	33,675	29,159	4,516	30,546
Other revenue	B1-5	4,140	257	3,883	1,020
Total revenue		597,522	524,920	72,602	526,646
Gains on disposal and re-measurement of assets		2,181	95	2,086	1,424
Total income from operations		599,703	525,015	74,688	528,070
Expenses from operations					
Employee expenses	B2-1	237,483	225,892	11,591	214,688
Supplies and services	B2-2	274,873	238,189	36,684	248,490
Grants and subsidies	B2-3	54,421	14,949	39,472	29,012
Depreciation and amortisation	B2-4	26,812	35,433	(8,621)	19,585
Finance/borrowing costs	B2-5	2,524	8,528	(6,004)	-
Impairment losses		640	-	640	239
Other expenses	B2-6	2,950	2,024	926	16,057
Total expenses from operations		599,703	525,015	74,688	528,070
Operating result for the year surplus/(deficit)		-	-	-	-
Other comprehensive income					
Items that will not be reclassified to operating result:					
Increase in asset revaluation surplus	C9-3	687	-	687	3,338
Total comprehensive income		687	-	687	3,338

*An explanation of major variances is included at Note E1-1

The accompanying notes form part of these statements.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Statement of comprehensive income by major departmental services****For the year ended 30 June 2020**

	Agriculture		Fisheries and Forestry		Biosecurity Queensland	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from operations ⁽¹⁾						
Appropriation revenue	209,678	171,401	47,969	41,545	102,084	94,473
User charges and fees	56,039	56,624	5,179	8,623	29,958	30,839
Grants and contributions	1,118	1,064	253	3,629	43,452	32,153
Royalties	4,142	3,516	29,532	27,030	-	-
Other revenue	3,932	761	164	124	44	135
Total revenue	274,910	233,366	83,097	80,952	175,537	157,600
Gains on disposal and re-measurement of assets	1,862	1,247	57	72	262	104
Total income from operations	276,772	234,613	83,154	81,024	175,799	157,704
Expenses from operations ⁽¹⁾						
Employee expenses	104,250	93,530	41,499	36,772	66,441	60,776
Supplies and services	102,110	98,187	40,856	38,218	97,738	83,766
Grants and subsidies	51,447	26,515	552	166	2,382	2,295
Depreciation and amortisation	16,535	12,775	2,534	1,489	4,233	2,706
Finance/borrowing costs	947	-	15	-	1,563	-
Impairment losses	482	172	115	59	43	7
Other expenses	1,541	3,548	397	4,238	954	8,188
Total expenses from operations	277,312	234,726	85,967	80,942	173,353	157,738
Operating result for the year	(540)	(113)	(2,814)	82	2,446	(34)
Other comprehensive income						
Items that will not be reclassified to operating result:						
Increase/(decrease) in asset revaluation surplus	255	3,341	371	(115)	62	62
Total comprehensive income	(286)	3,228	(2,443)	(33)	2,508	28

⁽¹⁾ Corporate services income and expenses relating to DAF provided through the Business Corporate Partnership (BCP) arrangements have been allocated to respective departmental services based on employee full time equivalent (FTE) numbers.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Statement of comprehensive income by major departmental services
For the year ended 30 June 2020

	Corporate Partnership ⁽²⁾		Total	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Income from operations ⁽¹⁾				
Appropriation revenue	7,088	8,657	366,818	316,077
User charges and fees	56,858	46,039	148,033	142,124
Grants and contributions	33	33	44,856	36,879
Royalties	-	-	33,675	30,546
Other revenue	-	-	4,140	1,020
Total revenue	63,979	54,729	597,522	526,646
Gains on disposal and re-measurement of assets	-	-	2,181	1,424
Total income from operations	63,979	54,729	599,703	528,070
Expenses from operations ⁽¹⁾				
Employee expenses	25,294	23,610	237,483	214,688
Supplies and services	34,169	28,319	274,873	248,490
Grants and subsidies	40	36	54,421	29,012
Depreciation and amortisation	3,510	2,615	26,812	19,585
Finance/borrowing costs	-	-	2,524	-
Impairment losses	-	-	640	239
Other expenses	58	84	2,950	16,057
Total expenses from operations	63,071	54,664	599,703	528,070
Operating result for the year	908	65	-	-
Other comprehensive income				
Items that will not be reclassified to operating result:				
Increase in asset revaluation surplus	-	50	687	3,338
Total comprehensive income	908	115	687	3,338

⁽¹⁾ Corporate services income and expenses relating to DAF provided through the BCP arrangements have been allocated to respective departmental services based on employee FTE numbers.

⁽²⁾ Income and expenses attributed to other agencies through BCP activities are shown separately and not allocated across departmental services.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Statement of financial position
as at 30 June 2020

		2020	2020	Budget	2019
		Actual	Original	Variance*	Actual
	Notes	\$'000	Budget	\$'000	\$'000
			\$'000		
Current assets					
Cash and cash equivalents	C1	41,222	39,202	2,020	48,506
Receivables	C2	21,425	37,407	(15,982)	42,689
Inventories		1,668	1,700	(32)	942
Other assets	C3	29,345	7,794	21,551	7,796
		93,659	86,103	7,556	99,934
Non-current assets classified as held for sale		460	-	460	1,010
Total current assets		94,119	86,103	8,016	100,944
Non-current assets					
Property, plant and equipment	C4	401,664	340,166	61,498	353,462
Right-of-use assets	C8	114,971	284,279	(169,308)	-
Intangible assets		1,618	1,577	41	1,073
Other assets	C3	2,156	10,394	(8,238)	11,719
Total non-current assets		520,409	636,416	(116,007)	366,254
Biological assets					
Biological assets		4,518	2,877	1,641	4,335
Total biological assets		4,518	2,877	1,641	4,335
Total assets		619,045	725,396	(106,351)	471,532
Current liabilities					
Payables	C5	17,616	14,788	(2,828)	27,136
Accrued employee benefits	C6	7,005	9,472	2,467	9,474
Lease liabilities	C8	4,091	7,064	2,973	-
Other liabilities	C7	32,107	20,501	(11,606)	24,698
Total current liabilities		60,819	51,825	(8,994)	61,308
Non-current liabilities					
Lease liabilities	C8	103,843	270,705	166,862	-
Other non-current liabilities	C7	13,772	13,771	(1)	15,192
Total non-current liabilities		117,614	284,476	166,862	15,192
Total liabilities		178,434	336,301	157,867	76,500
Net assets		440,611	389,095	51,517	395,032
Equity					
Contributed equity	C9-1	418,926	-	-	374,034
Accumulated deficit		(8,790)	-	-	(8,790)
Asset revaluation surplus	C9-3	30,474	-	-	29,787
Total equity		440,611	-	-	395,032

*An explanation of major variances is included at Note E1-2

The accompanying notes form part of these statements.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Statement of assets and liabilities by major departmental services
as at 30 June 2020

	Agriculture		Fisheries and Forestry		Biosecurity Queensland	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets						
Cash and cash equivalents	18,095	21,234	6,978	8,077	12,136	14,300
Receivables ⁽¹⁾	13,507	10,178	5,838	5,490	(367)	22,133
Inventories	438	91	434	478	795	373
Other current assets	8,241	2,059	783	419	15,878	800
	40,281	33,562	14,034	14,465	28,442	37,606
Non-current assets classified as held for sale	460	1,010	-	-	-	-
Total current assets	40,741	34,572	14,034	14,465	28,442	37,606
Non-current assets						
Property, plant and equipment	299,780	246,162	28,225	28,881	63,852	68,199
Right-of-use assets	51,426	-	708	-	62,837	-
Intangible assets	866	575	56	69	360	52
Other non-current assets	284	10,117	110	103	369	182
Total non-current assets	352,356	256,853	29,097	29,052	127,418	68,432
Biological assets						
Biological assets	4,216	4,066	-	-	301	269
Total biological assets	4,216	4,066	-	-	301	269
Total assets ⁽²⁾	397,314	295,491	43,131	43,517	156,161	106,309
Current liabilities						
Payables	13,936	7,542	1,838	2,957	683	12,316
Accrued employee benefits	3,112	4,121	1,153	1,543	2,019	2,789
Lease liabilities	1,603	-	67	-	2,421	-
Other current liabilities	29,286	22,247	254	395	2,567	2,055
Total current liabilities	47,936	33,910	3,313	4,897	7,691	17,161
Non-current Liabilities						
Lease liabilities	41,107	-	638	-	62,098	-
Other non-current liabilities	13,772	15,192	-	-	-	-
Total non-current liabilities	54,878	15,192	638	-	62,098	-
Total liabilities ⁽²⁾	102,815	49,101	3,951	4,897	69,789	17,161

⁽¹⁾ The negative balance in Biosecurity Queensland receivables is caused by appropriation adjustments at the departmental service level (\$7.3 million) that offsets other receivables (\$6.9 million). The appropriation receivable recognised at the departmental level is \$3.0 million.

⁽²⁾ Corporate services assets and liabilities relating to DAF provided through the BCP arrangements have been allocated to respective departmental services.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Statement of assets and liabilities by major departmental services (continued)

as at 30 June 2020

	Corporate Partnership ⁽²⁾		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current assets				
Cash and cash equivalents	4,013	4,895	41,222	48,506
Receivables	2,447	4,887	21,425	42,689
Inventories	-	-	1,668	942
Other current assets	4,443	4,519	29,345	7,796
	10,902	14,302	93,659	99,934
Non-current assets classified as held for sale	-	-	460	1,010
Total current assets	10,902	14,302	94,119	100,944
Non-current assets				
Property, plant and equipment	9,808	10,219	401,664	353,462
Right-of-use assets	-	-	114,971	-
Intangible assets	336	378	1,618	1,073
Other non-current assets	1,393	1,318	2,156	11,719
Total non-current assets	11,537	11,915	520,409	366,254
Biological assets				
Biological assets	-	-	4,518	4,335
Total biological assets	-	-	4,518	4,335
Total assets ⁽¹⁾	22,439	26,217	619,045	471,532
Current liabilities				
Payables	1,160	4,321	17,616	27,136
Accrued employee benefits	720	1,021	7,005	9,474
Lease liabilities	-	-	4,091	-
Other current liabilities	-	-	32,107	24,698
Total current liabilities	1,880	5,342	60,819	61,308
Non-current liabilities				
Lease liabilities	-	-	103,843	-
Other non-current liabilities	-	-	13,772	15,192
Total non-current liabilities	-	-	117,614	15,192
Total liabilities ⁽¹⁾	1,880	5,342	178,434	76,500

⁽¹⁾ Corporate services assets and liabilities relating to DAF provided through the BCP arrangements have been allocated to respective departmental services.

⁽²⁾ Assets and liabilities attributed to other agencies through BCP activities are shown below separately and not allocated across departmental services.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Statement of changes in equity

For the year ended 30 June 2020

	Notes	Contributed Equity \$'000	Accumulated (Deficit) \$'000	Asset Revaluation Surplus \$'000	TOTAL \$'000
Balance as at 1 July 2018		377,506	(8,790)	26,449	395,165
Operating result					
Operating result from continuing operations		-	-	-	-
Other comprehensive income					
- Increase in asset revaluation surplus	C9-3	-	-	3,338	3,338
- Transfers between asset revaluation reserve and accumulated surplus		-	-	-	-
Total comprehensive income for the year		-	-	3,338	3,338
Transactions with owners as owners:					
- Appropriated equity withdrawals	C9-2	(3,503)	-	-	(3,503)
- Non-appropriated equity adjustment		31	-	-	31
Net transactions with owners as owners		(3,472)	-	-	(3,472)
Balance at 30 June 2019		374,034	(8,790)	29,787	395,032
Balance as at 1 July 2019		374,034	(8,790)	29,787	395,032
Operating result					
Operating result from continuing operations		-	-	-	-
Other comprehensive income					
- Increase in asset revaluation surplus	C9-3	-	-	687	687
Total comprehensive income for the year		-	-	687	687
Transactions with owners as owners:					
- Appropriated equity injections	C9-2	2,625	-	-	2,625
- Appropriated equity withdrawals	C9-2	(9,533)	-	-	(9,533)
- Non-appropriated equity withdrawals		(1,568)	-	-	(1,568)
- Non-appropriated equity adjustment		53,365	-	-	53,365
Net transactions with owners as owners		44,889	-	-	44,889
Balance at 30 June 2020		418,926	(8,790)	30,474	440,611

The accompanying notes form part of these statements.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Statement of cash flows
For the year ended 30 June 2020

		2020	2020	Budget	2019
		Actual	Original	Variance*	Actual
	Notes	\$'000	Budget	\$'000	\$'000
Cash flows from operating activities					
Inflows:					
Service appropriation receipts		356,915	329,014	27,901	316,198
User charges and fees		152,762	129,914	22,848	135,093
Grants and other contributions		45,729	41,406	4,323	44,699
Royalties		36,697	29,159	7,538	30,546
GST input tax credits received from ATO		13,300	13,181	119	12,433
GST collected from customers		16,244	-	16,244	14,368
Other inflows		4,465	857	3,608	1,218
Outflows:					
Employee expenses		(239,506)	(225,661)	(13,845)	(214,373)
Supplies and services		(281,452)	(238,649)	(42,803)	(248,101)
Grants and subsidies		(54,068)	(14,949)	(39,119)	(29,012)
GST paid to suppliers		(29,492)	(13,131)	(16,361)	(26,868)
GST remitted to ATO		-	-	-	-
Finance/borrowing costs		(2,524)	(8,528)	6,004	-
Other outflows		(2,381)	(2,474)	93	(5,639)
Net cash provided by operating activities	CF-1	16,691	40,139	(23,448)	30,560
Cash flows from investing activities	CF-2				
Inflows:					
Sales of property, plant and equipment		1,216	2,250	(1,034)	346
Sales of biological assets		2,345	-	2,345	(392)
Outflows:					
Payments for property, plant and equipment		(17,182)	(18,737)	1,555	(19,855)
Payments for intangibles		(823)	-	(823)	(497)
Payments for biological assets		(213)	-	(213)	1,049
Net cash used in investing activities		(14,656)	(16,487)	1,831	(19,350)
Cash flows from financing activities	CF-2				
Inflows:					
Equity Injection		2,625	6,510	(3,885)	-
Outflows:					
Lease payments		(2,862)	(6,510)	3,648	-
Equity withdrawal		(9,533)	(18,539)	9,006	(3,503)
Net cash provided by financing activities		(9,770)	(18,539)	8,769	(3,503)
Net increase/(decrease) in cash and cash equivalents		(7,735)	5,113	(12,848)	7,708
Cash and cash equivalents - opening balance		48,506	34,089	14,417	40,798
Cash and cash equivalents received from administrative changes		451	-	451	-
Cash and cash equivalents - closing balance	C1	41,222	39,202	2,020	48,506

*An explanation of major variances is included at Note E1-3

The accompanying notes form part of these statements.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the statement of cash flows****For the year ended 30 June 2020****CF-1 Reconciliation of operating result to net cash provided by operating activities**

	2020	2019
	\$'000	\$'000
Operating (deficit)	-	-
Non-cash items included in operating result:		
Depreciation and amortisation expense	26,812	19,585
Gains on sale or disposal of property, plant and equipment	(103)	(190)
Loss on sale or disposal of property, plant and equipment	758	774
Impairment losses	53	-
Net increment in valuation of biological assets	(2,131)	(1,234)
Change in assets and liabilities:		
(Increase)/decrease in appropriation services revenue receivable	(3,004)	182
(Increase)/decrease in receivables	3,356	6,060
(Increase)/decrease in GST input tax credits receivable	(109)	66
(Increase)/decrease in long service leave reimbursements	116	57
(Increase)/decrease in annual leave reimbursements	1,703	(191)
(Increase)/decrease in other assets	(3,369)	-
(Increase)/decrease in other receivables	(18)	18
(Increase)/decrease in inventories	(940)	218
Increase/(decrease) in payables	(9,770)	10,154
Increase/(decrease) in accrued employee benefits	(2,469)	458
Increase/(decrease) in unearned revenue	5,816	(4,902)
Increase/(decrease) in GST payable	(5)	(133)
Increase/(decrease) in security deposits	(5)	(95)
Net cash provided by operating activities	16,691	30,560

CF-2 Changes in liabilities arising from financing activities

	-----Non-cash changes-----				-----Cash flows-----		
	Opening Balance 1 July 2019	Transfers to/(from) other Qld Government entities	New Leases Acquired	Other	Cash Received	Cash Repayments	Closing Balance 30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities	110,795	-	-	-	-	(2,862)	107,933
Total	110,795	-	-	-	-	(2,862)	107,933

CF-3 Non-cash investing and financing activities

Assets and liabilities received by the department from Queensland Agricultural Training Colleges (QATC) are set out in Note A3.

The accompanying notes form part of these statements.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2020

SECTION 1

About the department and this financial report

A1 Basis of financial statement preparation

A1-1 General information

The Department of Agriculture and Fisheries (DAF) is a Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland, which is the ultimate parent.

The head office and principal place of business of the department is Level 35, 1 William Street, BRISBANE QLD 4000.

A1-2 Compliance with prescribed requirements

DAF has prepared these financial statements in compliance with section 38 of the *Financial Performance Management Standard 2019*.

The financial statements comply with Queensland Treasury's (QT) Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019.

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

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

A1-3 Presentation

Currency and rounding

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

Comparatives

Comparative information reflects the audited 2018-19 financial statements.

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.

A1-4 Authorisation of financial statements for issue

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

A1-5 Basis of measurement

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

- Land, buildings and infrastructure are measured at fair value
- Inventories which are measured at the lower of cost and net realisable value
- Non-current assets held for sale are measured at fair value less costs to sell.

Historical cost

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

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2020

A1 Basis of financial statement preparation (continued)

A1-5 Basis of measurement (continued)

Fair value

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

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities, such as business
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current/depreciated replacement cost methodology
- The *income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

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

Present value

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

Net realisable value

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

A2 Departmental objectives

DAF promotes a sustainable and innovative agriculture, fisheries and forestry sector, develops rural businesses and adds value to communities and the economy. The department has a strong focus on industry development with a vision for a productive and profitable agriculture, fisheries and forestry sector that operates on a sustainable basis and continues to create jobs for Queenslanders.

Agriculture is a high risk business, affected by rainfall, price variability and susceptibility to pest and disease threats. Biosecurity leadership and delivery of drought assistance and extension services are crucial to improve risk preparedness and resilience. These services contribute to the Government's objectives to deliver quality frontline services and to build safe, caring and connected communities. The department's management of fisheries and forestry resources and programs for best practice land management strives to balance commercial interests with the ongoing economic, environmental and social value of the community's resources. The department's efforts and those of the sector contribute to the Government's objective to protect the environment and address water quality issues in the Great Barrier Reef catchments.

Our strategic objectives are focussed on three themes to drive this change:

- **Innovative** - work with industry to create the conditions to drive innovation, productivity and jobs
- **Responsive** - build capacity of agri-business and communities to meet sector challenges
- **Sustainable** - promote responsible use of natural resources to underpin productivity, environmental sustainability and healthy lifestyles.

Key investment areas for 2019-20 included:

- Develop a strategy for agri-business and food industry development to encourage employment growth and private sector investment
- Continue eradication programs for red imported fire ants, electric ants, fruit flies in the Torres Strait, varroa mite and four tropical weeds
- Continue the implementation of the Sustainable Fisheries Strategy to support fisheries reform and ongoing support for agricultural industries in reef catchments to improve reef water quality
- Support the rebuilding of rural communities and industries by providing assistance to north and western Queensland recovery operations and continuing the existing Drought Relief Assistance Scheme (DRAS) as part of the multi-agency Drought Assistance Package and Queensland Drought Reform.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

A2 Departmental objectives (continued)

Major departmental services of the department

DAF has three main service areas. They are Agriculture, Biosecurity Queensland and Fisheries and Forestry.

Agriculture

This service area:

- undertakes industry analysis to ensure the policy and regulatory frameworks underpin the long term productivity growth, export potential and sustainability of Queensland's food and fibre sector
- works with producers, industry and all levels of government to capitalise on rural opportunities, improve supply chains and create long term jobs for the benefit of Queensland's food and fibre sector
- works with rural communities to identify regional economic priorities, improve the competitiveness of rural business and increase the number of jobs in rural communities
- undertakes research, development and extension and delivers services to assist producers to advance Queensland's agriculture and bring the best quality food and fibre products to market
- provides industry and university scientists with access to the department's world-class research facilities
- leads initiatives aimed at improving the delivery of services to customers
- reshape vocational education and training in the state's central west by implementing a modern, cost-effective training module, working closely with the Department of Employment, Small Business and Training.

Biosecurity Queensland

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

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

Fisheries and Forestry

Fisheries and Forestry ensures sustainable and productive fisheries and the responsible allocation and use of State-owned forests and related resources. It does this by:

- managing access to and the sustainable use of Queensland fisheries resources
- providing education and enforcing fishing regulations to promote equitable access to fisheries resources by commercial, recreational and traditional fishers
- responsibly managing the allocation and use of State-owned forests and related resources
- supporting the growth and development of the Queensland forest and timber industry
- overseeing the Plantation Licence issued to HQPlantations Pty Ltd and related agreements.

Business Corporate Partnership (BCP) - Corporate Services

In addition to the corporate services provided to DAF, the department also participates in the BCP 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 FTE positions in the respective agency. The model is multi-layered for different corporate services functions.

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

- Department of Natural Resources, Mines and Energy (DNRME): Information Management, Fleet Management, Telecommunications
- Department of Environment and Science (DES): Information Management, Fleet Management, Telecommunications
- Department of State Development, Tourism and Innovation (DSDTI) (formerly known as Department of Innovation, Tourism and Industry Development (DITID)): Finance; Information Management, Fleet Management, Telecommunications.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Statement of changes in equity
For the year ended 30 June 2020

A3 Administrative arrangements

Transfers in - Controlled activities

Details of transfer : Assets and liabilities transferred from the Queensland Agricultural Training Colleges (QATC) to DAF.

Basis of transfer : *Agriculture and Other Legislation Amendment Act 2020*, passed 6 February 2020, *The Queensland Agricultural Training Colleges Act 2005* was repealed and QATC was abolished at 29 February 2020.

Date of transfer : Effective 1 March 2020

The following amounts were transferred from QATC to DAF on 1 March 2020. In accordance with Ministerial Designation signed 27 February 2020 by the Honourable Mark Furner MP, Minister for Agricultural Industry Development and Fisheries, the transfer is designated as contributions by owners for the recipient and is to be adjusted against QATC's and DAF's Contributed Equity.

The assets and liabilities transferred as a result of this change were as follows:

	\$'000
Current assets	
Cash and cash equivalents	450
Receivables	258
Inventories	215
Total current assets	923
Non-current assets	
Property, plant and equipment	52,629
Total non-current assets	52,629
Biological assets	
Biological assets	236
Total biological assets	236
Total assets	53,788
Current liabilities	
Payables	244
Other liabilities	179
Total current liabilities	423
Total liabilities	423
Net assets	53,365
Equity	
Contributed equity	12,098
Accumulated surplus/deficit	(39,639)
Asset revaluation surplus	80,906
Total equity	53,365

The increase in net assets of \$53.4 million has been accounted for as an increase in contributed equity as disclosed in the statement of changes in equity.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2020

B1. Revenue		
	2020	2019
B1-1. Appropriation revenue	\$'000	\$'000
Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in operating result		
Budgeted appropriation revenue	329,014	313,808
Treasurer's advance	1,960	-
Treasurer's transfers	25,941	-
Unforeseen expenditure	-	2,390
Total appropriation receipts (cash)	356,915	316,198
Less: opening balance of appropriation revenue receivable	-	(182)
Plus: closing balance of appropriation revenue receivable	3,004	-
Plus: opening balance of deferred appropriation payable to Consolidated Fund	9,747	61
Less: closing balance of deferred appropriation payable to Consolidated Fund	(2,848)	(9,747)
Net appropriation revenue	366,818	306,330
Plus: deferred appropriation payable to Consolidated Fund (expense)	-	9,747
Appropriation revenue recognised in statement of comprehensive income	366,818	316,077

Accounting Policy - Appropriation revenue

Appropriations provided under the *Appropriation Act 2019* and the *Appropriation (COVID-19) Act 2020* are recognised as revenue when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Prior to 1 July 2019, any liability at the end of the financial year for deferred appropriation repayable was debited to expense under the requirements of the superseded AASB 1004 *Contributions* (refer Note B2-6). Capital appropriations are recognised as adjustments to equity, refer to Note C9-2.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2020

	2020 \$'000	2019 \$'000
B1-2. User charges and fees		
Revenue from contracts with customers		
Fee for service ⁽¹⁾	130,840	121,730
Sale of goods	3,513	4,510
Fees and fines	6,457	8,417
Other user charges and fees		
Property rental	7,224	7,467
Total	148,033	142,124

⁽¹⁾ The variance is largely due to higher than expected ICT project revenue through the BCP arrangements (\$10.3 million) in 2019-20.

Accounting Policy - User charges and feesFee for Services

Information Technology Partners (ITP) Service Level Agreements - The department provides information technology services to DNRME, DES and DSDTI on a cost recovery basis. Under AASB 15, revenue is recognised in exchange for the services transferred to the customer. An accrual is recognised for services rendered but unbilled at each reporting date. There are no transitional adjustments at 1 July 2019 for ITP service revenue.

Research and Development Contract Services – The department performs research and development services under legally enforceable contracts with specific deliverables, milestones, terms and conditions and a financial acquittal processes. Revenue is recognised to match the expenditure incurred in the performance of obligations and delivery of milestones.

There are no transitional adjustments at 1 July 2019 for service revenue as the department recognises a contract asset receivable, an amount of unbilled revenue equal to the department's right to receive consideration in exchange for the services transferred to customers and also recognised a liability for unearned revenue where funding provided is unspent. Revenue is recognised using the input method, which matches the expenditure under the accounting treatment.

Sale of Goods

The sale of goods including livestock, vaccines, publications and farming produce as the delivery of the goods to the customer represents the sole performance obligation. The amount of any right of return asset or refund liability has been determined to be negligible and immaterial to record on transition. The adoption of AASB 15 *Revenue from Contracts with Customers* in 2019-20 did not change the timing of revenue recognition for sale of goods. 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. User charges and fees collected, but not controlled, by the department are reported as administered revenue. Refer Note F1-1.

Fees, Licence and Permit Revenue

The sole performance obligation is the issue of the licence to the customer, and revenue is recognised when the licence is issued. The department has revenue from the issue of fees, licences and permits for agricultural, fishing and biosecurity activities. Revenue is recognised under AASB 15 when the performance obligations are fulfilled.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2020**

	2020	2019
	\$'000	\$'000
B1-3. Grants and contributions		
Commonwealth grants ⁽¹⁾	36,365	25,862
Local government contributions	6,240	6,126
Queensland State contributions ⁽²⁾	1,330	4,451
Industry contributions	613	119
Goods and services received below fair value	308	321
Total	44,856	36,879

⁽¹⁾ Relates to funding for National Red Imported Fire Ants Eradication Program (NRIFAEP) and National Cost Sharing (NCS) arrangements from the Australian Government for the Four Tropical Weeds, Electric Ants and pests and disease emergency responses.

⁽²⁾ Decrease largely relates to \$3.5 million funding received from DES for Yurol/Ringtail protected area in 2018-19.

Accounting Policy - Grants and other contributions

Grants, contributions and donations are non-reciprocal transactions where the department does not directly give approximately equal value to the grantor.

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

Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by the department. Special purpose capital grants are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as the department satisfies its obligations under the grant through construction of the asset.

Accounting Policy - Services received below fair value

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

Disclosure - Services received below fair value

DAF received defined services from the following agencies:

- DNRME : Legal Services
- DES : Privacy and Ethics; Internal Audit; Procurement; Right to Information.

The revenue and expense related to these contributions of services have not been recognised in the financial statements as these values cannot be measured reliably. Accommodation services from DNRME previously part of the BCP arrangements were transferred on 1 November 2019 to DAF.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

	2020	2019
	\$'000	\$'000
B1-4. Royalties		
Royalties - Timber	17,899	16,952
Royalties - Quarry materials	10,837	9,978
Royalties - Other	4,939	3,617
Total	33,675	30,546

Accounting Policy - Royalties

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.

B1-5. Other revenue

Sale of portable and attractive items	4	3
Bad debts recovered	10	5
Insurance recoveries	213	386
Impairment loss reversal - receivables	-	177
Recoveries and reimbursements ⁽¹⁾	3,292	-
Sundry revenue	622	449
Total	4,140	1,020

⁽¹⁾ The amount for 2019-20 includes \$3.0 million reimbursed to DAF in January 2020 that was part of \$3.8 million advanced to QATC for separation payments in December 2019. QATC was abolished on 29 February 2020. Refer Notes A3 and B2-3.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

B2. Expenses

	2020	2019
	\$'000	\$'000
B2-1. Employee expenses		
<u>Employee Benefits</u>		
Wages and salaries ⁽¹⁾	183,845	166,257
Termination benefits	1,148	601
Employer superannuation contributions	24,282	22,531
Annual leave levy	19,430	17,704
Long service leave levy	4,182	3,369
Other employee benefits	2,214	2,208
<u>Employee Related Expenses</u>		
Workers compensation premium	1,159	956
Other employee related expenses	1,224	1,062
Total ⁽²⁾	237,483	214,688

⁽¹⁾ Wages and salaries includes \$2.7 million of \$1,250 one-off, pro-rata payments for 2,120 full-time equivalent employees (announced in September 2019) that was paid as at 31 March 2020.

⁽²⁾ The table below sets out the number of employees as at 30 June 2020, including both full-time and part-time employees, measured on a full-time basis as provided to the Public Service Commission (PSC) and utilised in the preparation of the Minimum Obligatory Human Resource Information (MOHRI). The BCP employee expenses aligned to DAF are also included in the above total with the number represented by employees shown below:

	2020	2019
Number of employees:		
DAF	1,901	1,833
BCP (providing services to other departments)	223	218
Total number of employees	2,124	2,051

Accounting Policy - Employee expenses

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

Workers' compensation insurance is a consequence of employing employees, but is 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.

Long service leave and annual leave

Under the Queensland Government's Long Service Leave Scheme (LSL) and Annual Leave Central Scheme (ALCS), levies are payable by the department to cover the cost of employees' long service leave and annual leave (including leave loading and on-costs). Hence, no provision for long service leave and annual leave is recognised in the department's financial statements. Instead, the provision for these schemes are reported on a whole-of-government basis pursuant to AASB 1049 *Whole-of-Government and General Government Sector Financial Reporting*.

These levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave and annual leave are claimed from the scheme quarterly in arrears.

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

Defined contribution plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant Enterprise Bargaining Agreement or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

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

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2020**

	2020	2019
	\$'000	\$'000
B2-2. Supplies and services		
Contractors ⁽¹⁾	80,790	68,974
Collaborative research arrangements	20,221	18,100
Office accommodation ⁽²⁾	22,479	24,572
Motor vehicles - QFleet	5,813	5,388
Lease rentals	277	1,007
Outsourced service delivery ⁽³⁾	27,250	22,985
Materials ⁽⁴⁾	25,226	19,997
Computer/information technology	19,027	17,223
Repairs and maintenance	12,959	12,149
Transport ⁽⁵⁾	12,251	9,864
Service delivery costs and service level agreement charges	10,360	8,938
Building services	6,416	6,736
Telecommunications and electricity	6,326	6,726
Shared services provider fee	5,926	5,801
Travel	5,162	6,380
Portable and attractive items	2,603	3,472
Consultancy fees	743	1,166
Other	11,044	9,013
Total	274,873	248,490

⁽¹⁾ The variance is largely due to increase in ICT contractor expenses to meet the increased project demand through the BCP arrangements.

⁽²⁾ Office accommodation had decreased largely due to the reclassification of the Health and Food Sciences Precinct occupancy agreement as right-of-use assets.

⁽³⁾ Outsourced service delivery has increased largely due to additional payments made to the RSPCA (\$0.9 million) and the Shark Control program (\$1.2 million) in 2019-20.

⁽⁴⁾ The variance is within the NRIFAEP due to accelerated treatment in 2019-20.

⁽⁵⁾ Transport costs have increased primarily as a result of increased aircraft hire fees for use in aerial fire ant baiting within the NRIFAEP.

Accounting Policy - Distinction between grants and procurement

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

Disclosure - Office accommodation and employee housing

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

Disclosure - Lease Expenses

Lease expenses include lease rentals for short-term leases, leases of low value assets and variable lease payments. Refer to Note C8 for breakdown of lease expenses and other lease disclosures.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2020**

	2020	2019
	\$'000	\$'000
B2-3. Grants and subsidies		
Subsidies ⁽¹⁾	40,453	18,648
Queensland and local government	6,868	6,824
Industry ⁽²⁾	5,984	2,339
Charities/community groups	350	-
Goods and services provided below fair value	301	313
Capital	250	800
Individuals	133	-
Commonwealth	83	88
Total	54,421	29,012

⁽¹⁾ The increase relates to additional demand for the Drought Assistance package and On-Farm Emergency Water Infrastructure rebate scheme in 2019-20.

⁽²⁾ The amount for 2019-20 includes \$3.8 million advanced to QATC for separation payments in December 2019 with \$3.0 million reimbursed in January 2020. QATC was abolished on 29 February 2020. Refer Notes A3 and B1-5.

Accounting Policy - Grants and subsidies

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 B2-6.

B2-4. Depreciation and amortisation

Depreciation and amortisation were incurred in respect of:

Buildings ⁽¹⁾	5,789	5,154
Infrastructure	469	439
Leased assets ⁽²⁾	6,368	-
Plant and equipment ⁽¹⁾	13,909	13,571
Software purchased	261	256
Software internally generated	17	165
Total ⁽²⁾	26,812	19,585

⁽¹⁾ The increase is largely due to buildings and plant and equipment transferred from QATC to DAF on 1 March 2020.

⁽²⁾ A new accounting standard AASB 16 *Leases* came into effect in 2019-20, refer to Notes C8 and G3-3 for further information.

B2-5. Finance/borrowing costs

Interest on lease liabilities ⁽¹⁾	2,524	-
	2,524	-

⁽¹⁾ A new accounting standard AASB 16 *Leases* came into effect in 2019-20, refer to Notes C8 and G3-3 for further information.

Accounting Policy - Finance/borrowing costs

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

Finance costs include amortisation of discounts or premiums relating to borrowings and provisions. No borrowing costs are capitalised into qualifying assets.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2020

	2020 \$'000	2019 \$'000
B2-6. Other expenses		
Deferred appropriation payable to Consolidated Fund - State funded ⁽¹⁾	-	5,995
Deferred appropriation payable to Consolidated Fund - Commonwealth funded ⁽¹⁾	-	3,752
External audit fees - QAO ⁽²⁾	224	228
Other audit services performed	-	33
Insurance premiums - QGIF ⁽³⁾	766	698
Insurance premiums - Other	156	151
Loss on disposal of property, plant and equipment	758	774
Sponsorships	80	40
Donations and gifts ⁽⁴⁾	40	30
License fees and permits	273	202
Patent, copyright & trademark acquisition	270	454
Special payments		
Ex-gratia payments ⁽⁵⁾	329	134
Compensation payments ⁽⁶⁾	-	3,500
Other	52	65
Total	2,950	16,057

⁽¹⁾ Prior to 1 July 2019, any liability at the end of the financial year for deferred appropriation repayable was debited to expense under the requirements of the superseded AASB 1004 *Contributions* (refer to Note B1-1).

⁽²⁾ Total audit fees payable to the Queensland Audit Office (QAO) relating to the 2019-20 financial year are based upon their estimated fee of \$240,000 (2019: \$235,000). There are no non-audit services included in this amount.

⁽³⁾ The department's non-current physical assets and other risks are insured through the QGIF, premiums being paid on a risk assessment basis.

⁽⁴⁾ 2019-20 includes \$30,000 donated to the Prince Charles Hospital Foundation for the "Taste of Ekka for The Common Good". The details of gifts and donations over \$150 are disclosed on the departments' website.

⁽⁵⁾ Ex-gratia payments include reimbursements to property owners for the Red Witchweed eradication program in 2019-20.

⁽⁶⁾ Compensation payments made to HQPlantations for the staged voluntary surrender of their plantation licence over Yurol and Ringtail State Forests for harvesting of their timber over a five-year period.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

	2020	2019
	\$'000	\$'000
C1. Cash and cash equivalents		
Cash at bank	41,204	48,485
Imprest accounts	18	21
Total	41,222	48,506
Accounting Policy - Cash and cash equivalents		
For the purposes of the statement of financial position and the statement of cash flows, cash assets include all cash and cheques receipted but not banked at 30 June.		
Departmental bank accounts grouped within the Whole-of-Government set-off arrangement with the Queensland Treasury Corporation (QTC) and do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.		
C2. Receivables		
Current		
Trade debtors	13,673	35,733
Less: allowance for impairment loss ⁽¹⁾	(537)	(16)
	13,137	35,717
GST input tax credits receivable	2,620	2,511
GST payable	-	(5)
	2,620	2,506
Appropriation revenue receivable	3,004	-
Annual leave reimbursements	1,668	3,371
Long service leave reimbursements	947	1,063
Other	50	32
	5,668	4,465
Total	21,425	42,689

⁽¹⁾ Refer to Note C2-1.

Accounting Policy - Receivables

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

Trade debtors are recognised at the amounts due at the time of sale or service delivery (i.e. the agreed purchase/contract price).

Settlement of these amounts is generally required within 30 days from the invoice date.

The collectability of receivables is assessed periodically with allowance being made for impairment. All known bad debts are written-off as at 30 June.

Accounting Policy - Impairment of receivables

The loss allowance for trade and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting the department's debtors, and relevant industry data form part of the department's impairment assessment.

The department's other receivables are from Queensland Government agencies and Australian Government agencies. No loss allowance is recorded for these receivables on the basis of materiality. Refer to Note D2-2 for the department's credit risk management policies.

Where the department has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when the debt is over 365 days past due and the department has ceased enforcement activity. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

The amount of impairment losses recognised for receivables is disclosed in Note C2-1.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

C2. Receivables (continued)

C2-1. Impairment of receivables (continued)

Disclosure - credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets.

Collateral is held as security for Forestry receivables however no credit enhancements relate to financial assets held by the department.

The department uses a provision matrix to measure the expected credit losses on trade debtors. Loss rates are calculated for customers with similar loss patterns. The department has determined that the revenue stream of sale of services will be used for measuring expected credit losses.

The calculations reflect historical observed default rates calculated using credit losses experienced on past sales transactions during the last 5 years preceding 30 June 2020. The historical default rates are then adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables. For DAF a change in the unemployment rate is determined to be the most relevant forward-looking indicator for receivables. Actual credit losses over the 5 years preceding 30 June 2020 have been correlated against changes in the unemployment rate and based on those results, the historical default rates are adjusted based on expected changes to that indicator.

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

Impairment - Trade debtors

	2020			2019		
	Gross receivables	Loss rate	Expected credit losses	Gross receivables	Loss rate	Expected credit losses
Aging	\$'000	%	\$'000	\$'000	%	\$'000
Current	3,364	0.20	7	4,061	0.23	9
1 to 30 days overdue	1,255	0.37	5	108	0.42	1
31 to 60 days overdue	330	1.12	4	573	1.25	7
61 to 90 days overdue	133	2.17	3	43	2.33	1
> than 90 days overdue	444	3.07	14	564	3.40	19
Total	5,526		31	5,349		37

Disclosure – Movement in allowance for trade debtors

	2020	2019
	\$'000	\$'000
Loss allowance as at 1 July	16	193
Increase/decrease in allowance recognised in operating result ⁽¹⁾	521	(15)
Amounts written-off during the year	-	(162)
Loss allowance as at 30 June	537	16

⁽¹⁾ Higher provisions were recognised in 2019-20 due to COVID-19.

C3. Other Assets

Current

Prepayments	10,900	7,796
Contract assets ⁽¹⁾	18,445	-
Total	29,345	7,796

Non-Current

Prepayments	2,156	11,719
Total	2,156	11,719

Disclosure - Contract assets

Contract assets arise from contracts with customers, and are transferred to receivables when the department's right to payment becomes unconditional, this usually occurs when the invoice is issued to the customer.

⁽¹⁾ The department applied AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income from Not-for-Profit Entities* in 2019-20.

This has resulted in contract assets being recognised for the first time for accrued revenue previously recognised as receivables.

This represents unbilled revenue for research and development contracts and NCS arrangements.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

C4. Property, plant and equipment

C4-1. Closing balances and reconciliation of carrying amount

	Land	Buildings	Infrastructure	Plant and equipment	Capital work in progress	Total
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Gross	123,623	333,145	43,173	223,525	4,649	728,116
Less: accumulated depreciation	-	(178,117)	(20,790)	(127,440)	-	(326,348)
Less: accumulated impairment losses	-	-	-	(103)	-	(103)
Carrying amount at 30 June 2020	123,623	155,028	22,383	95,981	4,649	401,664

Represented by movements in carrying amount:

Carrying amount at 1 July 2019	109,721	113,588	21,842	98,311	10,000	353,462
Acquisitions (including upgrades)	480	-	-	4,744	11,109	16,333
Transfer in from other Qld Government entities ⁽¹⁾	13,380	37,843	-	1,408	-	52,629
Disposals	32	(583)	-	(359)	-	(910)
Assets reclassified as held for sale	(460)	-	-	-	-	(460)
Transfers between asset classes	-	9,663	1,011	5,786	(16,460)	-
Net revaluations	470	306	-	-	-	776
Depreciation expense	-	(5,789)	(469)	(13,909)	-	(20,167)
Carrying amount at 30 June 2020	123,623	155,028	22,383	95,981	4,649	401,664

⁽¹⁾ Property, plant and equipment transferred in from QATC totals \$52.6 million as per note A3 above.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

C4. Property, plant and equipment (continued)

C4-1. Closing balances and reconciliation of carrying amount (continued)

	Land	Buildings	Infrastructure	Plant and equipment	Capital works in progress	Total
	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
Gross	109,721	259,066	42,163	217,872	10,000	638,822
Less: accumulated depreciation	-	(145,478)	(20,321)	(119,369)	-	(285,168)
Less: accumulated impairment losses	-	-	-	(192)	-	(192)
Carrying amount as at 30 June 2019	109,721	113,588	21,842	98,311	10,000	353,462

Represented by movements in carrying amount:

Carrying amount at 1 July 2018	107,736	117,083	21,074	100,714	4,734	351,341
Acquisitions (including upgrades)	-	-	-	5,172	14,683	19,855
Transfer in from other Qld Government entities	9	19	-	3	-	31
Disposals	(79)	(534)	-	(317)	-	(930)
Assets reclassified as held for sale	(1,010)	-	-	-	-	(1,010)
Transfers between asset classes	-	1,901	1,207	6,309	(9,417)	-
Net revaluations	3,065	273	-	-	-	3,338
Depreciation expense	-	(5,154)	(439)	(13,571)	-	(19,164)
Carrying amount as at 30 June 2019	109,721	113,588	21,842	98,311	10,000	353,462

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

C4. Property, plant and equipment (continued)

C4-2. Recognition and acquisition

Accounting policy - Recognition

Basis of capitalisation and recognition thresholds

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

Buildings (including land improvements)	\$10,000
Infrastructure	\$10,000
Land	\$1
Plant and equipment	\$5,000

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

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

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

Assets under construction (Capital Works in Progress) is recognised at cost. All costs relating to items of property, plant and equipment 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.

Where an asset is to be demolished and a new asset constructed in its place, the carrying amount of the old asset is written off in accordance with the provision of AASB 116 and is not capitalised into the cost of the new asset.

Restricted assets are recognised as property, plant and equipment. 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 2020 is \$0.6 million (2019: \$0.6 million) including Buildings valued at \$0.1 million (2019: \$0.1 million) and plant and equipment at \$0.5 million (2019: \$0.6 million).

Componentisation of complex assets

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

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

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

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

Accounting policy - cost of acquisition

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition (such as architects' fees and engineering design fees), plus all other costs incurred in getting the assets ready for use.

Where assets are received free of charge from another Queensland department entity (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 other entity immediately prior to the transfer.

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at the date of acquisition.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

C4. Property, plant and equipment (continued)

C4-3. Measurement using historical cost

Accounting Policy

Plant and equipment, (excluding major plant and equipment) is measured at cost in accordance with the QT's Non-Current Asset Policies (NCAP) for the Queensland Public Sector. The carrying amounts for such plant and equipment at cost is not materially different from their fair value. The department does not classify any plant and equipment as major plant and equipment.

C4-4. Measurement using fair value

Accounting Policy

Land, buildings and infrastructure assets are measured at fair value as required by QT's NCAP for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable.

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

Property, plant and equipment classes measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent valuer or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by the department's Financial Accounting and Policy section, who determine the specific revaluation practices and procedures. The outcomes and recommendations are reported to the Chief Finance Officer and the Audit and Risk Committee after each annual review.

Use of specific appraisals

Revaluations using independent professional valuer appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs (as defined in Note D1-1). Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

Use of indices

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. DAF ensures that the application of such indices results in valid estimation of the assets' fair values at reporting date. The State Valuation Service (SVS) supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to SVS. SVS provides assurance of their robustness, validity and appropriateness for application to the relevant assets.

Indices used are tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer, and analysing the trend of changes in values over time. Through this process which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by SVS based on the department's own particular circumstances.

Accounting for changes in fair value

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.

For assets revalued using a cost valuation approach (e.g. current replacement cost) - accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount. This is generally referred to as the 'gross method'.

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'.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

C4. Property, plant and equipment (continued)

C4-5. Accounting Policy Depreciation expense

Accounting Policy

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

Land is not depreciated as it has an unlimited useful life. Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the department.

Separately identifiable components of complex assets are depreciated according to the useful lives of each component, as doing so results in a material impact on the depreciation expense reported.

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.

Assets under construction (work-in-progress) are not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is the earlier. These assets are then reclassified to the relevant class within property, plant and equipment.

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.

Depreciation rates

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

Asset class	Category	Life (years)
Buildings	Buildings - Fabric	20-80
	Buildings - Fixtures and fittings	20-40
	Buildings - Plant and services	15-50
	Access roads	25-80
	Land improvements	20-60
Infrastructure	Wild dog barrier fence	50
Plant and equipment	Computer equipment	3-5
	Motor vehicles	5-20
	Boats and boating equipment	4-20
	Heavy plant	5-20
	Scientific equipment	8-20
	Office equipment	5-20
	Leasehold improvements	10
	Other plant and equipment	3-10

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2020

C4. Property, plant and equipment (continued)

C4-6. Impairment

Accounting Policy

Indicators of impairment and determining recoverable amount

Property, plant and equipment including work in progress assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at value, for indicators of a change in fair value/service potential since the last valuation was completed.

Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement*. If an indicator of possible impairment exists, the department determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use subject to the following:

- As a not-for-profit entity, certain property, plant and equipment of the department is held for the continuing use of its service capacity and not for the generation of cash flows. Such assets are typically specialised in nature. In accordance with AASB 136, where such assets are measured at fair value under AASB 13, that fair value (with no adjustment for disposal costs) is effectively deemed to be the recoverable amount. As a consequence, AASB 136 does not apply to such assets unless they are measured at cost.
- For other non-specialised property, plant and equipment measured at fair value, where indicators of impairment exist, the only difference between the asset's fair value and its fair value less costs of disposal is the incremental costs attributable to the disposal of the asset. Consequently, the fair value of the asset determined under AASB 13 will materially approximate its recoverable amount where the disposal costs attributable to the asset are negligible. After the revaluation requirements of AASB 13 are first applied to these assets, applicable disposal costs are assessed and, in the circumstances where such costs are not negligible, further adjustments to the recoverable amount are made in accordance with AASB 136.

For all other remaining assets measured at cost, and assets within the entity held for the generation of cash flow recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

Value in use is equal to the present value of the future cash flows expected to be derived from the asset, or where the department no longer uses an asset and has made a formal decision to not use or replace the asset, the value in use is the present value of net disposal proceeds.

Recognising impairment losses

For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the asset revaluation surplus of the relevant class to the extent available. Where no asset revaluation surplus is available in respect of the class of asset, the loss is expensed in the statement of comprehensive income as a revaluation decrement.

For assets measurement at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

Reversal of impairment losses

Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount must not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

For assets measured at fair value, to the extent the original decrease was expensed through the statement of comprehensive income, the reversal is recognised in income, otherwise the reversal is treated as a revaluation increase for the class of asset through the asset revaluation surplus.

For assets measured at cost, impairment losses are reversed through income.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2020**

	2020	2019
	\$'000	\$'000
C5. Payables		
Current		
Trade creditors ⁽¹⁾	6,682	9,509
Deferred appropriation refundable to Consolidated Fund	2,848	9,747
Payables to Government - State	1,568	-
Accrued expenses	6,435	7,795
Other payables	84	86
Total	<u>17,616</u>	<u>27,136</u>

⁽¹⁾ Since the end of March 2020, due to COVID-19, DAF has co-ordinated with Queensland Shared Services (QSS) the release of payments to vendors from DAF's SAP finance system once the document is endorsed and approved. Payments are not held until the due date.

Accounting Policy - 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.

C6. Accrued employee benefits

Current		
Salaries and wages outstanding	691	3,805
Annual leave levy payable	5,108	4,708
Long service leave levy payable	1,206	961
Total	<u>7,005</u>	<u>9,474</u>

Accounting Policy - Accrued employee benefits

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

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2020

	2020 \$'000	2019 \$'000
C7. Other liabilities		
Current		
Contract liabilities	24,615	18,706
Unearned revenue	7,091	5,764
Other ⁽¹⁾	402	228
Total	32,107	24,698
Non-Current		
Unearned revenue	13,772	15,192
Total	13,772	15,192

⁽¹⁾ This includes security deposits and monies held in trust transferred from QATC.

Accounting Policy - Unearned revenue

Unearned revenue is recognised as a liability when the department has received revenue in advance of the delivery of the supply of goods and/or services. The amount recognised at the reporting date is the unspent balance of the funds received for which a contract exists.

Disclosure - Contract liabilities

Contract liabilities arises from contracts with customers while other unearned revenue arise from transactions that are not contracts with customers.

Contract liabilities as at 30 June 2020 includes \$24.2 million for research and development contracts.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

C8. Right-of-use assets and lease liabilities

C8-1. Leases as lessee

Right-of-use assets

	Land	Buildings	Total
	\$'000	\$'000	\$'000
Opening balance at 1 July 2019	515	120,824	121,339
Amortisation	(104)	(6,264)	(6,368)
Balance 30 June 2020	411	114,560	114,971

Lease liabilities	2020	2019
	\$'000	\$'000
Current		
Lease liabilities	4,091	-
Total	4,091	-
Non-Current		
Lease liabilities	103,843	-
Total	103,843	-

Accounting Policy - Leases as lessee

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

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

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

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

Disclosures - Leases as lessee

(i) Details of leasing arrangements as lessee

Health and Food Sciences Precinct	In July 2008, the department entered into a 30-year lease for the Queensland Health and Food Sciences Precinct at Coopers Plains with Queensland Health. Lease payments are fixed and subject to a 3% rent increase every year. As the future rent increases are fixed, they are captured in the right-to-use asset when increases take effect. The department subleases some floor space of the facility to non-government organisations. Refer to Note C8-2 for further details.
Research Facilities	The department has 2 leases for research facilities at the Gatton campus of the University of Queensland and a lease for a glasshouse at the University of Sunshine Coast. These leases were previously recognised as prepayments in recognition of the up-front capital contribution towards the construction of the facilities and amortised over the term of the lease. The department also leases the land and buildings for the Brian Pastures research facility and this lease expires 30 June 2020.
Fisheries Queensland - Storage facilities	The department currently leases 3 storage facilities for Queensland Boating and Fisheries Patrol and Shark Control programs activities. The lease terms range from 10 to 18 years and these leases may have renewal or extension options. The options are generally exercisable at market prices and are not included in the right-of-use asset or lease liability unless the department is reasonably certain it will renew the lease.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

C8-1. Leases as lessee (continued)

Disclosures - Leases as lessee (continued)

(ii) Office accommodation, employee housing and motor vehicles

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

	2020
	\$'000
<i>(iii) Amount recognised in profit and loss</i>	
Interest expenses on lease liabilities	2,524
Breakdown of 'Lease expenses' included in Note B2-5	
- Expenses relating to short-term leases	126
Income from subleasing included in 'Property Rental' in Note B1-2	2,046
 <i>(iv) Total cash outflow for leases</i>	 5,386

2018-19 disclosure under AASB 117

Operating leases commitments at 30 June 2019

. Within 1 year	23,553
. Later than 1 year but not later than 5 years	66,453
. Later than 5 years	283,251
	<u>373,257</u>

C8-2. Leases as lessor

Accounting Policy - Leases as lessor

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

Disclosures - Leases as lessor

(i) Details of leasing arrangements as lessor

Sublease of Health and Foods Sciences Precinct Coopers Plains	The department subleases floor space to Commonwealth Scientific and Industrial Research Organisation (CSIRO), which is leased under a 30-year head lease agreement.
	The sublease agreements include make-good clauses that requires the lessees to restore the facilities to a satisfactory condition at the end of the lease term.

Lease income from operating leases is reported as 'Property rental' in Note B1-2. No amounts were recognised in respect of variable lease payments other than CPI-based or market rent reviews.

The department does not have any finance leases.

(ii) Maturity analysis

There are no future undiscounted lease payments receivable under the department's operating leases as they were all upfront capital contribution recognised as prepaid leases in unearned revenue.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

C9. Equity

C9-1. Contributed equity

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* specifies the principles for recognising contributed equity by the department. Appropriations for equity adjustments are recognised as contributed equity by the department during the reporting and comparative years. Refer Note C9-2.

C9-2. Appropriation recognised in equity

	2020	2019
	\$'000	\$'000
Budgeted equity adjustment appropriation	(12,029)	(2,503)
Transfers to other headings	5,121	(1,000)
Equity adjustment recognised in contributed equity	(6,908)	(3,503)

C9-3. Asset revaluation surplus by asset class

Accounting Policy

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

	Land	Buildings	Infrastructure	Total
	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2019	8,881	16,635	4,271	29,787
Revaluation increments	502	306	-	808
Revaluation decrements	(32)	-	-	(32)
Land held for sale valuation adjustment	(89)	-	-	(89)
Balance 30 June 2020	9,262	16,941	4,271	30,474

	Land	Buildings	Infrastructure	Total
	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2018	5,816	16,362	4,271	26,449
Revaluation increments	3,065	273	-	3,338
Balance 30 June 2019	8,881	16,635	4,271	29,787

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2020

D1. Fair value measurement

D1-1. Accounting policies and inputs for fair values

What is fair value?

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

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's assets/liabilities, internal records of recent construction costs (and /or estimates of such costs), assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable input 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.

Fair value measurement hierarchy

Details of individual assets and liabilities measured under each category of fair value are set out in the following table.

The Department does not recognise any financial assets or financial liabilities at fair value.

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

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

None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy.

There was one transfer between fair value hierarchy levels for a land asset moved to Land Held for Sale asset during the period.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

D1-2. Basis for fair values of assets and liabilities

Land

Effective date of last specific appraisal: 30 June 2016 by State Valuation Service (SVS)

Valuation approach: Market-based assessment

Inputs

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.

Significant judgement was used by SVS in arriving at suitable discount rates for the restrictions on reserve land. The fair value of reserve land was derived by discounting the market value of similar land that had no restrictions, and then estimating the discount a willing market participant would make taking into account the restrictions on use.

Subsequent valuation activity: Indexed as at 30 June 2020 and an investigation and research is undertaken by SVS into each factor provided for the indices. 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 DNRME.

Buildings

Effective date of last specific appraisal: 30 June 2016 by SVS

Valuation approach: The current replacement cost of buildings at balance date is derived using unit prices that required significant judgements. These include identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so, estimating the adjustment to the unit rate required to reflect this difference.

Subsequent valuation activity: Indexed as at 30 June 2020 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.

General non-residential construction was indexed using the QT'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.

Infrastructure

Effective date of last specific appraisal: 30 June 2016 by SVS

Valuation approach: Cost based assessment

Subsequent valuation activity: Indexed as at 30 June 2020 using indices provided by SVS. 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.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

D1. Fair value measurement (continued)

D1-3. Categorisation of assets and liabilities measured at fair value

	Land		Buildings		Infrastructure		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value level 2	62,238	48,431	48,842	45,301	-	-	111,080	93,732
Fair value level 3	61,385	61,290	106,186	68,287	22,383	21,842	189,954	151,419
Carrying amount at 30 June	123,623	109,721	155,028	113,588	22,383	21,842	301,034	245,151

D1-4. Level 3 fair value measurement - reconciliation

	Land		Buildings		Infrastructure		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	61,290	59,046	68,287	71,440	21,842	21,074	151,419	151,560
Disposals	-	(79)	(501)	(641)	-	-	(501)	(720)
Transfers between classes	-	-	4,142	537	1,010	1,207	5,152	1,744
Transfers in from other QLD Govt entities ⁽¹⁾	-	-	37,843	-	-	-	37,843	-
Revaluation increments	555	2,323	130	213	-	-	685	2,536
Reclassification of fair value levels	(460)	-	-	-	-	-	(460)	-
Depreciation and amortisation	-	-	(3,715)	(3,262)	(469)	(439)	(4,184)	(3,701)
Carrying amount at 30 June	61,385	61,290	106,186	68,287	22,383	21,842	189,954	151,419

⁽¹⁾ Relates to buildings transferred in from QATC from 1 March 2020.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2020****D2 Financial risk disclosures****D2-1 Financial instrument categories**

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

Financial assets at amortised cost	Note	2020 \$'000	2019 \$'000
Cash and cash equivalents	C1	41,222	48,506
Receivables	C2	21,425	42,689
Total		62,646	91,195
Financial liabilities at amortised cost - comprising			
Payables	C5	17,616	27,136
Other liabilities	C7	402	228
Lease liabilities	C8	107,933	-
Total		125,952	27,364

No financial assets and financial liabilities have been offset and presented net in the statement of financial position.

D2-2 Financial risk management**(a) Risk exposure**

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

Risk Exposure	Definition	Exposure
Credit risk	Credit risk exposure refers to the situation where the department may incur financial loss as result of another party to a financial instrument failing to discharge their obligation.	The department is exposed to credit risk in respect of its receivables (Note C2).
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 (Note C4).
Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. <i>Interest rate risk</i> is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	The department does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

D2 Financial risk disclosures (continued)

D2-2 Financial risk management (continued)

(b) Risk measurement and management strategies

Risk Exposure	Measurement Method	Risk Management Strategies
Credit risk	Ageing analysis	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.
Liquidity risk	Sensitivity analysis	The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.
Market risk	Interest rate sensitivity analysis	DAF 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.

D2-3 Credit risk disclosures

Credit risk management practices

DAF considers financial assets that are over 30 days past due to have significantly increased in credit risk, and measures the loss allowance of such assets at lifetime expected credit losses instead of 12-month expected credit losses. The exception is trade receivable (Note C2), for which the loss allowance is always measured at lifetime expected credit losses.

The department typically considers a financial asset to be in default when it becomes 90 days past due. However, a financial asset can be in default before that point if information indicates that the department is unlikely to receive the outstanding amounts in full. The department's assessment of default does not take into account any collateral or other credit enhancements.

The department's write off policy is disclosed in Note C2-1.

Credit risk exposure

Credit risk exposure relating to receivables is disclosed in Note C2-1.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

D3. Contingencies

(a) Litigation in progress

As at 30 June 2020, the following ongoing cases which have contingent liability were filed in the courts naming the State of Queensland through DAF:

	2020	2019
Federal Court	-	1
District Court	2	3
Magistrates Court	31	19
Queensland Civil and Administrative Tribunal (QCAT)	-	1
Queensland Industrial Relations Commission (QIRC)	1	1
Court of Appeal	1	-
Industrial Court	1	-
Supreme Court	1	-
Total number of litigation in progress	37	25

As at 30 June 2020, of the 37 cases in progress (2018-19: 25 cases), there were 9 cases (2018-19: 5 cases) where the State of Queensland through DAF is named as a defendant. The remaining 28 cases (2018-19: 20 cases) are matters where the State of Queensland through DAF is a complainant and proceedings have commenced.

It is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time. The department has also received notification of five other cases that are not yet subject to court action. This may or may not result in subsequent litigation. 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 involved 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 was placed with DAF to manage on behalf of the State.

In 2018, the remediation for the fuel tank site locations was completed with the necessary environmental clearance certification. All herbicide pits are long out of use and have been covered over and where necessary signed or fenced off. In 2019, DAF was able to suspend the Herbicide Pits Environmental Permit and in 2020-21 will complete the final documentation for the surrender of the Environmental Permit to DES.

(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 businesses regarding the supply of log timber from State-owned native forests.

- 14 sales permits, which expire 31 December 2024 for the supply of native forest hardwood sawlogs from State-owned native forests in south-east Queensland;
- 1 sales permit which expires 1 January 2034 and 1 sales permit which expires 31 December 2034, for the supply of native forest hardwood sawlogs from State-owned native forests in Western Queensland; and
- 14 sales permits, which expire 31 December 2037, for the supply of native forest cypress sawlogs from State-owned native forests in Southern Queensland.

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

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2020****D4. Commitments****(a) Capital expenditure commitments**

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

	2020	2019
	\$'000	\$'000
Capital works in progress	1,683	816
Plant and equipment	-	54
Software	404	-
	<u>2,087</u>	<u>870</u>
Payable:		
· Not later than 1 year	<u>2,087</u>	<u>870</u>
Total capital expenditure commitments	<u>2,087</u>	<u>870</u>

D5. Events occurring after reporting 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.

D6. Future impact of accounting standards not yet effective

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

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

E1. Budgetary reporting disclosures

This section contains explanations of major variances between the department's actual 2019-20 financial results and the original budget present to Parliament.

E1-1. Explanation of major variances - statement of comprehensive income

	Variance Notes	2020 Original Budget \$'000	2020 Actual \$'000	Budget Variance \$'000
Income from operations				
Appropriation revenue	1	329,014	366,818	37,804
User charges and fees	2	125,084	148,033	22,949
Grants and contributions		41,406	44,856	3,450
Royalties	3	29,159	33,675	4,516
Other revenue	4	257	4,140	3,883
Total revenue		524,920	597,522	72,602
Gains on disposal/revaluation of assets	5	95	2,181	2,086
Total income from operations		525,015	599,703	74,688
Expenses from operations				
Employee expenses	6	225,892	237,483	11,591
Supplies and services	7	238,189	274,873	36,684
Grants and subsidies	8	14,949	54,421	39,472
Depreciation and amortisation	9	35,433	26,812	(8,621)
Finance/borrowing costs	9	8,528	2,524	(6,004)
Impairment losses		-	640	640
Other expenses		2,024	2,950	926
Total expenses from continuing operations		525,015	599,703	74,688
Operating result for the year		-	-	-

Explanation of major variances:

- The increase is largely due to additional funding (\$37.0 million) released in 2019-20 from the funds held centrally by government for the continuation of the Drought Assistance Package of which \$32.9 million was allocated to grants and subsidies and \$4.1 million to supplies and services. There was also a realignment of existing Queensland Government funding (\$8.7 million) for the ten-year NRIFAEP from 2021-22 to 2026-27 to accelerate treatments in 2019-20. This is partially offset by the Eco-Sciences Precinct (ESP) lease asset funding adjustment (\$4.7 million) and the deferral of funding from 2019-20 to the outer years to realign the budget with anticipated cash flows for various departmental programs.
- The variance is largely due to higher than expected ICT project revenue through the BCP arrangements (\$20.9 million).
- Higher than expected demand for the sale of timber and quarry materials in 2019-20.
- The increase is mainly due to a reimbursement from QATC of \$3.0 million to partially offset a contribution paid by DAF to assist with separation payments.
- Higher than expected cattle prices in March and June quarter has led to an increase in livestock valuation.
- The variance is largely due to a once off payment related to enterprise bargaining negotiations, an increase in pay rates as a result of the State Wage Case and a reduction in recreation and long service leave taken due to COVID-19 restrictions which is centrally funded.
- The variance is largely due to an increase in ICT contractor expenses to meet increased project demand through the BCP arrangements (\$21.9 million) and increased expenses relating to the NRIFAEP due to accelerated treatment program in 2019-20. Also contributing to the increase is the office accommodation costs for ESP that were originally removed from the budget for the implementation of the new leasing accounting standard, effective from 1 July 2019. Post budget preparation it was subsequently agreed in 2019-20 to exclude ESP from the new leasing standard. This has resulted in adjustments to increase office accommodation costs (\$9.3 million) when compared to the budget for 2019-20.
- The increase is largely due to expenses for the additional demand for Drought Assistance Package (\$32.9 million) where the 2019-20 allocation was held centrally by QT and drawn down in arrears based on actual expenditure. Also contributing to the increase is a funding contribution towards QATC separations costs (\$3.8 million) and natural disaster related expenses (\$1.4 million).
- The decrease is largely related to the depreciation and finance costs recognised under the new leasing accounting standard, effective 1 July 2019. Post budget preparation it was subsequently agreed in 2019-20 to exclude ESP from the new leasing standard. This has resulted in adjustment to depreciation (\$8.6 million) and finance costs (\$5.4 million) when compared to the budget for 2019-20.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

E1-2. Explanation of major variances - statement of financial position

	Variance Notes	2020 Original Budget \$'000	2020 Actual \$'000	Budget Variance \$'000
Current assets				
Cash and cash equivalents		39,202	41,222	2,020
Receivables	10	37,407	21,425	(15,982)
Inventories		1,700	1,668	(32)
Other assets	11	7,794	29,345	21,551
		86,103	93,659	7,556
Non-current assets classified as held for sale		-	460	460
Total current assets		86,103	94,119	8,016
Non-current assets				
Property, plant and equipment	12	340,166	401,664	61,498
Right-of-use assets	13	284,279	114,971	(169,308)
Intangible assets		1,577	1,618	41
Other assets		10,394	2,156	(8,238)
Total non-current assets		636,416	520,409	(116,007)
Biological assets				
Biological assets	14	2,877	4,518	1,641
Total biological assets		2,877	4,518	1,641
Total assets		725,396	619,045	(106,351)
Current liabilities				
Payables	15	14,788	17,616	2,828
Accrued employee benefits	16	9,472	7,005	(2,467)
Lease liabilities	13	7,064	4,091	(2,973)
Other liabilities	17	20,501	32,107	11,606
Total current liabilities		51,825	60,819	8,994
Non-current liabilities				
Lease liabilities	13	270,705	103,843	(166,862)
Other non-current liabilities	17	13,771	13,772	(1)
Total non-current liabilities		284,476	117,614	(166,862)
Total liabilities		336,301	178,434	(157,868)
Net assets		389,095	440,611	51,517

Explanation of major variances:

- Decrease in balances is mainly attributed to the reclassification of research and development contracts and NCS arrangements accrued revenues (\$18.4 million) that have been classified as other current assets - contract assets under the new accounting standards.
- Higher than expected balance is mainly attributed to the reclassification of research and development contracts and NCS arrangements accrued revenues (\$18.4 million) as contract assets under the new accounting standards. Also contributing to the increase is the value of prepayments predominantly associated with the instalment payment (\$2.0 million) to University Queensland (UQ) for Queensland Alliance for Agriculture and Food Innovation (QAAFI) expenses for July - September 2020 that was prepaid in June 2020 and three days salary and wages prepayment (\$2.1 million) for the last pay period at the end of the month.
- The variance is mainly due to the transfer to DAF of the former QATC's assets (\$52.6 million) on 1 March 2020.
- The variance mainly relates to the leased assets and liabilities recognised under the new leasing accounting standard, effective from 1 July 2019. Post budget preparations it was subsequently agreed in 2019-20 to exclude ESP from the new standard and treat as office accommodation. This has resulted in adjustments to reduce assets and liabilities of \$180.9 million to the budget for 2019-20.
- Higher than expected cattle prices at the end of 2018-19 and during 2019-20 has led to an increase in livestock valuation.
- The closing balance of payables are higher than expected due to unexpended appropriation revenue to be returned to Consolidated Fund.
- The last pay period at the end of June included three days salary and wages for 2020-21, which was recognised in prepayments.
- The closing balance of unearned revenue is higher than expected mainly due to revenue received in advance for contractual agreements for Research and Development projects (\$5.2 million), the Reef Water Quality Science projects from DES (\$1.6 million) and unexpended disaster relief funding received from the North West Queensland Beef Recovery Package (\$2.9 million).

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

E1-3. Explanation of major variances - statement of cash flows

	Variance Notes	2020 Original Budget \$'000	2020 Actual \$'000	Budget Variance \$'000
Cash flows from operating activities				
Inflows:				
Service appropriation receipts	18	329,014	356,915	27,901
User charges and fees	19	129,914	152,762	22,848
Grants and other contributions		41,406	45,729	4,323
Royalties	20	29,159	36,697	7,538
GST input tax credits received from ATO		13,181	13,300	119
GST collected from customers		-	16,244	16,244
Other inflows	21	857	4,465	3,608
Outflows:				
Employee expenses	22	(225,661)	(239,506)	(13,845)
Supplies and services	23	(238,649)	(281,452)	(42,803)
Grants and subsidies	24	(14,949)	(54,068)	(39,119)
GST paid to suppliers		(13,131)	(29,492)	(16,361)
GST remitted to ATO		-	-	-
Borrowing costs	25	(8,528)	(2,524)	6,004
Other outflows		(2,474)	(2,381)	93
Net cash provided operating activities		40,139	16,691	(23,448)
Cash flows from investing activities				
Inflows:				
Sales of property, plant and equipment		2,250	1,216	(1,034)
Sales of biological assets		-	2,345	2,345
Outflows:				
Payments for property, plant and equipment	26	(18,737)	(17,182)	1,555
Payments for intangibles		-	(823)	(823)
Payments for biological assets		-	(213)	(213)
Net cash used in investing activities		(16,487)	(14,656)	1,831
Cash flows from financing activities				
Inflows:				
Equity injections	25	6,510	2,625	(3,885)
Outflows:				
Finance lease payments	25	(6,510)	(2,862)	3,648
Equity withdrawals	25	(18,539)	(9,533)	9,006
Net cash provided by financing activities		(18,539)	(9,770)	8,769
Net increase/(decrease) in cash and cash equivalents		5,113	(7,735)	(12,848)
Cash and cash equivalents - opening balance		34,089	48,506	14,417
Cash and cash equivalents received from administrative changes		-	451	451
Cash and cash equivalents - closing balance	C1	39,202	41,222	2,020

Explanation of major variances:

18. The increase is largely due to additional funding released in 2019-20 from the funds held centrally by government for the continuation of the Drought Assistance Package and a realignment of existing Queensland Government funding for the ten-year NRIFAEP from 2021-22 to 2026-27 to accelerate treatments in 2019-20. This is partially offset by the ESP lease asset funding adjustment and the deferral of funding from 2019-20 to the outer years to realign the budget with anticipated cash flows for various departmental programs.
19. The variance is largely due to higher than expected ICT project revenue through BCP arrangements.
20. Higher than expected demand for the sale of timber and quarry materials in 2019-20.
21. The increase is mainly due to a reimbursement from QATC for a partial contribution to separation payments.
22. The variance is largely due to a once off payment related to enterprise bargaining negotiations, an increase in pay rates as a result of the State Wage Case and a reduction in recreation and long service leave taken due to COVID-19 restrictions which is centrally funded.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

E1-3. Explanation of major variances - statement of cash flows (continued)

Explanation of major variances (continued):

23. The variance is largely due to an increase in ICT contractor expenses to meet increased project demand through the BCP arrangements and increased expenses relating to the NRIFAEP due to accelerated treatment program in 2019-20. Also contributing to the increase is the office accommodation costs for ESP that were originally removed from the budget for the implementation of the new leasing accounting standards, effective from 1 July 2019. Post budget preparation it was subsequently agreed in 2019-20 to exclude ESP from the new leasing standard. This has resulted in adjustments to increase office accommodation costs when compared to the budget for 2019-20.
24. The increase is largely due to expenses for the additional demand for Drought Assistance Package where the 2019-20 allocation was held centrally by QT and drawn down in arrears based on actual expenditure. Also contributing to the increase is a funding contribution towards QATC separations costs and natural disaster related expenses.
25. The decrease is largely related to the depreciation and finance costs recognised under the new leasing accounting standard, effective 1 July 2019. Post budget preparation it was subsequently agreed in 2019-20 to exclude ESP from the new leasing standard. This has resulted in adjustment to depreciation and finance costs when compared to the budget for 2019-20.
26. The variance is largely due to budgeted items initially identified as capital expenditure for the Toowoomba Facilities Upgrade Project-Stage 1 not meeting the asset recognition criteria and subsequently transferred to operating expenses.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2020****F1. Administered Items**

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

The department administers funds on behalf of the State, including the following activities:

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

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

F1-1. Schedule of administered income and expenses

		2020 Actual \$'000	2020 Original Budget \$'000	Budget Variance \$'000	2019 Actual \$'000
	Variance Notes				
Administered income					
Appropriation revenue	1	108,320	235,613	(127,293)	92,080
User charges and fees		1,726	1,848	(122)	1,807
Grants and other contributions		16,048	16,048	-	15,597
Other revenue		1,303	1,099	204	9,930
Total administered income		127,398	254,608	(127,211)	119,415
Administered expenses					
Grants to Queensland Rural and Industry Development Authority (QRIDA)	2	72,914	198,743	(125,829)	63,486
Grants to Queensland Racing Integrity Commission (QRIC)		28,251	28,601	(350)	27,060
Supplies and services	3	171	8,250	(8,079)	223
Loss on disposal		4	-	4	91
Other expenses	3	6,964	-	6,964	57
Depreciation and amortisation		20	19	1	20
Decrements on revaluation		-	-	-	-
Transfers of administered appropriation to Government		-	-	-	1,235
Transfers of administered income to Government ⁽¹⁾		19,074	18,995	79	27,332
Total administered expenses		127,398	254,608	(127,211)	119,504
Operating (deficit)		-	-	-	(89)

⁽¹⁾ The department periodically transfers to Queensland Government the amount of all cash collected in respect of administered revenue itemised under "administered income" (excluding appropriation revenue).

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2020

F1-2. Schedule of administered assets and liabilities

		2020	2020	Budget	2019
	Variance	Actual	Original	Variance	Actual
	Notes	\$'000	Budget	\$'000	\$'000
			\$'000		
Administered assets					
<i>Current</i>					
Cash	4	53,481	11	53,470	16,294
Receivables	5	5,633	286	5,347	7,095
Total current assets		59,114	297	58,817	23,389
<i>Non-current</i>					
Property, plant and equipment		737	759	(22)	757
Total non-current assets		737	759	(22)	757
Total assets		59,851	1,056	58,795	24,146
Administered liabilities					
<i>Current</i>					
Administered income refundable to Government	6	2,716	-	2,716	1,235
Grants payable		150	-	150	-
Payables to Government		271	278	(7)	22,069
Other payables	7	5,957	-	5,957	66
Total current liabilities		9,094	278	8,816	23,370
Net administered assets/liabilities		50,756	778	49,979	775

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

F1-3. Schedule of administered equity

	Variance Notes	Contributed Equity \$'000	Accumulated (Deficit) \$'000	Asset Revaluation Surplus \$'000	TOTAL \$'000
Balance as at 1 July 2018		3,754	(2,846)	23	931
Operating result					
Operating result from continuing operations		-	-	-	-
Other comprehensive income					
- Increase in asset revaluation surplus		-	-	18	18
- Transfers between asset revaluation reserve and accumulated surplus		-	(89)	-	(89)
Total comprehensive income for the year		-	(89)	18	(71)
Transactions with owners as owners:					
- Appropriated equity injections		2,683	-	-	2,683
- Appropriated equity withdrawals		(84)	-	-	(84)
- Non-appropriated equity adjustment		(2,683)	-	-	(2,683)
Net transactions with owners as owners		(84)	-	-	(84)
Balance at 30 June 2019		3,670	(2,935)	41	775
Balance as at 1 July 2019		3,670	(2,935)	41	775
Operating result					
Operating result from continuing operations			-	-	-
Transactions with owners as owners:					
- Appropriated equity injections	8	1,002,702	-	-	1,002,702
- Appropriated equity withdrawals		(19)	-	-	(19)
- Non-appropriated equity withdrawals	8	(952,702)	-	-	(952,702)
Net transactions with owners as owners		49,981	-	-	49,981
Balance at 30 June 2020		53,651	(2,935)	41	50,756

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2020

F1-4. Administered activities - budget to actual comparison and variance analysis

1. The decrease is largely due to a deferral of funds (\$133.1 million) from 2019-20 to 2020-21 for QRIDA to administer the Federal Government Restocking, Replanting and On-Farm infrastructure grants program due to lower demand than originally anticipated resulting from the ongoing adverse environmental conditions. It is offset by additional funding (\$5.8 million) approved in June 2020 for Queensland Government COVID-19 Jobs Support Loans Scheme operational costs.
2. The decrease is largely due to a deferral of funds (\$126.0 million) from 2019-20 to 2020-21 for QRIDA to administer the Federal Government Restocking, Replanting and On-Farm infrastructure grants program due to lower demand than originally anticipated resulting from the ongoing adverse environmental conditions.
3. The decrease is largely due to a deferral of funds (\$6.9 million) from 2019-20 to 2020-21 for QRIDA to administer the Federal Government Restocking, Replanting and On-Farm infrastructure grants program operational cost due to lower demand than originally anticipated resulting from the ongoing adverse environmental conditions. It is offset by additional funding (\$5.8 million) approved in June 2020 for Queensland Government COVID-19 Jobs Support Loan Scheme operational costs.
4. The increase is largely due to equity funding (\$50.0 million) that has not yet been paid to QRIDA that relates to additional funding approved in June 2020 for the Queensland Government COVID-19 Jobs Support Loan Scheme.
5. The increase is largely due to additional funding of \$5.8M approved in June 2020 by QT for Queensland Government COVID-19 Jobs Support Loan Scheme operational costs.
6. The increase represents the Administered Appropriation refundable relating to the Commonwealth adjustment for the deferral of QRIDA's administration costs relating to the Federal Government Restocking, Replanting and On-Farm Infrastructure grants program.
7. The increase is largely due to operational costs (\$5.8 million) payable to QRIDA for the Queensland Government COVID-19 Jobs Support Loan Scheme.
8. The increase in appropriated equity injections and non-appropriated equity withdrawals relates to funding provided to QRIDA in relation to the Queensland Government COVID-19 Jobs Support Loan Scheme.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2020**

	2020	2019
	\$'000	\$'000
F1-5. Reconciliation of payments from consolidated fund to administered income		
Budgeted appropriation receipts	235,613	40,370
Treasurer's transfers	(31,062)	1,000
Lapsed appropriation	(20)	-
Unforeseen expenditure ⁽¹⁾	-	50,455
Appropriation adjustment	(100,000)	(1,475)
Total administered receipts	104,531	90,350
Add: closing balance of appropriation revenue receivable	5,270	-
Add: opening balance of deferred appropriation payable to Consolidated Fund	1,235	1,730
Less: closing balance of deferred appropriation payable to Consolidated Fund	(2,716)	(1,235)
Net appropriation revenue	108,320	90,845
Plus deferred appropriation payable to Consolidated Fund (expense)	-	1,235
Appropriation revenue recognised in statement of comprehensive income	108,320	92,080

⁽¹⁾ The amount for 2018-19 relates to funding from the Commonwealth government for North and Far North Queensland Monsoon.

F1-6. Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity

Budgeted equity adjustment appropriation	2,583	2,104
Treasurer's advance	900,000	-
Appropriation adjustment	100,000	1,475
Equity adjustment receipts (payments)	1,002,583	3,579
Less: opening balance of equity adjustment receivable	-	(980)
Plus: closing balance of appropriation receivable	100	-
Net appropriation equity	1,002,683	2,599

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2020****G1. Key management personnel (KMP) disclosures****Details of key management personnel**

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Minister for Agricultural Industry Development and Fisheries.

The following details for non-Ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2019-20 and 2018-19. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
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.
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, Digital Engagement and Corporate Partnership functions of the department.
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.
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.
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.

KMP remuneration policies

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

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

Remuneration expenses for those KMP comprise the following components:

- Short term employee expenses, including:
 - salaries, allowance and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position; and
 - 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 include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service entitlements) payable on termination of employments or acceptance of an offer of termination of employment.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2020****G1. Key management personnel (KMP) disclosures (continued)****Remuneration Expenses**

The following disclosure focuses on the expenses incurred by the department attributable to non-Ministerial KMP during respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the statement of comprehensive income.

1 July 2019 – 30 June 2020

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Total Expenses ⁽¹⁾
	Monetary Benefits \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000
Director-General	370	-	8	25	403
Deputy Director-General, Agriculture Queensland	248	-	6	27	281
Chief Biosecurity Officer	263	-	6	28	297
Deputy Director-General, Corporate	240	-	5	24	269
Deputy Director-General, Fisheries and Forestry	237	-	5	24	266
Total	1,358	-	30	128	1,516

⁽¹⁾ The key management personnel and remuneration expenses above for the year ended 30 June 2020 does not include any termination benefits.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2020****G1. Key management personnel (KMP) disclosures (continued)****Remuneration Expenses (continued)****1 July 2018 – 30 June 2019**

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Total Expenses ⁽¹⁾
	Monetary Benefits \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000
Director-General	324	-	7	37	368
Director-General (Acting) 30/8/2018 - 15/9/2018 and 5/5/2019 - 2/6/2019	27	-	1	3	31
Deputy Director-General, Corporate 20/5/2019 - 30/6/2019	10	-	-	2	12
Deputy Director-General, Corporate (Acting) 1/7/2018 - 10/5/2019	192	-	4	21	217
Deputy Director-General, Agriculture Queensland 20/5/2019 - 30/6/2019	21	-	-	2	23
Deputy Director-General, Agriculture Queensland (Acting) 1/7/2018 - 17/5/2019	229	-	4	20	254
Deputy Director-General, Fisheries and Forestry	198	-	4	21	222
Deputy Director-General, Fisheries and Forestry (Acting) 22/10/2018 - 31/12/2018 and 6/5/2019 - 28/5/2019	64	-	1	6	71
Chief Biosecurity Officer 1/1/2019 - 30/6/2019	118	-	2	13	133
Chief Biosecurity Officer (Acting) 1/7/2018 - 31/12/2018 and 25/3/2019 - 2/6/2019	173	-	3	18	194
Total	1,355	-	26	144	1,525

⁽¹⁾ The key management personnel and remuneration expenses above for the year ended 30 June 2019 does not include any termination benefits.

Performance payments

No KMP remuneration packages provide for performance or bonus payments.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2020

G2. Related party transactions

Transactions with people/entities related to KMP

A review has been undertaken for the 2019-20 financial year, to 30 June 2020, of the department's KMP related party transactions (RPT) disclosures and no transactions have been identified between the department and its KMPs' related parties.

Transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from Government for its services are appropriation revenue (Note B1-1) and equity injections (Note C9-2), both of which are provided in cash via QT.

The department received defined services from the following agencies:

- DNRME: Legal Services
- DES: Privacy and Ethics, Internal Audit, Procurement, Right to Information.

As the host agency, DAF provided defined services to the following agencies for the period 1 July 2019 to 30 June 2020:

- DNRME: Information Management, Fleet Management, Telecommunications
- DES: Information Management, Fleet Management, Telecommunications
- DSDTI: Finance, Information Management, Fleet Management, Telecommunications.

User charges and fees (Note B1-2) includes the fee for service revenue received from the above agencies for information management services and this represents approximately 36% of the total user charges and fees.

Office accommodation and QFleet costs disclosed in supplies and services (Note B2-2) includes office accommodation across the State with DHPW and motor vehicle lease arrangements provided by QFleet.

QBuild within DHPW are the provider of building repair and maintenance disclosed within Note B2-2 under repairs and maintenance.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

G3. First year application of new accounting standards or change in accounting policy

Accounting standards applied for the first time

Three new accounting standards with material impact were applied for the first time in 2019-20:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

The effect of adopting these new standards are detailed in notes G3-1 to G3-3. No other accounting standards or interpretations that apply to the department for the first time in 2019-20 have any material impact on the financial statements.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2019-20.

G3-1. AASB 15 Revenue from Contracts with Customers

The department applied AASB 15 *Revenue from Contracts with Customers* for the first time in 2019-20. The nature and effect of changes resulting from the adoption of AASB 15 are described below:

1. New revenue recognition model

AASB 15 establishes a new five-step model for determining how much and when revenue from contracts with customers is recognised.

The five-step model and significant judgements at each step are detailed below.

Step 1 - Identify the contract with the customer	Grant funding that the department receives may contain a contract with a customer and thus fall within the scope of AASB 15. This is the case where the funding agreement requires the department to transfer goods or services to third parties on behalf of the grantor, it is enforceable, and it contains sufficiently specific performance obligations.
Step 2 - Identify the performance obligations in the contract	<p>This step involves firstly identifying all the activities the department is required to perform under the contract, and determining which activities transfer goods or services to the customer.</p> <p>Where there are multiple goods or services transferred, the department must assess whether each good or service is a distinct performance obligation or should be combined with other goods or services to form a single performance obligation.</p> <p>To be within the scope of AASB 15, the performance obligations must be 'sufficiently specific', such that the department is able to measure how far along it is in meeting the performance obligations.</p>
Step 3 - Determine the transaction price	<p>When the consideration in the contract includes a variable amount, the department needs to estimate the variable consideration to which it is entitled and only recognise revenue to the extent that it is highly probable a significant reversal of the revenue will not occur.</p> <p>This includes sales with a right of return, where the amount expected to be refunded is estimated and recognised as a refund liability instead of revenue.</p>
Step 4 - Allocate the transaction price to the performance obligations	When there is more than one performance obligation in a contract, the transaction price must be allocated to each performance obligation, and generally this needs to be done on a relative stand-alone selling price basis.
Step 5 - Recognise revenue when or as the department satisfies performance obligations	Revenue is recognised when the department transfers control of the goods or services to the customer. A key judgement is whether a performance obligation is satisfied over time or at a point in time. Where it is satisfied over time, the department must develop a method for measuring progress towards satisfying the obligation.

2. Other changes arising from AASB 15

AASB 15 applies to revenue from issuing of licences and permits for agricultural, fishing and biosecurity activities. The department has elected to apply the revenue recognition requirements in AASB 15 to all licences, including short-term and low value licences.

AASB 15 also specifies the accounting treatment for incremental costs of obtaining a contract and costs directly related to fulfilling a contract.

The standard requires contract assets (accrued revenue) and contract liabilities (unearned revenue) to be shown separately and requires contract assets to be distinguished from receivables.

There are extensive new disclosures, which have been included in Notes B1-2 and B1-3.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2020****G3. First year application of new accounting standards or change in accounting policy (continued)****G3-1. AASB 15 Revenue from Contracts with Customers (continued)****3. Transitional impact**

Transitional policies adopted are as follows:

- The department applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 118 *Revenue*, AASB 111 *Construction Contracts*, and related interpretations.
- The department elected to apply the standard retrospectively to all contracts, including completed contracts, at 1 July 2019. Completed contracts include contracts where the department had recognised all of the revenue in prior periods under AASB 1004 *Contributions*.
- The department applied a practical expedient to reflect, on transition, the aggregate effect of all contract modification that occurred before 1 July 2019.

User charges and fees

To align with new terminology in AASB 15, accrued revenue and unearned revenue arising from contracts with customers have been renamed as contract assets and contract liabilities respectively. They are separately disclosed in Note C3 and C7.

Grants and contributions

NCS arrangements - The department has cost sharing arrangements with the Commonwealth's Department of Agriculture and Water Resources (DAWR) and other States and Territories that relate to funding of activity based services for the eradication and control of pests and diseases, including the NRIFAEP, Red Witchweed Program and Four Tropical Weeds Program. These arrangements have been identified as having sufficiently specific performance obligations under enforceable agreements. Under AASB 15, revenue is recognised progressively over time and a contract asset (representing the department's right to consideration in exchange for the services transferred to the customer) recognised for services rendered but unbilled at each reporting date. Timing of payments can also result in unearned revenue for unperformed services at the reporting date.

Royalties

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. The department expects no change to revenue recognition as the delivery of the goods to the customer represents the sole performance obligation.

Licence and Permit Revenue

The department has revenue from the issue of licences and permits for agricultural, fishing and biosecurity activities. In accordance with QT's proposed policy directive following amendments to AASB 15 (arising from AASB 2018-4 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Public Sector Licensors), the revenue is recognised under AASB 15 when the performance obligations are fulfilled. As the sole performance obligation is the issue of the licence to the customer, revenue is recognised when the licence is issued. As this has the same accounting consequence to the current accounting of recognising revenue on receipt of the licence fee, no change is expected to revenue recognition for licence revenue. The department has assessed that any refund liability under AASB 15 will not be material.

Sale of Services

Information Technology Partners (ITP) –Service Level Agreements - The department provides information technology services to DNRME, DES and DITID on a cost recovery basis. Under AASB 15, revenue is recognised in exchange for the services transferred to the customer. An accrual is recognised for services rendered but unbilled at each reporting date. There were no transitional adjustments at 1 July 2019 for ITP service revenue.

Research and Development Contract Services – The department performs research and development services under legally enforceable contracts with specific deliverables, milestones, terms and conditions and a financial acquittal processes. Revenue is recognised to match the expenditure incurred in the performance of obligations and delivery of milestones.

There were no transitional adjustments at 1 July 2019 for service revenue as the department expects recognises, a contract asset receivable, an amount of unbilled revenue equal to the department's right to receive consideration in exchange for the services transferred to customers and also recognised a liability for unearned revenue where funding provided is unspent. Revenue is recognised using the input method, which matches the expenditure under the current accounting treatment.

Sale of Goods

There was no change to revenue recognition from the sale of goods including livestock, vaccines, publications and farming produce as the delivery of the goods to the customer represents the sole performance obligation. The amount of any right of return asset or refund liability has been determined to be negligible and immaterial to record on transition.

The net impact on adoption of AASB 15 on equity is nil with only changes occurring within the asset and liabilities categories.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

G3. First year application of new accounting standards or change in accounting policy (continued)

G3-2. AASB 1058 Income of Not-for-Profit Entities

The department applied AASB 1058 *Income of Not-for-Profit Entities* for the first time in 2019-20. The nature and effect of changes resulting from the adoption of AASB 1058 are described below.

1. New revenue recognition model

AASB 1058 applies to transactions where the department acquires an asset for significantly less than fair value principally to enable the department to further its objective, and to the receipt of volunteer services.

The department's revenue line item recognised under this standard from 1 July 2019 include appropriation revenue, royalties and land rents, taxes, most grants and other contribution, and some other revenue.

General revenue recognition framework

The revenue recognition framework for in scope transactions, other than specific-purpose capital grants, is as follows.

1. Recognise the asset - e.g. cash, receivables, PP&E, a right-of-use-asset or an intangible asset.
2. Recognise related amounts - e.g. contributed equity, a financial liability, a lease liability, a contract liability or a provision (grants and donations in many cases can have nil related amounts).
3. Recognise the difference as income upfront.

The initial recognition and measurement of receivables arising from statutory requirements (such as taxes and stamp duty) falls under AASB 9 *Financial Instruments*, therefore AASB 9 governs the timing and amount of revenue recognised under AASB 1058 for such statutory income.

2. Transitional impact

Transitional policies adopted are as follows:

- The department applied the modified retrospective transition method and has not restated comparative information for 2018-19. They continue to be reported under relevant standards applicable in 2018-19, such as AASB 1004.
- The department elected to apply the standard retrospectively to all contracts, including completed contracts, at 1 July 2019. Completed contracts are contracts where the department had recognised all of the revenue in prior periods under AASB 1004.

Revenue recognition for the department's appropriations, taxes, royalties, and most grants and contributions will not change under AASB 1058, as compared to AASB 1004. Revenue will continue to be recognised when the department gains control of the asset (e.g. cash or receivable) in most instances.

NCS arrangements will fall within the scope of AASB 15 *Revenue from Contracts with Customers*, and the transitional impacts are disclosed in Note G3-1 above.

	As reported \$'000	AASB 15 changes \$'000	AASB 1058 changes \$'000	Previous standards \$'000
Balance Sheet as at 30 June 2020				
Assets				
Receivables				
Trade debtors	13,673	17,987	458	32,119
Other current assets	29,345	(17,987)	(458)	10,900
Liabilities				
Other current liabilities				
Contract liabilities	24,615	(24,268)	(347)	-
Unearned revenue	7,091	24,268	347	31,705

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

G3. First year application of new accounting standards or change in accounting policy (continued)

G3-3. AASB 16 Leases

The department applied AASB 16 *Leases* for the first time in 2019-20. The department applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 117 *Leases* and related interpretations.

The nature and effect of changes resulting from the adoption of AASB 16 are described below.

1. Definition of a lease

AASB 16 introduced new guidance on the definition of a lease.

For leases and lease-like arrangements existing at 30 June 2019, the department elected to apply the practical expedient to grandfather the previous assessments made under AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease* about whether those contracts contained leases. However, arrangements were reassessed under AASB 16 where no formal assessment had been completed in the past or where lease arrangements were modified on 1 July 2019.

Amendments to former operating leases for office accommodation and employee housing

In 2018-19, the department held operating leases under AASB 117 from DHPW for non-specialised commercial office accommodation through QGAO and residential accommodation through the GEH program.

Effective 1 July 2019, the framework agreements that govern QGAO and GEH were amended with the result that these arrangements would not meet the definition of a lease under AASB 16 and therefore are exempt from lease accounting.

From 2019-20 onward, the cost for these services are expensed as supplies and services expenses when incurred. The new accounting treatment is due to a change in the contractual arrangements rather than a change in accounting policy.

2. Changes to lessee accounting

Previously, the department classified its leases as operating or finance leases based on whether the lease transferred significantly all the risks and rewards incidental to ownership of the asset to the lessee.

This distinction between operating and finance leases no longer exist for lessee accounting under AASB 16. From 1 July 2019, all leases, other than short-term leases and leases of low value assets, are now recognised on balance sheet as lease liabilities and right-of-use assets.

Lease liabilities

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

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

The discount rate used is the interest rate implicit in the lease, or the department's incremental borrowing rate if the implicit rate cannot be readily determined.

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

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2020

G3. First year application of new accounting standards or change in accounting policy (continued)

G3-3. AASB 16 Leases

2. Changes to lessee accounting (continued)

Right-of-use assets

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

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

Right-of-use assets will subsequently give rise to a depreciation expense and be subject to impairment.

Right-of-use assets differ in substance from leased assets previously recognised under finance leases in that the asset represents the intangible right-to-use the underlying asset rather than the underlying asset itself.

3. Changes to lessor accounting

Lessor accounting remains largely unchanged under AASB 16. Leases are still classified as either operating or finance leases. However, the classification of subleases now reference the right-of-use asset arising from the head lease, instead of the underlying asset.

4. Transitional impact

Former operating leases as lessee

- The majority of the department's former operating leases, other than the exempt QGAO and GEH arrangements, are now recognised on-balance sheet as right-of-use assets and lease liabilities.
- On transition, lease liabilities were measured at the present value of the remaining lease payments discounted at the department's incremental borrowing rate at 1 July 2019.
- The department's weighted average incremental borrowing rate on 1 July 2019 was between 1.46% and 2.31% based on the remaining term of the lease.
- The right-of-use assets were measured at either:
 - a) their carrying amount as if AASB 16 had always been applied since lease commencement, discounted using the department's incremental borrowing rate at 1 July 2019;
 - b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment.
- New right-of-use assets were tested for impairment on transition and none were found to be impaired.
- On transition, the department used practical expedients to:
 - not recognise right-of-use assets and lease liabilities for leases that end within 12 months of the date of initial application and leases of low value assets;
 - exclude initial direct costs from the measurement of right-of-use assets; and
 - use hindsight when determining the lease term.

The following table summarises the on-transition adjustments to assets and liability balances at 1 July 2019 in relation to former operating leases.

	\$'000
Right-of-use assets - Land	515
Right-of-use assets - Buildings	120,824
Prepayments	(10,544)
Lease liabilities	110,795

Leases as lessor

- No transitional adjustments were required for leases in which the department is lessor.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2020****G3. First year application of new accounting standards or change in accounting policy (continued)****G3-3. AASB 16 Leases (continued)****5. Reconciliation of operating lease commitments at 30 June 2019 to the lease liabilities at 1 July 2019**

	\$'000
Total undiscounted operating lease commitments at 30 June 2019	373,257
- discounted based on QTC fixed rate for term of commitment	(78,374)
Present value of operating lease commitments	294,883
- less internal-to-government arrangements that are no longer leases (accommodation)	(184,512)
- add other adjustments	424
Lease liabilities at 1 July 2019	110,795

G4. Taxation

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

G5. Climate Risk Disclosure*Climate Risk Assessment*

The department addresses the financial impacts of climate related risks by identifying and monitoring the accounting judgements and estimates that will potentially be affected, including asset useful lives, fair value of assets, provisions or contingent liabilities and changes to future expenses and revenue.

Current Year Impacts

No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the financial year.

Future Year Impacts

The department will be performing a comprehensive revaluation of land, buildings and infrastructure in 2020-21 and will incorporate a climate risk assessment into the review of asset useful lives and fair value of assets.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2020

G6. Significant financial impacts from COVID-19

The following significant transactions were recognised by DAF during the 2019-20 financial year in response to the COVID-19 pandemic:

\$'000

OPERATING STATEMENT

Significant expense items arising from COVID-19

Assistance to RSPCA, zoos and mobile animal exhibitors ⁽¹⁾	966
Business counselling and advice costs incurred	550
Fisheries Market Diversification and Resilience Grants	359
Promotional campaign #EatQLD to eat local, stay healthy and support jobs	187
Non-labour costs for personal protective equipment, cleaning, etc. ⁽¹⁾	160
	<u>2,222</u>

Significant revenue items arising from COVID-19

Additional revenue recognised to fund COVID-19 initiatives	1,096
	<u>1,096</u>

⁽¹⁾ No additional funding for these items was received in 2019-20.

Other significant impacts arising from COVID-19

Assistance to fishing industries was provided with the waiver of \$687,000 in fees for the commercial fishing boat licence fee, tropical rock lobster quota fees and reef line quota fees and the department received \$660,000 in appropriation funding to support the initiative. The department also provided rent relief of \$171,000 to small business tenancies from 1 April 2020 to 30 June 2020.

These amounts are not reflected in the revenue/expense items above.

Administered activities arising from COVID-19

The Department received \$1 billion in funding for the Queensland Government COVID-19 Jobs Loans Scheme administered by QRIDA to support Queensland businesses and non-profit organisations financially affected by COVID-19 to retain employees and maintain their operations. As at 30 June 2020, \$950 million had been transferred to QRIDA, with the remaining \$50 million transferred in 2020-21.

DEPARTMENT OF AGRICULTURE AND FISHERIES

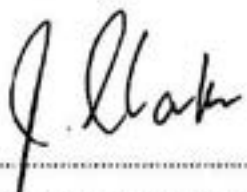
Management Certificate

For the year ended 30 June 2020


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

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Agriculture and Fisheries for the year ended 30 June 2020 and of the financial position of the department at the end of that year; and

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



Justine Clark BCom CPA CMA GAICD
Chief Finance Officer
Date 27 August 2020



Dr. Elizabeth Woods
Director-General
Date 27 August 2020



INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Agriculture and Fisheries

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Department of Agriculture and Fisheries.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental service as at 30 June 2020, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental service for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Valuation of Land \$123.62 million

Refer to note C4-1 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>The Department of Agriculture and Fisheries' land was measured at fair value using the market approach which involves physical inspection and reference to publicly available data on recent sales of similar land in nearby localities.</p> <p>The Department engaged a registered valuer to undertake a specific appraisal of all land holdings at 30 June 2016.</p> <p>Significant judgement was used in arriving at suitable discount rates for the restrictions on reserve land.</p> <p>The fair value of reserve land was derived by discounting the market value of similar land that had no restrictions, and then estimating the discount a willing market participant would make taking into account the restrictions on use.</p> <p>The Department has subsequently performed annual indexations of these valuations. Significant judgement was required in determining the appropriate index.</p>	<p>My procedures for the valuation of land included, but were not limited to:</p> <p>In 2015-16:</p> <ul style="list-style-type: none"> Assessing the competence, capability and objectivity of the experts used to develop the valuations. Obtaining an understanding of the valuer's methodology used with reference to common industry practices. <p>For the periods subsequent to the specific appraisal performed as at 30 June 2016:</p> <ul style="list-style-type: none"> Assessing the competence, capability and objectivity of the expert used by the Department to provide the index. Evaluating the reasonableness of the index used against other publicly available information about movements in values for unrestricted land that is otherwise similar. On a sample basis, testing the accuracy of the application of indices to the valuation of land assets. Assessing the index movement against movement in relevant local government areas based on the market movement report for any significant variances. Where the index for a parcel of land was material, evaluating the index for reasonableness against appropriate supporting documentation.



Buildings valuation \$155.03 million and depreciation expense \$5.79 million

Refer to note C4-1 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>The Department's buildings were measured at fair value at balance date using the current replacement cost method that comprises:</p> <ul style="list-style-type: none"> • Gross replacement cost, less • Accumulated depreciation. <p>The buildings were specifically appraised as at 30 June 2016 and indexed in subsequent years.</p> <p>The Department derived the gross replacement cost of its buildings at balance date using unit pricing model that involved significant judgements for:</p> <ul style="list-style-type: none"> • identifying the components of buildings with separately identifiable replacement costs (known as unit rate categories) • developing a unit rate for each of these components, including: <ul style="list-style-type: none"> – identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference – Indexing unit rates in subsequent increases in input costs. <p>The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of assets.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p>	<p>My procedures included, but were not limited to:</p> <p>In 2015-16:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the valuation process and unit rate categories used for measuring gross replacement cost with reference to the department's total asset management plans, the unit costs of the department's recent projects, and common industry practices. • Assessing the competence, capability and objectivity of the expert used by the Department to provide the index. <p>For the periods subsequent to the specific appraisal performed as at 30 June 2016:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the building components used for measuring gross replacement cost with reference to the department's asset management plans and common industry practices. • Evaluating whether unit rates were current at balance date by: <ul style="list-style-type: none"> – Evaluating the reasonableness of the index used against publicly available information about movements in unit rates for buildings that is otherwise similar – Recalculating the index provided by the independent valuers. • Evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> – Reviewing management's annual assessment of useful lives. – Assessing whether building components still in use have reached or exceeded their useful life. – Reviewing formal asset management plans and confirming the currency of these plans with management. • Where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.



Responsibilities of the department for the financial report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year 30 June 2020:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the department's transactions and account balances to enable the preparation of a true and fair financial report.

28 August 2020

Melissa Fletcher
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Appendixes including essential disclosures

Appendix 1: 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. At 30 June 2020, DAF administered the following legislation for the Minister for Agricultural Industry Development and Fisheries.

Table A1 Legislation administered by DAF

Legislation	Notes
<i>Agricultural and Veterinary Chemicals (Queensland) Act 1994</i>	
<i>Agricultural Chemicals Distribution Control Act 1966</i>	
<i>Animal Care and Protection Act 2001</i>	
<i>Animal Management (Cats and Dogs) Act 2008</i>	
<i>Biological Control Act 1987</i>	
<i>Biosecurity Act 2014</i>	
<i>Brands Act 1915</i>	
<i>Chemical Usage (Agricultural and Veterinary) Control Act 1988</i>	
<i>Drugs Misuse Act 1986 (part 5B)</i>	
<i>Exhibited Animals Act 2015</i>	
<i>Farm Business Debt Mediation Act 2017</i>	
<i>Fisheries Act 1994</i>	Except for fish habitat areas, which are administered with the Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts, and with the Minister for Employment and Small Business and Minister for Training and Skills Development to the extent that it is relevant to the Quandamooka Aboriginal People
<i>Food Production (Safety) Act 2000</i>	
<i>Forestry Act 1959</i>	Jointly administered with the Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts, and with the Minister for Employment and Small Business and Minister for Training and Skills Development to the extent that it is relevant to the Quandamooka Aboriginal People
<i>Racing Integrity Act 2016</i>	Administered on behalf of the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs
<i>Regional Planning Interests Act 2014 (part 4, division 2)</i>	
<i>Rural and Regional Adjustment Act 1994</i>	
<i>Sugar Industry Act 1999</i>	
<i>Torres Strait Fisheries Act 1984</i>	
<i>Veterinary Surgeons Act 1936</i>	

Note: Since the commencement of Administrative Arrangements Order (no. 1) 2019 of 20 September 2019, DAF is no longer an Administrative Unit for the *Nature Conservation Act 1992*.

Appendix 2: Related entities

The entities in Table A2, together with the department, form the ministerial portfolio for the Minister for Agricultural Industry Development and Fisheries.

The entity in Table A3 is administered for the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs.

Table A2 Related entities

Name	Type of entity	Functions	Legislation under which the entity was established	Annual reporting arrangement
Darling Downs – Moreton Rabbit Board	Statutory body	Take reasonable steps to ensure the board's operational area is kept free from rabbits	<i>Biosecurity Act 2014</i>	Annual report tabled in Parliament
Queensland Rural and Industry Development Authority	Statutory body	Administer approved financial assistance schemes that foster a more productive and sustainable rural and regional sector in Queensland	<i>Rural and Regional Adjustment Act 1994</i>	Annual report tabled in Parliament
Safe Food Production Queensland	Statutory body	Regulate, under food safety schemes, the production of primary produce to ensure it is safe for human and animal consumption	<i>Food Production (Safety) Act 2000</i>	Annual report tabled in Parliament
Veterinary Surgeons Board of Queensland	Statutory body	Registration of veterinary surgeons, provisions in response to misconduct, 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

Table A3 Additional entity administered

Name	Type of entity	Functions	Legislation under which the entity was established	Annual reporting arrangement
Queensland Racing Integrity Commission	Statutory body	Oversees the integrity and welfare standards of racing animals and participants in Queensland	<i>Racing Integrity Act 2016</i>	Annual report tabled in Parliament

Appendix 3: Performance statements

Table A4 Performance statements (2019–20)

	Notes	2019–20 target/ estimate	2019–20 actual result
Service area: Agriculture¹			
Service: Agribusiness and policy			
Service standards			
<i>Effectiveness measure</i>			
Proportion of stakeholders who have a high level of satisfaction with agriculture policy and planning, consultation and engagement processes	2	70%	--
<i>Efficiency measures</i>			
Average cost per hour to conduct regulatory policy and reform activities	3	\$77	\$75
Investment in the management of the Drought Relief Assistance Scheme program as a proportion of the total claims paid under the scheme	4	10%	4.56%
Service: Rural economic development			
Service standards			
<i>Effectiveness measure</i>			
Percentage of primary producers in Reef catchments who adopt improved management practices after participation in DAF extension programss	5	40%	75%
<i>Efficiency measure</i>			
Average cost of regional agricultural advocacy activities	6	\$780	\$460
Service: Agri-Science Queensland			
Service standards			
<i>Effectiveness measures</i>			
Assessed impact of completed agricultural research, development and extension projects and/or programs (benefit–cost ratio)	7	≥3.5	3.26
Level of funding partner satisfaction that research outcomes contribute to industry productivity growth	8	90%	100%
<i>Efficiency measure</i>			
Percentage return on research, development and extension investment through royalty returns	9	3.5%	6.22%
Service area: Biosecurity Queensland			
Service standards			
<i>Effectiveness measures</i>			
Proportion of significant biosecurity responses that deliver the planned outcomes to safeguard economic loss	10	80%	100%
Level of satisfaction with biosecurity partnership performance	11	≥3.0	3.54
<i>Efficiency measures</i>			
Cost of significant biosecurity responses per agricultural production unit	12	≥1:450	1:603
Cost of core biosecurity services per agricultural production unit	13	≥1:250	1:302

(continued)

Table A4 continued

	Notes	2019–20 target/ estimate	2019–20 actual result
Service area: Fisheries and Forestry			
Service: Fisheries			
Service standards			
<i>Effectiveness measures</i>			
Percentage of key Queensland fish stocks assessed that are considered to have no sustainability concerns	14	85%	85%
Percentage of units inspected that are compliant with fisheries laws		90%	89%
<i>Efficiency measures</i>			
Average cost of inspections	15	\$520	\$604
Average number of inspections per FTE	16	250	203
Service: Forestry			
Service standards			
<i>Effectiveness measure</i>			
Percentage of findings from the previous third-party audit confirmed as satisfactorily addressed in order to maintain certification to the <i>Australian standard: sustainable forest management</i> (AS4708:2013)	17	100%	100%
<i>Efficiency measure</i>			
Average expense necessary to authorise the removal of a cubic metre of forest product:	18		
(a) native forest timber (expenses/m ³)		\$36.00	\$36.53
(b) quarry material (expenses/m ³)		\$0.66	\$0.52

Notes

- Following a review of the Agriculture service area, there has been a change in the services delivered by the service area. The previous 'Strategic policy and planning' service has been discontinued. A new service—'Agribusiness and policy'—has been created. The focus of the 'Rural economic development' service has changed to reflect an increased emphasis on rural and regional Queensland.
- This measure covers a range of dimensions of stakeholder satisfaction including quality, satisfaction with the tools and methods of engagement, and the level of opportunity to contribute to policy direction to determine overall stakeholder satisfaction. Both quantitative and qualitative responses are sought. The stakeholder satisfaction survey was not undertaken this year due to the impacts of COVID-19 and the fact that key stakeholders were overwhelmed responding to the pandemic. A different measurement strategy will be used in 2020–21, with surveys to be undertaken after any significant engagement activity or event.
- This service standard previously aligned to the 'Strategic policy and planning' service, which has now been discontinued. It now aligns to the 'Agribusiness and policy' service. The cost for this efficiency measure is based on employee expenses for staff responsible for regulatory policy and reform.
- This service standard previously aligned to the 'Rural economic development' service. It now aligns to the 'Agribusiness and policy' service. The calculation methodology for this measure is the cost of claims paid to eligible producers divided by administration costs. Administration costs include salary, IT and phone costs of temporary staff and percentage of salary and IT costs of permanent staff based on time spent processing claims. Also included are audit costs and Information and Technology Partners' maintenance of the Drought and Disaster Assistance Management System database. The annual percentage was lower than the target of 10%, as there was a very dramatic increase in DRAS expenditure that was not matched by a similar increase in administration expenses. The greater the volume of claims received, the lower the unit cost of processing each claim becomes. The percentage for quarter 4 (April to June 2020) was 4.84% higher than for quarter 3 (January to March 2020), when an extremely heavy volume of DRAS claims were processed.
- This measure reports adoption of improved practices that can have a positive impact on resource condition and production during the surveyed period. The 2019–20 actual result is based on evaluations conducted for three large projects in the sugarcane and grazing sectors. The better than expected result is attributed to a higher degree of targeting extension support towards engaged producers, i.e. more intensive efforts focused on a smaller number of producers, who are in some cases direct project collaborators. Historically these extension programs have had more resources directed at broader awareness activities, and broader targeting of the entire community.

(continued)

Table A4 continued

6. The cost for this efficiency measure is based on the total number of and operational cost for delivering eligible activities. Advocacy activities can vary from relatively short and simple to very complex in nature. The average cost of advocacy for the year is \$460. From January to June 2020, most activities were simple and short in nature. There was also a decline in advocacy activities as staff were responding to COVID-19 activities that are not considered as part of advocacy.
7. This measure provides an estimate of benefits for the industry and the broader community associated with efficient food and fibre production generated by the use of DAF's agriscientific research outputs relative to the cost of the overall investment. Annually a sample of completed projects will be independently assessed using the methodology outlined in the Council of Rural Research and Development Corporation's *Impact assessment guidelines* and the results will be aggregated to report on this measure. The department aims to achieve at least a 3.5:1 benefit–cost ratio on investment.
8. This measure of funding partner satisfaction covers a range of dimensions that consider both the quality, relevance and timeliness of processes used by Agri-Science Queensland (ASQ) and the outcomes delivered by individual projects. Both quantitative and qualitative feedback is sought to gauge overall satisfaction and improve the service.
9. The Queensland Government investment in R&D through ASQ is calculated annually. The percentage relates to the royalty and licensing income earned by ASQ as a direct result of the government's investment in agricultural R&D. This excludes partnership payments to the university sector and Sugar Research Australia where intellectual property is not allocated to DAF, as well as research facility transition costs. The variance between the 2019–20 target/estimate and the 2019–20 actual result is due to increased market share of DAF-bred strawberry, mango, plum and mandarin varieties and increased royalties relating to DAF-developed vaccines.
10. The measure provides an assessment of the initial effectiveness of biosecurity decision-making and responses. Significant biosecurity responses include national cost-share, other deed agreed and state responses that have a cost–benefit analysis undertaken as part of the funding approval process. A response to a biosecurity incident is considered to have met the expected rate of return if eradication or containment has been achieved within the specified terms and period within the response agreement. Where a further agreement and terms are agreed, this is reported as a new response. The target recognises the potential for renegotiation of deliverables against funding level agreements. The target/estimate of 80% is a minimum expectation; however, DAF consistently strives for 100%. Biosecurity failures reduce the financial sustainability of agribusinesses, which can lead to economic and job losses. Trading partners are demanding higher product assurance and certification that Queensland product is free of pests and diseases. Effective biosecurity responses and swift return to trade following eradication leads to trading partner confidence and ongoing investment in agriculture.
11. This measure assesses the effectiveness of the intended partnership arrangements. Five key dimensions of satisfaction (mutual trust, clarity of purpose, collaboration, role clarity, and empowerment of responsibility), as well as overall satisfaction with the partnership arrangements, are measured. The scale is 1–5, low to high.
12. This measure is calculated and expressed as a ratio of the 5-year average of the gross value of production (GVP) over the expenditure on the significant incident responses delivered in a given year. The GVP is the value of primary industry commodities produced to the farm gate. Expenditure on biosecurity incident responses can vary significantly between years depending on factors such as the number, size and location of incursions detected during the year. The 2019–20 actual result is based on the available GVP for 5 years from 2014–15 to 2018–19. These are the latest official figures. Performance exceeded the 2019–20 target/estimate as the cost of managing incidents was less than anticipated when compared to the value of production protected. A minimum target is used to ensure, and permit assessment of, value for money in response actions.
13. This measure is calculated and expressed as a ratio of the 5-year average of the GVP over the base-funded expenditure for core biosecurity services. Core biosecurity services include animal and plant biosecurity, invasive plants and animals, policy and corporate support services. A ratio is used to demonstrate the link between the value of the industry/sector safeguarded/protected and the investment in biosecurity services. The 2019–20 actual result is based on the available GVP for 5 years from 2014–15 to 2018–19. These are the latest official figures.
14. Under the nationally consistent system for stock status assessment, an assessment of all Queensland species of importance is completed over 24 months. A different group of species/stocks will be assessed each year and there will be a reassessment of any stocks of concern.
15. Cost of inspections is determined by the number of inspections undertaken by authorised officers of the QBFP and the annual cost of the QBFP. The QBFP conducts both fisheries inspections for DAF and boating safety inspections on behalf of other agencies such as the Department of Transport and Main Roads. The increase in the average cost of inspections for the year is a result of the COVID-19 response, with less inspections than business-as-usual being conducted. The increase is also a result of moving to an intelligence-based compliance program resulting in officers dedicating more time to intelligence gathering and more complex investigations rather than on-water inspections.
16. This measure is the number of inspections undertaken by authorised officers of the QBFP. The 2019–20 actual result is lower than the 2019–20 target/estimate due to the move to an intelligence-based compliance program resulting in officers dedicating more time to intelligence gathering and more complex investigations rather than on-water inspection.
17. Certification to the Australian standard is voluntary and pursued as a value-adding credential for state-owned timber. This certification enables purchasers of state-owned timber to promote and label their products as sourced from responsibly managed forests. This chain-of-custody process helps DAF customers to access increasingly discerning markets requiring legally sourced and environmentally credentialed timber products. It also provides the Queensland community with confidence that certified forest areas have been determined to meet high standards of sustainable management through independent review. The department endeavours to satisfactorily address all significant audit findings within a 12-month period to maintain certification.
18. This measure is the cost of authorising and subsequent administration of the sales permits only and it does not include forest or quarry operational costs, which are the responsibility of the permit holder. The volume of material removed is recorded by measure or load dockets and electronic data transfers submitted by sales permit holders. The target is set well in advance of the coming year using best available projections at the time. Sales quantities and budgeted expenditure become more certain as the year progresses and may result in a variation from the target.

Appendix 4: Human rights

Actions taken to further the objects of the *Human Rights Act 2019*

In July 2019, the department established the internal Human Rights Act Implementation Steering Committee to manage DAF's alignment to the *Human Rights Act 2019*. The steering committee is chaired by the department's Deputy Director-General, Corporate. A dedicated human rights project coordinator was appointed to manage the department's implementation phase of the Act.

Through the department's steering committee, DAF has undertaken numerous activities to promote, implement and embed human rights. These include:

- introducing mandatory introductory online training, delivering face-to-face training to over 300 staff and developing 2 internal training videos related to human rights applicable to DAF's work
- making information accessible to staff through 4 new intranet pages, profiling 15 human rights news stories, distributing posters within the Brisbane and regional offices and disseminating a large number of all-staff emails to raise awareness of the Act and draw staff attention to the requirement to act and make decisions compatibly with human rights
- providing support and information sessions to statutory authorities to assist them to be equipped with the information needed to prepare for the commencement of the Act
- embedding the consideration of human rights into business-as-usual processes by developing a human rights compatibility guide, updating internal briefing note templates, amending strategic and operational reporting templates and integrating human rights into DAF's complaints management framework.

Throughout the COVID-19 response, DAF has played an important role in the government's efforts to protect and support Queenslanders. The department is mindful of its obligation to operate compatibly with the Act, taking actions and making decisions that are consistent with requirements of the Act. To ensure employees and stakeholders have been kept informed of any pandemic-related service interruptions and impacts, DAF stood up its State Control Centre and assembled the Agriculture Coordination Group to manage the department's response and recovery activities, both internally and externally.

Actions and decisions taken during COVID-19 by the department to protect, respect and promote human rights included:

- working with industry and producers to develop responsive solutions that maintained both the public health and production needs of our communities, such as
 - working with agriculture, commercial fishing and processing businesses to safely manage workers required for seasonal work, keeping Queensland's food supplies secure
 - introducing a funding package, the Emergency Animal Welfare COVID-19 Exhibited Animal Assistance Program, to support licensed exhibitors with the continued care and management of authorised animals
 - ensuring beekeepers had flexible access to emergency sugar supplies to reduce frequency of contact
- engaging a provider to conduct health screening for workers travelling into western Queensland local government areas to stop the spread of COVID-19 into vulnerable communities and suspending services that were not considered essential or were unable to be undertaken in compliance with social distancing requirements in Aboriginal and Torres Strait Islander communities to protect vulnerable people
- supporting staff to work from home, based on the Chief Health Officer's directions
- ensuring vulnerable staff were supported and treated equally, and in way that protected their right to privacy when accommodating school closures and caring responsibilities, plus establishing new and innovative ways of supporting workers to remain productive, maintain key services and stay safe.

Human rights complaints received

Since the commencement of the *Human Rights Act 2019* on 1 January 2020, the department has received six external customer complaints that were assessed as human rights complaints.

All six complaints related to property rights, specifically activity relating to the provision of services by the department on or near a person's property. The complaints had not been identified as human rights complaints by the customers, and each customer was satisfied with the department's actions. Outcomes included providing further explanation, implementation of service improvements and departmental apologies as appropriate.

Progress towards full compatibility with the *Human Rights Act 2019*

DAF has made significant progress to review its legislation, policies, procedures and practices for compatibility with the Act.

DAF administers 39 pieces of legislation, comprising 19 Acts and 20 pieces of subordinate legislation and other statutory instruments. All sections of DAF-administered legislation have been reviewed to determine which sections engage human rights. A department-wide review of its extensive list of policies and procedures is largely completed, with 96% reviewed for compatibility with the Act.

Appendix 5: Cross-government commitments

The following intergovernmental agreements influenced the way DAF delivered its services.

Reef 2050 Plan

The *Reef 2050 long-term sustainability plan* (Reef 2050 Plan) provides the framework for the actions of the Australian and Queensland governments to protect and manage the Great Barrier Reef. DAF contributed to 38 of the 51 actions in the Reef 2050 Plan including initiatives now completed under the *Sustainable fisheries strategy 2017–2027*. The *Charter fishing action plan 2018–2021* was released in August 2018. DAF has continued efforts under the strategy and the aligned *Reef 2050 water quality improvement plan 2017–2022*. DAF works directly with producers to improve their practices with the aim of improving Reef water quality and works with fishers to implement ecologically sustainable fishing policy.

Intergovernmental Agreement on Implementing Water Reform in the Murray–Darling Basin

The Queensland Murray–Darling Basin Regional Economic Diversification Program was established as part of the structural adjustment program resulting from the Basin Plan 2012. It is designed to stimulate economic activity and jobs in areas affected by reductions in irrigation water allocations that have occurred as part of the Basin Plan. DAF administers the High Value Horticulture Value Chains project, which extends through to 2021, developing new high-value export-oriented horticulture value chains in the region to maximise economic return from the available irrigation water.

Accreditation of aquaculture discharge adjacent to the Great Barrier Reef Marine Park

Queensland law is accredited under the federal Great Barrier Reef Marine Park (Aquaculture) Regulations 2000. Based on this agreement, separate 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.

Great Barrier Reef Marine Park Authority Intergovernmental Agreement

Schedule E of the agreement recognises Australia's international responsibilities for the Great Barrier Reef World Heritage Area under the World Heritage Convention, Offshore Constitutional Settlement arrangements, the intergovernmental agreement, and associated Australian and Queensland government legislative provisions. A ministerial forum ensures both governments apply the guiding principles established in the intergovernmental agreement to fishing and collection of fisheries resources in the Great Barrier Reef World Heritage Area.

Conservation agreement for assessment of applications under the *Great Sandy regional marine aquaculture plan*

The conservation agreement between Queensland and Australian government ministers for the *Great Sandy regional marine aquaculture plan* means that applications for aquaculture that comply with the plan do not require a separate assessment or approval under the *Environment Protection and Biodiversity Conservation Act 1999*. Instead, matters under the Act are covered through the issue and conditions of the development approval (under the *Planning Act 2016*) and resource allocation authority (under the *Fisheries Act 1994*), which are assessed under the plan.

Shared waters

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

The Queensland Fisheries Joint Authority (established in 1995) manages some northern finfish stocks within offshore waters in the Gulf of Carpentaria.

The Torres Strait Protected Zone Joint Authority (established in 1984) manages all commercial fisheries in the Torres Strait Protected Zone.

There are no joint authorities operating in the Queensland East Coast.

Regulation of agricultural chemicals and veterinary medicines

The department commenced implementation of initiatives associated with the national reform agenda to achieve a harmonised framework for the regulation of agricultural chemicals and veterinary medicines (agvet chemicals). To date, the department's initiatives include harmonising the policy approaches to recordkeeping, training and licensing requirements, to apply to all users of agvet chemicals in Queensland. These national policies were agreed to by members of the Agriculture Ministers' Forum in 2017 and 2018. DAF's work on the other agreed reform initiatives, and its participation in the national Harmonised Agvet Chemicals Control of Use Task Group, continues.

Appendix 6: Compliance checklist

Table A5 Compliance checklist (2019–20)

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant minister/s 	ARRs—section 7	1
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs—section 9.1	i–ii 148
	<ul style="list-style-type: none"> Public availability 	ARRs—section 9.2	Inside front cover
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government language services policy</i> ARRs—section 9.3	Inside front cover
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs—section 9.4	Inside front cover
	<ul style="list-style-type: none"> Information licensing 	<i>Queensland Government enterprise architecture—information licensing</i> ARRs—section 9.5	Inside front cover
General information	<ul style="list-style-type: none"> Introductory information 	ARRs—section 10.1	2–3, 14–16
	<ul style="list-style-type: none"> Machinery-of-government changes 	ARRs—sections 10.2, 31 and 32	Not applicable
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs—section 10.2	14
	<ul style="list-style-type: none"> Operating environment 	ARRs—section 10.3	4–5, 16, 18
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community 	ARRs—section 11.1	4, 17
	<ul style="list-style-type: none"> Other whole-of-government plans/specific initiatives 	ARRs—section 11.2	17
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs—section 11.3	14, 22–49
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs—section 11.4	15, 137–139
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs—section 12.1	6–13
Governance—management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs—section 13.1	19
	<ul style="list-style-type: none"> Executive management 	ARRs—section 13.2	20–21
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs—section 13.3	15, 136
	<ul style="list-style-type: none"> Public sector ethics 	<i>Public Sector Ethics Act 1994</i> ARRs—section 13.4	54
	<ul style="list-style-type: none"> Human rights 	<i>Human Rights Act 2019</i> ARRs—section 13.5	54, 140–141
	<ul style="list-style-type: none"> Queensland public service values 	ARRs—section 13.6	15

(continued)

Table A5 continued

Summary of requirement		Basis for requirement	Annual report reference
Governance—risk management and accountability	• Risk management	ARRs—section 14.1	55–56
	• Audit committee	ARRs—section 14.2	57
	• Internal audit	ARRs—section 14.3	58
	• External scrutiny	ARRs—section 14.4	59
	• Information systems and recordkeeping	ARRs—section 14.5	60–61
Governance—human resources	• Strategic workforce planning and performance	ARRs—section 15.1	62–65
	• Early retirement, redundancy and retrenchment	<i>Directive no.04/18: early retirement, redundancy and retrenchment</i> ARRs—section 15.2	63
Open data	• Statement advising publication of information	ARRs—section 16	61
	• Consultancies	ARRs—section 33.1	data.qld.gov.au
	• Overseas travel	ARRs—section 33.2	data.qld.gov.au
	• <i>Queensland language services policy</i>	ARRs—section 33.3	data.qld.gov.au
Financial statements	• Certification of financial statements	FAA—section 62 FPMS—sections 38, 39 and 46 ARRs—section 17.1	129
	• Independent auditor's report	FAA—section 62 FPMS—section 46 ARRs—section 17.2	130–134

FAA—*Financial Accountability Act 2009*FPMS—*Financial and Performance Management Standard 2019*ARRs—*Annual report requirements for Queensland Government agencies*

Acronyms and abbreviations

AgMAC	Agricultural Ministerial Advisory Council
agvet chemicals	agricultural chemicals and veterinary medicines
ASQ	Agri-Science Queensland
BQMAC	Biosecurity Queensland Ministerial Advisory Council
CALS	Chemical Application Licensing System
CGIAR	Consultative Group for International Agricultural Research
COAG	Council of Australian Governments
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAF	Department of Agriculture and Fisheries
D.A.V.E	Digital Audio Visual Environment
DCAP	Drought and Climate Adaptation Program
DES	Department of Environment and Science
DNRME	Department of Natural Resources, Mines and Energy
DRAS	Drought Relief Assistance Scheme
DSDTI	Department of State Development, Tourism and Innovation
FAD	fish-aggregating device
FIFA	Federation Internationale de Football Association
GRASS	Grazing Resilience and Sustainable Solutions
GST	goods and services tax
GVP	gross value of production
ICT	information and communication technology
ISMS	Information Security Management System
IT	information technology
MDRG	Market Diversification and Resilience Grants
NAIDOC	National Aborigines and [Torres Strait] Islanders Day Observance Committee
NMG	National Management Group
PaRIS	Project and Reporting Information System

(continued)

Acronyms and abbreviations continued

QAO	Queensland Audit Office
QATC	Queensland Agricultural Training Colleges
QBFP	Queensland Boating and Fisheries Patrol
QRIC	Queensland Racing Integrity Commission
QRIDA	Queensland Rural and Industry Development Authority
RANGER	Resources, Authorities, Notations, Geospatial, Entities and Reporting system
RAPAD	Remote Area Planning and Development Board
R&D	research and development
RD&E	research, development and extension
SCC	State Control Centre
UQ	The University of Queensland
WHS	workplace health and safety

Glossary

Administrative Arrangements Order	a document that specifies the subject matter and legislation dealt with by particular government departments
African swine fever	an infectious viral disease (currently not in Australia) of domestic and feral pigs that can result in a very high mortality rate in infected pigs and significantly impact pig production; it does not affect people or other animals and there is no available vaccine or treatment
aquaculture	the rearing of aquatic animals or cultivation of aquatic plants for food
browsing ants	small, slender, shiny black ants originating from the drier climates of southern Europe and the Mediterranean (species name <i>Lepisiota frauenfeldi</i>), whose single colony can support many queens, making them able to form super colonies, which can seriously impact surrounding native flora and fauna
category C assistance	assistance available to primary producers for severe impact events (with approval from the Prime Minister), including community recovery packages and clean-up and recovery grants
COVID-19	the coronavirus that originated in China in 2019 and was declared a global pandemic
cyber hygiene	steps taken by computer users to maintain the health of their computers and devices, and improve online security to prevent the theft, corruption or unavailability of their information
electric ants	tiny, golden brown ants (species name <i>Wasmannia punctata</i>) that congregate under rocks, leaf litter etc. and can give sharp stings that can cause prolonged pain, itchiness, pustules and even blindness in small animals
fall armyworm	<i>Spodoptera frugiperda</i> , a destructive pest initially detected in the Torres Strait in January 2020 before spreading to numerous Queensland sites (including Bamaga, Croydon, South Johnstone, Tolga, Lakeland, Mareeba, the Burdekin, Bowen, Richmond, Clermont, Emerald, Mackay, Biloela, Bundaberg, Dysart and Longreach); their larvae have been reported to feed on more than 350 plant species, and impact economically important cultivated grasses such as maize, rice, sorghum, sugarcane and wheat, as well as fruit, vegetable and cotton crops
food fraud	altering, misrepresenting, mislabelling, substituting or tampering with any food product (in the raw material, an ingredient, the final product or the food's packaging) at any point along the farm-to-table food supply chain
forest product	any material derived from a forest for commercial use (e.g. log timber, other timber, seed, foliage, wildflowers)
four tropical weeds	six weed species that are native to tropical America but have been introduced into North Queensland and are now targeted for eradication—Koster's curse (<i>Clidemia hirta</i>), limnocharis (<i>Limnocharis flava</i>), miconia (<i>Miconia calvescens</i> , <i>M. nervosa</i> , <i>M. racemosa</i>) and mikania vine (<i>Mikania micrantha</i>)
fruit flies	small flies that lay their eggs in developing fruit, causing serious damage to and restricting market access for a wide range of fruit and vegetable crops; some species are present in Australia (e.g. Queensland fruit fly) and some are exotic to the country (e.g. oriental fruit fly)

(continued)

Glossary continued

grazing	the use of land for the production of animals that are fed on native or introduced pastures or plants
gross value of production	the value of final goods and services produced in a given period
open data	data in its rawest form, made available free of charge
Open Data portal	a collection of agency-owned datasets that allows the public to find, access and re-use raw data from Queensland Government
Panama disease tropical race 4	a destructive fungal disease of banana plants (of which there are four strains) that 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
red imported fire ants	small, coppery brown ants (species name <i>Solenopsis invicta</i>) originally from South America that inflict a painful, fiery sting and could severely damage the environment, Queensland's outdoor lifestyle and the agriculture and tourism industries
red witchweed	a parasitic weed that grows attached to the roots of a 'host plant' and robs it of water and nutrients, suppressing its growth; hosts includes commercially important grasses and summer cereals
varroa mite	either of the two mites <i>Varroa destructor</i> or <i>V. jacobsoni</i> , which are external parasites of bees; <i>V. jacobsoni</i> was detected in Townsville in 2016 and is the focus of a nationally cost-shared eradication program
white spot disease	a highly contagious disease affecting prawns and other crustaceans but presenting no risk to humans

