

Department of Agriculture and Fisheries

ANNUAL REPORT 2020–2021



Queensland
Government

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Letter of compliance

22 September 2021

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

Dear Minister

I am pleased to submit for presentation to Parliament the *Annual report 2020–21* 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 3, page 108 of this annual report.



Robert Gee APM
Director-General
Department of Agriculture and Fisheries

Message from the Director-General

The Department of Agriculture and Fisheries (DAF) promotes a sustainable and innovative agriculture, fisheries and forestry sector, helps to maintain industry and environmental biosecurity and supports the development of rural businesses, adding value to communities and the economy. This work ensures the sector, which generated over \$19 billion of the state's gross value of production during the year, remains a key driver of Queensland's economic growth.

This year has seen a strong focus and cooperative effort with industry to meet the ongoing challenges of recovering from the impacts of the coronavirus (COVID-19) pandemic and other significant sector disruptions including continuing drought, extreme weather events, and managing and preparing for pest and disease incursions.

A successful collaboration with industry, other Queensland agencies and federal agencies on the Pacific Labour Scheme and the Seasonal Worker Programme helped alleviate farm labour shortages and attract workers into agricultural jobs. Our work with on-farm quarantine, the #pickqld campaign and incentives of up to \$1500 to help eligible workers temporarily relocate for regional agricultural work all helped to address the labour shortage. We continue to support industry to source appropriate labour and improve the long-term predictability of agricultural labour supply. The Emergency Animal Welfare COVID-19 Exhibited Animal Assistance Program supported 34 smaller operators, such as mobile exhibits and small-scale wildlife parks, to maintain proper standards of care for their animals during the COVID-19 response.

A flexible and agile response has also been important to assist producers and communities in their recovery from disasters such as cyclone Niran, which impacted north-eastern Queensland in February 2021. Our COVID-19 agriculture coordination officers received formal recognition of their vital support in providing a link to Queensland Government for producers, industry and local governments affected by COVID-19.

Our Market Diversification and Resilience Grants program assisted agribusiness exporters, including fisheries businesses, to diversify into new markets. A novel departmental initiative for the year was hosting virtual trade missions. The December 2020 mission highlighted new market opportunities in Asia and the Middle East, with 88 per cent of participants reporting optimism for the coming year.

This year, we worked to protect our state from many animal and plant pests and diseases. In particular, we helped to mitigate the rapidly advancing incursion of fall armyworm, an economically damaging insect pest, and to prepare for a possible outbreak of African swine fever, which has the potential to decimate our pig industry. Detection of fall armyworm in Queensland and red imported fire ants in Western Australia was facilitated by our staff closely collaborating with the Western Australian Department of Primary Industries and Regional Development. In March 2021, we participated in a successful exercise that tested response preparedness and effectiveness should African swine fever breach Australia's borders.

We continued to implement our key strategies, including reforms to fisheries management outlined in the *Queensland sustainable fisheries strategy 2017–2027*. We are delivering actions under Unite and Recover: Queensland's COVID-19 Economic Recovery Plan and providing ongoing support for agricultural industries in Great Barrier Reef catchments to improve Reef water quality.

We cannot overstate the key role of our partners—all levels of government, peak industry groups, the tertiary and research sectors, primary producers and businesses—in creating conditions for the long-term profitability, sustainability and adaptability of Queensland's agriculture and agribusiness sector. Working collaboratively, we leverage strengths, knowledge and opportunities.

March 2021 marked the retirement of my highly regarded and respected predecessor, Dr Elizabeth Woods. A passionate advocate for the agriculture sector, Beth served on no less than 40 boards, committees, councils, advisory panels and institutes including CSIRO, the Australian Centre for International Agricultural Research and the Grains Research and Development Corporation. Her work covered drought reform, natural disaster responses and industry restructuring. Beth was also the Queensland Government Champion for the Northern Peninsula Area. Beth leaves behind a significant legacy, the impact of which will be felt for years to come.

The achievements of the department have been made possible through the dedication and energy of a professional, committed, resilient and adaptable workforce. Our staff have demonstrated extraordinary professionalism and resilience through incredibly challenging times.

To be able to deliver the department's objectives and meet the needs of the community, we must continue to invest in our people. I have endorsed a learning and development strategy focused on equipping leaders at all levels to collaboratively guide system change, to build strong skills in change leadership, and to support our staff to become more agile and adaptive so they can respond constructively in a rapidly changing environment.

These are just some highlights of the work of our department in 2020–21. I sincerely thank all staff, Minister Furner and his office for their support, dedication and hard work during the year.

The bigger story is in the report that follows.

A handwritten signature in black ink, appearing to read 'R. Gee', with a stylized flourish extending from the end.

Robert Gee APM
Director-General
Department of Agriculture and Fisheries

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 2020 to 30 June 2021.

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 5–7) 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 49.

Table 1 Summary of DAF's financial statements for the period
1 July 2020 to 30 June 2021

Statement of comprehensive income	2020–21 actual (\$m)	2020–21 budget (\$m)
Total income	562.6	556.5
Less: total expenses	553.3	556.5
Operating result	9.3	--

The total income from operations for 2020–21 was an increase of \$6.1 million (1.1%), mainly driven by royalties revenue for quarry materials relating to infrastructure and mining projects and the one-off gain on the sale of the former Queensland Agricultural Training Colleges cattle property Berrigurra Station. This was partly offset by a decrease in appropriation revenue attributed to reduced demand for the Drought Assistance Package, and the deferral of funding to 2021–22 to fund a number of departmental priorities and to realign forecast with the budgeted cash flows.

The total expenses from operations for 2020–21 decreased by \$3.2 million (0.6%). The decrease in supplies and services is largely attributed to delays related to costs for research and development funded projects, coupled with realignment of expenditure across various departmental state-funded programs. Also contributing to the under-expenditure were savings generated within accommodation and Queensland Shared Services charges. This was partly offset by increased expenses incurred for the continuation of the Drought Assistance Package where the 2020–21 allocation was held centrally by Queensland Treasury and drawn down in arrears based on actual expenditure.

The 2020–21 actual operating result reflects the net gain on the sale of the former Queensland Agricultural Training Colleges cattle property Berrigurra Station.

(continued)

Table 1 cont. Summary of DAF's financial statements for the period
1 July 2020 to 30 June 2021

Statement of cash flows	2020–21 actual (\$m)	2019–20 actual (\$m)
Balance of cash at 1 July 2020	41.2	48.5
Operating activities	43.9	16.7
Investing activities	20.4	(14.7)
Financing activities	(43.5)	(9.8)
Net increase/(decrease) in cash held	20.8	(7.8)
Cash received from administered changes	0.0	0.5
Cash at 30 June 2021	62.0	41.2

The net cash inflow in operating activities is largely attributed to appropriation funding received in 2020–21 that was deferred at year-end to 2021–22 to fund departmental priorities and realign the budget with anticipated cash flows for the various limited-life department programs.

The net cash inflow in the investing activities is mainly driven by the sale of the former Queensland Agricultural Training Colleges cattle property Berrigurra Station.

The net cash outflow in the financial activities is primarily attributed to the equity withdrawal relating to the net proceeds from the sale of the former Queensland Agricultural Training Colleges cattle property Berrigurra Station.

The increase in cash balances at the end of the financial year is largely due to the deferred appropriation refundable to the Consolidated Fund.

(continued)

Table 1 cont. Summary of DAF's financial statements for the period
1 July 2020 to 30 June 2021

Statement of financial position	2020–21 actual (\$m)	2019–20 actual (\$m)
Current assets (including cash balances)	126.9	94.1
Non-current assets (including property, plant and equipment)	543.1	524.9
Total assets	670.0	619.0
Current liabilities	89.1	60.8
Non-current liabilities	114.2	117.6
Total liabilities	203.3	178.4
Net assets (equity)	466.7	440.6

At 30 June 2021, the department held assets totalling \$670 million, an increase of 8% from the previous year. The increase is from movements in property, plant and equipment assets mainly due to the result of comprehensive asset revaluation, offset by the disposal of the former Queensland Agricultural Training Colleges cattle property Berrigurra Station and in cash and cash equivalents due to the deferred appropriation refundable to the Consolidated Fund.

At 30 June 2021, the department held liabilities totalling \$203.3 million, an increase of 14% from the previous year. The increase is from movements primarily in payables due to the deferred appropriation refundable to the Consolidated Fund.

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 2020–21 is \$9.3 million.

Income—where the dollars came from

Total operating revenues were \$562.6 million, including:

- \$316.3 million (56.2 per cent) through funding provided as appropriation revenue by Parliament
- \$147.3 million (26.2 per cent) 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)
- \$41.2 million (7.3 per cent) from grants and other contributions (including national cost-sharing revenue from the Australian Government for biosecurity pest and disease programs)
- \$46.9 million (8.4 per cent) from other income sources (including royalty revenues on forest products removed from state land)
- \$10.8 million (1.9 per cent) from the disposal and re-measurement of assets.

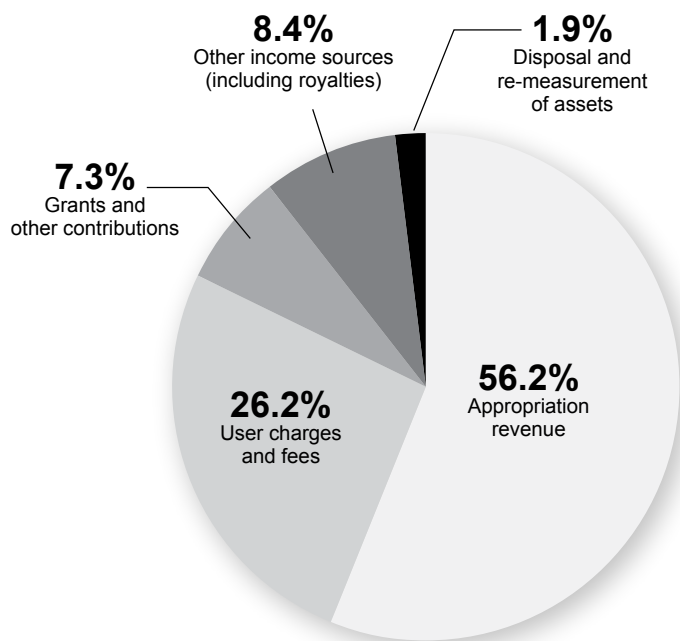


Figure 1 Operating revenues, 1 July 2020 to 30 June 2021

Expenses—where the dollars were spent

Total operating expenses were \$553.3 million, including:

- \$229.1 million (41.4 per cent) in employee expenses
- \$265.4 million (48.0 per cent) 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)
- \$25.0 million (4.5 per cent) 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)
- \$28.6 million (5.2 per cent) in depreciation and amortisation expenses
- \$2.7 million (0.5 per cent) in other expenses (including asset write-downs, special payments, Queensland Government Insurance Fund premiums and audit fees)
- \$2.5 million (0.4 per cent) in finance/borrowing costs.

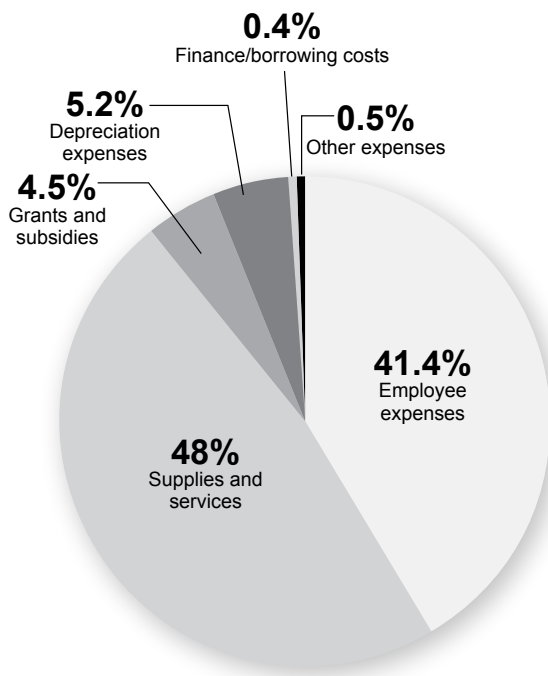


Figure 2 Operating expenses, 1 July 2020 to 30 June 2021

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

- Agriculture (\$249.1 million or 49.8 per cent)
- Biosecurity Queensland (\$164.0 million or 32.8 per cent)
- Fisheries and Forestry (\$86.7 million or 17.3 per cent).

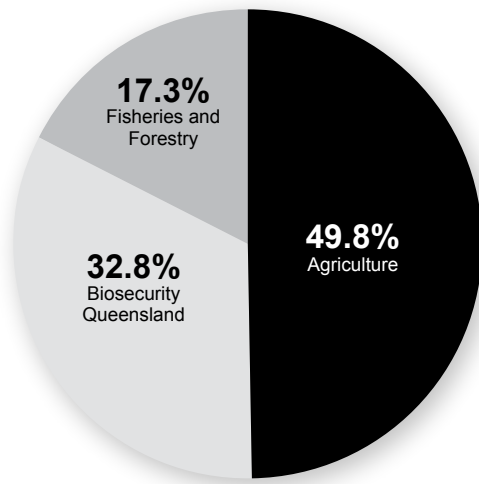


Figure 3 Operating expenses by service area, 1 July 2020 to 30 June 2021

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 \$670.0 million) less 'what we owe' (total liabilities of \$203.3 million). At 30 June 2021, DAF's equity was \$466.7 million.

Assets—what we own

At 30 June 2021, DAF had total assets of \$670.0 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 properties), prepayments and receivables (including trade debtors).

Liabilities—what we owe

At 30 June 2021, DAF had total liabilities of \$203.3 million, which included 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 \$15.6 million in 2020–21 were focused on developing and upgrading research facilities and replacing plant and equipment to deliver outcomes for agriculture, biosecurity, fisheries and forestry.

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 2020–21, DAF received administered revenue of \$81.7 million comprising administered appropriation revenue from Queensland Government, Racing Queensland's contribution to the Queensland Racing Integrity Commission 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 the Queensland Racing Integrity Commission 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 Fund.

At 30 June 2021, DAF had net administered assets of \$0.6 million. DAF also manages surplus assets that were transferred back to the government prior to the sale of Forestry Plantations Queensland to the private sector.

Agency role and main functions

Who we are

The Department of Agriculture and Fisheries was established under the *Public Service Act 2008*. Our responsibilities are outlined in the Administrative Arrangements Order (no. 2) 2020 of 12 November 2020. The department forms part of the portfolio of the Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities.

Our Strategic Plan 2019–23 provided our purpose and set our vision and objectives for the 2020–21 reporting period, as outlined below. Our Strategic Plan 2021–25, which outlines our purpose and sets our vision and objectives from 1 July 2021 for the next 4 years, is available at publications.qld.gov.au.

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, maintain industry and environmental biosecurity, develop rural businesses and add value to communities and the economy.

Our strategic 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

Our service delivery, decision-making and organisational management are governed by the following values and drive the delivery of our strategic plan:

	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. Play to everyone's strengths. Develop those around you.
	Respect human rights	We will respect, protect and promote human rights in our decision-making and actions.

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 was supported by our Corporate business group and services received from the Business and Corporate Partnership (see page 37).

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 1.

Our strategic risks and opportunities

By being risk-aware and not risk-averse, the department leverages opportunities and manages risk.

Key strategic risks

Disruptive and extreme events—Resources may be stretched across competing priorities by high-impact or multiple external threats (e.g. COVID-19 or other pandemics, climatic events, pests, diseases, economic shocks and cyber attacks), challenging the capacity of the department and the sector to respond rapidly and effectively to maintain industry activity or support recovery.

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, reducing our ability to create sector value.

Climate change—Impacts from climate change may increasingly compromise agriculture, forestry and fisheries operations, placing significant pressure on production in the longer term.

Organisational agility—Challenges in adapting to evolving conditions (e.g. pandemics and health risks) and renewing business models, securing partnerships and resourcing may affect the department's ability to transform, innovate and meet service expectations.

Key strategic opportunities

Economic shifts—Global population growth, rapidly growing middle classes and a focus on food security in Asia, South America and Africa are driving a rising demand for high-quality, safe and nutritious food and fibre, providing the department with 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 and drive productivity and efficiency gains, making it easier and cheaper to interact, transact and make better decisions.

Strategic partnerships—Building and strengthening 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, nutritional value and ethical and sustainable production of food and fibre will help to increase demand for Queensland's trusted produce.

Contribution to Queensland Government's objectives for the community

In 2020–21, the department strongly contributed to five of Queensland Government's objectives for the community.



Supporting jobs

We boosted agribusiness competitiveness through policy, research, innovation and workforce programs to support jobs now and in the future, diversify the sector and strengthen Queensland's economy.



Growing our regions

We worked with agribusinesses, organisations and rural communities to grow the value chain, exports and investment that will create jobs and lift regional prosperity.



Protecting the environment

We supported businesses to build our natural capital, maintain high levels of biosecurity and enhance ecosystem services that protect the environment, increase productivity and profitability of the sector, and secure a sustainable future for Queensland.



Backing small business

We grew the resilience of agribusinesses to help them adapt and better manage uncertainties such as climate events, changing markets and biosecurity threats, by providing policy settings, support, information and tools.



Safeguarding our health

We managed risks to production and worked with businesses to help them grow and develop food products that ensure continuous supply of safe and nutritious food, boost consumer health, and support the health and wellbeing of rural and remote communities.

Other whole-of-government plans and initiatives

In addition to the government's objectives for the community, the following intergovernmental agreements, whole-of-government plans and specific initiatives influenced the way we delivered our services.

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 administered the High Value Horticulture Value Chains for the Murray–Darling Basin project, which extended through to 2021, to develop new, high-value, export-oriented horticulture value chains to maximise economic return from the available irrigation water in the region. The effects of drought and COVID-19 presented several challenges for this project, requiring some adaptation. However, the project was successfully completed in June 2021.

Intergovernmental Agreement on Biosecurity

Biosecurity Queensland works collaboratively within a strong national biosecurity system under the Intergovernmental Agreement on Biosecurity (IGAB), which was signed in 2012. IGAB2 (the revised agreement) was signed in 2019.

The national biosecurity system encompasses the full range of activities undertaken by governments, industry, natural resource managers, custodians or users, and the community across the biosecurity continuum. It includes prevention, emergency preparedness, detection, response, recovery and ongoing management of pests and diseases.

As part of this national system, Biosecurity Queensland is a signatory to the three formal agreements that outline responses to exotic pests and diseases that have potential to impact animal, plant or human health or the environment. These are the Emergency Animal Disease Response Agreement and the Emergency Plant Pest Response Deed between industry and governments and the National Environmental Biosecurity Response Agreement between governments. The majority of cost-shared eradication responses are conducted under these agreements.

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 fisheries reforms and actions commenced now, or scheduled to commence on 1 September 2021, under the *Queensland sustainable fisheries strategy 2017–2027*. DAF is continuing implementation of the strategy and the *Charter fishing action plan 2018–2021*, along with 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.

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. The intergovernmental agreement is currently under review by the Australian and Queensland governments.

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 on the Queensland East Coast.

Operating environment

The sector we serve

Queensland's primary industries (agriculture, fisheries, forestry and food) are central to our economy, regions and communities. While 2020–21 was characterised by unprecedented uncertainty—in the economic recovery of our key trading partners, in our domestic markets, and across our supply chains and labour markets—swift collaborative action ensured the sector remained resilient, efficient and sustainable. The gross value of production (GVP) for 2020–21 is forecast to rise to \$19.02 billion, driven by livestock prices remaining at high levels, improved seasonal conditions and increased demand for nursery products.

Queensland has the highest proportion of agricultural land (84 per cent) 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 1 in 7, Queenslanders.

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

Outlook

Over the medium term, we have a unique opportunity to shape the sector for the future. Productivity improvements are expected to account for most of the projected growth in agricultural production. Queensland is well placed to take up innovative technology and continue investment in infrastructure and research and development to accelerate digitisation, new technology, improved data and workforce skilling.

These investments are critical to ensure Queensland remains a world leader in food and fibre while limiting the environmental impact of agriculture. They will enable sustainable yield increases and allow production to be driven by productivity growth, as land use for agriculture is unlikely to expand. Making these investments will be challenging, with productivity gains and slowing demand growth expected to keep the real commodity prices flat until 2030. Finding our competitive advantage, plus understanding and servicing consumer preferences domestically and in existing and new export markets, will be key to our success.

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

Total	Horticulture	Livestock and livestock products	Cropping	Fisheries and forestry	Overseas exports
\$19.02 billion (approximately 7% of the state's economic output)	\$4.68 billion	\$9.46 billion	\$3.71 billion	\$1.18 billion	\$8.61 billion (excluding sugar) 15% of state commodities

Source: Department of Agriculture and Fisheries 2021, Queensland AgTrends, Queensland Government, Brisbane, <<https://www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends>>.

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.

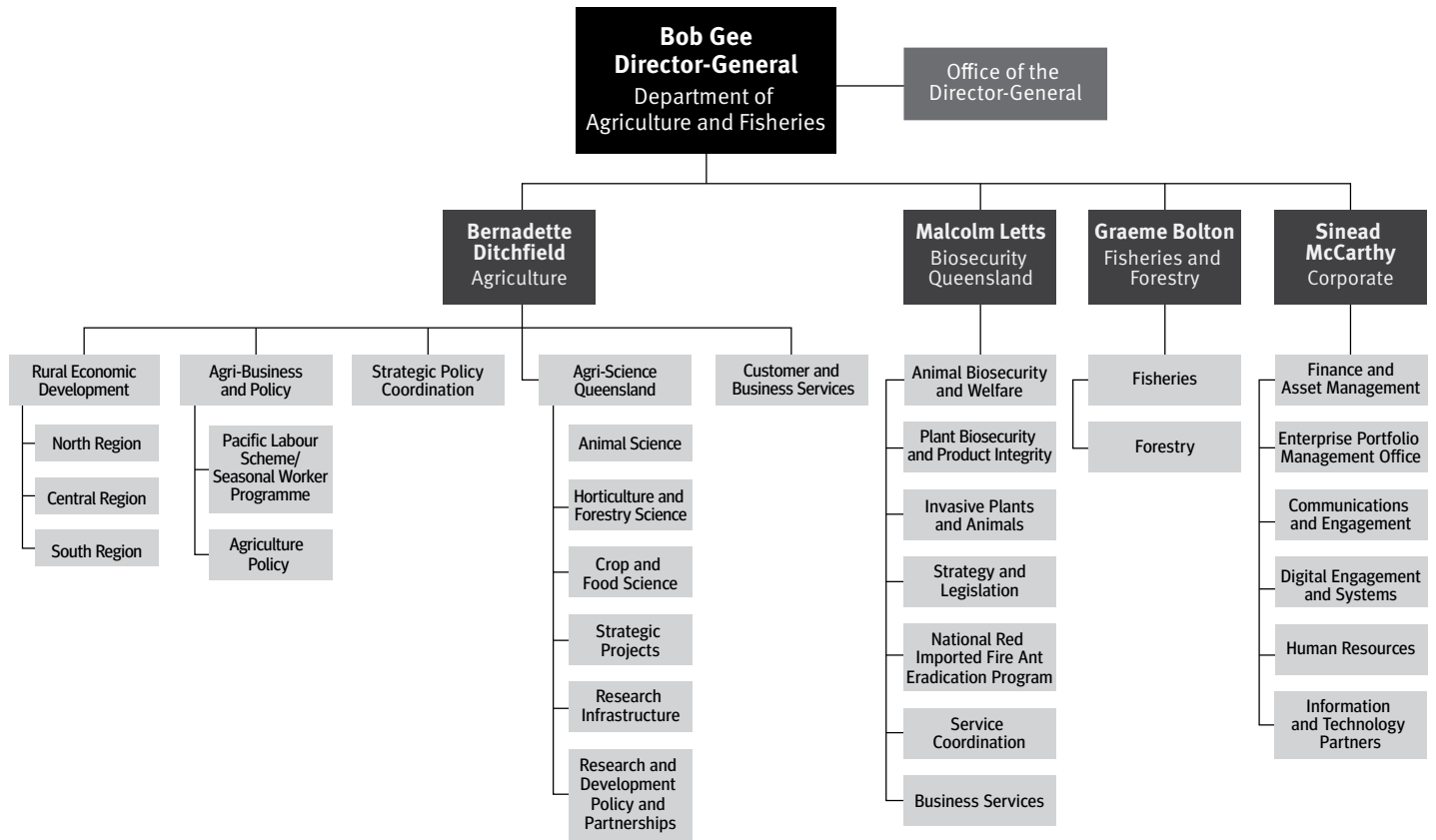


Figure 4 DAF's organisational structure at 30 June 2021

Executive leadership

Our leadership team

Robert Gee **APM, Director-General**

Robert (Bob) Gee APM was appointed Director-General for the Department of Agriculture and Fisheries in early 2021.

Before this, Bob was the Director-General for the Department of Youth Justice. Bob was also Deputy Police Commissioner, Regional Operations in the Queensland Police Service, the State Disaster Coordinator, a board member of the Queensland Reconstruction Authority, and the Queensland Police Service Indigenous Champion. Bob is the Queensland Government Champion for Doomadgee and the chair of the Family Responsibilities Board.

Bob was a recipient of the Harvard Club of Australia Sir James Wolfensohn Scholarship in 2013. He values research being used pragmatically to improve evidence-based practice.

Bob has worked in central agencies, as a university lecturer and as a consultant across a broad range of industries. He has been a chief information officer and was a commissioned officer of police for over 20 years. In these roles, Bob demonstrated a deep commitment to rural and regional Queensland, and to building stakeholder relationships and community resilience, particularly for those who are most vulnerable.

Bob works with industry and rural communities to create the conditions to drive innovation, sustainability and jobs for a productive and profitable agriculture, fisheries and forestry sector. His priorities include building the capacity of agribusinesses and regional economies while ensuring quality, supply and increased value of Queensland's agricultural products. His other goals include increased industry and community participation in biosecurity prevention and response, and a world-class fisheries management system.

Bernadette Ditchfield **Deputy Director-General, Agriculture**

Bernadette is responsible for leading economic recovery initiatives that support the agriculture sector to continue to prosper following the COVID-19 pandemic. She is also responsible for leading the development of policies, research and initiatives that enhance the productivity, profitability and sustainability 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.

Bernadette has more than 20 years experience in the private and public sectors and has held senior roles in the former 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 natural resource management, 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

Born and raised in North Queensland, Graeme spent the first part of his career in the private sector as a director in a planning and surveying consultancy. He joined the public service in 2004 and was instrumental in leading and delivering major reforms to Queensland's planning legislation and processes.

Graeme recently 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. Upon returning to Australia, he took up a senior executive role with Townsville City Council before rejoining Queensland Government.

Graeme has more than 20 years experience in leading multidisciplinary organisations in the private sector, local and state governments, and internationally with the government of Qatar.

Sinead McCarthy

Deputy Director-General, Corporate

Sinead is responsible for the delivery of a broad range of corporate services to enable the department to deliver against its strategic objectives.

Before joining DAF, 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. 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 former 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 performance against our objectives are provided in the following sections.

Theme 1: Innovative

Objective

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

Key performance indicators

Indicator	Results				
	2016–17	2017–18	2018–19	2019–20	2020–21
Increase in value of Queensland's food and fibre exports ¹	\$9.762 billion	\$9.449 billion	\$9.578 billion	\$9.54 billion	\$8.61 billion
Increase in total value of primary industry commodities ²	\$20.09 billion	\$19.58 billion	\$18.81 billion	\$18.74 billion	\$19.02 billion

Notes

1. Queensland's rural overseas merchandise exports, 2021. (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 2020–21 is a forecast. It is a 1% increase from the 2019–20 estimate, and 1.6% 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 2021, Queensland AgTrends, Queensland Government, Brisbane, <<https://www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends>>.)

Performance snapshot

Contribution to Queensland's rural exports

- **9607** plant health certificates issued and **3823** inspections undertaken to provide market access for Queensland commodities.
- **253** live animal export certificates issued to facilitate international market access for Queensland animals.

Contribution to jobs and employment

- **40 683** agriculture, forestry and fishing businesses supported across Queensland in 2019–20.
- **83 894** Queenslanders directly employed in agriculture, forestry and fishing jobs.
- **348 000** Queenslanders employed across the entire food and agribusiness supply chain (more than **13 per cent** of Queensland's workforce) with a corresponding supply chain output value of around **\$25 billion**.
- Up to **687** potential new jobs created by **15** business enterprises under **round 3** of the Rural Economic Development Grants program.

Performance highlights

- Continued to deliver for Queenslanders through Unite and Recover: Queensland's COVID-19 Economic Recovery Plan:
 - Coordinated approximately \$20.1 million of announced funding for economic recovery initiatives that will support the sector to diversify, innovate and grow.
 - Announced the Rural Agricultural Development Initiative, comprising grants and other measures to grow value and employment along the sheep and goat supply chain in western and southern Queensland, increasing the benefits from cluster fencing.
 - Supported collaborative efforts across government to grow a modern food manufacturing industry that creates jobs, supports health and stimulates economic activity using a whole-of-value-chain approach.
- Continued to drive productivity and innovation in Queensland's agriculture and food research industries through research, development and extension:
 - Completed Australia's first national protected cropping research, development and extension strategy.
 - Released a new variety of chickpea, two new varieties of mandarins and four new varieties of strawberries—85 per cent of strawberries grown in Queensland are DAF-bred varieties.
 - Imported 18 new disease-resistant banana varieties from international breeding programs.
 - Delivered over 400 beef and sheep extension activities, reaching over 1800 participants.
 - Produced 3.74 million fertilised cobia eggs, resulting in 2.43 million larvae in support of fingerling production trials.
 - Developed an Indigenous native food program to engage with Aboriginal and Torres Strait Islander businesses and communities and progress products with native food ingredients through to commercialisation.
 - Licensed 68 elite lines of sorghum to seed companies and imported 54 elite lines of pigeon pea.
- Supported regional businesses affected by the significant reduction in available workers following the closure of international borders in March 2020. Since then, the sector has experienced a shortage of labour in peak harvest periods. To address this, Queensland opted into the Australian Government's Pacific Labour Scheme and Seasonal Worker Programme in September 2020. Queensland continues to lead the nation as the first jurisdiction to allow on-farm quarantine for seasonal workers. At 30 June 2021, more than 2900 workers had entered quarantine in Queensland since the recommencement of the program in October 2020.
- Since October 2020, implemented a range of other measures supporting over 3240 regional jobs in the sector:
 - Conducted the #pickqld campaign, which seeks to connect seasonal workers, displaced Queensland workers and working holiday-makers to employment opportunities in key agriculture regions.
 - As part of the \$750 000 Back to Work in Agriculture Incentive Scheme pilot that commenced on 2 October 2020, made payments of up to \$1500 available to eligible employees to help meet costs associated with taking up short-term seasonal agricultural employment in regional areas.
- Promoted Queensland's agricultural products and innovations internationally to grow exports and attract investment.
- Through the Growing Queensland's Food Exports program, assisted food producers to take advantage of markets with free trade agreements with Australia. Program achievements included:
 - new market insights for the domestically focused strawberry industry into export pathways to Hong Kong and Indonesia
 - trials of a new preservative-free ginger product targeting Chinese customers
 - research into sea-freight opportunities and post-harvest trials for sweetpotatoes to the European Union and the United Arab Emirates

- increased exports of retail-ready macadamia products to China
- a new market in the Philippines for Queensland mandarins
- the adoption of new marketing strategies using social media platforms.
- Continued the Rural Economic Development Grants program into its third year. The program, administered by QRIDA, provided grants of up to \$250 000, matched by the applicant, for viable economic development activities that create employment in rural and regional Queensland related to primary production. Activities that have been funded are diverse, and include investments such as new packaging facilities, storage and handling facilities, fish nurseries, and propagation and production sheds.
- Invested the \$1.75 million budgeted to deliver key digital transformation projects. Round 1 of the Agribusiness Digital Solutions Grant Program saw \$1.045 million invested to deliver nine projects through industry organisations that enhance the development, trialling and adoption of digital solutions across the agriculture and food supply chains.
- Invested \$500 000 over 2 years to develop the BioCommons virtual laboratory to enhance biosecurity intelligence, modelling and risk analysis.
- Officially launched the AgTech and Logistics Hub in Toowoomba. Queensland Government invested \$3.3 million into the development of this hub, which will help build the agricultural sector's capacity to adopt technology and foster agricultural innovation.
- Developed the Queensland AgTech web portal, which provides a single location for key information and resources to help the agribusiness and food sector to connect with government and industry and explore innovative solutions for their businesses.
- Supported the beef industry by:
 - investing more than \$16 million in beef research, development and extension during 2020–21
 - supporting trade and investment through virtual trade missions (in the absence of overseas travel due to the COVID-19 pandemic)
 - providing support to Beef 2021 in Rockhampton (Australia's premier beef event) on 2–8 May 2021, where attendees could share best practice information about industry improvements and maximise opportunities for trade and supply chain resilience
 - participating in Tech Yards at Beef 2021, which showcased and supported agtech innovation.
- Established a \$2 million agribusiness diversification initiative as part of Unite and Recover: Queensland's COVID-19 Economic Recovery Plan to assist agribusinesses to diversify and become more resilient—the preliminary focus is agritourism.
- In May 2021, launched the 'Taste farm life' campaign at a leading agritourism destination in Central Queensland. The campaign encouraged tourists and local people to discover new experiences in regional Queensland as part of a day trip or an extended holiday. As part of the campaign, Queensland agritourism businesses were profiled on DAF social media. These businesses promote agritourism by telling their stories and connecting consumers with their food and farm life.
- Conducted mentoring and capacity-building workshops across Queensland for owners/operators of small to medium enterprises who are seeking to develop or expand agritourism businesses. The workshops aim to inspire and provide confidence to agritourism proponents, giving them the desire and capacity to undertake new or expanded agritourism ventures.
- Supported the Agricultural Ministerial Advisory Council, which met formally once in 2020–21, and also maintained regular communications through the Agriculture Coordination Group and industry teleconferences. These additional communication channels have been critical in supporting industry to recover from the impacts of COVID-19, particularly in areas such as workforce shortages and resolving border issues for essential agricultural workers.

Theme 2: Responsive

Objective

Build capacity of agribusinesses and communities to meet sector challenges.

Key performance indicators

Indicator	Results				
	2016–17	2017–18	2018–19	2019–20	2020–21
Increase in gross value of production (at the farm gate) ¹	\$15.70 billion	\$15.50 billion	\$14.66 billion	\$14.54 billion	\$14.98 billion
Cost of managing significant biosecurity responses relative to the value of agricultural industry production ²	--	--	1:696	1:603	1:520
Level of satisfaction with biosecurity partnership performance ³	--	--	3.06	3.54	Not available

Notes

- Figures are total GVP. The forecast value for 2020–21 is 3% greater than in 2019–20 and 1.1% less than the 5-year average. COVID-19 and ongoing drought and other seasonal conditions have impacted trend performance. (Sources: Department of Agriculture and Fisheries 2021, Data Farm, Queensland Government, Brisbane, <<http://www.daf.qld.gov.au/datafarm>>).
- For additional information, see Appendix 2, note 8 (page 107).
- This measure assesses the effectiveness of the existing partnership arrangements. The evaluation of the performance of partnership activities is undertaken in 'real time' during the annual partners forum. 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). A 2020–21 result cannot be reported as the partners forum was not held in 2020–21 due to COVID-19 restrictions.

Performance snapshot

Safe and ethical food production

- 369** audits or investigations completed to ensure the safe use of chemicals in food production and reduce contaminant risks.
- 8** new licences issued, **4** licences renewed and **9** licences amended under the *Drugs Misuse Act 1986* for the commercial production of industrial cannabis (hemp) in Queensland.

Animal welfare

- 1684** animal welfare investigations undertaken to ensure high standards of animal welfare and support the ethical production of food.

Fresh food availability

- \$12.216 million** provided for freight subsidies and emergency water rebates for **2738** claims by drought-affected producers under the Drought Relief Assistance Scheme.
- 214** biosecurity incidents effectively responded to across animal biosecurity, plant biosecurity and invasive plants and animals.
- 9** nationally cost-shared eradication programs led by Biosecurity Queensland.
- 86 698** biosecurity entities registered with livestock or poultry or bees, ensuring up-to-date information is available in the event of an emergency disease or pest incursion.

Performance snapshot cont.

Responsive and easy-to-use services

- **5 115 501** unique web page views.
- **360 990** digital footprint, comprising e-news subscribers and followers on Facebook, Instagram, LinkedIn and Twitter.
- **87 per cent** of **80 856** customer enquiries resolved at the first point of contact by the Customer Service Centre.
- **98 per cent** of **2738** claims for business assistance as a result of drought or natural disaster processed within **21 days**.

Performance highlights

- Supported recovery efforts in response to business disruptions and natural disasters, and continued to deliver drought assistance programs, including \$18.4 million in subsidies and drought support through the Drought Relief Assistance Scheme, which provides freight subsidies, the Emergency Water Infrastructure Rebate and other drought support programs such as Queensland's contribution to the Rural Financial Counselling Service.
- Provided ongoing support for the Drought and Climate Adaptation Program, which delivers research, development and extension projects that are improving the drought resilience and preparedness of primary producers and their ability to manage climate variability and adapt to climate change.
- Continued to position Queensland as a leader in biosecurity preparedness and enhance Queensland's biosecurity prevention and response capability. A 4-year program of work to improve biosecurity capability in Queensland finished on 30 June 2020. In line with the recommendations of the program's final report, continued funding of \$0.854 million was invested in 2020–21 in emergency response, marine biosecurity and plant diagnostic capability. An additional \$8.772 million has been allocated over 4 years from 2021–22 for African swine fever prevention and preparedness, biosecurity emergency preparedness and response, marine pest surveillance and plant diagnostics capability.
- Continued to 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*:
 - Collaborative governance and leadership
 - Every Queenslander plays their part
 - Empowered to act
 - Bright ideas and better ways
 - Valuing and building on our investments
 - Better intelligence systems.

The Biosecurity Queensland Ministerial Advisory Council (BQMAC) will consider a mid-term review of the strategy at its next meeting in 2021–22 for progression to the Biosecurity Partners Forum later in the year.

- Contributed to the national biosecurity system as chair of the Animal Health Committee and through sectoral representation on the National Biosecurity Committee. During the year, Queensland was party to 20 national cost-sharing agreements with 9 programs in Queensland including:
 - National Red Imported Fire Ant Eradication Program—South East Queensland
 - National Electric Ant Eradication Program
 - National Four Tropical Weeds Eradication Program
 - National Red Witchweed Eradication Program

- Exotic Fruit Fly in Torres Strait Eradication Program
 - National Varroa Mite Eradication Program relating to detections in 2016 and 2019–20
 - Browsing ant treatment and surveillance—Port of Brisbane
 - Urgent actions to protect against khapra beetle: phase 1 (multistate delivery).
- Continued to implement the *Queensland invasive plants and animals strategy 2019–2024*, a statewide strategic planning framework to address the impacts of invasive plants and animals in Queensland and to reduce the incidence of new exotic species entering Queensland, with progress overseen by the Queensland Invasive Plants Committee. Managing invasive plants and animals is a shared responsibility across all levels of government, the community, industry and landholders. The strategy provides guidance on the areas of responsibility for the various stakeholders involved in invasive species management.
 - Allocated funding through the Queensland Feral Pest Initiative. The Queensland Government has committed more than \$39.1 million in grants since 2015 to assist communities with constructing cluster fences and for the control of invasive plants and animals. This investment comprises \$25.1 million in Queensland Government funding, complemented by \$14 million from the Australian Government. This year grant funding was announced for rounds 5 and 6. Funding was allocated to successful applicants for round 5, with round 6 successful applicants to be announced in 2021–22.
 - Supported three BQMAC meetings, the last of which was held virtually on 12 April 2021. BQMAQ focused on strategic initiatives to reposition the biosecurity system for the future, including identifying learnings from managing biosecurity responses during concurrent emergency events and providing strategic advice on:
 - advancements in surveillance, diagnostics and traceability
 - managing impacts and business continuity
 - research innovation, intelligence and decision-making capacity for public sector biosecurity activities
 - future skills required to manage biosecurity responses
 - arrangements to manage a future response to a weed incursion.
 - Continued the following eradication and containment programs:
 - **Red imported fire ants**—Completed 95 per cent of planned treatment of 323 746 hectares within South East Queensland and delivered 6 self-management pilots.
 - **Electric ants**—Met all milestones for the year, with approximately 150 hectares of eradication work completed, approximately 100 hectares of proactive surveillance conducted, and clearance processes completed on 57 per cent of approximately 331 hectares of infestation.
 - **Browsing ants**—Following repeated surveillance to validate the effectiveness of the eradication treatments at the Port of Brisbane infestation site, commenced preparation of a submission to the National Biosecurity Management Consultative Committee, seeking endorsement of the browsing ant response moving into the proof-of-freedom phase.
 - **Exotic fruit fly in the Torres Strait**—Completed all operational activity in accordance with the response plan and within budget, with the National Management Group agreeing that the response plan was successful and approving a new 5-year response plan on 28 June 2021.
 - **Varroa mite**—Concluded all operational activity for the eradication of the 2019 and 2020 incidents. The National Management Group will now consider the proof-of-freedom report, and formal declaration of eradication is expected by 31 July 2021.
 - **Four tropical weeds**—Developed an artificial intelligence prototype model for detecting *Miconia calvenscens*. The National Management Group endorsed a new 3-year response plan on 23 June 2021 for commencement on 1 July 2021.
 - **Red witchweed**—Met all milestones for the year and released approximately 22.21 hectares of arable land out of treatment to landowners for protection.
 - **Panama disease tropical race 4**—Met all deliverables for the year. Transition of disease management to industry leadership is progressing well.

- Continued to build Queensland Government's response preparedness for African swine fever and work with the pork industry to build their preparedness for African swine fever, delivering all planned project activities for the year. Activities for the year included a virtual incident response exercise, training of 8 staff in aerial surveillance, spatial modelling, integration of a surveillance IT system with the laboratory information management system, systems enhancement and purchase of laboratory equipment to support and enhance veterinary pathology capacity.
- Maintained a statewide fall armyworm monitoring network and implemented key research and development projects to improve understanding of the biology and control of this new pest.
- Continued Queensland's ongoing commitment to meet national standards for livestock welfare and to be an active contributor and leader of national processes to develop and review appropriate animal welfare standards and guidelines. Queensland completed the adoption of the national animal welfare standards for cattle, sheep and livestock at saleyards and depots as mandatory requirements under the *Animal Care and Protection Act 2001* and the three new codes of practice commenced on 1 July 2021. Queensland is the only jurisdiction to have adopted all three codes under legislation.

The national Animal Welfare Task Group, chaired by Queensland's Chief Veterinary Officer, has oversight of the following two national projects, which are being led by Queensland:

- amendments to the national standards and guidelines for the land transport of livestock with respect to horse welfare
 - development of new national standards and guidelines for the welfare of livestock at slaughter establishments.
- Continued to work collaboratively with the Queensland Racing Integrity Commission and Racing Queensland to implement 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). Implementation of the recommendations is progressing to plan, with eight recommendations already completed.
 - Commenced review of the *Animal Care and Protection Act 2001*, inviting all Queenslanders to have their say on a discussion paper that was released on 4 April 2021, with submissions closing on 21 May 2021. A total of 914 submissions were received and 1456 survey responses were completed. DAF is now developing proposals for amendments to the Act based on the feedback, engaging with the RSPCA and other key stakeholders throughout the review process.
 - Continued to contribute to the national program to harmonise the regulation and use of agricultural chemicals and veterinary medicines. The final report on the independent review of the pesticides and veterinary medicines regulatory system was delivered to the Australian Government in May 2021, and analysis of the final report by the Australian Government and all state and territory governments has commenced.
 - Continued to improve swimmer safety through the Shark Control Program, using shark nets and drumlines to reduce the chance of shark bites at 86 popular swimming beaches from Cairns to the Gold Coast, including 27 beaches in the Great Barrier Reef Marine Park. Shark contractors operating in the marine park now check drumlines daily up to 260 days per year, weather permitting, and tag, relocate and release tiger, bull and white sharks alive, where possible and safe to do so, as required under the revised permit issued by the Great Barrier Reef Marine Park Authority.
 - Conducted research and trialled the application of new technologies, including drone surveillance and catch alert drumlines. All nets are fitted with an acoustic pinger, designed to help whales and dolphins detect the presence of nets. While whale entanglements are rare, releasing them is a priority and fully trained marine animal release teams at Mackay, the Sunshine Coast and the Gold Coast are at the forefront of safe release techniques.
 - Continued the SharkSmart education and awareness campaign, in partnership with the Department of Tourism, Innovation and Sport and Queensland Fire and Emergency Services, promoting water-user education and awareness.

Theme 3: Sustainable

Objective

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

Key performance indicators

Indicator	Results				
	2016–17	2017–18	2018–19	2019–20	2020–21
Sustainability status of Queensland fish stocks (Queensland's fish stocks with no sustainability concerns ¹)	91%	82%	85%	85%	94%
Improvement in water quality in the Great Barrier Reef catchments as a result of improved agricultural practices ² (hectares under improved management)	--	--	--	129 874	139 762

Notes

- For an explanation of this key performance indicator, see Appendix 2, note 10 (page 107).
- 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*. 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. The figure comprises 126 752 hectares of grazing, 9404 hectares of broadacre grains and 3606 hectares of sugarcane under improved management. See also pages 28 and 29 below.

Performance snapshot

Contribution to environmental sustainability—responsive and easy-to-use services

- 1686** commercial fishing licences and **333** charter fishing licences managed under the *Fisheries Act 1994*.
- 1883** commercial fishing vessels with vessel-tracking units registered in Trackwell (the vessel-monitoring platform managed by the Australian Fisheries Management Authority).

Responsible use of natural resources—fisheries compliance

- 89 per cent** overall fisheries compliance rate.
- 1398** fisheries infringement notices and **1744** cautionary infringement notices issued by the Queensland Boating and Fisheries Patrol (QBFP) under the provisions of the *Fisheries Act 1994*, resulting in total penalties in excess of **\$804 000**.
- 42** court prosecutions finalised for offences against the *Fisheries Act 1994*, resulting in total fines in excess of **\$244 000**.

Performance highlights

- Supported the Queensland Government's priority to protect the Great Barrier Reef with research, development and extension on land management practices that improve Reef water quality as well as productivity:
 - Provided agronomic advice to producers in a range of industries to facilitate cost-effective and improved land management practices that improve Reef water quality.
 - Coordinated extension activities through regional partnerships to deliver prioritised, efficient and effective support to producers.
 - Implemented a skills and training program for extension officers, addressing skills gaps and engaging practitioners from industry, natural resource management bodies and government.

- Provided policy and technical input to the Reef regulations framework and associated technical standards to ensure optimum outcomes for farmers and for Reef water quality.
 - Evaluated the benefits and costs of land management practices to ensure that promoted management practices are profitable as well as environmentally sustainable.
 - Developed online decision-support tools for use by producers and their advisers to understand the financial implications of changing management practices.
 - Developed guidelines for the use and construction of water treatment systems to remove nutrients in run-off from production areas.
 - Monitored the uptake of improved management practices, which is fundamental in the development of the Reef report cards.
 - Monitored producer compliance with regulations and label instructions for the use of pesticides in Reef catchments.
- Continued to implement the *Queensland sustainable fisheries strategy 2017–2027*:
 - Conducted public consultation on the 13 draft harvest strategies and 1 draft protected species management strategy between September 2020 and January 2021. These have since been approved and will form a critical part of the framework to guide the future management of our fisheries commencing 1 September 2021.
 - Following consultation in 2019, released a final Aboriginal and Torres Strait Islander peoples commercial fishing development policy in July 2020. The policy provides a clear framework, with more flexible pathways for Aboriginal and Torres Strait Islander peoples and communities to enter or take part in fishing-related businesses via an Indigenous fishing permit. The policy sets the overarching principles, including setting aside an allocation of up to 10 tonnes of catch per year, where appropriate, to ensure access and provide opportunities for economic development, for example business opportunities permitting the catch and sale of fish to local communities, or initiatives to support training to participate in commercial fisheries.
 - Announced the second round of reforms to fisheries regulations on 30 September 2020 to ensure the sustainability of Queensland’s commercial fishing industry. These include:
 - red-tape reduction and streamlining measures designed to support the commercial fishing industry in the recovery from COVID-19
 - changes necessary to protect and maintain export approvals, which commence on 1 September 2021
 - new regulation changes to divide the crab, trawl and east coast inshore fisheries into new management regions, and create new quota units, so the catch of priority species can be controlled directly.
 - Published new stock assessments for 10 species (14 stocks). Assessments are currently underway for 9 additional species.
 - Completed level 1 ecological risk assessments for 10 out of 19 fisheries. Another 4 are in progress and another 5 have been progressed to level 2.
 - Negotiated and maintained necessary Australian Government approvals under the federal *Environment Protection and Biodiversity Conservation Act 1999* to obtain and maintain access to export markets for 18 commercial fisheries. Under the Act, some parts of the east coast inshore finfish fishery are no longer able to export product taken using certain gear types. In total, 6 export approvals were renewed and a new, separate approval to reinstate export of mullet products from ocean beach net fishing was approved until 1 May 2024.
 - Continued to deliver an effective, efficient and fair fisheries compliance program. The QBFP monitors fishing activities and investigates alleged illegal activity along 7000 kilometres of coastline and hundreds of freshwater rivers and impoundments. The overall fisheries compliance rate for 2020–21 was 89 per cent. QBFP continues to move towards more intelligence-based compliance, specifically targeting non-compliance.
 - Continued the use of body-worn cameras by QBFP officers to help improve their safety on the water and to collect evidence. Drones and a range of surveillance kits are also used to collect intelligence and evidence.

- Focused on surveillance activities, which provide an intelligence function to inform local, regional and state fisheries investigations into activities such as black-marketing.
- Through QBFP officers, continued to deliver compliance services on behalf of other state and federal agencies, including boating safety for Maritime Safety Queensland and marine park compliance for the Department of Environment and Science (DES) and the Great Barrier Reef Marine Park Authority. 'Cross-decking' with the Queensland Police Service, Maritime Safety Queensland, DES and several federal agencies continued to create efficiencies in the fisheries compliance program.
- Released the recreational fishing app on 5 October 2020, with positive and constructive feedback received from stakeholders. The new app helps recreational fishers better understand and comply with fishing rules and can be used in remote locations or in areas with limited mobile signal reception. Significant progress was made on developing a commercial fishing app, due for release with the commencement of legislative changes on 1 September 2021. Significant progress was also made on upgrading and replacing the existing Fisheries Compliance Activity System, due for finalisation by the end of 2021.
- Deployed an additional 4 fish-aggregating devices (FADs) off Weipa in August 2020, 12 subsurface FADs off South East Queensland in February 2021, and 3 near Fraser Island in June 2021, complementing the 25 FADs already deployed off South East Queensland. FADs attract alternative species for fishers to target while decreasing pressure on traditionally overfished species. They have been popular with recreational and charter fishers, with good catches of mahi-mahi reported.
- Introduced new rules to protect black jewfish, including a commercial catch limit of 20 tonnes per year on the east coast of Queensland and 6 tonnes in the Gulf of Carpentaria, a reduction in the recreational in-possession limit from 2 to 1, a no-take provision for all fishers once the total allowable commercial catch is reached, and a requirement for black jewfish to be landed whole by all fishing sectors.
- Commenced implementation of the Native Timber Action Plan and engaged with key stakeholders through the newly established Native Timber Advisory Panel to support rural and regional jobs and investment and build an economic and environmentally sustainable future for the native timber industry.
- Established the Native Timber Advisory Panel, comprising representatives from the native timber industry, the conservation sector, the research sector, unions, and Aboriginal and Torres Strait Islander peoples. The panel will oversee and make recommendations to government about plans for the industry's future and held its first meeting on 11 June 2021.
- Continued to supply state-owned forest products and quarry material on a commercial and environmentally responsible basis.

Priorities for 2021–22

The department will help the agriculture, fisheries and forestry sector add value to the economy, the community and our environment by delivering the following key initiatives. These initiatives will promote the productivity, profitability, sustainability and resilience of our industries and safeguard the natural environment. We will work to ensure we have a skilled workforce that is agile, healthy and engaged, and can work across sectors to add value.

Agriculture

- Continue to deliver on Queensland Government's Unite and Recover strategy:
 - **Agricultural trade relationships**—Support ecommerce and facilitate virtual trade in key markets and assist coordination of demand for additional regular airfreight services.
 - **Agribusiness diversification**—Build capability and explore potential diversification opportunities in agribusiness, including tourism.
 - **Digital transformation in agribusiness**—Develop integrated supply chains that improve traceability, biosecurity and food safety. Develop a strategic roadmap to map out our vision for the future of agtech in Queensland.
 - **Agricultural seasonal labour**—Through the Pacific Labour Scheme and Seasonal Worker Programme, identify Queensland agricultural seasonal workforce needs and implement local solutions that connect agribusiness with relevant and appropriate workforce solutions.
 - **Sheep meat processing industry**—Deliver a strategy that guides investment and creates regional economic opportunities.
 - **Agricultural development opportunities in North West Queensland**—Support agricultural opportunities and deliver practical solutions that will inform decision-making and unlock the region's dryland agricultural potential.
- Lead the implementation of the Queensland Drought Assistance and Reform Package of up to \$71.4 million over 4 years from 2021–22 (and \$50 million in loans over the same period). This package includes up to \$44.4 million to continue to meet the government's commitment to maintain existing drought assistance measures for the duration of the current drought. In addition, \$27 million over 4 years is being provided on new drought preparedness measures to commence in 2021–22, including the Farm Business Resilience Program, Farm Management Grants, Drought Preparedness Grants, Drought Ready and Recovery Loans, Emergency Drought Assistance Loans and Drought Carry-on Finance Loans.
- Partner with industry to co-design low-emissions pathways for Queensland agriculture to help the sector continue its contribution towards Queensland's zero net emissions 2050 target and capitalise on the opportunities of a low-emissions economy.
- Continue to deliver high-impact agricultural and food research, partnering with industry to develop and commercialise new products, and enhance adoption of innovative new practices across the sector.
- Deliver the Gatton Smart Farm Initiative and associated capital improvements at the Gatton Research Facility. The Gatton Smart Farm will incorporate agtech and support the development of protected cropping research and development, and post-harvest and supply chain management.
- Develop and release an agribusiness and food strategy (part of Growing for Queensland), a future-focused strategy for the agribusiness and food sector.
- Continue the Rural Economic Development Grants program into its fourth year, providing grants (matched with co-contributions by the applicants) for viable economic development projects that create jobs in rural and regional Queensland related to primary production.
- Continue to support the response to fall armyworm threats to Queensland's agricultural industries.

- Continue to capitalise on new and existing research and development opportunities, including those that improve Reef water quality as well as productivity under the Queensland Reef Water Quality Program.
- Continue to actively target investment in the aquaculture sector and support proponents through the development phase.
- Work with the sugar industry to deliver a diversification and revitalisation strategy for industry.
- Continue work to finalise long-term decisions on the future of assets formerly held by the Queensland Agricultural Training Colleges, including the new Central Queensland Smart Cropping Centre at Emerald.

Biosecurity Queensland

- Continue to prevent and mitigate financial risks to Queensland from priority animal and plant pests and diseases and help maintain community and trading partner confidence in Queensland's biosecurity system through African swine fever prevention and preparedness, biosecurity emergency operations, marine pest surveillance and plant diagnostics.
- Continue to meet Queensland's obligations within the national biosecurity system to mitigate the risks and impacts of significant pests and diseases.
- Strengthen Biosecurity Queensland's response capacity in the Torres Strait and northern Cape York through the Far Northern Biosecurity Initiative by building strong working relationships with Torres Strait and Northern Peninsula Area agencies, Traditional Owners and communities, and by transferring biosecurity technical knowledge and key activities to those agencies.
- Provide \$1.4 million for biosecurity grants, to equip local governments, industry groups and natural resource groups to prepare for and respond to biosecurity threats.
- Continue to deliver the 10-year plan and 3-year strategy for the National Red Imported Fire Ant Eradication Program to eradicate red imported fire ants from South East Queensland and support the current review of the program.
- Continue the Panama TR4 Program to facilitate transition of responsibility for management of the disease from government to the Australian Banana Growers' Council on behalf of the banana industry.
- Review the *Animal Care and Protection Act 2001* to improve the safeguarding of animal welfare in Queensland and work with the RSPCA to improve prevention of animal cruelty.
- Continue to collaborate with the Queensland Racing Integrity Commission and Racing Queensland to implement 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).

Fisheries and Forestry

- Continue the fisheries reform process as detailed in the *Queensland sustainable fisheries strategy 2017–2027*.
- Implement the 13 harvest strategies and 1 protected species management strategy that have been approved and will inform the overall sustainable management of our fisheries from 1 September 2021.
- Deliver the remaining harvest strategies for the Gulf, east coast Spanish mackerel and rocky reef fisheries, to move them to management under the new harvest strategy framework.
- Implement an ongoing program of SharkSmart drone surveillance and trials of alternative technologies to support swimmer safety.
- Continue work to ensure Queensland fisheries have approvals in place under the *Environment Protection and Biodiversity Conservation Act 1999* to export product.
- Review the implementation and administration of vessel tracking.
- Continue work on the commercial fishing app, with the release due in late 2021.

- Establish a specific fisheries working group to identify new economic pathways for Traditional Owners, through charter fisheries and tourism operations, while ensuring sustainable fisheries are maintained in Cape York.
- Continue to implement the Native Timber Action Plan, seeking views of the Native Timber Advisory Panel on policy options and implications for moving towards a sustainable future for the native timber industry, supported by comprehensive resource assessment.
- Continue to supply state-owned forest products and quarry material on a commercial and environmentally responsible basis, contributing to the prosperity of regional economies.

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.

The DAF impact and investment framework 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.

DAF will be introducing a new governance structure on 1 July 2021 (see Figure 6 on page 35). The new structure will provide the leadership team with greater visibility and control over the department's operational and strategic activities and provide clear insight into how we are tracking towards our strategic goals.

Governance committees

DAF's committees advise and assist the Director-General in fulfilling his role to manage the department in a way that promotes the effective, efficient and appropriate management of public resources. Further details on the key responsibilities of the committees can be found in Table 3 on the next page.

DAF is also part of the Business and Corporate Partnership and participates in its governance arrangements.

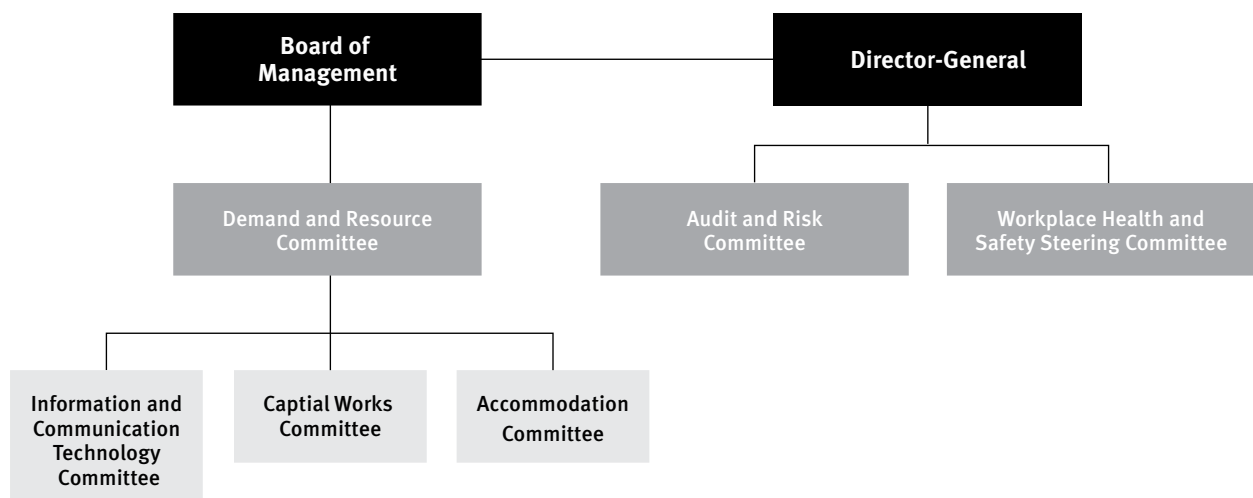


Figure 5 DAF's governance committee structure at 30 June 2021

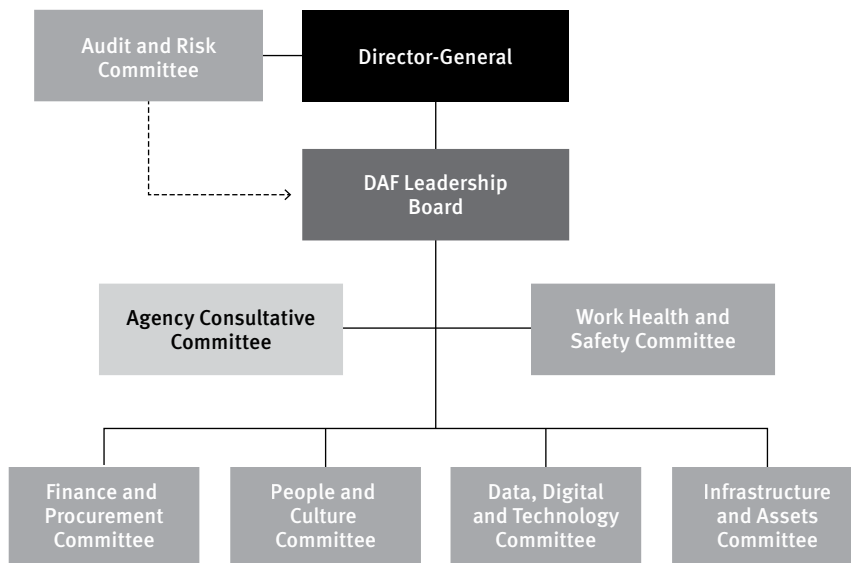


Figure 6 DAF's new governance committee structure commencing 1 July 2021

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>Is responsible 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 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, processes for internal and financial control 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 a core group of three Queensland Government departments and to a number of partner agencies.

The partnership operates through three corporate hubs embedded in DAF, DES and the Department of Resources. Each hub is managed by a Head of Corporate, who is responsible for delivering a set of core services (to the host agency) and a number of cooperative services (to partnering agencies). DAF hosts the IT and fleet services and receives legal, internal audit, 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, the Heads of Corporate for the Department of Resources and DES, and a representative of the Department of Energy and Public Works. The chair of the board rotates between the Heads of Corporate every 6 months.

Ethics and integrity

Our employees are obligated to demonstrate high ethical standards and values in accordance with the *Code of conduct for the Queensland public service*. All employees undertake annual training in the code of conduct and ethical decision-making. At 30 June 2021, 92 per cent of our staff had completed this training.

The department has no tolerance for fraudulent or corrupt behaviour. In 2020–21, 99 per cent of our staff completed the mandatory training in fraud awareness and corruption prevention. Additional fraud awareness and corruption prevention initiatives within the department focused on the International Anti-Corruption Day's theme, 'Recover with integrity', which highlighted the need for vigilance against corruption during the challenges that COVID-19 has created in maintaining good governance processes, with a particular emphasis on conflicts of interest. To further assist in fraud and corruption prevention, videos developed by the Crime and Corruption Commission were published for staff viewing.

The department also supported campaigns to ensure staff awareness regarding information security and information privacy, with mandatory online training in these areas.

Human rights

DAF is committed to protecting and promoting the 23 fundamental human rights of all Queenslanders. In 2020–21, we continued to further embed the *Human Rights Act 2019* and drive a culture of human rights into everyday business.

The department has continued to actively promote and implement the Act by:

- incorporating its commitment to respect human rights in the *Department of Agriculture and Fisheries strategic plan 2019–2023*
- convening the internal Human Rights Act Implementation Steering Committee quarterly to oversee departmental activities that implement the Act
- incorporating human rights into executive performance agreements
- providing mandatory training to 96.8 per cent of workers, modifying regulatory training modules to include human rights considerations and delivering customised and practical face-to-face training to frontline and policy officers
- conducting awareness-raising activities through all staff newsletters and intranet stories with links to further information
- disseminating information via the DAF Customer Complaint Community of Practice to build our capability of human rights considerations and complaints handling.

In 2020–21, we:

- identified opportunities to amend DAF-administered legislation and subordinate legislation to demonstrate commitment to the protection and promotion of human rights and are progressing possible legislative amendments
- completed a department-wide compatibility review of our extensive list of policies and procedures, which included amending the department's policy and procedure template to include a text box stating that decision-makers must consider and act compatibly with human rights.

In this year, we received three customer complaints that were assessed as human rights complaints. One related to freedom of movement, one related to freedom of expression and the other related to privacy and reputation. Two of these complaints could not be substantiated and one is still under consideration.

In early 2021–22, the department will host an all-staff seminar by the Queensland Human Rights Commission and finalise work commenced in 2020–21 to develop our own mandatory introductory online training for release.

Governance—accountability and risk management

In keeping with the Financial and Performance Management Standard 2019, the department has established an enterprise risk management framework. Under this framework, DAF operates with three levels of risk management—enterprise, operational and tactical.

The framework is based on the International Standard for risk management (AS/NZS ISO 31000:2018).

By managing risk, we aim to improve organisational performance against our strategic plan. We identify opportunities and risks, and prioritise resources according to our risk appetite. The framework ensures that we identify, monitor and manage risks. Enterprise risks are managed at the executive level as part of DAF's planning, monitoring and reporting activities. Operational and tactical risk management responsibilities are devolved throughout the department.

This year we continued to develop our risk management and reporting processes by commencing a review of our risk management framework, risk appetite and enterprise risk categories. Throughout the year, we continued to report on our enterprise risk profile to monitor risks across the department.

The Demand and Resource Committee continued to be responsible for leading risk management on behalf of the Board of Management. The Audit and Risk Committee continued its role of assuring the implementation of DAF's risk management framework, and its suitability to the needs of the department.

Information Security Management System

In line with the Queensland Government Information Security Policy 2018 (IS18:2018), we have implemented our Information Security Management System (ISMS). Our focus throughout 2020–21 was on continuing to improve the scope, governance, risk management and performance management of and within the system.

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

Business continuity management

DAF's business continuity management system aligns with the relevant international standards: *ISO 2301:2019 Security and resilience—business continuity management systems—requirements* and *ISO 31000:2018 Risk management*. DAF's business continuity management is aligned to our enterprise risk management framework.

During most of 2020–21, business continuity management arrangements remained activated to facilitate the department's response to COVID-19. This included the maintenance of the DAF COVID-19 Coordination Group and the DAF State Coordination Centre. These arrangements remained active into April 2021, when they were stood down. They have since been stood up for short periods as developments in the community required.

Audit committee

Audit and Risk Committee

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 2020–21. 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 38 internal audit recommendations and closure of 28 internal audit recommendations. Committee members were also provided with recommendations from Queensland Audit Office (QAO) reports to Parliament related to the department. During 2020–21, seven recommendations were actioned and closed.

Table 4 Audit and Risk Committee membership between 1 July 2020 and 30 June 2021

Name	Position	Committee role	Number of meetings	Number of meetings attended	Remuneration paid
Sue Ryan	Consultant	Chair External member	5	5	\$12 000 (excl. GST)
Virendra Dua	Consultant	External member	5	5	\$9 600 (excl. GST)
Dr Wayne Hall	Executive Director, Agri-Science Queensland	Internal member	5	5	Not applicable
Graeme Bolton	Deputy Director-General, Fisheries and Forestry	Internal member	5	4	Not applicable

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 \$1920 per meeting (excluding GST) to a maximum of \$9600 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 review under the DAF 2020–21 Strategic Internal Audit Plan:

- Pacific Labour Scheme/Seasonal Worker Programme: Review of Program Risks.

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.

External scrutiny

Independent scrutiny of government performance may be carried out by a number of external entities to help us improve and meet community expectations of accountability. Significant external audits and reviews undertaken during the year are detailed in Table 5.

Table 5 Significant external audits and reviews in 2020–21

Report and findings	DAF response
Auditor General, QAO	
<p><i>Report 6: 2020–21: Awarding of sports grants (Tabled 29 September 2020)</i></p> <p>QAO reviewed whether the awarding of sports grants was in accordance with documented processes that were appropriate and resulted in the impartial awarding of grants.</p> <p>QAO provided recommendations for whole of government about reviewing and ensuring that departmental processes achieve compliance with the <i>Financial Accountability Act 2009</i> and the Financial Accountability Handbook.</p> <p>For more details, please refer to the full report—<i>Awarding of sports grants (Report 6: 2020–21)</i>, available at parliament.qld.gov.au.</p>	<p>DAF accepts the recommendations for incorporation into its management and review of policies and processes during 2021–22.</p>

(continued)

Table 5 cont. Significant external audits and reviews in 2020–21

Report and findings	DAF response
<p>Auditor General, QAO</p> <p>Report 7: 2020–21: Delivering successful technology projects (Tabled 30 September 2020)</p> <p>QAO identified, from previous audits and other research, five factors that, if managed and modified to suit, can improve the success of projects. They are:</p> <ul style="list-style-type: none"> • Senior leaders actively lead and challenge. • Projects are aligned to business outcomes. • Internal and external teams work towards the same goals. • The team has the skills and capacity to match the challenge. • Learnings are identified and acted on. <p>Insights from this report apply to all technology projects. All entities within the public sector can use the factors identified to improve the maturity of their processes to deliver technology projects. Actions were identified for the sector to consider.</p> <p>For more details, please refer to the full report—<i>Delivering successful technology projects (Report 7: 2020–21)</i>, available at parliament.qld.gov.au.</p>	<p>DAF agreed with the improvements identified and has commenced modifying its project approach for 2021–22.</p>
<p>Report 13: 2020–21: Financial Audit Report—State entities 2020 (Tabled 11 February 2021)</p> <p>QAO recommends that all entities:</p> <ol style="list-style-type: none"> 1. Use recent financial statement preparation experiences, including responses to the COVID-19 pandemic, to identify improvements and plan for the year ahead. 2. Improve timeliness of financial statements being made publicly available (relevant ministers and central agencies). 3. Strengthen the security of information systems. 4. Verify changes to supplier and employee information to prevent fraud. 5. Promptly review employee payments. 6. Automate financial approvals and monitoring of internal controls. 7. Ongoing compliance with financial accountability requirements following a machinery-of-government change (departments). <p>For more details, please refer to the full report—<i>State entities 2020 (Report 13: 2020–21)</i>, available at parliament.qld.gov.au.</p>	<p>Recommendations 1, 3 and 5 have been completed. Recommendation 2 is being explored and the actions relating to the remaining recommendations are planned for implementation in 2021–22.</p>

(continued)

Table 5 cont. Significant external audits and reviews in 2020–21

Report and findings	DAF response
<p>Ombudsman</p> <p><i>Investigation into the timeliness of responses to notifications of suspected fire ant activity Decision—May 2021</i></p> <p>Analysis of the program's data identified that the average time to complete treatment improved significantly throughout 2020. In the 12-month period September 2018 to September 2019, monthly average time to treat fire ants was greater than 40 days for 9 months. However, time to complete treatment dropped from late 2019 and throughout 2020. This was despite a surge in reports received in February and June 2020.</p> <p>The average time to complete treatment is now consistently less than 10 days. Changes that significantly contributed to the improvement were treatment regime and administrative processes, an organisational restructure and digital enhancements.</p> <p>Further improvements in quality assurance and auditing were recommended.</p> <p>For more details, please refer to the full report—<i>Fire ants report: timeliness of responses to notifications of suspected fire ant activity</i>, available at ombudsman.qld.gov.au.</p>	<p>A quality assurance mechanism to monitor assessment and triage decisions of fire ant reports and the input of data by field officers is to be introduced.</p> <p>Use of an audit tool to assess the most appropriate treatment methods for each job is also being considered.</p>
<p><i>Vessel-tracking implementation</i></p> <p>The Queensland Ombudsman received a number of industry complaints on vessel-tracking implementation in 2019 and 2020, principally in relation to refunds, warranty claims, suitability of units, ongoing costs and data security.</p> <p>This resulted in several observations and proposed improvement actions being sent to the department in June 2020.</p> <p>The Queensland Ombudsman proposed that these be addressed in a broad vessel-tracking review that included the regulatory post-implementation review.</p>	<p>The department agreed to the Queensland Ombudsman's proposal to include the observations and proposed actions in a broad vessel-tracking review.</p>

Information systems and recordkeeping

Information systems

Contemporary and 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:

- continued development and enhancements to RANGER—a customer relationship management-based system that provides a single point of truth for data capture and processes for forestry and quarry management undertaken by the department's Forestry group
- completion of the National Red Imported Fire Ant Eradication Program Digital Field Capability Implementation project, which developed a technology solution for digital data capture by mobile field officers
- completion of the Animal Health Surveillance integration with the Laboratory Information Management System (LIMS), which enables Biosecurity Queensland to manage sample collections and results between the department's Biosecurity Online Resources & Information Systems and LIMS quickly and accurately
- continued development of Remote Sensing Surveillance technology, which will be used for broadscale monitoring of fire ants and to clear priority areas following the intensive treatment phase
- 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
- development of a new version of the recreational fishing app—Qld Fishing 2.0, a mobile app that enables the public to easily access information on species and rules, and to report illegal fishing activities
- introduction of the department's WHS incident reporting system, which was launched as the one-stop shop for all WHS reporting during Safe Work Month in October 2020.

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 (QSA) Records Governance Policy. Our policies allocate responsibilities for recordkeeping.

The framework includes an appraisal and disposal program, management of paper records, retrieval and digital delivery of records, an electronic document and records management system (eDRMS), assessment of records compliance in business systems, training and support, and a program of permanent records transfers to QSA.

Our strategic recordkeeping plan Digital Recordkeeping Futures 2018–2021 has focused on transitioning to digital recordkeeping and solutions that support a mobile working culture using digital records in business processes. There is an end-to-end recordkeeping service supporting business areas to develop an effective recordkeeping culture and apply new technologies to maximise the use of digital records. The department is using the QSA Archives Gateway to administer retrievals of files and access controls for permanent departmental records held at QSA.

The department has moved to digital recordkeeping using a combination of increasing use of the eDRMS, automated capture of records, and records of compliant business systems. The digitisation disposal policy enables the early disposal of paper records that have been digitised, which is managed securely. We capture key legacy email records into the corporate eDRMS. Analysis of agency processes for improved recordkeeping practices and risk mitigation is ongoing.

The records held in the corporate eDRMS have file structures with appropriate security markings and access controls according to the Information Security Policy. There have been no security breaches of this system. Online eDRMS training is available for all staff and 116 staff attended training during the year.

We retain records in accordance with the following approved general administrative and core business retention and disposal schedules:

- Whole-of-government general administrative schedule—QDAN 415 v.4 (2020)
- Agriculture—QDAN 719 (2015)
- Fisheries—QDAN 724 (2015)
- Forestry—QDAN 725 (2015)
- Agricultural education—QDAN 704 (2014).

A proactive appraisal and disposal program is in place and more than 1600 boxes of time-expired records have been destroyed. Retention and authorised disposal processes and controls are in place for physical and electronic records.

We have appraised the records from all the campuses of the former Queensland Agricultural Training Colleges and are managing these as legacy record holdings.

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*.

An overseas travel expenditure report for the 2020–21 reporting year was not required due to travel not being undertaken by any officers of the department.

Details of government committees and remuneration are also reported annually and published on the DAF website.

Governance—human resources

At 30 June 2021, DAF had 1981.61 active full-time equivalent (FTE) staff and a permanent separation rate of 4.84 per cent.

The FTE total included 221 Business and Corporate Partnership staff providing services to other agencies.

Strategic workforce planning and performance

Our strategic workforce planning framework is applied to ensure a consistent approach to planning across the department. The framework incorporates business as well as financial and workforce planning, and purposefully aligns to the department's strategic priorities.

In 2020–21 our focus has been to implement strategies that build the capability of the workforce to meet and respond to emerging challenges across the community. The areas of focus have been around talent acquisition, leadership, capability, new ways of working and culture. Initiatives that supported this approach included:

- developing a workforce strategy that is adaptive to change and identifies current and emerging needs for a contemporary public sector workforce
- continuing the support of our staff during COVID-19 to ensure they were working safely and strengthening their ability to remain resilient in an ever-changing environment
- embedding processes and resources to support flexibility in the workplace and to ensure the workforce is agile and able to respond to new and emerging business needs
- refocusing the way that we manage the performance of employees through positive and proactive management and ensuring we effectively manage our workforce to maximise employment security
- commencing an adaptive leadership program
- recognising and rewarding outstanding performance and exceptional achievement by progressing the careers of 36 technical officers to the next level under the Professional and Technical Officer Progression Scheme
- uplifting DAF's capabilities and embedding practices to completely manage the obligations of the department under the *Human Rights Act 2019*
- continuing to build on our commitment to do all we can to eliminate domestic and family violence by implementing initiatives that promote respectful inclusion practices and safety and support for employees
- recognising outstanding achievement of individuals and teams through the DAF Annual Achievement Awards and Australia Day Awards programs
- consolidating our refreshed WHS management system, which prioritises staff safety and wellbeing and provides a digitally integrated reporting system to strengthen management of risks.

A diverse and inclusive workforce that represents the community it serves enables DAF to provide high-quality services to Queensland. We continue to implement initiatives that improve our diversity profile and promote DAF as a great place to work. Although COVID-19 limited physical events, we ensured that our diversity and inclusion strategies and awareness campaigns were reimagined and presented to staff through virtual events and webinars. These included:

- profiling our Aboriginal and Torres Strait Islander staff members during Reconciliation Week – themed 'More than a word. Reconciliation takes action.'
- hosting an International Women's Day event to celebrate the achievements of women
- promoting events during Harmony Week and encouraging staff to celebrate DAF's cultural diversity
- raising awareness during Disability Action Week with guest speakers sharing their powerful experiences
- creating awareness and celebrating Pride Month—teaching tolerance, education in pride history and continuing the conversations around equity.

As DAF looks to the future, recognising the workplace challenges and opportunities in front of our people, we are committed to building a capable and connected workforce that is high performing, safe, healthy and supported to deliver services and achieve their potential within the department and community. Our 2021–2024 workforce strategy and action plan will provide the roadmap for achieving this objective.

Early retirement, retrenchment and redundancy

During 2020–21, 1 employee received a redundancy package at a cost of \$85 979.12.

Healthy and safe people, every day

There is no greater value than the health and safety of our employees, contractors, visitors and the community. Our commitment to this extends across every part of DAF and is an underpinning driver in our business and our overall goal of healthy and safe people, every day.

This year we continued to consolidate and increase progress towards this goal through the implementation of targeted initiatives aimed at eliminating, reducing or controlling the inherent risks that come with an operating environment as diverse as DAF.

Over the last financial year, we achieved significant safety performance milestones—a 43 per cent decline in injuries, a 44 per cent decrease in lost-time injuries, and a 55 per cent reduction in WorkCover payments. While this represents our best performance in many years, importantly it means fewer staff are being injured at work.

These results also confirm that our concentrated efforts on the four pillars of DAF's health and safety strategy—engagement, systems, leadership and assurance—are having a positive impact.

We continued to focus intently on ensuring the health and safety of our people during the department's ongoing response to COVID-19. Throughout the year we mobilised responsively to maintain compliance with the directions from Queensland's Chief Health Officer and safeguard the health of our workforce wherever they were working.

During 2020–21 we also:

- created community of practice working groups to share learnings, both internally across our business groups' WHS leads, and with our Business and Corporate Partnership agencies
- formalised structures and established dedicated WHS committees within each of our business groups
- continued to strengthen our WHS networks across each business group and build collective capability through regular meetings and consultation
- introduced TABS, the department's new digital integrated incident management and reporting system
- standardised our standard operating procedures and created a new central repository for these
- transitioned our rehabilitation and return-to-work case management to Queensland Shared Services
- worked to complete frameworks aligned to the requirements of *ISO 31000:2018 Risk management* to be used throughout the business and integrated with the enterprise risk register
- held another very successful Safe Work Month in October 2020, where we organised various activities to highlight the theme 'Health, safety and wellbeing—in a changing world: challenges and opportunities' and acknowledged the nominees and recipients of the WHS Awards
- continued to provide an expansive suite of resources available from our Employee Assistance Program providers to support staff during challenging events
- provided our annual influenza vaccination program and liaised with Queensland Health to implement the national rollout of COVID-19 vaccinations.

In 2021–22 we will continue to focus on reducing injuries and creating safe workplaces with the development of a WHS opportunities plan that will include:

- further enhancements to TABS
- an integrated incident management and investigation framework
- additional initiatives under the Healthy Workplaces Program
- building our assurance agenda by finalising our auditing framework and reviewing our site inspection protocols
- ongoing collaboration with our WHS networks to review our processes and ensure they remain fit for purpose across business groups
- refining key performance indicators for WHS to measure the impact of our actions.

Financial statements

DEPARTMENT OF AGRICULTURE AND FISHERIES

Financial Statements

For the year ended 30 June 2021

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DEPARTMENT OF AGRICULTURE AND FISHERIES
Financial Statements
For the year ended 30 June 2021

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DEPARTMENT OF AGRICULTURE AND FISHERIES
Statement of comprehensive income
For the year ended 30 June 2021

		2021	2021	Actual vs	2020
		Actual	Original	Budget	Actual
	Notes	\$'000	Budget	Variance*	\$'000
Income from operations					
Appropriation revenue	B1-1	316,340	332,980	(16,640)	366,818
User charges and fees	B1-2	147,312	145,823	1,489	148,033
Grants and contributions	B1-3	41,170	40,626	544	44,856
Royalties	B1-4	45,434	36,417	9,017	33,675
Other revenue		1,470	552	918	4,140
Total revenue		551,727	556,398	(4,671)	597,522
Gains on disposal and re-measurement of assets	B2	10,849	95	10,754	1,423
Total income from operations		562,576	556,493	6,083	598,945
Expenses from operations					
Employee expenses	B3-1	229,101	231,849	(2,748)	236,809
Supplies and services	B3-2	265,406	269,717	(4,311)	275,547
Grants and subsidies	B3-3	25,033	22,623	2,410	54,421
Depreciation and amortisation	B3-4	28,603	27,849	754	26,812
Finance/borrowing costs	B3-5	2,453	2,973	(520)	2,524
Impairment losses		372	-	372	640
Other expenses	B3-6	2,347	1,482	865	2,192
Total expenses from operations		553,315	556,493	(3,178)	598,945
Operating result for the year surplus/(deficit)		9,261	-	9,261	-
Other comprehensive income					
Items that will not be reclassified to operating result:					
Increase in asset revaluation surplus	C9-3	55,760	-	55,760	687
Total comprehensive income		65,022	-	65,022	687

*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 2021

	Agriculture		Fisheries and Forestry		Biosecurity Queensland		Corporate Partnership ⁽²⁾		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from operations ⁽¹⁾										
Appropriation revenue	178,048	209,678	33,972	47,969	96,284	102,084	8,036	7,088	316,340	366,818
User charges and fees	61,550	56,039	10,435	5,179	29,457	29,958	45,870	56,858	147,312	148,033
Grants and contributions	2,437	1,118	75	253	38,623	43,452	35	33	41,170	44,856
Royalties	3,591	4,142	41,843	29,532	-	-	-	-	45,434	33,675
Other revenue	790	3,932	220	164	399	44	62	-	1,470	4,140
Total revenue	246,416	274,910	86,546	83,097	164,763	175,537	54,003	63,979	551,727	597,522
Gains on disposal and re-measurement of assets	10,585	1,188	84	52	193	183	(13)	-	10,849	1,423
Total income from operations	257,000	276,098	86,630	83,149	164,956	175,720	53,989	63,979	562,576	598,945
Expenses from operations ⁽¹⁾										
Employee expenses	99,406	103,878	39,674	41,325	65,151	66,313	24,869	25,294	229,101	236,809
Supplies and services	108,104	102,482	42,345	41,030	90,102	97,866	24,855	34,169	265,406	275,547
Grants and subsidies	21,295	51,447	1,493	552	2,207	2,382	38	40	25,033	54,421
Depreciation and amortisation	18,039	16,535	2,581	2,534	4,290	4,233	3,692	3,510	28,603	26,812
Finance/borrowing costs	820	947	16	15	1,617	1,563	-	-	2,453	2,524
Impairment losses	205	482	173	115	(6)	43	-	-	372	640
Other expenses	1,251	867	417	392	677	875	4	58	2,347	2,192
Total expenses from operations	249,120	276,638	86,698	85,962	164,038	173,274	53,459	63,071	553,314	598,945
Operating result for the year	7,880	(540)	(69)	(2,814)	919	2,446	531	908	9,261	-
Other comprehensive income										
Items that will not be reclassified to operating result:										
Increase/(decrease) in asset revaluation surplus	48,997	255	4,194	371	2,569	62	-	-	55,760	687
Total comprehensive income	56,878	(286)	4,125	(2,443)	3,487	2,508	531	908	65,022	687

⁽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.

⁽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 2021

		2021	2020
		Actual	Actual
	Notes	\$'000	\$'000
Current assets			
Cash and cash equivalents	C1	62,031	41,222
Receivables	C2	19,231	21,425
Inventories		3,282	1,668
Other assets	C3	41,900	29,345
		126,444	93,659
Non-current assets classified as held for sale		460	460
Total current assets		126,904	94,119
Non-current assets			
Property, plant and equipment	C4	425,438	401,664
Right-of-use assets	C8	108,926	114,971
Intangible assets		1,934	1,618
Other assets	C3	2,487	2,156
Total non-current assets		538,785	520,409
Biological assets			
Biological assets		4,296	4,518
Total biological assets		4,296	4,518
Total assets		669,986	619,045
Current liabilities			
Payables	C5	48,971	17,616
Accrued employee benefits	C6	6,600	7,005
Lease liabilities	C8	3,251	4,091
Other liabilities	C7	30,224	32,107
Total current liabilities		89,047	60,819
Non-current liabilities			
Lease liabilities	C8	101,882	103,843
Other non-current liabilities	C7	12,352	13,772
Total non-current liabilities		114,234	117,614
Total liabilities		203,280	178,434
Net assets		466,706	440,611
Equity			
Contributed equity	C9-1	380,000	418,926
Accumulated surplus/(deficit)		472	(8,790)
Asset revaluation surplus	C9-3	86,235	30,474
Total equity		466,706	440,611

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 2021

	Agriculture		Fisheries and Forestry		Biosecurity Queensland		Corporate Partnership ⁽³⁾		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets										
Cash and cash equivalents	27,959	18,095	10,795	6,978	18,337	12,136	4,941	4,013	62,031	41,222
Receivables ⁽¹⁾	6,505	13,507	4,230	5,838	5,173	(367)	3,323	2,447	19,231	21,425
Inventories	266	438	378	434	2,637	795	-	-	3,282	1,668
Other current assets	5,738	8,241	878	783	29,785	15,878	5,499	4,443	41,900	29,345
	40,468	40,281	16,281	14,033	55,933	28,442	13,763	10,902	126,444	93,659
Non-current assets classified as held for sale	460	460	-	-	-	-	-	-	460	460
Total current assets	40,928	40,741	16,281	14,033	55,933	28,442	13,763	10,902	126,904	94,119
Non-current assets										
Property, plant and equipment	317,471	299,780	32,637	28,225	67,267	63,852	8,063	9,808	425,438	401,664
Right-of-use assets	42,423	51,426	851	708	65,652	62,837	-	-	108,926	114,971
Intangible assets	753	866	34	56	968	360	180	336	1,934	1,618
Other non-current assets	337	284	130	110	340	369	1,679	1,393	2,487	2,156
Total non-current assets	360,984	352,356	33,652	29,098	134,227	127,418	9,922	11,537	538,785	520,409
Biological assets										
Biological assets	3,905	4,216	-	-	391	301	-	-	4,296	4,518
Total biological assets	3,905	4,216	-	-	391	301	-	-	4,296	4,518
Total assets ⁽¹⁾	405,817	397,314	49,933	43,131	190,551	156,161	23,685	22,439	669,986	619,045
Current liabilities										
Payables	21,710	13,936	7,970	1,838	14,682	683	4,608	1,160	48,971	17,616
Accrued employee benefits	2,911	3,112	1,117	1,153	1,870	2,019	701	720	6,600	7,005
Lease liabilities	1,067	1,603	80	67	2,104	2,421	-	-	3,251	4,091
Other current liabilities	25,386	29,286	1,692	254	3,147	2,567	-	-	30,224	32,107
Total current liabilities	51,074	47,936	10,859	3,312	21,804	7,691	5,309	1,880	89,047	60,819
Non-current Liabilities										
Lease liabilities	34,020	41,107	767	638	67,095	62,098	-	-	101,882	103,843
Other non-current liabilities	12,352	13,772	-	-	-	-	-	-	12,352	13,772
Total non-current liabilities	46,372	54,879	767	638	67,095	62,098	-	-	114,234	117,614
Total liabilities ⁽²⁾	97,446	102,815	11,626	3,951	88,898	69,789	5,309	1,880	203,280	178,434

⁽¹⁾ In 2019-20, 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.

⁽³⁾ 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 2021

	Notes	Contributed Equity \$'000	Accumulated Surplus/(Deficit) \$'000	Asset Revaluation Surplus \$'000	TOTAL \$'000
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
Balance as at 1 July 2020		418,926	(8,790)	30,474	440,611
Operating result					
Operating result from continuing operations		-	9,261	-	9,261
Other comprehensive income					
- Increase in asset revaluation surplus	C9-3	-	-	55,760	55,760
Total comprehensive income for the year		-	9,261	55,760	65,022
Transactions with owners as owners:					
- Appropriated equity injections	C9-2	2,943	-	-	2,943
- Appropriated equity withdrawals	C9-2	(8,946)	-	-	(8,946)
- Non-appropriated equity withdrawals ⁽¹⁾		(32,924)	-	-	(32,924)
Net transactions with owners as owners		(38,926)	-	-	(38,926)
Balance at 30 June 2021		380,000	472	86,235	466,706

⁽¹⁾ Represents the net proceeds from the sale of the cattle property "Berrigurra Station" and cash returned to the consolidated fund in Queensland Treasury.

The accompanying notes form part of these statements.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Statement of cash flows
For the year ended 30 June 2021

		2021	2020
		Actual	Actual
	Notes	\$'000	\$'000
Cash flows from operating activities			
<i>Inflows:</i>			
Service appropriation receipts		347,909	356,915
User charges and fees		133,607	152,762
Grants and other contributions		38,679	45,729
Royalties		46,403	36,697
GST input tax credits received from ATO		11,751	13,300
GST collected from customers		15,988	16,244
Other inflows		1,800	4,465
<i>Outflows:</i>			
Employee expenses		(232,085)	(239,506)
Supplies and services		(262,694)	(281,452)
Grants and subsidies		(24,760)	(54,068)
GST paid to suppliers		(27,485)	(29,492)
Finance/borrowing costs		(2,453)	(2,524)
Other outflows		(2,702)	(2,381)
Net cash provided by operating activities	CF-1	43,958	16,691
Cash flows from investing activities	CF-2		
<i>Inflows:</i>			
Sales of property, plant and equipment		33,425	1,216
Sales of biological assets		2,622	2,345
<i>Outflows:</i>			
Payments for property, plant and equipment		(14,450)	(17,182)
Payments for intangibles		(858)	(823)
Payments for biological assets		(359)	(212)
Net cash used in investing activities		20,381	(14,656)
Cash flows from financing activities	CF-2		
<i>Inflows:</i>			
Equity Injection		2,943	2,625
<i>Outflows:</i>			
Lease payments		(3,034)	(2,862)
Equity withdrawal		(43,438)	(9,533)
Net cash provided by financing activities		(43,529)	(9,770)
Net increase/(decrease) in cash and cash equivalents		20,809	(7,735)
Cash and cash equivalents - opening balance		41,222	48,506
Cash and cash equivalents received from administrative changes		-	451
Cash and cash equivalents - closing balance	C1	62,031	41,222

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 2021

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

	2021	2020
	\$'000	\$'000
Operating result surplus/(deficit)	9,261	-
Non-cash items included in operating result:		
Depreciation and amortisation expense	28,603	26,812
Gains on sale or disposal of property, plant and equipment	(8,807)	-
Loss on sale or disposal of property, plant and equipment	-	655
Impairment losses - capital works in progress	153	53
Net increment in valuation of biological assets	(2,042)	(2,131)
Assets received below fair value	(17)	-
Other	(1)	-
Change in assets and liabilities:		
(Increase)/decrease in appropriation revenue receivable	3,004	(3,004)
Increase/(decrease) in deferred appropriation payable to Consolidated Fund	28,565	(6,899)
(Increase)/decrease in trade receivables	2,554	3,356
(Increase)/decrease in GST input tax credits receivable	176	(109)
(Increase)/decrease in long service leave reimbursements receivables	(567)	116
(Increase)/decrease in annual leave reimbursements receivables	(2,588)	1,703
(Increase)/decrease in other receivables	(563)	(18)
(Increase)/decrease in contract assets	(13,563)	3,089
(Increase)/decrease in prepayments	677	(6,459)
(Increase)/decrease in inventories	(1,614)	(940)
Increase/(decrease) in payables	4,358	(2,871)
Increase/(decrease) in accrued employee benefits	(405)	(2,469)
Increase/(decrease) in contract liabilities and unearned revenue	(3,609)	5,816
Increase/(decrease) in GST payable	78	(5)
Increase/(decrease) in security deposits	306	(5)
Net cash provided by operating activities	43,958	16,691

CF-2 Changes in liabilities arising from financing activities

2021	Non-cash changes			Cash flows			
	Opening Balance 1 July 2020	Transfers to/(from) other Qld Government entities	New Leases Acquired	Other	Cash Received	Cash Repayments	Closing Balance 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities	107,933	-	239	(6)	-	(3,034)	105,133
Total	107,933	-	239	(6)	-	(3,034)	105,133

2020	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

The accompanying notes form part of these statements.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

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 34, 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 2020.

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.

There are no new accounting standards applicable to DAF for the Financial Year (FY) 2020-21 (refer 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 2019-20 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 2021

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 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 five themes to drive this change:

- **Innovative and globally competitive agribusinesses** – develop and deliver a future-focused agribusiness and food strategy.
- **Prosperous economies** – support industry to intensify, diversify and expand.
- **A resilient sector** – support industry to meet its current and future workforce and skills needs.
- **Consumer and community expectations** – deliver a regulatory environment that gives consumers and communities confidence that primary production is ethical and sustainable; engage and partner to improve environmental, social and government practises.
- **Capable and connected people** – grow workforce capability in a safe, healthy and rewarding working environment; engage with and provide quality service to diverse customers and stakeholders.

The department contributes to Queensland's Economic Recovery Plan by focussing efforts on initiatives that support businesses to respond to the immediate challenges presented by COVID-19, and build more productive, diverse and resilient regional economies over the longer term. Initiatives are being delivered in consultation with key stakeholders from across the sector with a focus on a secure and skilled agricultural workforce, biosecurity and fisheries management reforms, digital transformation across the supply chain, reef water quality, agribusiness diversification and productivity, native timber industry development, and underpinning trade relationships to grow exports.

Key investment areas for 2020-21 included:

- Lift the productivity of Queensland's food and fibre businesses
- Mitigate the risks and impacts of animal and plant pests and diseases and weeds to the economy, the environment, social amenity and human health. This service area also upholds standards for animal welfare and agricultural chemical use.
- Ensure sustainable and productive fisheries and the responsible allocation and use of state-owned forest and related resources.
- 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.
- Support measures to help Queenslanders continue to recover from the economic impacts of COVID-19.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2021

A2 Departmental objectives (continued)

Major departmental services

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

Agriculture

This service area:

- supports Queensland's economic recovery in a post COVID-19 environment by delivering initiatives and programs in support of a resilient agribusiness sector, including the Seasonal Worker Programme
- delivers AgTech initiatives and programs and provides industry, and university scientists with access to the department's world-class research facilities
- promotes Queensland's agricultural products and innovations internationally to grow exports and attract investment
- supports the protection of the Great Barrier Reef, with research, development and extension on land management practices that improve Reef water quality as well as productivity
- supports recovery efforts in response to business disruptions and natural disasters, continuing drought assistance programs while this drought lasts and delivering reforms to drought programs through the Drought and Climate Adaption Program
- 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 industry analysis to ensure policy and regulatory frameworks underpin the long term sustainability of Queensland's food and fibre sector.

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 services area:

- continues to position Queensland as a leader in national biosecurity preparedness and enhancing Queensland's biosecurity prevention and response capability
- implements and monitors actions related to strategic plans
- works with stakeholders to facilitate the adoption of the regional stakeholder partnership and investment model to address regional biosecurity threats
- continues eradication and containment programs for invasive plants and animals, such as weeds and pest animals
- biosecurity diagnostics and other laboratory services
- meets national standards of animal welfare and ethics, including exhibited animals and contributes to national processes to develop appropriate animal welfare standards and guidelines
- 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 and obtaining, and maintaining access to export markets
- continuing to improve swimmer safety through undertaking research and trialling the application of new technologies, education and awareness programs
- 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 by establishing the Native Timber Advisory Panel
- supplying State-owned forest products and quarry material on a commercial and environmentally responsible basis.

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

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2021****B1. Revenue**

	2021	2020
	\$'000	\$'000
B1-1. Appropriation revenue		
Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in operating result		
Budgeted appropriation revenue	333,136	329,014
Treasurer's advance	-	1,960
Treasurer's transfers	14,773	25,941
Total appropriation receipts (cash)	347,909	356,915
Less: opening balance of appropriation revenue receivable	(3,004)	-
Plus: closing balance of appropriation revenue receivable	-	3,004
Plus: opening balance of deferred appropriation payable to Consolidated Fund	2,848	9,747
Less: closing balance of deferred appropriation payable to Consolidated Fund	(31,413)	(2,848)
Net appropriation revenue	316,340	366,818
Appropriation revenue recognised in statement of comprehensive income	316,340	366,818

Accounting Policy - Appropriation revenue

Appropriations provided under the *Appropriation (2020-21) Act 2021* are recognised as revenue when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity, refer to Note C9-2.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

	2021	2020
	\$'000	\$'000
B1-2. User charges and fees		
Revenue from contracts with customers		
Fee for service	125,465	130,840
Sale of goods	3,970	3,513
Licence fees and permits	10,975	7,362
Other user charges and fees		
Property rental ⁽¹⁾	6,903	6,319
Total	147,312	148,033

(1) Property rental includes rent received from state and commonwealth agencies, universities and government employee housing.

Accounting Policy - User charges and fees

Fee for Services

Information Technology Partners (ITP) Service Level Agreements - The department provides information technology services to other departments 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.

Research and Development Contract Services – The department performs research and development services under legally enforceable contracts with specific performance obligations (promise to transfer a good or a service in the form of research results and reports), determined transaction price and a financial acquittal process. Revenue is recognised when (or as) the performance obligations are satisfied.

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.

The timing of revenue recognition for sale of goods involves either invoicing for related goods/services and/or the recognition of accrued revenue.

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 2021

	2021 \$'000	2020 \$'000
B1-3. Grants and contributions		
Commonwealth grants ⁽¹⁾	30,913	36,365
Local government contributions	6,360	6,240
Queensland State contributions	2,277	1,330
Industry contributions	1,258	613
Goods and services received below fair value	363	308
Total	41,170	44,856

⁽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.

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:

- Department of Resources: 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. Procurement services from DES previously part of the BCP arrangements were transferred on 1 April 2021 to DAF.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2021**

	2021	2020
	\$'000	\$'000
B1-4. Royalties		
Royalties - Timber	15,892	17,899
Royalties - Quarry materials ⁽¹⁾	25,880	10,837
Royalties - Other ⁽²⁾	3,661	4,939
Total	45,434	33,675

⁽¹⁾ The increase is largely due to royalties for quarry materials relating to infrastructure and mining projects.

⁽²⁾ Other royalties relate to patents on plant breeders' rights.

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.

B2. Gains on disposal and re-measurement of assets

Net gains from disposal of property, plant and equipment ⁽¹⁾	8,807	(655)
Net increment in valuation of biological assets	2,042	2,078
Total	10,849	1,423

⁽¹⁾ The increase is mainly due to the sale of the former QATC property "Berrigurra Station" with net proceeds returned to QT as an equity withdrawal.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2021****B3. Expenses**

	2021 \$'000	2020 \$'000
B3-1. Employee expenses		
<u>Employee Benefits</u>		
Wages and salaries ⁽¹⁾	178,166	183,845
Termination benefits	561	1,148
Employer superannuation contributions	24,285	24,282
Annual leave levy	19,070	19,430
Long service leave levy	4,119	4,182
Other employee benefits	1,394	2,214
<u>Employee Related Expenses</u>		
Workers compensation premium	1,066	1,159
Other employee related expenses ⁽²⁾	439	550
Total ⁽³⁾	229,101	236,809

⁽¹⁾ In 2019-20, 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⁾ In 2019-20, Government Employee Housing was disclosed as other employee related expenses. Treasury Financial Reporting Requirements for 2020-21 stipulate this should be disclosed as other supplies and services. 2019-20 has been recast to reflect the change for comparative purposes.

⁽³⁾ The table below sets out the number of employees as at 30 June 2021, 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:

	2021	2020
Number of employees:		
DAF	1,776	1,901
BCP (providing services to other departments)	202	223
Total number of employees	1,978	2,124

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.

Workers' Compensation Premiums

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

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

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

	2021	2020
	\$'000	\$'000
B3-2. Supplies and services		
Contractors	68,080	79,386
Collaborative research arrangements	23,679	20,221
Accommodation and lease rentals	22,268	22,479
Motor vehicles - QFleet	5,745	5,813
Outsourced service delivery	25,604	27,250
Inventory and consumables	22,032	23,971
Computer/information technology	19,466	19,027
Repairs and maintenance	11,383	12,959
Transport	10,510	12,251
Service delivery costs and service level agreement charges	16,282	10,360
Building services	7,576	6,416
Telecommunications and electricity	5,944	6,326
Shared services provider fee	5,535	5,926
Travel	3,396	5,162
Portable and attractive items	2,430	2,603
Consultancy fees	509	743
Legal Costs	1,388	1,547
Other ⁽¹⁾	13,578	13,107
Total	265,406	275,547

⁽¹⁾ In 2019-20, Government Employee Housing was disclosed as other employee related expenses. Treasury Financial Reporting Requirements for 2020-21 stipulate this should be disclosed as other supplies and services. 2019-20 has been recast to reflect the change for comparative purposes.

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 B3-3.

Disclosure - Accommodation and lease rentals

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework arise from non-lease arrangements with the Department of Energy and Public Works (DEPW), who has substantive substitution rights over the assets used within this scheme. Payments are expensed as incurred and categorised within the office accommodation and lease rentals line item.

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

Payments for residential accommodation properties under the Government Employee Housing (GEH) program arise from non-lease arrangements with the Department of Energy and Public Works (DEPW), who has substantive substitution rights over the assets used within this scheme. Payments are expensed as incurred and categorised within Other Supplies and Services based on materiality.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

	2021	2020
	\$'000	\$'000
B3-3. Grants and subsidies		
Subsidies ⁽¹⁾	14,715	40,453
Queensland and local government	7,106	6,868
Industry ⁽²⁾	2,035	5,984
Charities/community groups ⁽³⁾	700	350
Goods and services provided below fair value	325	301
Other ⁽⁴⁾	152	466
Total	25,033	54,421

⁽¹⁾ The decrease relates to reduced demand for the Drought Assistance package and On-Farm Emergency Water Infrastructure rebate scheme in 2020-21.

⁽²⁾ The amount for 2019-20 includes \$3.8 million advanced to the former Queensland Agricultural Training Colleges (QATC) for separation payments in December 2019 with \$3.0 million reimbursed in January 2020. The former QATC was abolished on 29 February 2020.

⁽³⁾ Grants to charities/community groups relate to funding provided to Surf Life Saving Queensland.

⁽⁴⁾ Other includes Capital, Commonwealth and grants to Individuals.

Accounting Policy - Grants and subsidies

A 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, grant payments are expensed when payment is made.

For procurement payments, where the terms of a procurement (exchange transaction) have been satisfied during the reporting period, but the full amount has not yet been disbursed, an expense and a liability in respect of the present obligation are recognised.

Departmental grants can be in the nature of contributions, subsidies, incentives, donations (disclosed in Note B3-6) or other funding arrangements.

B3-4. Depreciation and amortisation

Depreciation and amortisation were incurred in respect of:

Buildings ⁽¹⁾	7,097	5,789
Infrastructure	481	469
Leased assets ⁽²⁾	6,278	6,368
Plant and equipment	14,205	13,909
Software purchased	425	261
Software internally generated	116	17
Total	28,603	26,812

⁽¹⁾ The increase is largely due to the full year of depreciation on buildings transferred from the former QATC to DAF on 1 March 2020.

⁽²⁾ Refer to Note C8 for further information.

B3-5. Finance/borrowing costs

Interest on lease liabilities	2,453	2,524
	2,453	2,524

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 2021**

	2021	2020
	\$'000	\$'000
B3-6. Other expenses		
External audit fees - QAO ⁽¹⁾	390	224
Insurance premiums - QGIF ⁽²⁾	830	766
Insurance premiums - Other	139	156
Sponsorships ⁽³⁾	265	80
Donations and gifts ⁽⁴⁾	15	40
License fees and permits	260	273
Patent, copyright & trademark acquisition	173	270
Special payments ⁽⁵⁾		
Ex-gratia payments	143	329
Compensation payments	1	-
Other	132	52
Total	2,347	2,192

⁽¹⁾ Total audit fees payable to the Queensland Audit Office (QAO) relating to the 2020-21 financial year are based upon their estimated fee of \$240,000 (2020: \$240,000). There are no non-audit services included in this amount. 2021 includes costs for 2020 invoiced in 2021. 2021 also includes a payment of \$149,950 for the prior year which was not accrued for in the prior year.

⁽²⁾ The department's non-current physical assets and other risks are insured through the QGIF, premiums being paid on a risk assessment basis.

⁽³⁾ In 2020-21 sponsorships include Beef Week Australia 2021.

⁽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⁾ Special payments during 2020-21 include the following:

- There were 8 ex-gratia payments over \$5,000 in relation to the Red Witchweed Eradication Program (9 payments in 2019-20).
- There were no compensation payments over \$5,000 made in 2020-21.

Accounting Policy - Special payments

Special payments represent ex-gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

	2021	2020
	\$'000	\$'000
C1. Cash and cash equivalents		
Cash at bank	62,025	41,204
Imprest accounts	6	18
Total	62,031	41,222

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	11,119	13,673
Less: allowance for impairment loss ⁽¹⁾	(636)	(537)
	10,483	13,137
 GST input tax credits receivable	 2,444	 2,620
GST payable	(78)	-
	2,366	2,620
 Appropriation revenue receivable	 -	 3,004
Annual leave reimbursements	4,256	1,668
Long service leave reimbursements	1,513	947
Other	612	50
	6,382	5,668
Total	19,231	21,425

⁽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.

C2-1. Impairment of receivables

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.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

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 all revenue streams 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 7 years preceding 30 June 2021. 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 7 years preceding 30 June 2021 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

	2021			2020		
	Gross receivables	Loss rate	Expected credit losses	Gross receivables	Loss rate	Expected credit losses
Aging	\$'000	%	\$'000	\$'000	%	\$'000
Current	5,853	0.18	11	3,364	0.20	7
1 to 30 days overdue	948	0.34	3	1,255	0.37	5
31 to 60 days overdue	52	1.07	1	330	1.12	4
61 to 90 days overdue	25	2.18	1	133	2.17	3
> than 90 days overdue	780	3.18	25	444	3.07	14
Total	7,658		40	5,526		31

Disclosure – Movement in loss allowance for trade debtors

	2021 \$'000	2020 \$'000
Loss allowance as at 1 July	537	16
Increase/decrease in loss allowance recognised in operating result ⁽¹⁾	100	521
Loss allowance as at 30 June	637	537

⁽¹⁾ Higher loss allowances were recognised in 2019-20 due to COVID-19 and potential contractual disputes.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2021**

	2021	2020
	\$'000	\$'000
C3. Other Assets		
Current		
Prepayments	9,891	10,900
Contract assets - Research and Development Contracts	3,661	4,064
Contract assets - National Cost Sharing ⁽¹⁾	28,347	14,381
Total	41,900	29,345
Non-Current		
Prepayments	2,487	2,156
Total	2,487	2,156

⁽¹⁾ The increase in Contract assets relating to National Cost Sharing arrangements is mainly due to the National Red Imported Fire Ant Eradication Program's (NRIFAEP) accelerated treatment in 2020-21.

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.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2021

C4. Property, plant, equipment and depreciation expense

C4-1. Closing balances and reconciliation of carrying amount

	Land		Buildings		Infrastructure		Plant and equipment		Capital work in progress		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Gross	138,393	123,623	378,192	333,145	58,801	43,173	220,702	223,525	3,329	4,649	799,418	728,116
Less: accumulated depreciation	-	-	(205,217)	(178,117)	(35,815)	(20,790)	(132,939)	(127,440)	-	-	(373,971)	(326,348)
Less: accumulated impairment losses	-	-	-	-	-	-	(9)	(103)	-	-	(9)	(103)
Carrying amount at 30 June 2021	138,393	123,623	172,976	155,028	22,986	22,383	87,754	95,981	3,329	4,649	425,438	401,664
<i>Represented by movements in carrying amount:</i>												
Carrying amount at 1 July 2020	123,623	109,721	155,028	113,588	22,383	21,842	95,981	98,311	4,649	10,000	401,664	353,462
Acquisitions (including upgrades)	17	480	-	-	-	-	1,803	4,744	12,716	11,109	14,536	16,333
Transfer in from other Qld Government entities ⁽¹⁾	-	13,380	-	37,843	-	-	-	1,408	-	-	-	52,629
Transfer out to other Qld Government entities	-	-	(93)	-	-	-	-	-	-	-	(93)	-
Disposals	-	32	(794)	(583)	-	-	(417)	(359)	-	-	(1,211)	(910)
Assets reclassified as held for sale ⁽²⁾	(22,476)	(460)	(960)	-	-	-	-	-	-	-	(23,436)	(460)
Transfers between asset classes	-	-	8,143	9,663	1,301	1,011	4,592	5,786	(14,036)	(16,460)	-	-
Net revaluation increments/(decrements) in revaluation surplus	37,228	470	18,749	306	(217)	-	-	-	-	-	55,760	776
Depreciation expense	-	-	(7,097)	(5,789)	(481)	(469)	(14,205)	(13,909)	-	-	(21,783)	(20,167)
Carrying amount at 30 June 2021	138,393	123,623	172,976	155,028	22,986	22,383	87,754	95,981	3,329	4,649	425,438	401,664

⁽¹⁾ In 2019-20, Property, plant and equipment transferred in from the former QATC totals \$52.6 million.

⁽²⁾ During 2020-21 the cattle property called "Berrigurra Station" was reclassified out of Land and Buildings into assets held for sale. Following a public auction of the property in May 2021, the property was disposed of in June 2021.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

C4. Property, plant, equipment and depreciation expense (continued)

C4-2. Recognition and acquisition

Accounting policy - Recognition

Basis of capitalisation and recognition thresholds

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

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 2021 is \$0.5 million (2020: \$0.6 million) and is mainly plant and equipment.

Componentisation of assets

Some assets can 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 asset.

On initial recognition, the asset recognition thresholds outlined above apply to the asset as a single item. Where the asset qualifies for recognition of components, they 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) are 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 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 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 2021

C4. Property, plant, equipment and depreciation expense (continued)

C4-3. Measurement using historical cost

Accounting Policy

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).

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'.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2021****C4. Property, plant, equipment and depreciation expense (continued)****C4-5. Accounting Policy Depreciation expense**

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 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 2021**

C4. Property, plant, equipment and depreciation expense (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 fair 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 AASB13, 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 flows, 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 2021

	2021 \$'000	2020 \$'000
C5. Payables		
Current		
Trade creditors	10,352	6,651
Deferred appropriation refundable to Consolidated Fund	31,413	2,848
Payables to Government - State	-	1,568
Accrued expenses	6,698	6,435
Other payables	508	115
Total	48,971	17,616

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, 20 or 30 day terms.

C6. Accrued employee benefits

Current		
Salaries and wages outstanding	49	691
Annual leave levy payable	5,385	5,108
Long service leave levy payable	1,166	1,206
Total	6,600	7,005

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*.

C7. Other liabilities

Current		
Contract liabilities	26,788	24,615
Unearned revenue - Leases	2,728	7,091
Other	708	402
Total	30,224	32,107
Non-Current		
Unearned revenue - Leases	12,352	13,772
Total	12,352	13,772

Accounting Policy - Contract liabilities

Contract liabilities arise from contracts with customers and they represent a performance obligation that is:

- enforceable - the funds are required to be refunded if the terms are breached, and
- sufficiently specific - the obligation to provide goods/services is distinct and the price for them can be determined.

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.

For leases, unearned revenue is recognised as a liability when the department has received payments in advance, which are then amortised over the lease term.

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 2021 includes \$24.9 million (2020: \$24.2 million) for research and development contracts, \$1.3M for Fee for Service Contracts and \$0.6M for National Cost Sharing.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

C8. Right-of-use assets and lease liabilities

C8-1. Leases as lessee

Right-of-use assets

	Land		Building		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Opening balance at 1 July	411	515	114,560	120,824	114,971	121,339
Additions	-	-	239	-	239	-
Amortisation	(28)	(104)	(6,250)	(6,264)	(6,278)	(6,368)
Other Adjustments	(3)	-	(3)	-	(6)	-
Balance as at 30 June	380	411	108,546	114,560	108,926	114,971

Lease liabilities	2021 \$'000	2020 \$'000
Current		
Lease liabilities	3,251	4,091
Total	3,251	4,091
Non-Current		
Lease liabilities	101,882	103,843
Total	101,882	103,843

Accounting Policy - Leases as lessee

Right-of-use assets

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

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

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

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

The department measures right-of-use assets from 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.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

C8. Right-of-use assets and lease liabilities (continued)

C8-1. Leases as lessee (continued)

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 the Commonwealth Scientific and Industrial Research Organisation (CSIRO). 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.
Fisheries Queensland - Storage facilities	The department currently leases 4 facilities for Queensland Boating and Fisheries Patrol and Shark Control programs activities. The lease terms range from 10 to 17 years and these leases have renewal or extension options. The options are 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.

(ii) Office accommodation, employee housing and motor vehicles

DEPW 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 DEPW has substantive substitution rights over the assets. The related service expenses are included in Note B3-2.

	2021	2020
	\$'000	\$'000
<i>(iii) Amount recognised in profit and loss</i>		
Interest expenses on lease liabilities	2,453	2,524
Breakdown of 'Lease expenses' included in Note B3-2		
- Expenses relating to short-term/low value asset leases	754	649
Income from subleasing included in 'Property Rental' in Note B1-2	304	304
<i>(iv) Total cash outflow for leases</i>	5,486	5,386

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 Food Sciences Precinct Coopers Plains	The department subleases floor space to 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.
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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 2021

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. Appropriations recognised in equity	2021 \$'000	2020 \$'000
Budgeted equity adjustment appropriation	(6,203)	(12,029)
Transfers to other headings	200	5,121
Equity adjustment recognised in contributed equity	(6,003)	(6,908)

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 \$'000	Buildings \$'000	Infrastructure \$'000	Total \$'000
Balance 1 July 2020	9,262	16,941	4,271	30,474
Revaluation increments	37,228	18,749	-	55,977
Revaluation decrements	-	-	(217)	(217)
Balance 30 June 2021	46,490	35,690	4,054	86,235

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Total \$'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

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

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 inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

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

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.

Transfers between fair value hierarchy levels – Land

Departmental land values were determined using level 2 and/or level 3 inputs.

Where there was no sufficient market evidence and significant adjustments were necessary to available sales data, the land valuation was categorised as level 3 within the fair value hierarchy (land valued at \$678,000 was moved out of level 2 and into level 3 as a result of 2020-21 valuations program). In instances where the valuers were able to obtain active market data and there was sufficient record of sales available in surrounding locality, land was categorised as level 2 (land valued at \$2.4 million was moved out of level 3 and into level 2 as a result of 2020-21 valuations program).

Transfers between fair value hierarchy levels – Buildings

The fair value measurement and movement of buildings out of level 2 and into level 3 (\$48.8 million) is related to current year assessment based on these buildings' characteristics and availability of market information. Where the buildings were assessed as either residential or general-purpose commercial buildings, a valuation using market approach with references to publicly available data sales was applied. A number of department's buildings, such as glass houses and laboratories, were previously classified as level 2, however there is no active market for these types of assets. Valuations of specific-purpose buildings that have limited uses, are done using a cost approach resulting in valuation categorised within level 3 of the fair value hierarchy.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

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

Land

Effective date of last specific appraisal: 30 June 2021 by State Valuation Service (SVS)

Valuation approach: Market-based assessment

Inputs

The valuation of land has been undertaken by physical inspection and comparison of land to publicly available data on recent sales of similar land in the area, taking into account the highest and best use that is physically possible, legally permissible and financial feasible. These observable inputs reflect the assumptions that market participants would use when pricing the assets. Adjustments were made to the sales data to take into account the location, size, street/road frontage and access, and any significant restrictions for each individual land parcel.

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.

Buildings

Effective date of last specific appraisal: 30 June 2021 by SVS

Valuation approach: Current replacement cost

Inputs

The valuation of buildings has been undertaken by physical inspection, with the value of the building adjusted for current published quantity surveyor construction rates taking into account the various standard components of buildings where appropriate. A locality factor is also applied to the construction rates to reflect the local differences in costs such as fuel process and labour costs.

Physical inspections assessed the condition of the assets to determine the appropriate depreciation rates based and the remaining useful lives.

Infrastructure

Effective date of last specific appraisal: 30 June 2021 by SVS

Valuation approach: Current replacement cost - due to no active market for the Wild Dog Barrier Fence (WDBF)

Inputs

The current replacement cost of the fence has been calculated based on a rate per kilometre using the costs of materials, plant and labour sourced from recent construction activity. The total useful life and remaining life have been assessed based on a physical inspection of sections of the WDBF to assess the condition, and management has also factored in the capital replacement program and maintenance program in the assessment.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

D1. Fair value measurement (continued)

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

	Land		Buildings		Infrastructure		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Fair value level 2	67,980	62,238	-	48,842	-	-	67,980	111,080
Fair value level 3	70,413	61,385	172,976	106,186	22,986	22,383	266,375	189,954
Carrying amount at 30 June	138,393	123,623	172,976	155,028	22,986	22,383	334,355	301,034

D1-4. Level 3 fair value measurement - reconciliation

	Land		Buildings		Infrastructure		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Carrying amount at 1 July	61,385	61,290	106,186	68,287	22,383	21,842	189,954	151,419
Transfers into level 3 from level 2	678	-	48,842	-	-	-	49,520	-
Transfers out of level 3 to level 2	(2,360)	(460)	-	-	-	-	(2,360)	(460)
Acquisitions (including upgrades)	17	-	-	-	-	-	17	-
Disposals	-	-	(794)	(501)	-	-	(794)	(501)
Transfers between asset classes	-	-	8,143	4,142	1,301	1,010	9,444	5,152
Transfers in from other QLD Govt entities ⁽¹⁾	-	-	-	37,843	-	-	-	37,843
Transfers out to other QLD Govt entities	-	-	(93)	-	-	-	(93)	-
Assets reclassified as held for sale	-	-	(960)	-	-	-	(960)	-
Net revaluation increments/(decrements) recognised in other comprehensive income	10,693	555	18,749	130	(217)	-	29,225	685
Depreciation	-	-	(7,097)	(3,715)	(481)	(469)	(7,578)	(4,184)
Carrying amount at 30 June	70,413	61,385	172,976	106,186	22,986	22,383	266,375	189,954

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

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2021****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	2021 \$'000	2020 \$'000
Cash and cash equivalents	C1	62,031	41,222
Receivables	C2	19,231	21,425
Total		81,263	62,646
Financial liabilities at amortised cost - comprising			
Payables	C5	48,971	17,616
Other liabilities	C7	708	402
Lease liabilities	C8	105,133	107,933
Total		154,812	125,952

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 C5).
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 2021

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.

D2-4 Liquidity risk - contractual maturity of financial liabilities

The following tables sets out the liquidity risk of financial liabilities held by the department. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the statement of financial position that are based on discounted cash flows.

Financial Liabilities	2021	Contractual Maturity			2020	Contractual Maturity		
	Total \$'000	< 1 Year \$'000	1 - 5 Years \$'000	> 5 Years \$'000	Total \$'000	< 1 Year \$'000	1 - 5 Years \$'000	> 5 Years \$'000
Payables	48,971	48,971	-	-	17,616	17,616	-	-
Other liabilities	708	708	-	-	402	402	-	-
Lease liabilities	130,670	5,636	24,258	100,776	135,906	5,458	23,450	106,998
Total	180,349	55,315	24,258	100,776	153,924	23,476	23,450	106,998

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2021****D3. Contingencies****(a) Litigation in progress**

As at 30 June 2021, the following ongoing cases which have contingent liability were filed in the courts naming the State of Queensland through DAF:

	2021	2020
Federal Court	1	-
District Court	3	2
Magistrates Court	23	31
Queensland Industrial Relations Commission (QIRC)	-	1
Court of Appeal	1	1
Industrial Court	-	1
Supreme Court	1	1
Total number of litigation matters in progress	29	37

As at 30 June 2021, of the 29 cases in progress (2019-20: 37 cases), there were 10 cases (2019-20: 9 cases) where the State of Queensland through DAF, or an officer of DAF, is named as a defendant or respondent. The remaining 19 cases (2019-20: 28 cases) are matters where the State of Queensland through DAF is a complainant or appellant, and proceedings have commenced.

There are 3 contingent liabilities at the reporting date. These relate to Workers Compensation, Supreme Court and Appeal Court proceedings, and Queensland Industrial Relations Commission matter. The value of these contingent liabilities is estimated to be approximately \$492,000.

For the remainder of the matters, 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 6 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 (QGIF).

The maximum exposure of the department under policies held with QGIF is \$10,000 for each insurable event.

(b) 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.

(c) Contaminated Land sites

There is no outstanding rehabilitation work in relation to the former Forestry Plantations Queensland (FPQ) assets (storage tanks and herbicide disposal pits). As such, the department does not have any contingent liabilities associated with FPQ sites.

The department is currently in the process of obtaining administrative approval, from DES, to have the sites removed from the Contaminated Land Register.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

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:

	2021	2020
	\$'000	\$'000
Capital works in progress	2,835	1,683
Plant and equipment	445	-
Software	-	404
	<u>3,280</u>	<u>2,087</u>
Payable:		
· Not later than 1 year	<u>3,280</u>	<u>2,087</u>
Total capital expenditure commitments ⁽¹⁾	<u>3,280</u>	<u>2,087</u>

⁽¹⁾ These amounts are GST exclusive as at 30 June 2021.

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, there were no impacts of new or amended Australian Accounting Standards. All other Australian Accounting Standards and interpretations with future effective dates are not applicable to the department at the reporting date.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2021

E1. Budgetary reporting disclosures

This section contains explanations of major variances between the department's actual 2020-21 financial results and the original budget presented to Parliament. As the 2020-21 SDS does not include a budgeted statement of financial position or budgeted statement of cash flows, no disclosure of budget to actual variances is required by AASB 1055 *Budgetary Reporting* for these financial statements.

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

	Variance Notes	2021 Actual \$'000	2021 Original Budget \$'000	Actual vs Budget Variance \$'000
Income from operations				
Appropriation revenue	1	316,340	332,980	(16,640)
User charges and fees		147,312	145,823	1,489
Grants and contributions		41,170	40,626	544
Royalties	2	45,434	36,417	9,017
Other revenue	3	1,470	552	918
Total revenue		551,727	556,398	(4,671)
Gains on disposal/revaluation of assets	4	10,849	95	10,754
Total income from operations		562,576	556,493	6,083
Expenses from operations				
Employee expenses	5	229,101	231,849	(2,748)
Supplies and services	6	265,406	269,717	(4,311)
Grants and subsidies	7	25,033	22,623	2,410
Depreciation and amortisation		28,603	27,849	754
Finance/borrowing costs		2,453	2,973	(520)
Impairment losses		372	-	372
Other expenses	8	2,347	1,482	865
Total expenses from continuing operations		553,315	556,493	(3,178)
Operating result for the year	9	9,261	-	9,261

Explanation of major variances:

- The decrease in Appropriation revenue is largely due to the deferral of appropriation funding from 2020-21 to 2021-22 (\$32 million) to fund a number of departmental priorities and to realign the budget with anticipated cash flows for various limited life departmental programs. This is partly offset by funding (\$10.6 million) released in 2020-21 from the funds held centrally by government for the continuation of the Drought Assistance Package, coupled with funding provided in 2020-21 to finalise long-term decisions on the future of assets formerly held by QATC (\$3.3 million) and funding provided to meet Queensland's obligations within the National Biosecurity System (\$2.4 million).
- The Royalties increase is driven by a one-off uplift in royalties revenue in 2020-21 generated from the quarry material removal relating to infrastructure and mining related projects and high demand for material from local governments. There was also an uplift in forestry royalties revenue from higher than expected volumes of high-pole products being available for removal as well as hardwood timber permittees harvesting their full allocations.
- The increase in Other revenue is mainly driven by recoveries from the Queensland Government Insurance Fund associated with repairs to Leslie Research facility and the Redlands glasshouse (\$0.94 million).
- The increase in Gain on disposal/revaluation of assets for 2020-21 includes the one-off gain on sale of the former Queensland Agricultural Training Colleges cattle property 'Berrigurra Station' (\$9.62 million) and an increase in the livestock valuation due to higher than expected cattle prices throughout 2020-21.
- The decrease in Employee expenses largely represents lower than budgeted costs within R&D funded projects and savings generated due to vacancy management.
- The decrease in Supplies and services is driven by delays in project costs for R&D funded projects, coupled with realignment of expenditure (to out years) across various departmental state funded programs. Also contributing to the under expenditure were savings generated within accommodation, and QSS charges.
- The increase in Grants and subsidies is largely due to expenses incurred for the continuation of the Drought Assistance Package where the 2020-21 allocation was held centrally by Queensland Treasury and drawn down in arrears based on actual expenditure.
- The increase in Other expenses is due to inventory write-offs, sponsorships, special payments and prior year audit fees.
- The 2020-21 actual operating result reflects the net gain on sale of the former Queensland Agricultural Training Colleges cattle property 'Berrigurra Station'.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2021****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

		2021 Actual \$'000	2021 Original Budget \$'000	Actual vs Budget Variance \$'000	2020 Actual \$'000
	Variance Notes				
Administered income					
Appropriation revenue	1	61,854	235,144	(173,290)	108,320
User charges and fees		1,588	1,666	(78)	1,726
Grants and other contributions		16,514	16,048	466	16,048
Other revenue		1,748	1,355	393	1,303
Total administered income		81,704	254,213	(172,509)	127,398
Administered expenses					
Grants to Queensland Rural and Industry Development Authority (QRIDA)	1	29,920	192,727	(162,807)	72,914
Grants to Queensland Racing Integrity Commission (QRIC)		28,840	29,140	(300)	28,251
Supplies and services		105	810	(705)	171
Loss on disposal		-	-	-	4
QRIDA administration expenses	2	2,969	12,448	(9,479)	6,964
Depreciation and amortisation		20	19	1	20
Decrements on revaluation	3	217	-	217	-
Transfers of administered income to Government ⁽¹⁾		19,850	19,069	781	19,074
Total administered expenses		81,921	254,213	(172,292)	127,398
Operating result for the year surplus/(deficit)	3	(217)	-	(217)	-
Other comprehensive income					
Items that will not be reclassified to operating result:					
Increase in asset revaluation surplus		51	-	51	-
Total comprehensive income		(166)	-	(166)	-

⁽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).

F1-2. Administered activities - budget to actual comparison and variance analysis

1. The decrease in Appropriation revenue is largely due to the funding adjustment for QRIDA to administer the Federal Government Restocking, Replanting and On-farm infrastructure grants program due to slower than originally anticipated demand with the Australian Government re-allocating part of this funding to other programs which will benefit the area in North Queensland impacted by the Monsoon Trough flooding event.
2. The decrease in QRIDA administration expenses is largely due to the funding adjustment for QRIDA to administer the Federal Government Restocking, Replanting and On-Farm infrastructure grants program due to slower than originally anticipated demand with the Australian Government re-allocating part of this funding to other programs which will benefit the area in North Queensland impacted by the Monsoon Trough flooding event.
3. A comprehensive asset revaluation of administered land and buildings was performed in 2021. The revaluation increment for land resulted in \$74,000 disclosed in Other comprehensive income. Building revaluations resulted in a decrement of \$250,000. Out of that, \$23,000 was accounted for against the asset revaluation reserve, which was fully exhausted. The remaining \$217,000 is recognised as an expense and represents the deficit for 2020-21 year.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

F1-3. Schedule of administered assets and liabilities

		2021	2020
		Actual	Actual
	Notes	\$'000	\$'000
Administered assets			
<i>Current</i>			
Cash	1	2,580	53,481
Receivables	2	232	5,633
Total current assets		2,812	59,114
<i>Non-current</i>			
Property, plant and equipment		552	737
Total non-current assets		552	737
Total assets		3,364	59,851
Administered liabilities			
<i>Current</i>			
Administered income refundable to Government		2,452	2,716
Grants payable		-	150
Payables to Government		258	271
Other payables	3	83	5,957
Total current liabilities		2,793	9,094
Net administered assets/liabilities		571	50,756

1. The decrease in cash is mainly due to the payment of \$50 million to QRIDA as the final component of \$1 billion in funding received by the department 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.
2. The decrease in receivables is largely driven by \$5.3 million in appropriation received for the funding of QRIDA administration expenses.
3. The decrease in payables is largely due to the payment of \$5.8 million to QRIDA for administration expenses.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

F1-4. Schedule of administered equity

	Variance Notes	Contributed Equity \$'000	Accumulated (Deficit) \$'000	Asset Revaluation Surplus \$'000	TOTAL \$'000
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	1	1,002,702	-	-	1,002,702
- Appropriated equity withdrawals		(19)	-	-	(19)
- Non-appropriated equity adjustment	1	(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
Balance as at 1 July 2020		53,651	(2,935)	41	50,756
Operating result					
Operating result from continuing operations		-	(217)	-	(217)
Other comprehensive income					
- Increase/(decrease) in asset revaluation surplus		-	-	51	51
- Transfers between asset revaluation reserve and accumulated surplus		-	-	-	-
Total comprehensive income for the year		-	(217)	51	(166)
Transactions with owners as owners:					
- Appropriated equity injections		524	-	-	524
- Appropriated equity withdrawals		(19)	-	-	(19)
- Non-appropriated equity withdrawals	1	(82,297)	-	-	(82,297)
- Non appropriated equity adjustment	1	31,773	-	-	31,773
Net transactions with owners as owners		(50,019)	-	-	(50,019)
Balance at 30 June 2021		3,632	(3,153)	92	571

1. In 2019-20 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 2021, the full \$1 billion had been paid to QRIDA with \$950 million in 2019-20 and \$50 million in early 2020-21. QRIDA has returned \$31.8 million of loan repayments to DAF in 2020-21 that the department then repaid to Queensland Treasury.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the financial statements

For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
F1-5. Reconciliation of payments from consolidated fund to administered income		
Budgeted appropriation receipts	237,698	235,613
Treasurer's transfers	(14,973)	(31,062)
Lapsed appropriation	(155,865)	(20)
Appropriation adjustment	-	(100,000)
Total administered receipts	66,860	104,531
Less: Opening balance of appropriation revenue receivable	(5,270)	-
Add: closing balance of appropriation revenue receivable	-	5,270
Add: opening balance of deferred appropriation payable to Consolidated Fund	2,716	1,235
Less: closing balance of deferred appropriation payable to Consolidated Fund	(2,452)	(2,716)
Net appropriation revenue	61,854	108,320
Plus deferred appropriation payable to Consolidated Fund (expense)	-	-
Appropriation revenue recognised in statement of comprehensive income	61,854	108,320
F1-6. Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity		
Budgeted equity adjustment appropriation	605	2,583
Treasurer's advance	-	900,000
Appropriation adjustment	-	100,000
Equity adjustment receipts (payments)	605	1,002,583
Less: opening balance of equity adjustment receivable	(100)	-
Plus: closing balance of appropriation receivable	-	100
Net appropriation equity	505	1,002,683

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

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 and Minister for Rural Communities.

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 2020-21 and 2019-20. 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, Biosecurity Queensland and Corporate.
Deputy Director-General, Corporate	The Deputy Director-General is responsible for the efficient, effective and economic administration of the Human Resources, 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, research and initiatives that lift the productivity of Queensland's food and fibre businesses, and regional services.
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 2021****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 2020 – 30 June 2021

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Total Expenses
	Monetary Benefits \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000
Director-General (former) to 31/03/2021	232	-	6	19	256
Director-General, appointment effective 1 April 2021	177	-	4	22	203
Deputy Director-General, Agriculture Queensland	241	-	6	27	275
Chief Biosecurity Officer	254	-	6	29	289
Deputy Director-General, Corporate	220	-	5	24	250
Deputy Director-General, Fisheries and Forestry	235	-	6	26	267
Total	1,358	-	32	148	1,538

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the financial statements
For the year ended 30 June 2021

G1. Key management personnel (KMP) disclosures (continued)

Remuneration Expenses (continued)

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.

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 2021

G2. Related party transactions

Transactions with people/entities related to KMP

A review has been undertaken for the 2020-21 financial year, to 30 June 2021, 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:

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

Procurement services from DES previously part of the BCP arrangements were transferred on 1 April 2021 to DAF.

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

- Department of Resources formerly (DNRME): Information Management, Fleet Management, Telecommunications
- DES: Information Management, Fleet Management, Telecommunications
- DTIS: 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 31% of the total user charges and fees.

Office accommodation and QFleet costs disclosed in supplies and services (Note B3-2) includes office accommodation across the State with DEPW and motor vehicle lease arrangements provided by QFleet.

QBuild within DEPW are the main provider of building repair and maintenance disclosed within supplies and services (Note B3-2) under repairs and maintenance.

Queensland Shared Services (QSS) and CITEC within the Department of Communities, Housing and Digital Economy (DCHDE) are the shared services provider disclosed in supplies and services (Note (B3-2)). They provide support for the finance, procurement, human resources, telecommunications and information technology services functions of the department.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the financial statements****For the year ended 30 June 2021**

G3. First year application of new accounting standards or change in accounting policy**Accounting standards applied for the first time**

One new accounting standard was applied for the first time in 2020-21:

- AASB 1059 *Service Concession Arrangements: Grantors*

The effect of adopting this new standard is not applicable to DAF as it has not entered into any service concession arrangements.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2020-21.

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**Climate Change**

Climate change is a long-term change in the average weather patterns, such as temperature and rainfall, that have come to define local, regional and global climates. In some areas, sophisticated models are available to simulate the effect of climate change including rising sea levels.

As part of the 2020-21 non-current assets revaluations program, State Valuation Service (SVS) has considered the risk of climate change on the land values for DAF at 30 June 2021.

SVS considered the impact not to be material and the land values at 30 June 2021 were not affected. The sales values used in this valuation program would reflect any effect of climate change that a market participant would consider at this time, so no adjustment to the adopted land values at 30 June 2021 was required.

Bushfires

Whilst fires have previously impacted large areas of the state, it was concluded there is no ongoing effect on the value of the land, with the values provided supported by the market evidence. The sales evidence used in most cases was obtained from the area near the subject property and reflected comparable land features not limited to location, area, topography, flooding and bushfires.

Market evidence used in the valuation process reflected current market conditions and physical features of the land, with property markets overall improving since the recent bushfires.

Flood Prone Land

SVS used sales evidence reflecting the physical characteristics of the land. Where historically sites have been affected by flooding, comparable market evidence was considered with similar constraints to reflect these limitations.

Summary Climate Change, Bushfire and Flood Prone Land

For the purposes of properties' valuations SVS had consideration of the risk of climate change, flooding and bushfires. Whilst the 2020-21 revaluation period was affected by the climate change, it is considered that the impact of it was not material and did not affect the land values at 30 June 2021.

Useful Life of Building Assets

Climate change will not affect the remaining useful lives currently, however the materials used, and construction technology of the modern equivalent asset is reflected in the total lives adopted. Currently the effect from the climate is immaterial, however, it is a consideration in the materials used for the replacement costs, which is reflected in the revaluation process.

Future year impacts

The department will incorporate the above issues as part of an ongoing assessment 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 2021

G6. Significant financial impacts from COVID-19

The following significant transactions were recognised by DAF during the 2020-21 financial year in response to the COVID-19 pandemic:

	2021 \$'000	2020 \$'000
OPERATING STATEMENT		
<u>Significant expense items arising from COVID-19</u>		
Assistance to RSPCA, zoos and mobile animal exhibitors ⁽¹⁾	182	966
Business counselling and advice costs incurred	725	550
Market Diversification and Resilience Grants	422	359
Promotional campaign #EatQLD to eat local, stay healthy and support jobs	10	187
Digital transformation in Agribusiness	966	-
Reinvigorated Agricultural Trade Relationships	250	-
Agribusinesses Diversification Assistance	509	-
Jobs Support Loan Facility - Small Business Advisory Service	54	295
Enhancing local government biosecurity capacity	47	-
Sheep meat processing industry Investment strategy	250	-
Support for agricultural development in the North West	64	-
Agricultural seasonal labour ⁽²⁾	567	-
Recreational fishing grants	248	-
Non-labour costs for personal protective equipment, cleaning, etc. ⁽¹⁾	306	160
	4,600	2,517
<u>Significant revenue items arising from COVID-19</u>		
Additional revenue recognised to fund COVID-19 initiatives	3,762	1,391
	3,762	1,391

⁽¹⁾ No additional funding for these items was received in 2020-21.

⁽²⁾ Existing DAF funding of \$350,000 was used in 2020-21 with the remaining \$217,000 being new funding received from Queensland Treasury. In addition, there was in-kind support provided by DAF personnel.

Other significant impacts arising from COVID-19

The department provided rent relief of \$220,000 to small business tenancies in 2020-21 (2019-20: \$171,000). This amount is not reflected in the revenue/expense items above.

Administered activities arising from COVID-19

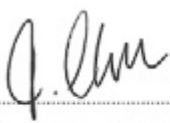
In 2019-20 the Department received \$1 billion in funding for the Queensland Government COVID-19 Jobs Loans Scheme administered by QRIDA to support Queensland businesses and non-profit organisations financially affected by COVID-19 to retain employees and maintain their operations. As at 30 June 2021, the full \$1 billion had been paid to QRIDA with \$950 million in 2019-20 and \$50 million in early 2020-21. QRIDA has returned \$31.8 million of loan repayments to DAF in 2020-21 that the Department then repaid to Queensland Treasury.

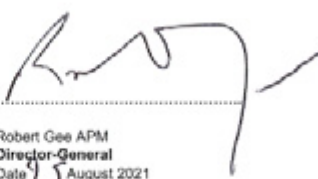
DEPARTMENT OF AGRICULTURE AND FISHERIES
Management Certificate
For the year ended 30 June 2021

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 2021 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 GAICD
Chief Finance Officer
Date 25 August 2021


.....
Robert Gee APM
Director-General
Date 25 August 2021



INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Department of Agriculture and Fisheries

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of 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 2021, 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 2021, 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 Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of land with restricted uses (\$70.41 million)

Refer to note D1-3 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>The department's land assets were 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's reserve land (restricted for use) comprises 50.88 per cent of the department's land holdings. Sales of land with these restrictions are rare. The fair value measurements for this type of land involved significant judgement due to limited availability of recent sales data for land with similar restrictions on use.</p> <p>The department engaged a registered valuer to derive fair values for this land at 30 June 2021.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> assessing the competence, capability and objectivity of the experts used to develop the models obtaining an understanding of the methodology used with reference to common industry practices. <p>For a sample of land parcels, evaluating the reasonableness of:</p> <ul style="list-style-type: none"> market values before restrictions, through comparison with recent sales of similar land adjustments for restrictions, by reviewing the basis for calculating the discount, and assessing the reasonableness and reliability of the basis applied.

Buildings valuation (\$172.98 million) and depreciation expense (\$7.10 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 department derived the gross replacement cost of its buildings at balance date using unit prices that required 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"> estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. \$/square metre) 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. estimating adjustments required for permanent excess capacity in existing buildings. 	<p>My procedures included, but were not limited to:</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, the unit costs of its recent projects, and common industry practices. for unit rates: <ul style="list-style-type: none"> assessing the competence, capability and objectivity of the experts used by the entity to develop the models obtaining an understanding of the methodology used, and assessing its appropriateness with reference to common industry practices on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the: <ul style="list-style-type: none"> modern substitute (including locality factors and oncosts) adjustment for excess quality or obsolescence. evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> reviewing management's annual assessment of useful lives

Key audit matter	How my audit addressed the key audit matter
<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>	<ul style="list-style-type: none"> – ensuring that no component still in use has reached or exceeded its useful life – reviewing formal asset management plans, and enquiring of management about whether these plans remain current – reviewing for assets with an inconsistent relationship between condition and remaining useful life. • 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. This is not done for the purpose of expressing an opinion on the effectiveness of the department's internal controls, but allows me to express an opinion on compliance with prescribed requirements.

- Evaluate the appropriateness of 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.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

- I received all the information and explanations I required.
- I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the department's transactions and account balances to enable the preparation of a true and fair financial report.



Carolyn Dougherty
as delegate of the Auditor-General

27 August 2021

Queensland Audit Office
Brisbane

Appendixes including essential disclosures

Appendix 1: Related entities

The entities in Table A1, together with the department, form the ministerial portfolio for the Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities.

The entity in Table A2 is administered for the Minister for Education, Minister for Industrial Relations and Minister for Racing.

Table A1 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 authority	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 A2 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 2: Performance statements

Table A3 Performance statements (2020–21)

	Notes	2020–21 target/estimate	2020–21 actual result
Service area: Agriculture			
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	1	75%	Not available
<i>Efficiency measures</i>			
Average cost per hour to conduct regulatory policy and reform activities		\$77	\$81
Investment in the management of the Drought Relief Assistance Scheme program as a proportion of the total claims paid under the scheme	2	10%	11.3%
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 the department's extension programs	3	40%	80%
<i>Efficiency measure</i>			
Average cost of regional agricultural advocacy activities		\$500	\$453
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)	4	>4	6.92
Level of funding partner satisfaction that research outcomes contribute to industry productivity growth		90%	85.7%
<i>Efficiency measure</i>			
Percentage return on research, development and extension investment through royalty returns	5	4%	5.7%

(continued)

Table A3 cont. Performance statements (2020–21)

	Notes	2020–21 target/estimate	2020–21 actual result
Service area: Biosecurity Queensland			
Service standards			
<i>Effectiveness measures</i>			
Proportion of significant biosecurity responses that deliver the planned outcomes to safeguard economic loss	6	>90%	100%
Level of satisfaction with biosecurity partnership performance	7	>3.0	Not available
<i>Efficiency measures</i>			
Cost of significant biosecurity responses per agricultural production unit	8	≥ 1:450	1:520
Cost of core biosecurity services per agricultural production unit	9	≥ 1:250	1:342
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	10	85%	94%
Percentage of units inspected that are compliant with fisheries laws		90%	89%
<i>Efficiency measures</i>			
Average cost of inspections	11	\$550	\$765
Average number of inspections per FTE	12	220	205
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)		100%	100%
<i>Efficiency measure</i>			
Average expense necessary to authorise the removal of a cubic metre of forest product:			
(a) native forest timber (expenses/m ³)		\$39.58	\$39.88
(b) quarry material (expenses/m ³)	13	\$0.64	\$0.28

Notes

- The survey to measure the level of satisfaction was sent to 100 recipients, with a total of 15 responses received. While the satisfaction rate for respondents exceeded the target, the statistical validity was low due the limited number of responses.

(continued)

Table A3 cont. Performance statements (2020–21)

2. The increase in the 2020–21 actual result from the 2020–21 target/estimate is due to improving conditions, which resulted in a decline in demand for the scheme.
3. The assessment for this measure included four DAF extension projects, with 1018 producer respondents indicating a 75 per cent change rate as a result of engagement with DAF. The increase in the 2020–21 actual result from the 2020–21 target/estimate is due to increased targeting of extension projects in the Great Barrier Reef catchments. More intensive efforts were focused on a smaller number of producers rather than broader, less targeted extension projects, resulting in increased adoption rates.
4. The target has been set based on experience of research-related benefit–cost ratios both within and external to DAF and the average benefit–cost ratio over the past 5 years. Each year, six new research, development and extension projects/programs are chosen at random. The increase in the 2020–21 actual result from the 2020–21 target/estimate means that the six randomly chosen project/programs delivered improved benefits relative to costs, greater than past experiences.
5. The increase from the 2020–21 target/estimate to the 2020–21 actual result is due to an increased market share of the department-bred strawberry, mango and mandarin varieties, and increased royalties relating to the Rhinogard vaccine.
6. The 2020–21 target/estimate of 90 per cent is a minimum expectation; however, DAF consistently strives for 100 per cent. 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 from pests and diseases. Effective biosecurity responses and swift return to trade following eradication leads to trading partner confidence and ongoing investment in agriculture.
7. The evaluation of the performance of partnership activities is undertaken in ‘real time’ during the annual Biosecurity Partners Forum. A 2020–21 actual result cannot be reported because the forum was not held in 2020–21 due to COVID-19 restrictions.
8. This measure is calculated and expressed as a ratio of the 5-year average of the GVP over the expenditure on the significant incident. The 2020–21 actual result is based on the available GVP for 5 years from 2015–16 to 2019–20. These are the latest official figures. Performance exceeded the 2020–21 target/estimate as the cost of managing incidents was less than anticipated when compared to the value of production protected.
9. The 2020–21 actual result is based on the available GVP for 5 years from 2015–16 to 2019–20. These are the latest official figures.
10. As reported in the 2020 status of Australian fish stocks report, published in April 2021.
11. The increase in the average cost of inspections for 2020–21 was due to a reduced number of inspections conducted by authorised QBFP officers for the period, while expenditure on QBFP operations remained relatively stable. The reduction in the number of inspections during this period was influenced by a variety of factors, including the transition to a more intelligence-based compliance program, which also resulted in fewer, more directed, inspections, and approximately 10 per cent of authorised QBFP officers being involved in providing compliance support to the whole-of-government response to COVID-19, including the Pacific Labour Scheme.
12. The reduction in the number of inspections per FTE for 2020–21 was influenced by a variety of factors, including the transition to a more intelligence-based compliance program, which resulted in fewer, more directed, inspections, and approximately 10 per cent of authorised QBFP officers being involved in providing compliance support to the whole-of-government response to COVID-19, including the Pacific Labour Scheme. This efficiency measure is based on a historic compliance approach and will be revised for future financial years to reflect the new intelligence-based compliance program and other strategic priorities of the QBFP.
13. The variance between the 2020–21 target/estimate and the 2020–21 actual result is due to the significant short-term uplift in quarry material removals associated with railway and mine construction activity in the Galilee basin.

Appendix 3: Compliance checklist

Table A4 Compliance checklist 2020–21

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 112
	<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, 12–14
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community and whole-of-government plans/specific initiatives 	ARRs—section 11.1	15–16
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs—section 11.2	12, 21–30
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs—section 11.3	13, 105–107
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs—section 12.1	4–11
Governance—management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs—section 13.1	18
	<ul style="list-style-type: none"> Executive management 	ARRs—section 13.2	19–20
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs—section 13.3	13, 104
	<ul style="list-style-type: none"> Public sector ethics 	<i>Public Sector Ethics Act 1994</i> ARRs—section 13.4	37
	<ul style="list-style-type: none"> Human rights 	<i>Human Rights Act 2019</i> ARRs—section 13.5	37–38
	<ul style="list-style-type: none"> Queensland public service values 	ARRs—section 13.6	12

(continued)

Table A4 cont. Compliance checklist 2020–21

Summary of requirement		Basis for requirement	Annual report reference
Governance—risk management and accountability	• Risk management	ARRs—section 14.1	39
	• Audit committee	ARRs—section 14.2	40
	• Internal audit	ARRs—section 14.3	41
	• External scrutiny	ARRs—section 14.4	41–43
	• Information systems and recordkeeping	ARRs—section 14.5	44–45
	• Information security attestation	ARRs—section 14.6	39
Governance—human resources	• Strategic workforce planning and performance	ARRs—section 15.1	46–48
	• Early retirement, redundancy and retrenchment	<i>Directive no. 04/18: early retirement, redundancy and retrenchment</i> ARRs—section 15.2	47
Open data	• Statement advising publication of information	ARRs—section 16	45
	• 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	99
	• Independent auditor's report	FAA—section 62 FPMS—section 46 ARRs—section 17.2	100–103

FAA—Financial Accountability Act 2009

FPMS—Financial and Performance Management Standard 2019

ARRs—Annual report requirements for Queensland Government agencies

Acronyms and abbreviations

AASB	Australian Accounting Standards Board
agvet chemicals	agricultural chemicals and veterinary medicines
ALCS	Annual Leave Central Scheme
APM	Australian Police Medal
ARRs	<i>Annual report requirements for Queensland Government agencies</i>
AS	Australian Standard
AS/NZS	Australian Standard/New Zealand Standard
ATO	Australian Taxation Office
BCP	Business and Corporate Partnership
BQMAC	Biosecurity Queensland Ministerial Advisory Council
CPI	consumer price index
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAF	Department of Agriculture and Fisheries
DCHDE	Department of Communities, Housing and Digital Economy
DEPW	Department of Energy and Public Works
DES	Department of Environment and Science
DNRME	(former) Department of Natural Resources, Mines and Energy
DRAS	Drought Relief Assistance Scheme
DSDTI	(former) Department of State Development, Tourism and Innovation
DTIS	Department of Tourism, Innovation and Sport
eDRMS	electronic document and records management system
Ekka	short for Exhibition, the Royal Queensland Show (formerly Brisbane Exhibition)
FAA	<i>Financial Accountability Act 2009</i>
FAD	fish-aggregating device
FBT	fringe benefits tax
FIFA	Federation Internationale de Football Association
FPMS	Financial and Performance Management Standard 2019
FPQ	Forestry Plantations Queensland
FTE	full-time equivalent
FY	financial year
GEH	Government Employee Housing
GST	goods and services tax
GVP	gross value of production
ICT	information and communication technology
IGAB	Intergovernmental Agreement on Biosecurity
IS	International Standard
ISMS	Information Security Management System
ISO	International Organization for Standardization
IT	information technology
ITP	Information and Technology Partners

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Acronyms and abbreviations cont.

KMP	key management personnel
LIMS	Laboratory Information Management System
LSL	Long Service Leave
MOHRI	Minimum Obligatory Human Resource Information
NCAP	Non-Current Assets Policies
NCS	national cost sharing
NRIFAEP	National Red Imported Fire Ant Eradication Program
PSC	Public Service Commission
QAO	Queensland Audit Office
QATC	Queensland Agricultural Training Colleges
QBFP	Queensland Boating and Fisheries Patrol
QGAO	Queensland Government Accommodation Office
QGIF	Queensland Government Insurance Fund
QLD	Queensland
QRIC	Queensland Racing Integrity Commission
QRIDA	Queensland Rural and Industry Development Authority
QSA	Queensland State Archives
QSS	Queensland Shared Services
QT	Queensland Treasury
QTC	Queensland Treasury Corporation
RANGER	Resources, Authorities, Notations, Geospatial, Entities and Reporting system
RPT	related party transactions
RSPCA	Royal Society for the Prevention of Cruelty to Animals
SDS	Service Delivery Statements
SVS	State Valuation Service
TABS	Think, Act, Be Safe
WDBF	wild dog barrier fence
WHS	work health and safety; also 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
COVID-19	the coronavirus that originated in China in 2019 and was declared a global pandemic
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
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)
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
khapra beetle	a destructive exotic pest of stored grain, rice and dry foodstuffs (species name <i>Trogoderma granarium</i>) that is well established in many regions of the world (including parts of Asia, Africa, the Middle East and Europe) and poses a major threat to Australia's grains, dried fruit, rice and nut industries; its spread is most likely through the movement of infested stored grain and products, as contamination of seed, machinery and straw, or through hitchhiking in shipping containers or household furnishings
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

(continued)

Glossary cont.

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

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