

ANNUAL REPORT 2022–23



Department of Agriculture and Fisheries

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Letter of compliance

25 September 2023

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

Dear Minister

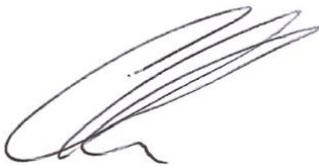
I am pleased to submit for presentation to the Parliament the Annual Report 2022–2023 and financial statements for the Department of Agriculture and Fisheries.

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 is provided in Appendix 3, page 129 of this annual report.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Chris Sarra', written in a cursive style.

Dr Chris Sarra
Director-General
Department of Agriculture and Fisheries

Message from the Director-General

The Department of Agriculture and Fisheries (DAF) continues to deliver services to ensure Queensland is a world-leading provider of high-value food and fibre and creates a legacy of sustainable and inclusive prosperity. We create value for Queensland by connecting industries, the community and government to grow our economy and safeguard our natural environment.

Despite the challenges and disruptions presented by economic uncertainty, the impacts of drought and extreme weather events, emergency responses and disasters, in 2022–23, the sector remained strong and resilient, continuing to be the backbone of Queensland’s rural economy. Demand for Queensland products remained strong, with record high prices received for many of our key commodities.

This strong demand resulted in a gross value of production for 2022–23 forecast to be \$24.44 billion, the highest on record. Queensland benefited from successive seasons of favourable conditions, government investment in research, development and extension (RD&E), and drought preparedness, building resilience for expected drier conditions.

In 2022–23, Queensland exported food and fibre to over 130 destinations, with total food and fibre exports valued at \$12.51 billion.

This outcome was achieved even though input costs are rising, workforce challenges continue, and floods have had a devastating effect on parts of the sector. To address workforce challenges, DAF successfully implemented the #pickqld campaign to encourage new workers into the sector, and the Queensland Agriculture Workforce Network local solutions initiative. This has helped Queensland agribusinesses to catch, harvest and pick produce for tables around the world.

To enable industry growth and to alleviate rising input costs, DAF continued to invest in RD&E efforts that promote and underpin a productive, sustainable and resilient sector. These efforts support and encourage primary producers to adopt transformative strategies and technologies to expand and diversify their business and reduce financial exposure to risks like drought and biosecurity threats.

As part of our RD&E activities, we progressed Queensland Smart Farms, a network of farms and industry learning and research centres dedicated to advancing the agriculture and food industries through AgTech innovation. We are delivering the Gatton Smart Farm initiative and associated capital improvements at the Gatton Research Facility, and the Central Queensland Smart Cropping Centre in Emerald. These facilities work with industry, AgTech providers, producers, supply chain businesses and research collaborators to drive industry adoption of new practices and technologies.

DAF continues to make significant progress in implementing the actions in the *Queensland sustainable fisheries strategy 2017–2027*. We are committed to further modernising fisheries management to improve fishing efficiency and support industry, as well as contributing to the overall objective of ensuring the sustainability of Queensland's fisheries and fish for future generations.

In addition to the reform work, Fisheries Queensland launched the new Qld Fishing 2.0 recreational fishing app, deployed a network of fish aggregating devices, continued our stock assessment program to set sustainable catch limits and supported harvest strategy implementation. Since the implementation of the strategy in 2017, 36 stock assessments have been completed for 26 species and 36 fish stocks to inform the setting of sustainable catch limits.

We recognise the importance of the native timber industry in supporting employment and investment in regional and rural Queensland. DAF continues to deliver the *Native timber action plan* and implements strategies to support an internationally competitive and sustainable industry. DAF initiated a Native Timber Advisory Panel, comprising a cross-section of stakeholders, including Traditional Owners, to ensure that wide-ranging perspectives are considered.

Biosecurity Queensland maintains a response-ready workforce as part of preparedness for emergency animal disease and other biosecurity incursions. During 2022–23, DAF effectively reported and responded to 1,026 new biosecurity incidents in Queensland:

- 1 related to animal biosecurity (*Salmonella enteritidis* in poultry), a significant operational response supported by both industry and government following food poisoning cases related to a single infected premises
- 16 related to emergency plant pests considered under the Emergency Plant Pest Response Deed
- 1,009 related to invasive plants and animals, including detections of restricted and prohibited matter in Queensland.

The nature and scale of the responses managed by DAF is perhaps a more valuable measure than just the number of incidents alone. Significant responses during 2022–23 include:

- guava root knot nematode (*Meloidogyne enterolobii*)
- a focused Queensland preparedness response relating to the detection of varroa mite (*Varroa destructor*) in New South Wales
- ongoing support for the pork industry to manage Japanese encephalitis.

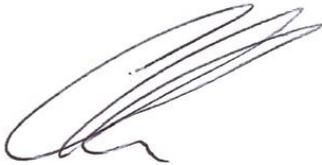
DAF has activated a range of awareness, training and prevention measures, as well as emergency response-ready activities to strengthen emergency animal disease preparedness. We continued to

deliver the National Red Imported Fire Ant (RIFA) Eradication Program to eradicate fire ants from South East Queensland. The RIFA Taskforce was formed to support the national program, which managed 10 significant detections and contained the overall spread in South East Queensland. DAF continues to work collaboratively with all levels of government, peak industry bodies, the tertiary and research sectors, primary producers and businesses on biosecurity matters to support long-term profitability, sustainability and adaptability.

The department's achievements have been made possible by the extraordinary efforts of our staff and their dedication to supporting a resilient and adaptable sector. To ensure DAF remains a collaborative, modern and agile organisation, we continue to invest in our capability and culture to drive improved performance in a rapidly changing environment.

These are just some highlights of the important work our department delivered in 2022–23. I sincerely thank our stakeholders, all staff, and Minister Furner and his office for their collaboration, dedication and hard work during the year.

On behalf of the department, I am pleased to present the annual report for 2022–23, which provides a complete overview of our highlights and achievements.

A handwritten signature in black ink, appearing to read 'Chris Sarra', with a large, sweeping flourish above the name.

Dr Chris Sarra

Director-General

Department of Agriculture and Fisheries

Agency role and main functions

Who we are

The Department of Agriculture and Fisheries was established under the *Public Sector Act 2022*. Our responsibilities are outlined in the Administrative Arrangements Order (No. 1) 2023 of 18 May 2023. The department forms part of the portfolio of the Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities.

Our *Strategic plan 2021–25* (refreshed for 2022) provided our vision, purpose and objectives for the 2022–23 reporting period, as outlined below.

Our vision

Queensland is a world-leading provider of high-value food and fibre and creates a legacy of sustainable and inclusive prosperity.

Our purpose

We create value for Queensland by connecting industries, the community and government to grow our economy and safeguard our natural environment.

Our strategic objectives

- **Innovative and globally competitive agribusinesses** accessing improved practices, data and new technologies to enhance the productivity, profitability and sustainability of food and fibre value chains
- **Prosperous economies** providing business and employment opportunities across regions, diversified markets, and value-added products and services
- **A resilient sector** with secure production, and value chains that can deal with natural disasters, climate change, biosecurity risks and other emerging challenges
- Food and fibre production, animal welfare and management, and our natural environment meet consumer and community expectations for **ethics, sustainability and safety**
- **Trusted, capable and connected people** who are high-performing, safe, healthy and supported to deliver services and achieve their potential within the department and the community.

Details of our performance against our strategic objectives can be found on pages 20 to 37.

Our values

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



Customer 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.



Empowered 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 business groups deliver the following services:

- **Enabling Agriculture Industry Growth Service Area**—the objective is to deliver innovative research, policy and support services that enable agribusinesses to grow.

The **Agriculture Business Group** delivers this service area and its 3 services:

- Agribusiness and Policy
- Rural Economic Development
- Agri-Science Queensland.

- **Queensland Biosecurity Services Service Area**—the objective is to mitigate the risks and impacts of animal and plant pests and diseases and weeds to the economy, the environment, social amenity and human health. This service area also upholds standards for animal welfare and agricultural chemical use.

The **Biosecurity Queensland Business Group** delivers this service area and 3 major services, supported by the Strategy, Investment and Performance team:

- Animal Biosecurity and Welfare
- Plant Biosecurity and Product Integrity
- Invasive Plants and Animals.

- **Fisheries and Forestry Industry Development Service Area**—the objective is to position Queensland as a world leader in sustainable, high-value fisheries and fishing experiences, and to ensure the strategic management of state-owned timber and quarry resources meets community and government expectations and enables industry to invest.

The **Fisheries and Forestry Business Group** delivers this service area and its 2 services:

- Fisheries
- Forestry.

- **Rural Communities Business Group**, which was created on 29 May 2023 to drive a strong place-based and coordinated cross-jurisdictional approach to DAF's 3 service areas.
- **Corporate Business Group**, which supports the delivery of our services by providing core corporate services and a range of specialised services across the department. Our Corporate Business Group also delivers information technology services across multiple departments as part of a Business and Corporate Partnership arrangement with partnering agencies. Under the arrangement, we also receive legal services from the Department of Resources and the right to information and privacy services from the Department of Environment and Science (DES).

Details on the achievements of DAF's service areas, including results for each service standard for the 2022–2023 reporting period, can be found in Appendix 1: Performance statements.

Operating environment

Our sector

Queensland's agricultural industries (agriculture, fisheries, forestry and food) are the keystones of our economy, regions and communities, supporting Queensland to be prosperous, resilient and sustainable. With the highest proportion of land used for agriculture (84 per cent) of any Australian state, Queensland's agricultural industries are central to our culture, history and lifestyle. They directly support over 40,000 businesses across our rural and remote communities. Stretching beyond the farm gate, the agribusiness and food sector contributes over \$33.7 billion to the economy and either partly or entirely supports employment of approximately 363,000, or roughly one in seven, Queenslanders.

Our producers lead the world in innovation and resilience and continue to grow and evolve, delivering a breadth of high-quality and competitive food and fibre products to domestic and international consumers. We are positioned strongly to leverage our unique strengths, including a diverse climate, wealth of natural resources, modern supply chains, skilled workforce, world-class research and development, and long-standing trading partnerships. Queensland grows the majority of Australia's bananas, pineapples, mangoes, mandarins, avocados and tomatoes, and exports 58 per cent of all agricultural output. Queensland is a world leader in beef and beef product production, as it is host to major global processors and contributes over \$6 billion to the economy.

The 2022–23 year was marked by an easing of global trade conditions, with improved freight capacity and a softening of transport costs. While economic conditions are improving, the sector continues to face challenges, including increasing costs of production, labour supply issues and changing consumer expectations. Despite this, Queensland's agricultural industries have continued to foster strong global and domestic demand for our high-quality food and fibre products. Given Queensland has benefited from successive seasons of favourable conditions and strong prices, the outlook for future seasons is optimistic.

Queensland's gross value of production (GVP) for 2022–23 is estimated at \$24.44 billion, an increase of 4.3 per cent on the 2021–22 value of \$23.42 billion (see Table 1 below). This is driven by the Queensland Government's investment in RD&E and drought preparedness, which continues to build resilience, standing the sector in good stead for the expected drier conditions ahead. The sector remains strong, efficient and sustainable, and continues to supply consumers around the world.

Table 1 Agriculture, fisheries and forestry snapshot (by GVP, 2022–23)

Horticulture	\$4.17B
Livestock and livestock products	\$8.63B
Cropping	\$5.59B
Fisheries and forestry	\$764.70M
First round processing value added	\$ 5.29B
Total	\$24.44B

Source: Department of Agriculture and Fisheries 2023, *Queensland AgTrends*, Primary Industries data, Queensland Government, Brisbane. <https://www.daf.qld.gov.au/news-media/campaigns/data-farm/primary-industries>

Through its biosecurity functions, DAF serves all Queensland communities, protecting the state’s unique natural environment, high-quality produce and envious outdoor way of life. Businesses are being supported to build natural capital, maintain high levels of biosecurity and enhance ecosystem protection to safeguard Queensland’s economy, environment, biodiversity and social amenity.

Plant and animal pests and disease outbreaks have significant impacts on production and market access for industries and supply chains, causing substantial economic losses. As agricultural industries are the backbone of many rural and regional communities throughout Queensland, this reduced production or supply chain disruption can cause considerable economic and social ripple effects throughout entire communities.

Queensland’s biodiversity is world-renowned and is the cornerstone of our state’s tourism sector. But the state’s unique ecosystems and variable climate mean Queensland is highly susceptible to a vast number of plant and animal pests and diseases that can have devastating impacts on the environment.

Queenslanders and visitors alike relish an outdoor lifestyle. Many biosecurity threats, particularly invasive pests and weeds, have the potential to impact social amenity, considerably altering how people live and how communities function. Safeguarding Queensland’s land and waters from exotic plant and animal pests, weeds and diseases is important now and for our future generations. Equally, limiting the damaging and costly impacts of the pests, weeds and diseases already here is important to avoid adding to that burden.

DAF is also accountable for upholding community expectations for appropriate standards for both animal welfare, of which education is a key component, and chemical usage across the state.

Outlook

The outlook is one of opportunity among persistent challenges, including weakening farmers' terms of trade, geopolitical tensions, climate change and increasing biosecurity risks. With a resilient and innovative system, Queensland's agriculture, fisheries and forestry sector is well placed to capitalise on the opportunities ahead.

AgTech

Amid softening consumption of goods, heightened uncertainties regarding the future geoeconomic landscape, weak productivity growth and a more challenging financial environment, firms are looking to technology to increase productivity and profitability, maintain and grow market share, enable the redirection of labour to higher skilled activities, manage plant and animal health, and capture data to demonstrate environmental, social and governance credentials to consumers and suppliers.

Over the medium term, integrated AgTech solutions will transform Queensland agriculture and drive productivity, sustainability, traceability, provenance, biosecurity preparedness and response, climate resilience and emissions reduction. AgTech will play a critical role in enabling producers to differentiate themselves and be competitive in global markets.

Development in remote sensors, robotics and automation has the potential to replace some low-skilled human labour while increasing the demand for high-skilled workers. Agricultural technology advancement will help increase crop production and increase productivity while more efficiently using scarce resources such as water and fertiliser.

Sustainability

Queensland's agriculture, fisheries and forestry supply chains are changing to meet the state's 2030 carbon emissions reduction target and lucrative market opportunities.

Consumers, markets and producers are demanding improved production and quality of food and fibre products, transparency along the value chain, lower carbon emissions, environmental sustainability and social outcomes for regional, rural and First Nations Australian communities. Data and our ability to demonstrate progress towards meeting environmental, social and governance standards will be key for Queensland in maintaining its reputation as a clean, green leader in agriculture production.

Producers are increasingly seeking to engage in market mechanisms such as carbon farming, natural capital accounting, and sustainability and biodiversity frameworks to satisfy changing consumer expectations and remain competitive in international markets.

Supporting industry in meeting sustainability goals is our strong biosecurity system. Our biosecurity system protects Queensland's agriculture fisheries and forestry exports of over \$12.5 billion, protects approximately 363,000 jobs along the entire food and fibre supply chain, supports thriving regional tourism and protects our unique environmental assets.

Trade

Global growth is expected to slow in 2023 but set to improve in 2024. Economic growth in Queensland's key agricultural trading partners is expected to be resilient, but challenges will remain as rising interest rates and inflation weaken demand for premium agricultural products.

Open, stable and transparent trade policies are key for economic growth and resilience, with Queensland exporters expected to benefit from diversification in export markets in the medium term. The Australia–India Economic Cooperation and Trade Agreement entered into force in December 2022, and the Australia–United Kingdom Free Trade Agreement entered into force in May 2023. While in 2022–23 our 3 largest export markets (China, South Korea and Japan) collectively accounted for over 50 per cent of our exports by value, we are likely to see greater trade market and product diversification looking ahead.

Recent weakening of the Australian dollar will assist in the overall competitiveness of Queensland exports, with demand for sustainable, high-quality food products to remain strong. Imports of key inputs to production, such as fertiliser, electricity and labour, are, however, expected to remain elevated, putting pressure on producers' production margins.

Pest and disease threats

Queensland is currently facing multiple, concurrent plant and animal pest and disease threats, both from within Australia and overseas. Foot-and-mouth disease, lumpy skin disease and African swine fever are all on our doorstep in Asia. Within Australia, we are faced with outbreaks such as varroa mite and white spot disease in New South Wales and banana freckle disease in the Northern Territory. There are currently 7 outbreaks being managed in Queensland, including browsing ants, electric ants, red imported fire ants, red witchweed, tropical weeds, Torres Strait exotic fruit fly and white spot disease. (www.outbreak.gov.au)

Our strategic opportunities and risks

In the design and delivery of its services, the department leverages and capitalises on strategic opportunities and manages strategic risks.

Strategic opportunities

Strategic partnerships—Building and strengthening collaborations across communities, industry and government will enable the department to harness the ideas, expertise and resources needed to find the solutions that will help our community to continue to prosper into the future.

Changing markets—Population growth, increasing incomes in populous neighbours and an increasing focus on food security are driving a rising demand for sustainable, safe and nutritious food, fibre and other agricultural products, providing the opportunity for Queensland’s food and fibre sector to grow, access new, high-value markets, and provide agribusiness and employment opportunities across the value chain.

Digital technologies, data and information security—Improved information systems, information security, data collection and digital innovations will change the way government, business and customers operate. These will drive productivity and efficiency gains, make it easier and cheaper to interact and transact, enable better decisions, and support improved consumer and customer confidence.

Informed consumers and markets—Assisting agribusinesses to meet consumer 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.

Building workforce capability—Modelling and reinforcing a high-performing, healthy and safe workplace culture and developing new and existing talent will help to build an empowered, engaged and innovative workforce.

Strategic risks

Economic shifts—Dramatic shifts in global demand, geopolitical influences and more complex supply chains may impact on previous certainties and require industry and government to adapt to support Queensland’s food and fibre sector in new and changing markets and to facilitate new sources of investment for the sector.

Labour market pressures—Difficulties in finding and retaining a skilled workforce at the appropriate place and time may limit the capacity of the sector and the department to respond to new opportunities, and evolving challenges and threats.

Climate change and other disruptive and extreme events—Climate change (including increasingly frequent extreme climatic events), increasing complexity and volume of border biosecurity risks, changing pest and disease distribution, as well as other external threats may stretch resources across competing priorities and challenge the capacity of the department and the sector to respond rapidly and effectively to maintain industry activity, continue labour supply or support recovery.

Ecosystem change—External threats to ecosystems may challenge our ability to sustainably manage, regulate and safeguard the natural resources that our industry and communities depend on now and into the future.

Organisational agility—Challenges in adapting to evolving conditions (such as economic shifts, and health and safety risks), renewing business models, securing partnerships and resourcing may affect the department’s ability to transform, innovate and meet service expectations across our large state.

Government bodies (statutory bodies and other entities)

Our work is complemented by the following bodies:

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

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

Contribution to the Queensland Government’s objectives for the community

In 2022–23, the department contributed to all 3 Queensland Government objectives for the community.

<p>Good jobs: Good, secure jobs in our traditional and emerging industries</p> <ul style="list-style-type: none"> • Supporting jobs • Backing small business • Making it for Queensland • Investing in skills 	<ul style="list-style-type: none"> • We improved agribusiness competitiveness through policy, research, innovation and workforce programs that support jobs now and in the future, diversify the sector and strengthen the Queensland economy. • We engaged with Queensland’s innovation system to identify, promote and support high-potential and high-value practices and technologies. • We provided policy, support, information and tools to help improve the resilience of agribusinesses and assist them to adapt and better manage uncertainties and change in climate, markets and biosecurity threats. • We led and enabled research and development that will deliver improved technologies, production systems, genetics and products, and provide business and employment opportunities across diversified markets and value-added products. • We supported our agribusinesses to meet their current and future workforce and skills needs through innovative programs and partnerships.
<p>Better services: Deliver even better services right across Queensland</p> <ul style="list-style-type: none"> • Backing our frontline services • Keeping Queenslanders safe • Connecting Queensland 	<ul style="list-style-type: none"> • We engaged with and provided quality frontline agriculture, biosecurity, fisheries and forestry services to our diverse customers and stakeholders. • We continued to deliver a regulatory environment that gives consumers and communities confidence that primary production is safe, ethical and sustainable. • We supported swimmer safety along Queensland’s coastline by continuing to deliver an effective shark control program,

	<p>a SharkSmart drone trial, catch alert drumline trial, research into alternative technologies and SharkSmart education program.</p> <ul style="list-style-type: none"> • We built agricultural technology (AgTech) and digital capability and capacity across value chains. • We established the Queensland Racing Appeals Panel to deliver an efficient, effective, fit-for-purpose and independent body to hear appeals relating to racing stewards' decisions under the Rules of Racing.
<p>Great lifestyle: Protect and enhance our Queensland lifestyle as we grow</p> <ul style="list-style-type: none"> • Protecting the environment • Growing our regions • Honouring and embracing our rich and ancient cultural history 	<ul style="list-style-type: none"> • We delivered policies and programs that minimise the impact of endemic pests and diseases on our environment and food chain, and that support industry to be resilient to and recover from natural disasters, biosecurity incidents and other disruptive events. • We supported businesses and communities to build our natural capital, maintain high levels of biosecurity and enhance ecosystem services to protect the environment, and secure a sustainable future for Queensland. • We supported farm infrastructure investment and identified agriculture, fisheries and forestry priorities that support the government's infrastructure planning and investment decisions. • We worked with agribusinesses, organisations and rural communities to grow the value chain, exports and investment that will create jobs and lift regional prosperity. • We continued our long history of working on land and sea, alongside those that live, work and care for these places. We recognise Aboriginal peoples and Torres Strait Islander peoples as the Traditional Custodians of the land and sea on which we work and are committed to integrating this recognition into our everyday business.

The relationship between DAF's service areas, strategic objectives and the Queensland Government's objectives for the community is shown below in Table 2.

Table 2 Relationship between DAF’s service areas, strategic objectives and the Queensland Government’s objectives for the community

Queensland Government’s objectives	Sub-objectives	DAF strategic objectives				
		Innovative and globally competitive agribusiness	Prosperous economies	A resilient sector	Ethics, sustainability and safety	Trusted, capable and connected people
		DAF service areas				
		<ul style="list-style-type: none"> Enabling Agricultural Industry Growth Queensland Biosecurity Services Fisheries and Forestry Industry Development 				
Good jobs: Good, secure jobs in our traditional and emerging industries	Supporting jobs	✓	✓	✓		
	Backing small business	✓	✓			
	Making it for Queensland	✓				
	Investing in skills			✓		✓
Better services: Deliver even better services right across Queensland	Backing our frontline services			✓	✓	✓
	Keeping Queenslanders safe			✓	✓	✓
	Connecting Queensland	✓	✓			
	Educating for the future					
Great lifestyle: Protect and enhance our Queensland lifestyle as we grow	Protecting the environment			✓	✓	
	Growing our regions	✓	✓	✓		
	Building Queensland					
	Honouring and embracing our rich and ancient cultural history		✓		✓	✓

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 services we delivered.

Intergovernmental Agreement on Biosecurity

Biosecurity Queensland works collaboratively within a strong national biosecurity system under the Intergovernmental Agreement on Biosecurity (IGAB), which was first signed in 2012. IGAB2 (the revised agreement) was signed in 2019. IGAB2 will be reviewed in 2023–24 to determine where adjustments are needed to ensure that the biosecurity system operates effectively, efficiently and with sufficient responsiveness, and continues to support market access for Australian products, to minimise primary production costs and to support a healthy economy, environment and community.

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 3 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. IGAB2 can be found at

<https://www.agriculture.gov.au/biosecurity-trade/policy/partnerships/nbc/intergovernmental-agreement-on-biosecurity>.

Reef 2050 Plan

The *Reef 2050 long-term sustainability plan* (Reef 2050 Plan) provides the framework to protect and manage the Great Barrier Reef (GBR), an iconic World Heritage Area. The revised Reef 2050 Plan was released in late 2021 and confirms the Australian and Queensland governments' commitment to addressing the key threats affecting the health of the GBR.

The Reef 2050 Plan is divided into 5 work areas and 4 enabler functions, with a collective total of 182 actions. DAF's efforts in achieving these actions are directed towards reducing land-based and water-based activity impacts. We are accelerating the implementation of major fisheries management reforms under the *Queensland sustainable fisheries strategy 2017–2027*. We also conduct RD&E to introduce and facilitate adoption of best management practices by primary producers, leading to reduced pollutant loads within reef catchments.

Great Barrier Reef Marine Park Authority Intergovernmental Agreement

Schedule E of the agreement recognises Australia's international responsibilities for the GBR 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.

Australian Fisheries Management Forum

The Australian Fisheries Management Forum (AFMF) is an informal network for sharing information and enhancing collaboration between state, territory and federal government fishery management agencies. The heads of these agencies are members of the forum, with observers from relevant bodies (including the Fisheries Research and Development Corporation).

AFMF is currently administered by Queensland and chaired by Graeme Bolton (Deputy Director-General, Fisheries and Forestry, Department of Agriculture and Fisheries). The members meet in person twice a year and the first meeting was chaired by Queensland was held in Brisbane in April 2023. Fisheries Queensland also has an Executive Officer working to support the AFMF chair and members with planning and administration of AFMF activities.

Agency objectives and performance

Objective 1: Innovative and globally competitive agribusinesses

Accessing improved practices, data and new technologies to enhance the productivity, profitability and sustainability of food and fibre value chains.

Key performance indicators

Indicator	Results				
	2018–19	2019–20	2020–21	2021–22	2022–23
Growth in productivity of Queensland agriculture ¹	5.7%	-2.7%	-0.9%	6.5%	Not available
Increase in value added to primary production by first-stage processing ²	\$4.27 billion	\$4.38 billion	\$4.33 billion	\$5.07 billion	\$5.29 billion

Notes:

1. This key performance indicator (KPI) is sourced from ABARES. The 2022–23 result is not yet available and is expected to be published in mid-2024. It is an estimate of climate adjusted Total Factor Productivity Growth, an important measure of Queensland’s broadacre agricultural performance. It shows how efficiently inputs (labour, capital, land, materials and services) are used to produce outputs (crops, wool and livestock) over time. Adjusting for climatic effects removes the transient impact of adverse seasonal conditions and provides an improved indicator of the desirable underlying causes of productivity growth.
2. This KPI is calculated using first stage processing data available at <https://www.daf.qld.gov.au/news-media/campaigns/data-farm/primary-industries>. The 2022–23 figure shows an increase of 4.3% over the previous year.

Performance snapshot

- **41,891** agriculture, forestry and fishing businesses supported across Queensland in 2021–22.
- **More than 300,000** page views from **168,300** visitors on the FutureBeef website, providing **more than 1,362** pages of information for northern beef producers.
- **3,303** inspections and **503** audits undertaken to provide market access for Queensland commodities.
- **289** live animal export certificates issued to facilitate international market access for Queensland animals.

Performance highlights

In 2022–23, we:

- managed an RD&E investment of \$140 million with a portfolio of over 300 projects 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. This included:
 - completion of a market access project for 12 horticulture commodities, securing current export pathways of \$404 million per annum and supporting access to new markets
 - release of 5 new varieties under the Strawberry Breeding Program—Susie-ASBP, Tahli-ASBP, Tamara-ASBP and 2 speciality varieties (pink and white)
 - release of 2 new mandarin varieties with disease resistance, attractive appearance, easy peeling and excellent eating quality (flavour and low seediness)
 - a critical breakthrough in tropical blacklip rock oyster production, with a new settling technique producing a 400 per cent increase in the number of free-swimming larvae induced to settle as spat, significantly boosting the potential for a Queensland blacklip rock oyster industry
 - launch of the fall armyworm RD&E Engagement Hub (eHub). The eHub is designed to engage growers, industry and stakeholders with fall armyworm RD&E activities, including regular updates from our demonstration sites, the latest news on fall armyworm management, moth activities and insecticide resistance results
- entered into an 8-year Australian Horticultural Market Access Research Partnership with Horticulture Innovation Australia and a range of other partners. The partnership will deliver scientific research services that mitigate trade risks and improve market access to grow and protect horticultural exports domestically and internationally
- progressed Queensland Smart Farm initiatives to establish a network for farms and industry learning centres dedicated to advancing Australia’s agriculture and food industries through AgTech innovation. This included:
 - committing to the supply of a range of new scientific equipment at the Gatton Smart Farm, including a 1,000 m² retractable roof greenhouse
 - progressing the possible transition of Emerald Research Facility to the Central Queensland Smart Cropping Centre, including identifying options for modernising site infrastructure to expand research capacity, engaging with industry on future RD&E opportunities and delivering a portal to support engagement with AgTech service providers and industry
- released the sugarcane industry roadmap and action plan, *Sugar Plus – fuelling the future of food, energy and fabrication* on 6 July 2022. DAF worked with the sugar industry to support the development of the roadmap and action plan

- released a draft *Queensland AgTech roadmap 2023–2028* for public consultation
- through the Agribusiness Digital Solutions Grant Program, provided grants to 9 organisations, which were matched with industry funding to deliver projects that support the trialling and adoption of digital solutions into Queensland supply chains
- in partnership with the Office of the Chief Entrepreneur and Trade and Investment Queensland, supported a delegation of 20 business leaders at EvokeAG 2023, the premier AgTech event to connect and collaborate in the Asia–Pacific
- continued to support agricultural development opportunities in the north-west and deliver practical solutions that will inform decision-making and unlock the region's dryland agricultural potential
- delivered online extension support for the northern beef industry through the FutureBeef website, a collaborative project in partnership with the Northern Territory Department of Industry, Tourism and Trade, the Department of Primary Industries and Regional Development Western Australia, and Meat and Livestock Australia to support sustainable and profitable productivity gains for northern beef producers
- enhanced our Queensland eFisher commercial reporting app and grew the number of users to 320. An average of 33 per cent of reports are now submitted electronically to provide more timely and reliable information. This has reduced industry red tape by removing the need to provide manual copies of logbooks
- enhanced the Qld Rec Fishing App 2.0, which has now been downloaded by more than 100,000 users. The app continues to be enhanced to enable reporting of recreational catch
- progressed planning for a trial of onboard cameras as part of the independent data validation project. The trial will inform implementation of a larger scale program that will provide accountability and transparency within the industry on their interactions with threatened, endangered and protected species.

Objective 2: Prosperous economies

Providing business and employment opportunities across regions, diversified markets and value-added products and services.

Key performance indicators

Indicator	Results				
	2018–19	2019–20	2020–21	2021–22	2022–23
Increase in gross value of production ¹	\$18.88 billion	\$19.12 billion	\$20.18 billion	\$23.42 billion	\$24.44 billion
Increase in value of Queensland’s food and fibre exports ²	\$8.68 billion	\$9.54 billion	\$8.54 billion	\$10.72 billion	\$12.51 billion

Notes

1. This KPI is sourced from Queensland AgTrends data published by DAF on <https://www.daf.qld.gov.au/news-media/campaigns/data-farm/primary-industries>.
2. This KPI is sourced from International Merchandise Trade Data provided by the ABS and published on <https://www.daf.qld.gov.au/news-media/campaigns/data-farm/export-trade>. It excludes confidential items such as sugar exports.

Performance snapshot

- **58,050** Queenslanders directly employed in agriculture, forestry and fishing jobs.
- **363,000** 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 \$33.7 billion**.
- **13,023** tonnes estimated total production of Queensland’s aquaculture industry, worth **\$225 million** in total value (2021–22), a record high and up **16.1 per cent** on 2020–21.
- **889** full-time staff employed by the aquaculture industry.
- **\$2.5 billion** annual value of GDP for recreational fishing in Queensland.

Performance highlights

In 2022–23, we:

- strengthened trade and investment relationships with our key and emerging agricultural export markets by supporting in-bound delegations and ministerial engagement. The Director-General presented a keynote speech to approximately 700 guests at the Global Agriculture Investment conference in the United States

- facilitated a ministerial trade mission to Vietnam including participation by industry organisations
- developed and executed 8 collaborative agreements under the Food and Fibre to Market: Industry Partnerships Program. Projects co-funded with industry will support supply chain, capability building and market development work in diverse international markets including India, Japan, Malaysia and the United States
- continued to support Queensland's agricultural businesses navigate federal processes and reforms as part of the Pacific Australia Labour Mobility (PALM) scheme, including worker welfare and pastoral needs
- worked with stakeholders to maximise reciprocal benefits from more than 14,500 Pacific Island and Timor-Leste workers engaged in Queensland—addressing statewide agricultural labour shortages while providing remittances back to the Pacific nations
- supported the PALM scheme through the engagement of 2 Workforce Liaison Officers to complement existing regional pastoral care providers and identify state-based emerging issues that arise with PALM workers in the agriculture sectors to ensure welfare and wellbeing is addressed
- provided an additional \$3.9 million for Round 5 of the Rural Economic Development Grants program to fund the purchase of innovative equipment and build new infrastructure that creates jobs and expand supply chains in the regions. A total of 88 expressions of interest were received, with 24 successful applicants to receive funding in 2023–24
- completed Round 1 of the Rural Agricultural Development (sheep and goats) (RAD) Grants program to support economic development in rural areas and support growth within the industry. More than \$1.8 million was provided across 10 projects, creating up to 77 new jobs
- provided \$1.9 million for Round 2 of the RAD Grants program. Successful applicants will be notified and receive funding in 2023–24
- continued the Rural Jobs Initiatives with funding of \$4.416 million for a further 3 years until 2025. This renewed funding will enable the Queensland agriculture sector to continue efforts to attract, train and retain a skilled and high-performing workforce
- contributed \$15,000 to fund an expanded Blue Light Shearing Program in Central West Queensland, which will deliver 6 camps for up to 72 young people to gain a Certificate II in Rural Operations and find work in the wool industry
- continued to actively target investment in the aquaculture sector including:
 - supported proponents through research and extension services and worked with other agencies to identify and develop legislative opportunities to further streamline the aquaculture planning and development assessment process

- launched the Aquaculture Transformation Project, which provides an additional \$7.5 million over 5 years to support Queensland’s growing aquaculture industry
- commenced work to identify aquaculture development areas (ADAs) in the marine environment to complement the existing land-based ADA network and facilitate expansion of the industry through a coordinated and supported planning framework. There are now 8 ADAs across the state, covering more than 9,000 hectares
- awarded grants totalling \$246,278 to community organisations to support activities and projects that enhance the recreational fishing experience and support Aboriginal peoples’ and Torres Strait Islander peoples’ traditional fishing in Queensland
- provided a record \$1.106 million to Queensland stocking groups in 2022–23 as part of the Stocked Impoundment Permit Scheme
- successfully demonstrated that the installation of fish attractors can be used to aggregate fish in impoundments and lead to greater recreational angler catch rates and satisfaction
- delivered the Fish ‘n Sips tagged fishing competition in central and western Queensland to boost economic development
- partnered with the Department of Transport and Main Roads to evaluate the use of cameras and artificial intelligence technologies to better understand recreational fishing behaviour
- continued supply of state-owned forest products and quarry material on a commercial and environmentally responsible basis, contributing to the prosperity of regional economies
- convened 3 meetings of the Timber Industry Ministerial Roundtable as a forum for industry to work more closely with the government on its future strategic direction
- continued to implement the *Native timber action plan*, including supporting the Native Timber Advisory Panel, and developing a directions paper that considers the future of native timber harvesting in Queensland to support an internationally competitive and sustainable industry, balancing both jobs and the environment
- worked with native title holders and local government authorities to negotiate Indigenous Land Use Agreements that secure access to state-owned quarry material into the future.

Objective 3: A resilient sector

With secure production, and value chains that can deal with natural disasters, climate change, biosecurity risks and other emerging challenges.

Key performance indicators

Indicator	Results				
	2018–19	2019–20	2020–21	2021–22	2022–23
Decrease in cost of managing significant biosecurity responses relative to the value of agricultural industry production ¹	1:696	1:603	1:520	1:2240	1:1145
Increase in proportion of agribusinesses implementing climate-resilient management practices ²	Not available	Not available	32%	49.5%	28%

Notes:

1. This KPI is calculated and expressed as a ratio of the 5-year average of the GVP over the expenditure on the significant incident. The 2022–23 result is based on the available GVP for 5 years from 2017–18 to 2021–22. These are the latest official figures, which show an increasing trend. The ratio of cost of managing biosecurity incidents to the value of production protected was impacted by the decrease in Queensland’s contribution to funding the National Red Imported Fire Ant Eradication Program due to investment being brought forward in previous years.
2. The 2022–23 result reflects further uptake, adoption and participation in the Drought and Climate Adaptation Program (DCAP) programs in 2022–23, particularly in the DCAP Farm Business Resilience Program Projects. More primary producers were successfully engaged in developing and adopting farm business planning outcomes than the 20% target anticipated for the year.

Performance snapshot

- **9.7 per cent** of Queensland drought declared in June 2023 and **2** outback local government areas drought declared (Bulloo and Diamantina)—showing a **dramatic improvement in drought conditions** in 2022–23 and the lowest percentage of the state drought declared since the drought began in 2013.
- **\$1.181 million** provided for freight subsidies and emergency water rebates for **183** claims by drought-affected producers under the Drought Relief Assistance Scheme in 2022–23.
- **255** claims worth \$5.266 million under the Drought Preparedness Grant and **23** Drought Ready and Recovery Loans worth **\$2.9 million** finalised by QRIDA since commencement of the program in early 2022.
- **7,288** attendees engaged with the jointly funded Farm Business Resilience Program (FBRP), including **2,480** one-on-one support sessions in 2022–23.

- **3,458** producers attended group workshops delivered through funding under the FBRP.
- **435** producers developed farm business resilience plans and **870** producers completed a holistic self-assessment checklist for their business.
- **1,026** biosecurity incidents effectively responded to across animal biosecurity, plant biosecurity and invasive plants and animals:
 - **1** related to animal biosecurity (*Salmonella enteritidis*, a significant operational response supported by both industry and government)
 - **16** related to emergency plant pests managed under the Emergency Plant Pest Response Deed
 - **1,009** detections of restricted and prohibited environmentally invasive biosecurity matter in Queensland.
- **5** nationally cost-shared eradication programs led by Biosecurity Queensland.
- **90,540** biosecurity entities registered with livestock, poultry or bees, ensuring up-to-date information is available in the event of an emergency disease or pest incursion.
- **Improvement in partnership metrics** under the *Queensland biosecurity strategy 2018–2023* between 2018 and 2023. Scores out of 5:

Partnership metric	2018	2019	2021	2022	2023
Mutual trust	3.5	4.25	4	N/A	3.92
Purpose	3.1	3.5	3.9	N/A	3.30
Role clarity	2.8	3	3.3	N/A	2.83
Empowers responsibility	2.7	3.5	3.6	N/A	2.61
Collaborates	3	3.4	3.92	N/A	3.22

Performance highlights

In 2022–23, we:

- built capability and explored potential diversification opportunities in agribusiness, including tourism
- delivered the Taste Farm Life campaign encouraging domestic tourists to try established farm and food experiences

- held statewide agritourism workshops to support farmers to diversify and expand agritourism
- awarded grants, in partnership with the Queensland Farmers' Federation, to assist farmers to establish or expand agritourism
- continued the ongoing implementation of the Queensland Drought Assistance and Reform Package. Up to \$79.6 million over 4 years was allocated commencing 2022–23 to continue to deliver drought assistance programs and reforms to support industry to respond in a changing climate, and \$150 million over 3 years commencing 2022–23 for drought preparedness and emergency drought assistance loans. Measures first announced in the 2021–22 Budget include 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
- continued delivery of DCAP, which is an RD&E program aimed at improving the drought resilience and preparedness of primary producers, improving their capacity to manage climate variability and adapt to climate change. DCAP has been funded for 4 years (from 2022–23 to 2025–26) with a total allocation of \$10 million, leveraging a further \$11.7 million in cash and \$19 million in-kind from other state, national and international project partners
- continued to support the response to the impact of fall armyworm on Queensland's agricultural industries through RD&E, as well as collaboration with industry and other researchers to leverage outcomes for Queensland's grains industry
- continued to support industry to respond to natural disasters including:
 - securing additional assistance in response to the 2023 northern and central Queensland monsoon and flooding event. The \$6 million package provided support for the costs of primary producers, and state and local government, to supply fodder to flood impacted livestock, as well as carcass disposal
 - innovative, resilience-based projects to determine the viability of raising farm infrastructure and of livestock refuge mounds in high flood risk areas
 - enhancing the Disaster Impact Survey to provide real-time data access, allowing for rapid support to impacted producers
 - engaging Industry Recovery and Resilience Officers to support disaster impacted primary producers with resilience building activities such as development of tailored on-farm flood management plans. Officers also provided coordinated access to financial support measures and mental health initiatives
 - working with peak agriculture bodies to establish the Queensland Agriculture Disaster Taskforce to better support natural disaster management in Queensland

- expanding disaster communications capability to support pre-season preparedness and developed a suite of pre-approved communications to support real-time communication responses targeted at primary producers before, during and after a disaster
- conducting virtual control centre exercises that helped ensure DAF is better equipped to effectively manage information in the event of a significant emergency response
- continuing to prevent and mitigate financial risks to Queensland from priority animal and plant pests and diseases
- helping 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
- continued to meet Queensland’s obligations within the national biosecurity system to mitigate the risks and impacts of significant pests and diseases
- strengthened 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
- continued to deliver the 10-year plan and 3-year strategy for the National RIFA Eradication Program to eradicate red imported fire ants from South East Queensland and support the current review of the program
- maintained a response-ready, diagnostic capability for exotic plant pests and diseases, supported by quality management and laboratory information systems and a high biosecurity containment facility
- grew and developed the DAF Significant State Collections for plant pathogens and insect pests located at the Ecosciences Precinct
- introduced legislation to the Queensland Parliament in February 2022 to support Queensland’s vital beekeeping industry and support critical pollination services for Queensland’s agriculture sector. In October 2021, the Queensland Government approved the preparation of legislative amendments to grant a 20-year extension to allow the continuation of beekeeping in national parks until 2044
- committed \$7.565 million over 5 years, with ongoing funding of \$1.656 million per year thereafter, for 10 additional biosecurity preparedness officers. All regionally based biosecurity officer jobs have been filled. Preparedness officers are located in Toowoomba, Charleville, Gatton, Dalby, Bundaberg, Townsville, South Johnstone and Cairns

- finalised contractual agreements with 4 successful applicants under the Enhancing Local Government Biosecurity Capacity project
- endorsed 10 projects totalling almost \$1 million under Round 7 of the Queensland Feral Pest Initiative for on-ground management of invasive plants and animals across Queensland
- finalised the *Queensland feral deer management strategy 2022–2027*, which sets the direction for management from 2022 to 2027
- continued the Panama disease Tropical Race 4 (Panama disease 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.

Objective 4: Ethics, sustainability and safety

Food and fibre production, animal welfare and management, and our natural environment meet consumer and community expectations for **ethics, sustainability and safety**

Key performance indicators

Indicator	Results				
	2018–19	2019–20	2020–21	2021–22	2022–23
Improvement in sustainability of Queensland fish stocks ¹	85%	85%	94%	93%	93%
Increase in proportion of primary producers in Great Barrier Reef catchments who adopt improved management practices ²	40%	75%	80%	54%	51%

Notes:

1. As reported in the 2020 status of Australian fish stocks online report (latest available report). Note the change from 94% in 2020–21 to 93% in 2021–22 is due to the East Coast Spanish Mackerel stock being reclassified as depleted. Under the nationally consistent system for stock status assessment, an assessment of all Queensland species of importance is completed over 24 months. A different group of species/stocks will be assessed each year and there will be a reassessment of any stocks of concern.
2. This KPI is based on a survey/questionnaire of participants (primary producers) who have attended DAF extension workshops, training, trials, and other extension activities, conducted at the end of the workshop or training activity, with a further follow up 12 months after the activity. It is important to note that behavioural change within the realm of primary producers adopting improved management practices is a complex and dynamic process. There are various interrelated factors at play, including economic, social, and cultural, that can lead to fluctuations in the adoption rates of improved management practices from year to year. DAF will continue to monitor and adapt its programs in partnership with relevant agencies and industry partners.

Performance snapshot

- **13** audits or investigations completed to ensure the safe use of chemicals in food production and reduce contaminant risks.
- **7** new licences issued, **4** licences renewed and **11** licences amended under the *Drugs Misuse Act 1986* for the commercial production of industrial cannabis (hemp) in Queensland.
- **1,970** new licences issued and **3,908** licences renewed under the *Agricultural Chemicals Distribution Control Act 1966* to ensure the safe distribution of agricultural chemicals.
- **1,582** animal welfare investigations undertaken to ensure high standards of animal welfare and support the ethical production of food.
- **1,936** commercial fishing licences and **318** charter fishing licences managed under the *Fisheries Act 1994*.

- **1,767** commercial fishing vessels with vessel-tracking units registered in Trackwell (the vessel-monitoring platform managed by the Australian Fisheries Management Authority).
- **87 per cent** of all inspections conducted under the *Fisheries Act 1994* were compliant with relevant fisheries regulations.
- **More than 950** fisheries infringement notices and **1,568** cautionary infringement notices issued by the Queensland Boating and Fisheries Patrol (QBFP) under the provisions of the *Fisheries Act 1994*, resulting in total penalties of more than \$392,000.
- **10** court prosecutions finalised for offences against the *Fisheries Act 1994*.
- **4** unauthorised activity investigations closed—**1** related to unauthorised interference with timber and **3** related to unauthorised interference with quarry material.
- **More than 2,100** quarry pits authorised under the *Forestry Act 1959* and **more than 240** sales permits currently administered for the sale of state-owned native timber, quarry material and other miscellaneous forest products.
- **732 licences** for intensive livestock environmentally relevant activities (ERAs) administered under the Environmental Protection Regulation 2019, including:
 - **346** cattle feedlots and 3 sheep feedlots (ERA 2)
 - **186** piggeries (ERA 3)
 - **197** poultry farms (ERA 4).

Performance highlights

In 2022–23, we:

- released the *Queensland low emissions agriculture roadmap 2022–2032*, a strategic plan to assist Queensland's agriculture sector to transition towards lower emissions production
- continued 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
- progressed 9 amendments to the Rural and Regional Adjustment Regulation 2011, implementing financial assistance schemes that foster the development of a more productive and sustainable rural and regional sector in Queensland
- finalised the review of the *Animal Care and Protection Act 2001* with the commencement of the *Animal Care and Protection Amendment Act 2022* in December 2022

- amended the *Racing Integrity Act 2016* to establish the Racing Appeals Panel as the new independent review body for racing decisions made by stewards. The Queensland Racing Appeals Panel commenced on 31 March 2023
- received more than 1,500 stakeholder responses to a DAF customer insights survey, designed to better understand stakeholder behaviours and needs when engaging with the department. The survey results showed high satisfaction with DAF's Customer and Business Services Centre and these results will inform the department's investment in contemporary, technology-enabled choices that meet the needs of our customers
- continued the fisheries reform process as detailed in the *Queensland sustainable fisheries strategy 2017–2027*, supporting commitments under the Reef 2050 Plan. Highlights included:
 - convening the Gulf of Carpentaria inshore fishery working group, with meetings held to consider and develop management arrangements and harvest strategies of key fish species
 - following significant public consultation, introducing new east coast Spanish mackerel fishery management arrangements that strike a balance between rebuilding the stock and providing more controlled access for recreational and commercial fishers
 - work to ensure Queensland fisheries have approvals in place under the *Environment Protection and Biodiversity Conservation Act 1999* to export product
 - ongoing planning for a voluntary electronic monitoring (e-monitoring) field trial to identify the most suitable data validation solution for priority fisheries
 - enhancements to the recreational and commercial fishing apps
 - continued implementation of the *Queensland shark management plan 2021–2025*, including ongoing delivery of the SharkSmart drone trial, catch alert drumline trial, SharkSmart education program and research into alternative technologies to support swimmer safety
- pursued the development of marine aquaculture development areas suitable for tidal aquaculture, such as oyster and pearl production
- established the Cape York Special 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
- continued to supply state-owned forest products and quarry material on a commercial and environmentally responsible basis, contributing to the prosperity of regional economies
- supported Timber Queensland's implementation of the Timber Industry Regulatory Capacity Building Project. The project, which was established to support the industry to understand current and emerging regulatory requirements to harvest state-owned timber, was initiated under a collaborative agreement with the department

- maintained certification of forestry businesses to the Australian Standard ® for Sustainable Forest Management (AS4708)
- continued to collaborate with the Queensland Racing Integrity Commission and Racing Queensland to implement the Queensland Government’s response to recommendations from the independent *Inquiry into animal cruelty in the management of retired thoroughbred and standardbred horses in Queensland* (the Martin Inquiry)
- worked with the RSPCA to implement the Queensland Audit Office’s recommendations on regulating animal welfare services
- chaired the national Animal Welfare Task Group (AWTG) and led 2 major standard and guideline development projects on behalf of the AWTG
- continued the joint Fire Ant Suppression Taskforce to support suppression activities with local governments, industry and the Queensland Government, including:
 - finalising a memorandum of understanding with the Department of Education to treat school land
 - negotiating a collaborative agreement for a rolling self-treatment and surveillance program with Canegrowers Rocky Point (Gold Coast local government area)
 - community suppression activities in Ipswich and Logan
- assessed and processed 169 applications associated with environmental authorities, including the issuing of 18 new environmental authorities under the Environmental Protection Regulation 2019
- received and investigated 158 public complaints, conducted 86 site inspections and carried out 28 environmental monitoring investigations to ensure intensive livestock ERAs are constructed and managed in accordance with the *Environmental Protection Act 1994*.

Objective 5: Trusted, capable and connected people

Who are high-performing, safe, healthy and supported to deliver services and achieve their potential within the department and the community.

Key performance indicators

Indicator	Results				
	2018–19	2019–20	2020–21	2021–22	2022–23
Improvement in work health and safety performance ¹	Not available	Not available	Not available	4% improvement	21.3% improvement
Increase in diversity across our workforce ²	Not available	Not available	Not available	Improvement in 2 of 4 diversity categories	Improvement in 2 of 4 diversity categories

Notes:

1. This KPI is measured by the percentage of work health and safety (WHS) events not closed out on time and overdue actions. 2021–22 was the baseline year. The department continues to monitor this through the WHS Committee, which is working with key staff across business groups to proactively manage WHS events reported.
2. The 2022–23 results were based on achievement against 4 MOHRI data categories (Aboriginal Peoples and Torres Strait Islander Peoples, People with Disabilities, Culturally and Linguistically Diverse, and Women in Leadership Roles). The 2022–23 results showed an improvement in DAF diversity percentages across 2 categories (Culturally and Linguistically Diverse people and Women in Leadership Roles). Refer to the Governance—human resources section, page 65 for actual results across the individual diversity categories.

Performance snapshot

- **14,188,345** unique web page views.
- Digital footprint of **426,058** stakeholders, comprising e-news subscribers and followers on Facebook, Instagram, LinkedIn and Twitter.
- **1,208** Women in Recreational Fishing Network (WIRFN) Queensland Facebook page members since its launch on 10 June 2022.
- **20,544** inspections of commercial and recreational fishers by QBFP officers.
- **\$587 million** infrastructure and right-of-use assets portfolio managed by DAF, comprising **245** sites (**94** DAF-owned sites and **151** leased sites).
- **75 per cent** of **65,819** customer enquiries resolved at the first point of contact by the Customer Service Centre.
- **86** DAF houses and residential units.
- **605** QFleet leased vehicles in the DAF fleet.

Performance highlights

In 2022–23, we:

- prepared the Queensland Agricultural Training Colleges' Longreach Pastoral College land for sale, with an open tender process commencing from Monday 12 December 2022
- finalised the Agri-Science Queensland (ASQ) capability assessment, ensuring ASQ can continue as a world-leading provider of high-quality, safe and sustainably produced food and fibre
- celebrated 3 staff who received Public Service Medals—2 staff in recognition of their outstanding public service during the COVID-19 pandemic for the protection and development of agribusiness in Queensland, and one former staff member for their outstanding public service to state and national biosecurity
- reached 1,208 members on the WIRFN Queensland Facebook page. The WIRFN encourages women of all backgrounds, skills levels and ages across Queensland to participate in recreational fishing activities and engage on their own social media platform, creating a safe space to share knowledge and tips to the wider female audience
- developed a 2023 WIRFN strategy with a focus on communications, event management and budget and planning. The WIRFN leaders have been involved in numerous community engagement activities throughout the year in several parts of Queensland, including Cairns, Sunshine Coast, Brisbane and the Gold Coast
- provided bursaries to Women in Seafood Australasia (WISA) to support the attendance of women who work in the Australian seafood industry to attend the Seafood Directions September 2022 conference in Brisbane. This included leadership development and networking opportunities with women in the industry from around Australia and overseas
- continued to engage in the WISA program to help support new and emerging leaders in the industry. WISA received a grant of \$3.3 million under the Women's Leadership and Development Program through the Department of the Prime Minister and Cabinet's Office for Women. The grant will be used to provide developmental opportunities to women in the seafood sector
- expanded fee-for-service biosecurity activities with local Indigenous councils and organisations, including entering into a contract with Torres Strait Island Regional Council to provide a range of biosecurity surveillance and compliance activities in the outer Torres Strait Islands
- with support from key stakeholders, delivered the Torres Strait and Northern Peninsula Area biosecurity strategy
- delivered training to Indigenous rangers and local government officers in the Torres Strait and Northern Peninsula Area in a wide range of biosecurity areas
- identified training needs and processes to build capability of all Biosecurity Queensland officers

- delivered performance management training for all Biosecurity Queensland supervisors, and further invested in people management and written communication training for Biosecurity Queensland officers
- invested in an inaugural emerging leaders program to develop future leaders.

Priorities for 2023–24

In 2023–24, we will:

- assist Queensland agribusinesses to lower their greenhouse gas emissions through the implementation of the *Queensland low emissions agriculture roadmap 2022–2032*
- strengthen our digital capabilities and grow economic opportunities through the development of the Queensland AgTech roadmap
- provide round 2 funding under the Agribusiness Digital Solutions Grant program to enhance the development, trialling and adoption of digital solutions across the agriculture and food supply chains
- work with key industry peak bodies through industry extension services to identify gaps in technologies to assist in increasing sustainable production, AgTech capability and digital literacy within the Queensland agriculture sector
- expand productive, sustainable and resilient food and fibre exports to international markets
- continue to support productivity improvements, new investment in manufacturing and value-adding opportunities through a network of smart farms in Queensland
- continue to support Queensland’s aquaculture transformation through industry development, stakeholder engagement, regulatory reform and RD&E
- deliver drought reforms and preparedness programs to support industry to respond to natural disasters
- provide Round 6 funding of \$3.3 million for the Rural Economic Development Grants program to fund the purchase of innovative equipment and new infrastructure that creates jobs and expands supply chains in the regions
- through the PALM scheme, continue to assist Queensland agribusinesses to fill regional employment gaps unable to be met by the Australian workforce, and work with stakeholders to maximise reciprocal benefits from Pacific Island and Timor-Leste workers engaged in Queensland—addressing statewide agricultural labour shortages while providing remittances back to the Pacific nations
- provide Round 2 funding under the Rural Agricultural Development Grants program to fund more cluster fencing and other measures that help grow the sheep industry in western and southern Queensland
- advocate for agricultural interests through the Regional Planning Framework 2023–24 and seek to identify opportunities where new or expanded agricultural production can occur, and coexistence and complementarity with other types of land uses can be achieved

- continue to manage the environmental regulation and administration of intensive livestock ERAs as described under the Environmental Protection Regulation 2019 as ERA 2 (intensive animal feedlotting), ERA3 (pig keeping) and ERA4 (poultry farming)
- continue to manage the environmental regulation of dairy farming, livestock holding facilities and intensive animal feeding activities that fall outside the ERAs described in the Environmental Protection Regulation 2019
- amend the Food Production (Safety) Regulation 2014 in support of the introduction of new food safety standards in horticulture for berries, leafy vegetables and melons
- prepare an action plan in response to GasFields Commission Queensland's Review of the *Regional Planning Interests Act 2014 Assessment Process Report*
- consolidate existing disaster plans to deliver a single, all-hazards focused disaster management plan that reflects DAF's elevated response agency status and aligns with the recommendations in the Inspector-General Emergency Management's *Review of the Queensland Disaster Management Arrangements (QDMA) Report 2: 2022–23*
- build on DAF's disaster response approach from reactive to proactive in line with best practice by expanding its communication strategy to further support pre-season preparedness
- work to further enhance DAF's preparedness communication to reach primary producers in the Cape York and Torres Strait region by working with Indigenous groups and councils and other stakeholders to drive disaster resilience within local communities
- implement actions from the ASQ capability assessment to ensure ASQ can continue as a world-leading provider of high-quality, safe and sustainably produced food and fibre
- continue to deliver key biosecurity initiatives including:
 - ongoing emergency animal disease preparedness
 - Fire Ant Suppression Taskforce program in collaboration with the critical National Red Imported Fire Ant Eradication Program
 - Far Northern Biosecurity Initiative projects from the *Torres Strait and Northern Peninsula area biosecurity strategy* to build capability in early detection and response to a range of biosecurity pests and diseases in this region
- successfully transition responsibility for leading the management of Panama disease TR4 from government to the Australian Banana Growers' Council on behalf of the banana industry from 1 July 2023
- deliver Round 8 of the Queensland Feral Pest Initiative to support the innovation and diversification of effective and humane feral pig control tools

- develop innovative rapid detection tools to support the identification and management of insect-borne exotic disease incursions that are a danger to the Queensland beef industry
- address plant pests and diseases and broader biosecurity threats to Queensland's economic, social and environmental wellbeing and prosperity
- meet Queensland's obligations under the National Biosecurity System to help mitigate the risks and impacts of significant animal and plant pests and diseases
- co-design the next iteration of the Queensland Biosecurity Strategy in collaboration with partners in the Queensland Biosecurity System
- continue to lead and contribute to the review and development of national standards and guidelines for animal welfare and facilitate their implementation in Queensland
- continue to implement the recommendations of the *Queensland Audit Office Report 6: 2021–22 – Regulating animal welfare services*
- continue implementation of the *Queensland sustainable fisheries strategy 2017–2027*, paving the way for a world-class fisheries management system, including:
 - continuing the fisheries reform process, which includes upgrades to the compliance system and fish aggregating devices
 - implementing independent data validation that will monitor commercial fishing activities at sea to provide more accurate data on protected species interactions and support sustainable fisheries management
- progress the phase-out of gillnet fishing in the Great Barrier Reef by mid-2027 and transition to more sustainable fishing practices
- expand the Queensland Seaports eDNA Surveillance Program to include a site at the port of Weipa
- continue to implement the *Queensland shark management plan 2021–2025* and maintain an effective shark control program that reduces the risk of shark bites in coastal waters, while researching and trialling new shark mitigation technology (including drones) and boosting community education on SharkSmart behaviours
- continue to deliver the Cape York election commitment, creating new fisheries and economic development opportunities
- continue to work with industry, recreational fishers and Traditional Owners to foster economic prosperity through innovative, sustainable and responsible management of Queensland's fisheries, and work with First Nations communities to acknowledge and resolve native title rights and develop economic and employment opportunities

- continue to work with and support the WISA program and the WIRFN
- continue to implement the *Native timber action plan*, including releasing for public consultation a directions paper that considers the future of native timber harvesting in Queensland to support an internationally competitive and sustainable industry, balancing both jobs and the environment
- facilitate meetings of the Timber Industry Ministerial Roundtable, a forum for government to work more closely with industry about its future strategic direction
- support Timber Queensland's implementation of key initiatives under the Timber Industry Regulatory Capacity Building Project
- continue to supply state-owned forest products and quarry material on a commercially and environmentally responsible basis
- administratively support the new Queensland Racing Appeals Panel to operate as an independent statutory authority undertaking its functions outlined in the *Racing Integrity Act 2016*.

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 2022 to 30 June 2023.

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 3, pages 42–44) of the 3 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 detail covering all aspects of the department’s activities, see ‘Financial statements’ on page 68.

Table 3 Summary of DAF’s financial statements for the period 1 July 2022 to 30 June 2023

Statement of comprehensive income	2022–23 Actual (\$m)	2022–23 Budget (\$m)
Total income	616.0	608.3
Less: total expenses	613.2	608.3
Operating result	2.8	..

The total income from operations for 2022–23 was an increase of \$7.7 million (or 1.3%), mainly driven by additional funding for biosecurity response and preparedness, coupled with an increase in research and development funded projects and activities, and increased forestry product royalties. In addition, there was a one-off gain on the sale of the former Queensland Agricultural Training Colleges (QATC) property at Longreach and higher than expected information technology project revenue through the Business and Corporate Partnership arrangements. This was offset by the deferral of funding to 2023–24 to realign forecast with the budgeted cash flows.

The total expenses from operations for 2022–23 was an increase of \$4.9 million (or 0.8%), resulting from the 2.5% annual enterprise bargaining increase, and higher expenditure associated with biosecurity responses and preparedness. In addition, there was further funding released in 2022–23 from the funds held centrally by the government for the continuation of the Drought Assistance Package.

Statement of financial position	2022–23 Actual (\$m)	2022–23 Budget (\$m)
Current assets (including cash balances)	195.7	89.9
Non-current assets (including property, plant and equipment)	594.1	541.4
Total assets	789.8	631.3
Current liabilities	149.4	50.4
Non-current liabilities	105.2	104.1
Total liabilities	254.6	154.5
Net assets (equity)	535.2	476.8

The total assets held by the department as at 30 June 2023 were \$789.8 million, an increase of \$158.5 million (or 25.1%) compared to budget. This was mainly due to the revaluation increment associated with buildings, infrastructure and land assets (reflecting the increase in prices of construction materials and labour, and an upward movement in land prices) and an increase in cash and cash equivalents due to the deferred appropriation payable to Consolidated Fund, coupled with the net proceeds on sale of the former QATC Longreach property that are to be returned to the Consolidated Fund in 2023–24.

The total liabilities held by the department as at 30 June 2023 were \$254.6 million, an increase of \$100.1 million (or 64.8%) compared to budget. The increase is predominantly due to higher than budgeted deferred appropriation payable to the Consolidated Fund. Also contributing to the increase is higher than expected revenue received in advance for contractual agreements for research and development projects, and contributions received under national cost share arrangements for the National Red Imported Fire Ant Eradication Program from other states.

	2022–23	2022–23
Statement of cash flows	Actual	Budget
	(\$m)	(\$m)
Balance of cash at 1 July	86.0	39.9
Operating activities	32.5	27.3
Investing activities	(3.1)	(21.5)
Net increase/(decrease) in cash held	16.9	0.1
Cash as at 30 June	102.9	40.0

The increase in cash balances at the end of financial year is largely attributed to unexpended appropriation funds at year end related to the appropriation payable to Queensland Treasury (which was either deferred to 2023–24 or lapsed), higher than expected funding received from external research and development funding bodies under contractual arrangements, and proceeds from the sale of the former QATC Longreach property.

Controlled funds

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

Operating result

The operating result for 2022–23 is a \$2.8 million surplus.

Income—where the dollars came from

Total income from operations was \$616.0 million, including:

- \$342.9 million (55.7%) through funding provided as appropriation revenue by parliament
- \$165.9 million (26.9%) 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)
- \$63.0 million (10.2%) from grants and other contributions (including national cost sharing revenue from the Australian Government for biosecurity pest and disease programs)
- \$40.2 million (6.5%) from other income sources (including royalty revenues on forest products removed from state land)
- \$4.1 million (0.7%) from the disposal and re-measurement of assets.

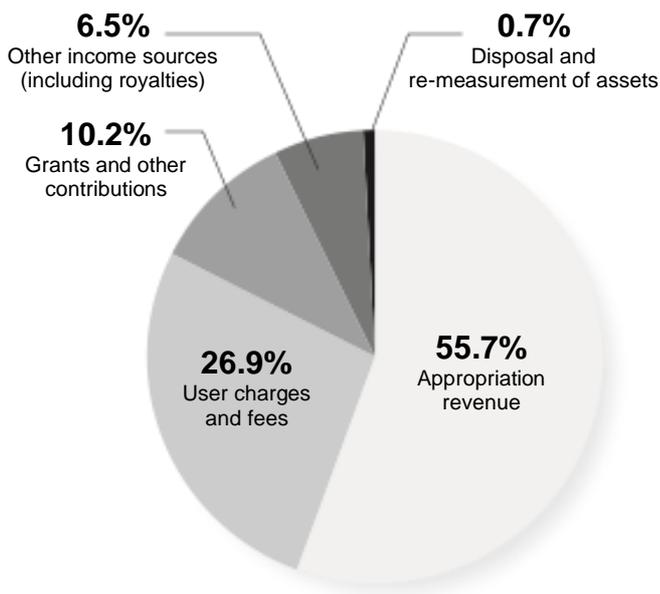


Figure 1 Income from operations, 1 July 2022 to 30 June 2023

Expenses—where the dollars were spent

Total operating expenses were \$613.2 million, including:

- \$260.8 million (42.5%) in employee expenses
- \$287.8 million (46.9%) for supplies and services (including contractors for national cost sharing biosecurity pest and disease programs, outsourced service delivery arrangements, research and development projects, computer/information technology costs, accommodation, provision of services through Business and Corporate Partnership arrangements and other operating costs)
- \$29.5 million (4.8%) in grants and subsidies (including payments under the Drought Relief Assistance Scheme, Horticultural Netting Program and Rural Economic Development Grants)
- \$29.4 million (4.8%) in depreciation and amortisation expenses
- \$2.3 million (0.4%) in finance/borrowing costs
- \$3.4 million (0.6%) in other expenses (including special payments, Queensland Government Insurance Fund premiums, audit fees and impairment losses).

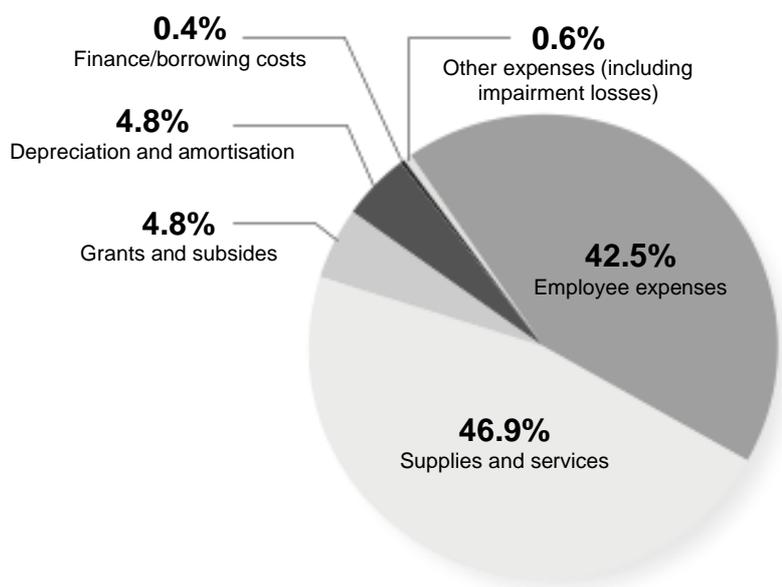


Figure 2 Operating expenses, 1 July 2022 to 30 June 2023

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

- Enabling Agricultural Industry Growth (\$274.6 million or 48.4%)
- Queensland Biosecurity Services (\$192 million or 33.8%)
- Fisheries and Forestry Industry Development (\$101.1 million or 17.8%).

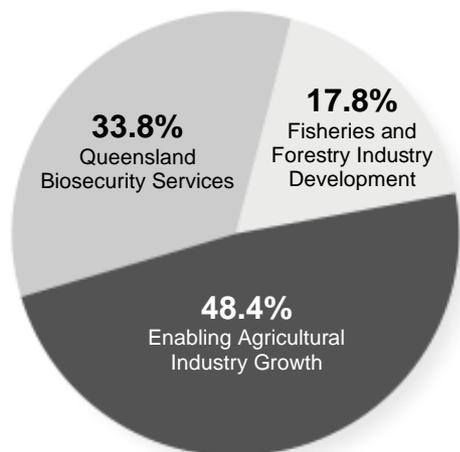


Figure 3 Operating expenses by service area, 1 July 2022 to 30 June 2023

Corporate services expenses (\$45.4 million) relating to DAF provided through the Business Corporate Partnership arrangements have been allocated to respective departmental services. Expenses attributed to other agencies through Business 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 \$789.8 million) less ‘what we owe’ (total liabilities of \$254.6 million). As at 30 June 2023, DAF’s equity was \$535.2 million.

Assets—what we own

At 30 June 2023, DAF had total assets of \$789.8 million. The department’s major assets comprise cash, property, plant and equipment (mainly land, buildings, infrastructure, plant and equipment), right-of-use assets (for leased properties), prepayments, receivables (including trade debtors) and other assets (including contract assets).

Liabilities—what we owe

At 30 June 2023, DAF had total liabilities of \$254.6 million, which included accrued employee expenses, lease liabilities, payables (including trade creditors, appropriation payable to the Consolidated Fund for end of year appropriation adjustments, and revenues received in advance of service delivery (largely funding received in advance of service delivery for research and development projects)).

Capital expenditure

Capital outlays of \$17.9 million in 2022–23 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 the funds efficiently and effectively on a whole-of-government basis.

During 2022–23, DAF received administered revenue of \$83.3 million, comprising administered appropriation revenue from the 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 the Queensland Government.

Grants were paid to QRIDA for the administration of government financial 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 the Queensland Government's Consolidated Fund.

At 30 June 2023, DAF had net administered assets of \$0.4 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.

Governance—management and structure

The Director-General, as the accountable officer for DAF, has responsibility under the *Public Sector Act 2022* (s. 177) for the governance and operation of the department. The Director-General is supported in this role by DAF’s executive leaders.

Good governance is fundamental to improving performance, achieving better service delivery outcomes, and meeting corporate obligations and legislative requirements. DAF is committed to continual improvement and ensuring the department is delivering efficient and transparent outcomes for Queensland.

Organisational structure

DAF’s organisational structure was made up of 5 business groups—Agriculture, Biosecurity Queensland, Fisheries and Forestry, Rural Communities and Corporate. Each business group was led by a Deputy Director-General.

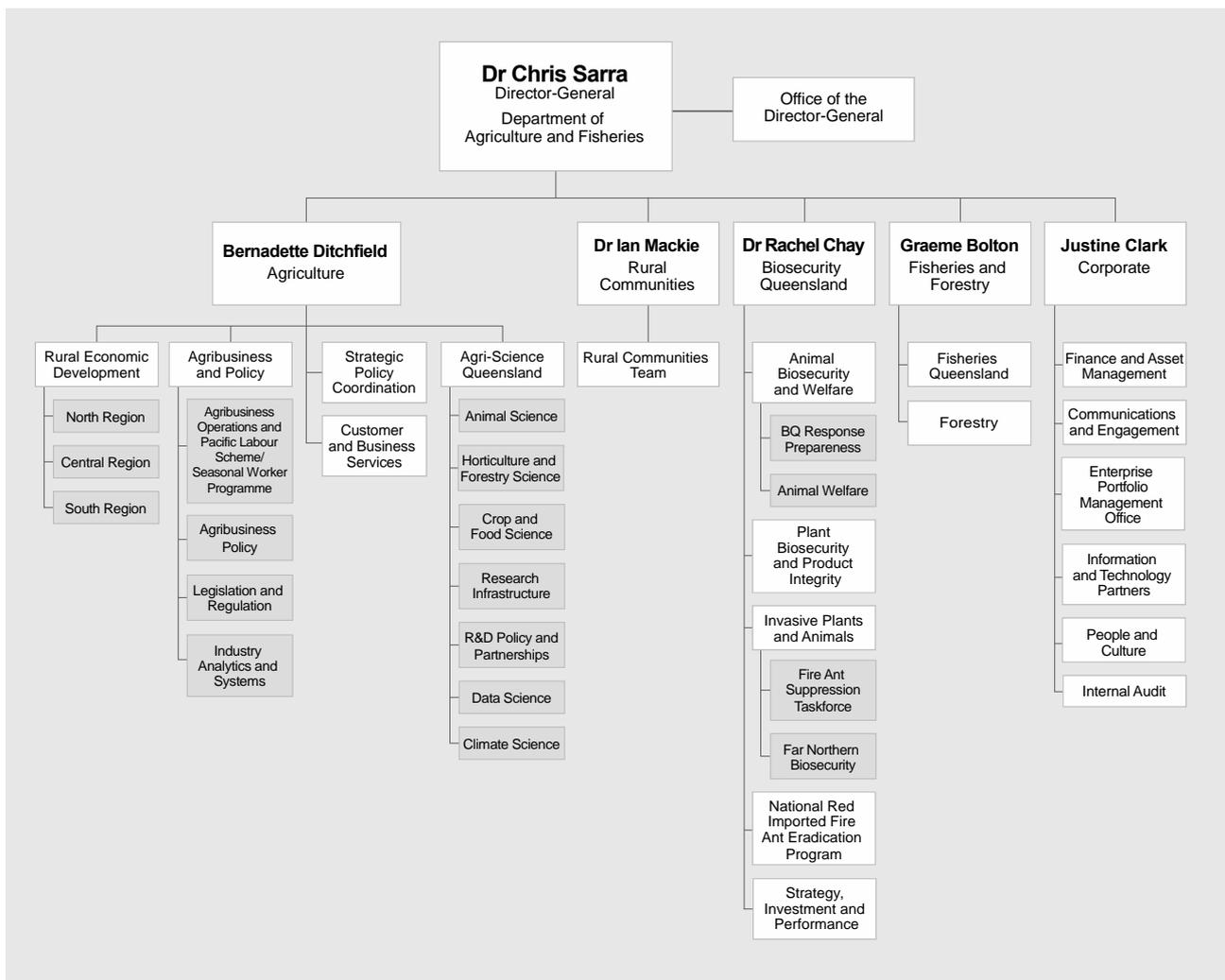


Figure 4 DAF organisational structure as at 30 June 2023

Our executive leaders

Dr Chris Sarra

Director-General

Dr Chris Sarra is a Gurang Gurang/Taribelang man from Bundaberg.

In May 2023, Dr Sarra became Director-General for the Department of Agriculture and Fisheries. Dr Sarra's strong and positive sense of culture and identity is leading DAF's continued commitment to working within diverse environments and industries across both land and sea.

Dr Sarra brings a wealth of experience working in complex economic, scientific and social contexts. His experience as Director-General of the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships, from 2018 to 2023, demonstrated incredible things can be achieved through partnerships and in the spirit of helping each other succeed.

Robert Gee APM

Director-General

Robert (Bob) Gee APM was appointed Director-General for the Department of Agriculture and Fisheries in early 2021, and held this role until May 2023. He then took up the role of Director-General, Department of Youth Justice, Employment, Small Business and Training.

Bernadette Ditchfield

Deputy Director-General, Agriculture

Bernadette Ditchfield is responsible for enabling agriculture industry growth by leading the development of policies, RD&E and initiatives that enhance the productivity, profitability and sustainability of Queensland's agribusinesses.

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.

Dr Rachel Chay

Deputy Director-General and Chief Biosecurity Officer, Biosecurity Queensland

Dr Rachel Chay was appointed as the new Deputy Director-General and Chief Biosecurity Officer for the Department of Agriculture and Fisheries in early 2023.

Prior to this, Rachel was the Chief Operating Officer for the Australian Pesticides and Veterinary Medicines Authority. She has worked in animal health, regulatory and government leadership roles for 25 years. She believes in lifelong learning, and has an undergraduate qualification in veterinary science and master's degrees in both human resources and organisational development and public administration.

Her focus is on effective public sector leadership, building organisational capability and strong, collaborative partnerships with stakeholders to ensure Biosecurity Queensland continues to protect Queensland's ecosystems, industries and our way of life, along with maintaining our reputation for product safety and integrity and ongoing market access for our commodities.

Malcolm Letts

Deputy Director-General and Chief Biosecurity Officer, Biosecurity Queensland

Malcolm held this role from October 2017 until his retirement in 2023.

Graeme Bolton

Deputy Director-General, Fisheries and Forestry

Graeme Bolton was appointed as Deputy Director-General for Fisheries and Forestry with the Department of Agriculture and Fisheries in May 2019. Before this role, he held short-term Deputy Director-General positions in both the Department of Agriculture and Fisheries and the Department of State Development, Manufacturing, Infrastructure and Planning.

Prior to these roles, Graeme worked in various senior executive positions within the Queensland Government, local government, and internationally with the government of Qatar. Throughout his career in the public sector, he has led projects focused on economic development, policy creation and legislative reform.

Graeme also has experience in the private sector, having served as a director in a consultancy catering to developers in Queensland. In addition to his professional roles, he has been actively involved in government and not-for-profit boards and taskforces.

Graeme's career has been marked by his dedication to bringing about positive change in both the public and private sectors, particularly aimed at leaving lasting legacies of better communities.

Dr Ian Mackie

Deputy Director-General, Rural Communities

Dr Mackie was appointed as the new Deputy Director-General for Rural Communities for the Department of Agriculture and Fisheries in May 2023.

He will drive a strong enterprise approach to stimulating agriculture, fishing and forestry sector jobs and other employment opportunities in regional, rural and remote communities in Queensland. His remit includes strengthening relationships across local government, the Commonwealth and other agencies, as well as with community and industry stakeholders.

Prior to joining DAF, Dr Mackie was the Deputy Director-General for Culture and Economic Participation with the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships. Other significant roles Dr Mackie has held include Executive Director of Cape York Co-ordination (Department of the Premier and Cabinet) and Assistant Director-General, Indigenous Education and Training Futures (Education Queensland), where he helped improve educational outcomes for Aboriginal people and Torres Strait Islander people.

Justine Clark

Acting Deputy Director-General, Corporate and Chief Financial Officer

Justine Clark was appointed acting Deputy Director-General, Corporate for the Department of Agriculture and Fisheries in June 2023. She is also the department's Chief Finance Officer (CFO).

Justine is responsible for the delivery of a broad range of corporate services to enable the department to meet its strategic objectives.

Prior to DAF, Justine was responsible for the financial management and investment frameworks for the Public Trustee in her role of Executive Director Investments and Finance Services and CFO.

Justine brings a wealth of knowledge to her role, with extensive experience in senior leadership roles and corporate operations in both the private and public sector.

Justine has spent most of her career working in rural and regional communities and is passionate about delivering efficient and effective services to these locations.

Sinead McCarthy

Deputy Director-General, Corporate

Sinead held the role of Deputy Director-General Corporate from May 2019 to May 2023, when she took up the role of Deputy Chief Executive, Strategy and Corporate Services, Queensland Police Service.

Governance committees

Departmental governance committees advise and assist the Director-General in managing the department in a way that promotes the effective, efficient and responsible management of public resources. These committees also provide shared leadership across DAF.

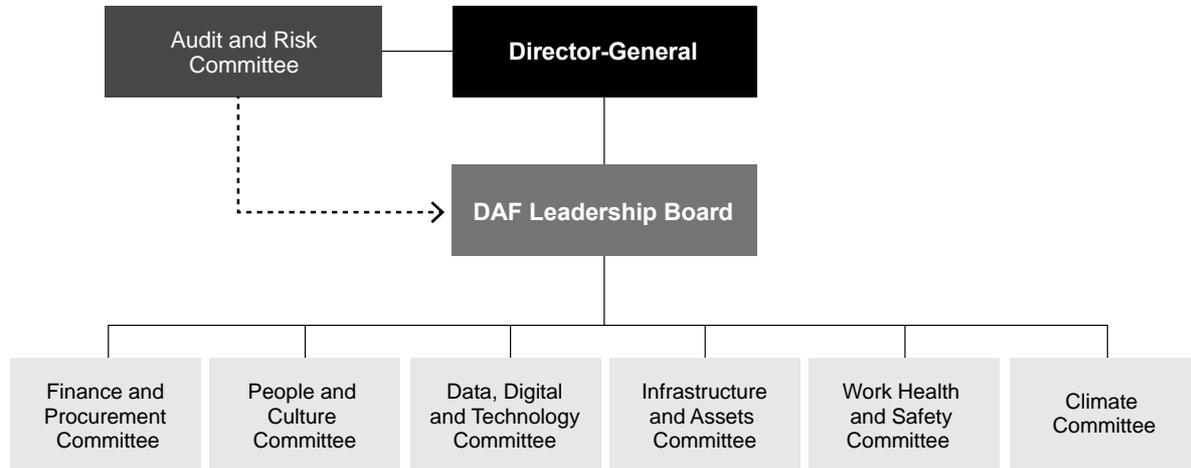


Figure 5 DAF’s governance committee structure as at 30 June 2023

Further details on the key responsibilities of the committees can be found in Table 4 on the next page.

Table 4 DAF’s governance committees at 30 June 2023

Committee	Chair and key responsibilities
DAF Leadership Board	<p>Chair: Dr Chris Sarra, Director-General</p> <p>Provide leadership and decision-making that set the strategic direction of the department to ensure goals and objectives are met.</p>
Finance and Procurement	<p>Chair: Elton Miller, Executive Director, Agribusiness Policy, Agriculture</p> <p>Provide oversight of the department’s financial resources and make recommendations to the DAF Leadership Board on a range of financial management and procurement issues.</p>
Work Health and Safety	<p>Chair: Peter Donaghy, General Manager, Agribusiness Operations and Pacific Labour Scheme/Seasonal Worker Programme, Agriculture</p> <p>Provide WHS leadership and promote a positive and proactive safety culture within DAF.</p>
Infrastructure and Assets	<p>Chair: Leith Brown, General Manager, Customer and Business Services, Agriculture</p> <p>Provide oversight of the department’s physical assets and make recommendations to the DAF Leadership Board on a range of asset management issues.</p>
People and Culture	<p>Chair: Fiona Thompson, Director, Biosecurity Response Preparedness, Policy, Biosecurity Queensland</p> <p>Drive the department’s commitment to attracting, building and maintaining an effective and contemporary workforce. The focus is on talent management, culture, capability development and improving the way our employees work within the allocated resources of the department.</p>

<p>Data, Digital and Technology</p>	<p>Acting Chair: Sarah Goswami, Chief Economist and A/Director, Industry Analytics and Systems, Agribusiness and Policy, Agriculture</p> <p>Provide oversight of the department’s digital initiatives and priorities and make recommendations to the DAF Leadership Board on a range of digital initiatives and issues.</p>
<p>Climate Committee</p>	<p>Chair: Justine Clark, Acting Deputy Director-General, Corporate and Chief Financial Officer</p> <p>Provide leadership and oversight of the department’s climate initiatives and provide relevant advice to the DAF Leadership Board.</p>
<p>Audit and Risk</p>	<p>Chair: Sue Ryan (independent member)</p> <p>Provide oversight of governance, risk management, financial control and compliance activities in line with legislation and government policy.</p> <p>Provide independent advice and assurance to the Director-General on meeting obligations under the <i>Financial Accountability Act 2009</i>.</p>

Ethics and integrity

DAF’s Integrity Framework supports a high level of honesty, objectivity, ethics and accountability within the department. The Code of Conduct for the Queensland Public Service guides the department’s conduct and decision-making to ensure it is based on ethics, principles and values fundamental to good public administration. In 2022–23, we continued to build a strong and accountable workforce.

Education and training in public sector ethics and the code of conduct occurs at induction and on an annual basis for all employees through online learning. This training is complemented by tailored training and awareness initiatives, including face-to-face and virtual sessions.

The department is also committed to supporting ethical decision-making, and has policies and procedures to support human resource management practices, the reporting of wrongdoing, information security and information privacy. A continued area of focus is a zero tolerance for fraudulent or corrupt behaviour, and the department’s 2-yearly online fraud awareness and corruption prevention training was provided to all employees.

Human rights

DAF is committed to protecting and promoting the 23 fundamental human rights of all Queenslanders.

As public service employees, we must consider the impact of our decisions and actions on the human rights of Queenslanders and understand how the *Human Rights Act 2019* applies to our day-to-day work, particularly when dealing with the public or each other.

In 2022–23, the department continued to drive a culture that respects, promotes and protects human rights in everyday business by:

- continuing to progress proposed actions that address the results of the department's legislation review for compatibility with the *Human Rights Act 2019*. This included the potential incompatibility of certain sections of the *Brands Act 1915* through the *Livestock brands and earmarks in Queensland: Consultation Regulatory Impact Statement*, which was released for public consultation in November 2022. DAF is continuing to progress reforms that will ensure future regulation of brands and earmarks is compatible
- disseminating information via the human rights intranet page and communications distribution networks, which includes links to training, department advice and guides
- continuing to integrate and assess human rights considerations in employment, service delivery operations, and legislative and policy proposals
- requiring all new employees to complete mandatory training on the department's human rights responsibilities as part of their induction
- introducing new learning and development for inspectors appointed under the *Animal Care and Protection Act 2001*, which includes training about consideration of human rights in relation to performing a regulatory function.

Two customer complaints were identified to engage human rights. The identified human rights engaged were the 'right to privacy and reputation' and were resolved between the agency and the individual.

Governance—risk management and accountability

Risk management

In keeping with the Financial and Performance Management Standard 2019, the department has an enterprise risk management framework that reflects the department's business and operating environment. Under this framework, DAF operates with 3 levels of risk management—enterprise, operational and tactical.

The framework is used across the department to help set strategy, achieve objectives and make informed decisions. It assists DAF's Leadership Board with governance of the department by identifying and managing enterprise and operational risk, at any time, and at all levels of the department. The framework is based on the International Standard for risk management (AS/NZS ISO 31000:2018) and is reviewed annually to ensure it is contemporary and meets the department's needs.

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 to minimise their impact on the achievement of objectives. Enterprise risks are managed at the executive level through DAF's governance committees. Each enterprise risk has an assigned executive sponsor and governance committee, as well as a designated risk action officer responsible for risk assessment and the implementation and monitoring of appropriate controls and treatments. Our enterprise risks are reviewed and monitored regularly, with a comprehensive review undertaken annually.

Operational and tactical risk management responsibilities are devolved throughout the department. The Audit and Risk Committee continues its role of assuring the risk management framework, and its suitability for the needs of the department.

Business continuity management

Business continuity management (BCM) remains a high priority in DAF as we transition to business-as-usual following the COVID-19 pandemic and respond to a range of emergent business disruptions.

Key areas of focus in 2022–23 included:

- reviewing and confirming critical and essential business functions
- standardising and simplifying business continuity plans for those functions
- integrating and harmonising DAF's BCM and disaster management systems
- developing protocols to respond to increasing cyber threats.

Our BCM was tested in December 2022 through the whole-of-government cybersecurity exercise 'Exercise Steel Brolga'. The objectives of the exercise were to:

- socialise the non-technical impacts of a cyber crisis throughout the business
- engage executive leadership on cybersecurity risk decision-making
- rehearse the execution of cyber crisis response arrangements.

The exercise highlighted the need to develop a cyber-threat response plan to guide our response in the event of a cyber security incident, and the need for an integrated all-hazards approach to disaster management and business continuity across DAF.

Information Security Management System

The department is committed to protecting the security of all information that is provided to or generated by it. In line with the Queensland Government *Information security policy 2018* (IS18:2018), the department has implemented an Information Security Management System (ISMS) to meet this commitment.

Throughout the year, our focus was on continual and incremental improvements across all areas of the system. We continued to undertake detailed risk assessments across our information assets to identify opportunities to strengthen the department's information security controls.

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.

Audit and Risk Committee

The Audit and Risk Committee (ARC) 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.

ARC provides independent advice and assurance to the Director-General in meeting obligations under the *Financial Accountability Act 2009*.

ARC is the only governance committee that has an independent chair. The committee provides advice only and does not replace established management responsibilities and delegations.

The committee membership comprises independent and departmental representatives. Independent members, who are external to the public service, are entitled to be remunerated for their time.

The committee convened 6 times during 2022–23. Four ARC meetings and 2 dedicated financial statements meetings were held, with the Internal Audit Unit providing secretariat support.

The committee’s key achievements in 2022–23 included:

- overseeing the delivery of the internal audit program, including reviewing the findings and recommendations of internal audits
- monitoring the external audit plan, including oversight of the findings and recommendations
- overseeing the implementation of agreed recommendations from internal and external audit activities, with a focus on the implementation of overdue recommendations
- reviewing and endorsing the 2021–22 Financial Statements and CFO Assurance Statement
- monitoring the 2022–23 financial statements project plan
- reviewing and endorsing the 2021–22 ISMS attestation for DG approval
- monitoring key governance frameworks such as risk management, cyber security, WHS, integrity and misconduct, and performance to ascertain if the frameworks are operating effectively and efficiently.

Committee members were also provided with recommendations from the Queensland Audit Office (QAO) reports to parliament. This included DAF business specific and agency wide recommendations, which are monitored by ARC and actioned by the business.

Table 5 Audit and Risk Committee membership between 1 July 2022 and 30 June 2023

Name	Position	Committee role	Number of meetings	Number of meetings attended	Remuneration paid
Sue Ryan	Consultant	Chair External member	6	6	\$15,180 (excl. GST)
Virendra Dua	Consultant	External member	6	6	\$13,090.91 (excl. GST)
Bernadette Ditchfield	Deputy Director-General, Agriculture	Internal member	6	5	Not applicable
Elton Miller	Executive Director, Agribusiness and Policy	Internal member	6	6	Not applicable

Note: Audit and Risk Committee external members’ fees are paid by DAF.

As an independent external member and chair of the committee, Sue Ryan (including GST) was entitled to be paid \$2,530 per meeting. Virendra Dua was entitled to be paid \$2,400 per meeting (including GST). These fees were payable to the external members for their services to prepare for and attend meetings.

Internal audit

Internal audit provides an independent, objective assurance and advisory service to the Director-General and ARC that is designed to add value and improve departmental operations.

Internal audit operates under the powers pursuant to section 78 of the *Financial Accountability Act 2009* and the approved Internal Audit Charter.

ARC monitors the performance of the internal audit function to ensure it operates in accordance with the requirements of the charter. Progress against the 2022–23 Annual Internal Audit Plan was reported to ARC on a quarterly basis. All internal audit reports are tabled with ARC for endorsement prior to approval by the Director-General. Internal audit monitors whether agreed remedial actions to address audit findings have been undertaken and reports quarterly on the status of implementation to ARC.

In 2022–23, the Internal Audit Unit:

- developed a risk-based annual and strategic plan, which was approved by the Director-General
- completed 6 internal audit reviews and one management request
- conducted analysis and consultation across the department to identify areas of significant operational and financial risk in preparation for the development of the 2023–24 audit plan.

External scrutiny

Independent scrutiny of departmental performance may be carried out by several external entities to help DAF improve and meet community expectations of accountability. Throughout 2022–23, the QAO conducted performance management system audits and whole-of-government audits. In 2022–23, there were no specific external audits in relation to DAF services or deliverables. Having regard to whole-of-government reports issued by the QAO in 2022–23, there were no significant findings or issues directly relevant to DAF.

QAO Report 11: 2022–23: State entities 2022 (tabled 16 March 2023) made one recommendation, applicable to all public sector entities, for audit committees to actively monitor all audit recommendations. DAF has enhanced its existing monitoring processes to ensure timely resolution of audit recommendations.

Information systems and recordkeeping

Information systems

Contemporary information systems enable the department to make sound decisions and improve its services. The department's Data Digital and Technology Committee monitors activities to support modernisation, continuous improvement and, in some cases, replacement of information systems to ensure they support the department to meet its legislative obligations and strategic objectives.

This year's key digital initiatives included:

- implementation of a proof-of-concept data warehousing solution to support improved data governance, management and sharing, both across the department and more broadly with stakeholders
- continued implementation of remote sensing surveillance to support the National Red Imported Fire Ants Eradication Program. This solution enables broad-scale monitoring of fire ants to increase efficiency of surveillance and treatment activities
- further enhancements to the Laboratory Information Management System Sample Manager, which supports Biosecurity Queensland to manage sample collections and results efficiently
- implementation of a new Learning Management System (MyLO) to enable staff to access online learning and track progress
- continued implementation of the modernisation of the fisheries compliance management solution, which will replace legacy systems and end-of-life hardware to support more efficient and effective fisheries compliance activities.

Records governance

The department has a comprehensive records management framework that is consistent with the *Public Records Act 2002*, the *Queensland Public Sector Act 2022* and the Queensland State Archives (QSA) *Records Governance Policy*. Departmental policies that allocate responsibilities for recordkeeping are in place.

Strategic Recordkeeping Enhancement (2022–2025) focuses on new ways to optimise and automate recordkeeping to minimise user effort and maximise continuity, security, accessibility and use. A new interface for the corporate eDRMS is being configured for the department.

There is an end-to-end recordkeeping service supporting business areas to develop an effective recordkeeping culture. Digital recordkeeping is enabled through use of the corporate eDRMS, automated capture of records, and assessment of business systems for records compliance allowing recordkeeping in place.

The *Digitisation Disposal Policy* supports digital recordkeeping by enabling the early disposal of paper records that have been digitised and are managed securely. Key legacy email records are being identified and captured into the corporate eDRMS. Identification of permanent and high-value records 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*. Regular audits of access controls are in place. There have been no security breaches of this system. Online eDRMS and records awareness training is available for all staff.

The department is using the QSA Archives Gateway to administer retrieval of files and access controls for permanent departmental records held at QSA. Storage and retrieval of paper records held by the department is managed and monitored; paper files are scanned for digital delivery.

Records are retained in accordance with the following approved retention and disposal schedules:

- General Retention and Disposal Schedule (GRDS) – QDAN 415 v.4 (2020)
- Agriculture – QDAN 719 (2015)
- Fisheries – QDAN 724 (2015)
- Forestry – QDAN 725 (2015)
- Agricultural Education – QDAN 704 (2014).

There is an active appraisal and disposal program, and permanent records are identified for transfer. Authorised disposal processes and controls are in place for physical and electronic records. During the reporting year, 453 boxes of time expired records were disposed of under approved disposal schedules.

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*.

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

Governance—human resources

Strategic workforce planning and performance

In 2022–23, DAF continued to deliver on initiatives under the *Workforce strategy and action plan 2021–2025*. The strategy and action plan commits to 5 areas of focus: Leadership, Future Ready Skills, Talent Management, Sustainability and Productive Culture. The DAF People and Culture Committee has continued to support and govern initiatives as part of the strategy and action plan.

In 2022–23, under the workforce strategy and action plan, the following initiatives were actioned:

- implementation of the 2023 DAF Graduate Connect Program, with 20 graduates recruited to fill roles across the state, located in Biloela, Nambour, Townsville, Rockhampton, Emerald, South Johnstone, Brisbane, Charleville and Toowoomba. The graduates come from diverse backgrounds and their disciplines are policy, science, business and data analytics. QRIDA has partnered with DAF, with 2 graduates participating in the DAF program
- commencement of a recruitment capability uplift program to deliver key skills to hiring managers on contemporary recruitment practices
- delivery of 2 cultural capability workshops focusing on building a culture of inclusion for our First Nations people, partnering with the Department of Resources
- projects to support talent management, productive culture and future ready skills and sustainability, including the second phase of the Employee Value Proposition Project, High-Performance Culture Project and the ASQ Capability Study and Assessment. These projects continue to support an organisational culture that is inclusive, empowers its people and supports the department to be future ready. The outcomes of the projects will contribute to a narrative for potential employees about DAF's value- and purpose-driven work, which is critical in a time of increasing high demand for talent with low supply
- the roll out of the leadership development strategy to over 200 leaders and emerging leaders. The programs focus on developing people leadership and adaptive leadership skills to meet the current and future challenges facing the agriculture, forestry and fisheries industries, both domestically and globally. The programs developed people leadership, employee engagement, and change management capacity in the context of volatility, uncertainty, complexity and ambiguity
- the introduction of an improved MyLO for DAF to support ongoing capability development in an increasingly digitally demanding environment. This system will include the functionality of digitally recorded performance development agreements, which will optimise our capability for succession planning and capability building investment funding.

Workforce profile

Table 6 Workforce profile data

	FTE	Headcount
Total workforce for the Department of Agriculture and Fisheries	2,101.39 ¹	2,198 ¹

1. Includes 215 Business and Corporate Partnership staff providing services to other agencies.

Table 7 Occupation type by FTE

Occupation type	Percentage of total workforce (calculated on FTE)
Corporate	20.54% ¹
Frontline and frontline support	79.46%

1. DAF hosts the corporate function Information and Technology Partners (ITP), which services multiple departments within the Business and Corporate Partnership.

Table 8 Appointment type by FTE

Appointment type	Percentage of total workforce (calculated on FTE)
Permanent	87.78%
Temporary	10.99%
Casual	0.10%
Contract	1.13%

Table 9 Employment status by headcount

Employment status	Percentage of total workforce (calculated on headcount)
Full-time	89.31%
Part-time	10.28%
Casual	0.41%

Table 10 Gender

Gender	Number (headcount)	Percentage of total workforce (calculated on headcount)
Women	1,007	45.81%
Men	1,191	54.19%
Non-binary ¹	<5	0.00%

1. To ensure privacy, where there are fewer than 5 respondents in a category, specific numbers have been replaced by <5.

Table 11 Diversity target group data

Diversity groups	Number (headcount)	Percentage of total workforce (calculated on headcount)
Women	1,007	45.81%
Aboriginal people and Torres Strait Islander people	18	0.82%
People with disability	75	3.41%
Culturally and linguistically diverse ¹	124	5.64%

1. This includes Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages spoken at home.

Table 12 Target group data for Women in Leadership roles

	Women (headcount)	Women as percentage of total leadership cohort (calculated on headcount)
Senior Officers (Classified and s. 122 equivalent combined)	45	56.96%
Senior Executive Service and Chief Executives (Classified and s. 122 equivalent combined)	14	43.75%

Workforce diversity and performance

DAF is committed to creating an inclusive, equitable and diverse workforce where each employee feels valued, respected and empowered to bring their whole self to work. During 2022–23, DAF conducted an annual equity and diversity audit and produced a report with key insights and opportunities. The opportunities informed the DAF *Equity, Diversity and Belonging Plan 2023–2026* and commitment to create a culture of diversity and inclusion. The audit and action plan support section 28, Part 2 of the *Public Sector Act 2022*, which aims to promote, support and progress equity and diversity in relation to employment matters.

By embracing a diverse workforce, DAF recognises the benefits of varied perspectives, skills and experiences in driving innovation and excellence in service delivery. For over 7 years, DAF's Diversity and Inclusion Working Group members have come together from across the state and from various business areas to create opportunities that promote a respectful and safe workplace, where we all belong, and our culture and diversity are embraced and celebrated.

During 2022–23, DAF actively participated in:

- profiling and collaborating on events during Reconciliation Week—'Be a Voice for Generations', and NAIDOC Week—'For Our Elders'
- hosting an International Women's Day event to build awareness around women's health issues and to celebrate the achievements of women
- creating awareness and celebrating Pride Month—teaching tolerance, education in pride history and continuing the conversations around equity.

The department effectively engaged with employees and unions on matters involving organisational change regarding relocations and one centre closure, the COVID-19 pandemic and enterprise bargaining. During 2022–23, regular consultative committee meetings continued at local and agency level. These meetings provided an important opportunity for employees to raise workplace concerns and resolve matters, including COVID-19 vaccination requirements, safety and wellbeing, and flexible work arrangements.

The department took active steps to raise awareness of domestic and family violence and create safer and more respectful workplace cultures. To achieve this, we strengthened support for employees experiencing domestic and family violence by reviewing and developing policies, processes and resources, and offering training to all employees to increase capability to recognise, prevent and respond to domestic and family violence. DAF employees also supported the Save the Children Refuge and participated in activities such as Domestic and Family Violence Month and Darkness to Daylight events.

Healthy and safe people

We have taken proactive steps towards building a healthier and safer workplace and improving health, safety and wellbeing performance outcomes in the areas of leadership, work environment, culture and work design.

This year we:

- developed and implemented the *Workplace Health, Safety and Wellbeing Policy Statement*
- visibly raised the profile of WHS through activities that highlighted the importance of health and safety at home and at work during Safe Work Month (October 2022)
- achieved increased accountability for health, safety and wellbeing through implementation of a new dashboard to provide DAF leaders and DAF WHS consultants/leads with the ability to easily access trends and data related to hazards, incidents, near misses and injuries/illnesses
- continued to refine and build on governance structures for health and safety, including the WHS Committee and business group specific health and safety committees, by using these forums as a mechanism for consultation, focusing on key areas of risk and building leadership capability
- developed the *2023–2024 Work health and safety strategy* and operational plan to articulate the organisational priorities for next year
- integrated WHS into the DAF Enterprise Risk Register, with key actions identified
- delivered wellbeing programs and initiatives including flu vaccinations, Fitness Passport (a statewide fitness program) and the blood donation program, and provided awareness about healthy bodies, financial wellbeing and social wellbeing
- continued the Employee Assistance Program, which allows all staff to access confidential and professional support
- commenced development of the action plan to manage psychosocial hazards at work, incorporating a risk management approach
- assessed physical work environments to ensure suitable facilities were in place through scheduled inspections, and conducted risk assessments to ensure safe work design and systems.

Early retirement, retrenchment and redundancy

During the period, one employee received a redundancy package at a cost of \$63,001.83.

Department of Agriculture and Fisheries

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Department of Agriculture and Fisheries

Statement of comprehensive income

For the year ended 30 June 2023

	Notes	2023 Actual \$'000	2023 Original Budget \$'000	Actual vs. Budget Variance \$'000	2022 Actual \$'000
Income from operations					
Appropriation revenue	B1-1	342,864	364,843	(21,979)	331,784
User charges and fees	B1-2	165,905	148,949	16,956	149,508
Grants and contributions	B1-3	62,992	63,620	(628)	47,220
Royalties	B1-4	38,676	30,217	8,459	35,987
Other revenue		1,513	552	961	3,408
Total revenue		611,950	608,181	3,769	567,907
Gains on disposal and re-measurement of assets	B2	4,050	95	3,955	4,195
Total income from operations		616,000	608,276	7,724	572,102
Expenses from operations					
Employee expenses	B3-1	260,757	255,883	(4,874)	239,795
Supplies and services	B3-2	287,803	291,028	3,225	259,963
Grants and subsidies	B3-3	29,539	27,661	(1,878)	36,952
Depreciation and amortisation	B3-4	29,371	28,602	(769)	28,622
Finance costs	B3-5	2,328	2,320	(8)	2,424
Impairment losses on financial assets		813	-	(813)	726
Impairment losses on non-financial assets		-	-	-	1,351
Other expenses	B3-6	2,559	2,782	223	2,269
Total expenses from operations		613,170	608,276	(4,894)	572,102
Operating result for the year surplus/(deficit)		2,830	-	2,830	-
Other comprehensive income					
Items not reclassified to operating result:					
Increase/(decrease) in asset revaluation surplus	C9-3	48,162	-	48,162	42,004
Total comprehensive income		50,992	-	50,992	42,004

Department of Agriculture and Fisheries

Statement of comprehensive income by major departmental services

For the year ended 30 June 2023

	Enabling Agriculture Industry Growth		Fisheries and Forestry Industry Development		Queensland Biosecurity Services		Corporate Partnership ⁽²⁾		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income from operations ⁽¹⁾										
Appropriation revenue	191,774	190,208	57,518	55,799	86,313	78,437	7,259	7,340	342,864	331,784
User charges and fees	73,542	62,295	9,511	9,751	44,670	40,246	38,182	37,216	165,905	149,508
Grants and contributions	1,419	710	495	268	61,078	46,241	-	1	62,992	47,220
Royalties	4,955	4,443	33,721	31,544	-	-	-	-	38,676	35,987
Other revenue	706	2,784	403	353	404	268	-	3	1,513	3,408
Total revenue	272,396	260,440	101,648	97,715	192,465	165,192	45,441	44,560	611,950	567,907
Gains on disposal and re-measurement of assets	4,128	4,369	47	(368)	(125)	189	-	5	4,050	4,195
Total income from operations	276,524	264,809	101,695	97,347	192,340	165,381	45,441	44,565	616,000	572,102
Expenses from operations ⁽¹⁾										
Employee expenses	112,902	106,046	48,117	42,395	75,299	66,695	24,439	24,659	260,757	239,795
Supplies and services	115,691	109,869	46,388	44,845	107,049	88,185	18,675	17,064	287,803	259,963
Grants and subsidies	23,515	27,468	3,232	6,552	2,752	2,889	40	43	29,539	36,952
Depreciation and amortisation	19,618	18,726	2,714	2,628	4,761	4,518	2,278	2,750	29,371	28,622
Finance costs	857	798	18	54	1,453	1,572	-	-	2,328	2,424
Impairment losses on financial assets	799	716	-	3	14	5	-	2	813	726
Impairment losses on non-financial assets	-	1,333	-	5	-	10	-	3	-	1,351
Other expenses	1,231	1,092	675	564	653	597	-	16	2,559	2,269
Total expenses from operations	274,613	266,048	101,144	97,046	191,981	164,471	45,432	44,537	613,170	572,102
Operating result for the year surplus/(deficit)	1,911	(1,239)	551	301	359	910	9	28	2,830	-
Other comprehensive income										
Items that will not be reclassified to operating result:										
Increase/(decrease) in asset revaluation surplus	43,747	25,681	(648)	7,383	5,063	8,940	-	-	48,162	42,004
Total comprehensive income	45,658	24,442	(97)	7,684	5,422	9,850	9	28	50,992	42,004

(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.

The accompanying notes form part of these financial statements.

Department of Agriculture and Fisheries

Statement of financial position

As at 30 June 2023

	Notes	2023 Actual \$'000	2023 Original Budget \$'000	Actual vs. Budget Variance \$'000	2022 Actual \$'000
Current assets					
Cash and cash equivalents	C1	102,872	39,997	62,875	85,965
Receivables	C2	26,926	18,652	8,274	20,581
Inventories		3,697	2,723	974	2,612
Other assets	C3	62,160	28,535	33,625	30,935
		195,655	89,907	105,748	140,093
Non-current assets classified as held for sale		-	-	-	6,685
Total current assets		195,655	89,907	105,748	146,778
Non-current assets					
Receivables	C2	-	2,000	(2,000)	784
Property, plant and equipment	C4	489,270	436,438	52,832	449,507
Right-of-use assets	C8	97,717	95,878	1,839	103,724
Intangible assets		1,279	1,846	(567)	1,609
Other assets	C3	1,751	2,250	(499)	1,813
Total non-current assets		590,017	538,412	51,605	557,437
Biological assets					
Biological assets		4,117	2,986	1,131	4,499
Total biological assets		4,117	2,986	1,131	4,499
Total assets		789,789	631,305	158,484	708,714
Current liabilities					
Payables	C5	92,526	15,010	(77,516)	51,450
Accrued employee benefits	C6	8,201	6,480	(1,721)	7,430
Lease liabilities	C8	3,824	3,279	(545)	3,563
Other liabilities	C7	44,857	25,601	(19,256)	31,556
Total current liabilities		149,408	50,370	(99,038)	93,999
Non-current liabilities					
Lease liabilities	C8	95,664	94,633	(1,031)	99,439
Other liabilities	C7	9,510	9,512	2	10,930
Total non-current liabilities		105,174	104,145	(1,029)	110,369
Total liabilities		254,582	154,515	(100,067)	204,368
Net assets		535,207	476,790	58,417	504,346
Equity					
Contributed equity		355,505	374,786	(19,281)	375,634
Accumulated surplus/(deficit)		3,302	471	2,831	472
Asset revaluation surplus	C9-3	176,401	101,533	74,868	128,240
Total equity		535,207	476,790	58,417	504,346

The accompanying notes form part of these financial statements.

Department of Agriculture and Fisheries

Statement of asset and liabilities by major departmental services

As at 30 June 2023

	Enabling Agriculture Industry Growth		Fisheries and Forestry Industry Development		Queensland Biosecurity Services		Corporate Partnership ⁽²⁾		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets										
Cash and cash equivalents	48,429	38,785	19,772	15,054	32,011	25,513	2,660	6,613	102,872	85,965
Receivables	10,998	7,055	2,898	3,731	10,580	6,767	2,450	3,028	26,926	20,581
Inventories	258	312	219	237	3,220	2,063	-	-	3,697	2,612
Other Assets	6,403	6,017	597	841	49,498	18,741	5,662	5,336	62,160	30,935
	66,088	52,169	23,486	19,863	95,309	53,084	10,772	14,977	195,655	140,093
Non-current assets classified as held for sale	-	6,685	-	-	-	-	-	-	-	6,685
Total current assets	66,088	58,854	23,486	19,863	95,309	53,084	10,772	14,977	195,655	146,778
Non-current assets										
Receivables	-	784	-	-	-	-	-	-	-	784
Property, plant and equipment	361,973	327,192	40,040	40,349	80,696	75,638	6,561	6,328	489,270	449,507
Right-of-use assets	41,247	42,194	737	790	55,733	60,740	-	-	97,717	103,724
Intangible assets	557	662	7	20	714	805	1	122	1,279	1,609
Other Assets	264	273	108	106	174	239	1,205	1,195	1,751	1,813
Total non-current assets	404,041	371,105	40,892	41,265	137,317	137,422	7,767	7,645	590,017	557,437
Biological assets										
Biological assets	3,836	3,998	-	-	281	501	-	-	4,117	4,499
Total biological assets	3,836	3,998	-	-	281	501	-	-	4,117	4,499
Total assets ⁽¹⁾	473,965	433,957	64,378	61,128	232,907	191,007	18,539	22,622	789,789	708,714
Current liabilities										
Payables	52,037	26,909	9,284	7,616	28,812	14,170	2,393	2,755	92,526	51,450
Accrued employee benefits	3,569	3,330	1,517	1,281	2,376	2,066	739	753	8,201	7,430
Lease liabilities	1,409	1,259	93	85	2,322	2,219	-	-	3,824	3,563
Other liabilities	32,468	22,450	4,014	3,085	8,375	6,021	-	-	44,857	31,556
Total current liabilities	89,483	53,948	14,908	12,067	41,885	24,476	3,132	3,508	149,408	93,999
Non-current liabilities										
Lease liabilities	35,410	35,222	666	711	59,588	63,506	-	-	95,664	99,439
Other liabilities	9,510	10,930	-	-	-	-	-	-	9,510	10,930
Total non-current liabilities	44,920	46,152	666	711	59,588	63,506	-	-	105,174	110,369
Total liabilities ⁽¹⁾	134,403	100,100	15,574	12,778	101,473	87,982	3,132	3,508	254,582	204,368

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

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

The accompanying notes form part of these financial statements.

Department of Agriculture and Fisheries

Statement of changes in equity

For the year ended 30 June 2023

	Notes	Contributed Equity \$'000	Accumulated Surplus/ (Deficit) \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance as at 1 July 2021		380,000	472	86,235	466,706
Operating result					
Operating result from operations		-	-	-	-
Other comprehensive income					
Increase in asset revaluation surplus	C9-3	-	-	42,004	42,004
Total comprehensive income for the year		380,000	472	128,240	508,711
Transactions with owners as owners					
Appropriated equity injections	C9-2	5,780	-	-	5,780
Appropriated equity withdrawals	C9-2	(8,930)	-	-	(8,930)
Appropriated equity adjustment ⁽¹⁾	C9-2	(1,216)	-	-	(1,216)
Net transactions with owners as owners		(4,366)	-	-	(4,366)
Closing balance as at 30 June 2022		375,634	472	128,240	504,346
Balance as at 1 July 2022		375,634	472	128,240	504,346
Operating result					
Operating result from operations		-	2,830	-	2,830
Other comprehensive income					
Increase in asset revaluation surplus	C9-3	-	-	48,162	48,162
Total comprehensive income for the year		375,634	3,302	176,402	555,338
Transactions with owners as owners					
Appropriated equity injections	C9-2	4,428	-	-	4,428
Appropriated equity withdrawals	C9-2	(12,951)	-	-	(12,951)
Appropriated equity adjustment ⁽¹⁾	C9-2	519	-	-	519
Non-appropriated equity adjustment		(12,125)	-	-	(12,125)
Net transactions with owners as owners		(20,129)	-	-	(20,129)
Closing balance as at 30 June 2023		355,505	3,302	176,401	535,207

(1) This includes a non-cash adjustment related to the fair value of a loan to industry.

The accompanying notes form part of these financial statements.

Department of Agriculture and Fisheries

Statement of cash flows

For the year ended 30 June 2023

	Notes	2023 Actual \$'000	2023 Original Budget \$'000	Actual vs. Budget Variance \$'000	2022 Actual \$'000
Cash flows from operating activities					
Inflows:					
Service appropriation receipts		366,451	364,843	1,608	332,949
User charges and fees		165,519	148,122	17,397	152,667
Grants and other contributions		33,230	62,620	(29,390)	50,196
Royalties		38,978	30,217	8,761	39,603
GST input tax credits received from ATO		16,738	13,181	3,557	12,257
GST collected from customers		17,697	-	17,697	14,990
Other inflows		2,160	1,752	408	3,830
Outflows:					
Employee benefits		(259,031)	(255,175)	(3,856)	(238,685)
Supplies and services		(282,541)	(291,882)	9,341	(259,605)
Grants and subsidies		(29,173)	(27,661)	(1,512)	(35,392)
GST paid to suppliers		(32,198)	(13,131)	(19,067)	(27,601)
Finance costs		(2,328)	(2,320)	(8)	(2,424)
Other outflows		(2,977)	(3,232)	255	(2,272)
Net cash provided/(used) by operating activities	CF-1	32,525	27,334	5,191	40,513
Cash flows from investing activities					
Inflows:					
Sales of property, plant and equipment		13,041	525	12,516	2,314
Sales of biological assets		2,363	-	2,363	3,081
Outflows:					
Payments for property, plant and equipment		(17,901)	(21,976)	4,075	(13,107)
Payments for intangibles		(85)	-	(85)	(190)
Payments for biological assets		(524)	-	(524)	(212)
Loans and advances made ⁽¹⁾		-	-	-	(2,000)
Net cash provided/(used) in investing activities		(3,106)	(21,451)	18,345	(10,114)
Cash flows from financing activities					
Inflows:					
Equity injection		4,428	6,666	(2,238)	5,780
Outflows:					
Lease payments	CF-2	(3,988)	(3,741)	(247)	(3,315)
Equity withdrawal		(12,951)	(8,730)	(4,221)	(8,930)
Net cash provided/(used) by financing activities		(12,511)	(5,805)	(6,706)	(6,465)
Net increase/(decrease) in cash and cash equivalents		16,908	78	16,830	23,934
Cash and cash equivalents - opening balance		85,965	39,919	46,046	62,031
Cash and cash equivalents - closing balance	C1	102,872	39,997	62,875	85,965

(1) Represents a cash payment for a loan to industry.

Department of Agriculture and Fisheries

Cash flow reconciliation

For the year ended 30 June 2023

CF-1. Cash flow reconciliation

	2023	2022
	\$'000	\$'000
Reconciliation of operating result to net cash provided by operating activities		
Operating result surplus/(deficit)	2,830	-
Non-cash items included in operating result:		
Depreciation expense - property, plant and equipment	22,555	21,664
Depreciation expense - right-of-use assets	6,478	6,443
Amortisation expense - intangibles	338	515
Net gains on sale or disposal of property, plant and equipment	(2,594)	(487)
Impairment losses - property, plant and equipment	-	1,351
Impairment losses - trade receivables	29	726
Impairment losses - loans and advances	784	-
Impairment reversals trade receivables	-	(636)
Net (increment)/decrement in valuation of biological assets	(1,456)	(3,072)
Grant expense - concessional loan discount	-	1,216
Other	1	(25)
Change in assets and liabilities		
(Decrease)/increase in deferred appropriation payable to Consolidated Fund	23,587	1,165
(Increase)/decrease in trade receivables	(8,399)	(1,230)
(Increase)/decrease in GST input tax credits receivable	2,058	(319)
(Increase)/decrease in long service leave reimbursements receivables	61	(6)
(Increase)/decrease in annual leave reimbursements receivables	64	(352)
(Increase)/decrease in other receivables	(277)	450
(Increase)/decrease in contract assets	(32,159)	10,725
(Increase)/decrease in prepayments	996	913
(Increase)/decrease in inventories	(1,085)	670
Increase/(decrease) in payables	5,883	98
Increase/(decrease) in accrued employee benefits	771	830
Increase/(decrease) in contract liabilities and unearned revenue	12,011	260
Increase/(decrease) in GST payable	179	(35)
Increase/(decrease) in security deposits	(130)	(351)
Net cash provided by/(used in) operating activities	32,525	40,513

CF-2. Changes in liabilities from financing activities

	Opening Balance		New Leases Acquired		Other		Cash Repayments		Closing Balance	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Lease liabilities	103,002	105,133	-	1,209	52	(25)	(3,566)	(3,315)	99,488	103,002
Total	103,002	105,133	-	1,209	52	(25)	(3,566)	(3,315)	99,488	103,002

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

Section A: About the department and this financial report

A1 General information

The Department of Agriculture and Fisheries ("DAF - the department") is a Queensland Government department established under the *Public Sector Act 2022* (formerly the *Public Service Act 2008*) and its registered trading name is the Department of Agriculture and Fisheries.

The Department of Agriculture and Fisheries is controlled by the State of Queensland, which is the ultimate parent entity.

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

Level 34

1 William Street

Brisbane

Queensland 4000

For information in relation to the department's financial statements, email DAFCSFAM.Corro@daf.qld.gov.au or visit the Department of Agriculture and Fisheries website at <https://www.daf.qld.gov.au>

A2 Basis of financial statements preparation

A2-1 Compliance with prescribed requirements

DAF has prepared these financial statements in compliance with section 38 of the *Financial and 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 2022.

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) 2022-23 (refer Note G3).

A2-2 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 2021-22 financial statements. The department has re-aligned prior period balances to reflect mapping changes across and within account categories, where applicable.

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.

A2-3 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.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

A2 Basis of financial statement preparation (continued)

A2-4 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; and
- Loan receivables are measured at fair value.

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.

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 a 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 be obtained by selling an asset in an orderly disposal.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

A3 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's vision is for Queensland to be a world-leading provider of high-value food and fibre and to create a legacy of sustainable and inclusive prosperity.

The department's purpose is to create value for Queensland by connecting industries, the community and government to grow the economy and safeguard the natural environment.

The department's strategic objectives (as set out in the *Strategic Plan 2021-25*) are focussed on five themes to drive this change:

- **Innovative and globally competitive agribusinesses** accessing improved practises, data and new technologies to enhance the productivity, profitability and sustainability of food and fibre value chains.
- **Prosperous economies** providing business and employment opportunities across regions, diversified markets, and value-added products and services.
- **A resilient sector** with secure production, and value chains that can deal with natural disasters, climate change, biosecurity risks and other emerging challenges.
- Food and fibre production, animal welfare and management, and our natural environment meet consumer and community expectations **for ethics, sustainability and safety.**
- **Trusted, capable and connected people** who are high-performing, safe, healthy, and supported to deliver services and achieve their potential within the department and the community.

Major departmental services

DAF's main service areas are: Enabling Agriculture Industry Growth (previously 'Agriculture'), Queensland Biosecurity Services (previously 'Biosecurity Queensland'), and Fisheries and Forestry Industry Development (previously 'Fisheries and Forestry'). These were renamed in the *2022-23 Service Delivery Statements*.

Enabling Agriculture Industry Growth

This service area delivers:

- Agri-business and Policy
- Rural Economic Development
- Agri-Science Queensland.

The service area's objective is to deliver innovative research, policy and support services that enable agribusinesses to grow.

Queensland Biosecurity Services

The Queensland Biosecurity Services area's objective is to mitigate the risks and impacts of animal and plant pests and diseases and weeds to the economy, the environment, social amenity and human health. This service area also upholds standards for animal welfare and agricultural chemical use.

Fisheries and Forestry Industry Development

The service area's objective is to position Queensland as a world leader in sustainable, high-value fisheries and fishing experiences and ensure that the strategic management of State-owned timber and quarry resources meets community and government expectations and enables industry to invest.

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 strategic and operational corporate services provided to other recipient departments. This arrangement focuses on ensuring economies of scale, service integration and responsiveness. The host agency of each corporate service function receives the appropriation of funds and reports FTE positions in the respective agency.

As the host agency, DAF provided defined services, such as Information Technology and Fleet Management to other BCP agencies (as disclosed in Note G2 – Related Party Transactions).

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

Section B: Notes about our financial performance

B1 Revenue

	2023 \$'000	2022 \$'000		2023 \$'000	2022 \$'000
B1-1. Appropriation revenue			B1-2. User charges and fees		
Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in operating result			Revenue from contracts with customers		
Original budgeted appropriation	364,843	323,634	Fee for service	141,845	125,775
Unforeseen expenditure	1,608	2,225	Sale of goods	4,854	4,681
Treasurer's transfers	-	7,090	Fees, licences and permits	10,818	10,901
Total appropriation receipts (cash)	366,451	332,949	Other user charges and fees		
			Property rental ⁽¹⁾	8,388	8,151
Plus: opening balance of deferred appropriation payable to Consolidated Fund	32,578	31,413	Total	165,905	149,508
Less: closing balance of deferred appropriation payable to Consolidated Fund	(56,165)	(32,578)			
Net appropriation revenue	342,864	331,784			
Appropriation revenue recognised in statement of comprehensive income	342,864	331,784			

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

Accounting Policy - User charges and fees

Fee for Service

Information Technology Partners (ITP) Service Level Agreements - The department provides ITP services to other departments on a cost recovery basis. Under AASB 15 *Revenue from Contracts with Customers*, revenue is recognised as the services are rendered and a contract asset representing the department's right to consideration for services delivered but not yet billed.

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. Under AASB 15, revenue is recognised when (or as) the performance obligations are satisfied.

Sale of Goods

The sale of goods includes livestock, vaccines, publications and farming produce. Customers obtain control of the goods upon delivery, which is the sole performance obligation under AASB 15. Based on the department's past experience, the amount of refunds for returned goods is not expected to be material, so the full selling price is recognised as revenue.

Revenue is recognised when the invoice is issued and/or the department's right to consideration for goods delivered but not yet billed.

Fees, Licences and Permits

The department collects fees, licences and permits for agricultural, fishing and biosecurity activities. The sole performance obligation is issuing the licence to the customer. The department applies AASB 15's revenue recognition requirements to all licence fees when the licence is issued.

Accounting Policy - Appropriation revenue

Appropriations provided under the *Appropriation Act 2022* 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 2023

B1 Revenue (continued)

	2023 \$'000	2022 \$'000
B1-3. Grants and contributions		
Revenue from contracts with customers		
Commonwealth grants ⁽¹⁾	52,329	37,451
Other grants and contributions		
Local government contributions	6,804	6,481
Queensland State contributions	1,906	857
Commonwealth contributions	283	168
Industry contributions	1,271	1,850
Goods and services received below fair value	399	413
Total	62,992	47,220

(1) Includes 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. Initially, revenue is 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. Special purpose capital grants received to construct non-financial assets, to be controlled by the department, 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 (Resources): Legal Service
- Department of Environment and Science (DES): Privacy and Ethics; 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.

	2023 \$'000	2022 \$'000
B1-4. Royalties		
Royalties - Timber	18,274	16,860
Royalties - Quarry materials	15,373	14,633
Royalties - Other ⁽¹⁾	5,029	4,494
Total	38,676	35,987

(1) Other royalties relate to patents on vaccines and plant breeders' rights.

Accounting Policy - Royalties

The department under the provisions of the *Forestry Act 1959* issues sales permits regarding the supply of forest products, including native forest log timber and quarry material. 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

	2023 \$'000	2022 \$'000
Net gains/(losses) from disposal of property, plant and equipment ⁽¹⁾	2,594	487
Net increment in valuation of biological assets	1,456	3,072
Impairment reversals - trade receivables	-	636
Total	4,050	4,195

(1) The increase in 2022-23 is mainly due to the sale of the former Queensland Agricultural Training Colleges (QATC) property at Longreach.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

B3 Expenses

	2023 \$'000	2022 \$'000	
B3-1. Employee expenses			<u>Long service leave and annual leave</u>
Employee benefits			Under the Queensland Government's Long Service Leave Scheme (LSLS) 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 provisions for these schemes are reported on a whole-of-government basis pursuant to AASB 1049 <i>Whole of Government and General Government Sector Financial Reporting</i> .
Wages and salaries	201,169	184,942	
Termination benefits	612	655	
Employer super contributions	27,774	25,179	
Annual leave levy	21,606	20,464	
Long service leave levy	5,175	4,520	
Other employee benefits	558	528	
Employee related expenses			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.
Workers' compensation premium	953	1,148	
Other employee related expenses	2,910	2,359	
Total	260,757	239,795	<u>Superannuation</u>

The table below sets out the number of employees as at 30 June 2023, including both full-time and part-time employees, measured on a full-time basis as provided to the Public Sector 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:

	2023	2022
<u>Number of employees:</u>		
DAF	1,886	1,870
BCP (providing services to other departments)	215	215
Total number of employees	2,101	2,085

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 and these 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.

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) 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 are 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 2023

B3 Expenses (continued)

	2023 \$'000	2022 \$'000
B3-2. Supplies and services		
Contractors ⁽¹⁾	73,248	64,966
Collaborative research arrangements	28,242	22,757
Accommodation and lease rentals	13,187	19,218
Motor vehicles - QFleet	6,127	5,929
Outsourced service delivery	28,804	27,884
Inventory and consumables	26,364	19,372
Computer/information technology	22,648	21,247
Repairs and maintenance	11,384	11,405
Transport	15,167	11,684
Service delivery costs and service level agreement charges	14,812	14,073
Building services	6,395	5,936
Telecommunications and electricity	7,142	7,399
Shared services provider fee	6,150	6,096
Travel	7,254	3,805
Marketing and public relations ⁽²⁾	2,957	1,695
Portable and attractive items	2,836	3,211
Consultancy fees	558	415
Legal Costs	1,334	1,317
Other	13,194	11,554
Total	287,803	259,963

- (1) The increase in contractors by \$8.3 million is mainly due to the increase in treatment and surveillance activities for NRIFAEP.
- (2) The increase in marketing and public relations by \$1.3 million is mainly due to media campaigns to raise awareness in the community on how to prevent the spread of fire ants.

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 and 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 these schemes. Payments are expensed as incurred and categorised within the office accommodation and lease rentals line item.

Lease expenses include lease rentals for short-term leases, leases of low value assets and variable lease payments and are aligned to their respective line items above. Refer to Note C8 for breakdown of lease rentals and other lease disclosures.

B3-3. Grants and subsidies

	2023 \$'000	2022 \$'000
Subsidies ⁽¹⁾	1,231	12,581
Queensland and local government ⁽²⁾	13,554	16,735
Industry ⁽³⁾	10,800	2,025
Charities/community groups ⁽⁴⁾	2,985	2,047
Goods and services provided below fair value	366	344
Concessional loan discount ⁽⁵⁾	-	1,216
Other	603	2,004
Total	29,539	36,952

- (1) The decrease relates to reduced demand for the Drought Assistance Package and On-Farm Emergency Water Infrastructure Rebate Scheme in 2022-23.
- (2) The decrease is mainly due to the 2021-22 funding provided to local government bodies for fishing infrastructure grants.
- (3) The increase is mainly due to payments made to industry to support the Mossman Mill operations.
- (4) In 2022-23, \$2.0 million in funding was provided to Surf Life Saving Queensland for the SharkSmart drone trial and capital grants of \$500,000 to the Queensland Country Women's Association and \$455,000 to the Young Animal Protection Society to upgrade facilities.
- (5) In 2021-22, DAF provided a \$2 million loan with the value discounted by \$1.2 million which was recognised as a grant expense.

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.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

B3 Expenses (continued)

	2023 \$'000	2022 \$'000		2023 \$'000	2022 \$'000
B3-4. Depreciation and amortisation			B3-6. Other expenses		
Depreciation and amortisation were incurred in respect of:			External audit fees - QAO ⁽¹⁾	252	245
Property plant and equipment			Insurance premiums - QGIF ⁽²⁾	931	874
Buildings	9,304	7,840	Insurance premiums - Other	217	199
Infrastructure	509	461	Sponsorships ⁽³⁾	433	256
Plant and equipment	12,742	13,363	Donations and gifts	28	19
Total depreciation - property plant and equipment	22,555	21,664	License and registration fees	277	246
Right-of-use assets			Patents, copyright & trademarks	137	149
Leased assets	6,478	6,443	Special payments ⁽⁴⁾		
Total depreciation - right-of-use assets	6,478	6,443	Ex-gratia payments	181	124
Intangibles			Compensation payments	10	40
Software purchased	97	267	Other	93	117
Software internally generated	241	248	Total	2,559	2,269
Total amortisation - intangibles	338	515			
Total	29,371	28,622			
	2023 \$'000	2022 \$'000			
B3-5. Finance costs			Accounting Policy - Special payments		
Interest on lease liabilities	2,328	2,424	Special payments represent ex-gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties.		
Total	2,328	2,424			

Accounting Policy - Finance 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.

(1) Total audit fees payable to the Queensland Audit Office (QAO) relating to the 2022-23 financial year are \$251,500 (2021-22: \$245,250).

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

(3) The increase mainly relates to the sponsorship of Agricultural and Fisheries activities and events.

(4) Special payments during 2022-23 include the following:
 - 7 ex-gratia payments over \$5,000 in relation to the Red Witchweed Eradication Program (7 payments in 2021-22).
 - 3 ex-gratia payments over \$5,000 in relation to grants and subsidies applications (nil payments in 2021-22).
 - 1 compensation payment over \$5,000 made in 2022-23 (1 compensation payment in 2021-22) related to a legal matter.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

Section C: Notes about our financial position

C1 Cash and cash equivalents

	2023 \$'000	2022 \$'000
Cash at bank	102,869	85,962
Imprest accounts	3	3
Total	102,872	85,965

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 received but not banked at 30 June.

Departmental bank accounts are 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

	2023 \$'000	2022 \$'000
Current		
Trade debtors	20,064	11,665
Less: allowance for impairment loss ⁽¹⁾	(62)	(93)
	20,002	11,572
GST input tax credits receivable	705	2,763
GST payable	(222)	(43)
	483	2,720
Annual leave reimbursements	4,544	4,608
Long service leave reimbursements	1,458	1,519
Other	439	162
	6,441	6,289
Total current receivables	26,926	20,581
Non-current		
Loans and advances receivable - fair value through profit and loss ⁽²⁾	784	784
Less: allowance for impairment loss ⁽²⁾	(784)	-
	-	784
Total non-current receivables	-	784
Total	26,926	21,365

(1) Refer to Note C2-1.

(2) In 2021-22, DAF provided a \$2 million loan to industry with the value discounted by \$1.216 million which was recognised as a grant expense. In 2022-23, an assessment of the loan determined that the balance outstanding is fully impaired. The loss on impairment is disclosed in the Statement of Comprehensive Income in the balance of the line "Impairment losses on financial assets".

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

C2 Receivables (continued)

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 will be written-off as at 30 June.

Where loans and advances are provided at a concessional rate below market interest rates, they are considered to have a fair value less than the actual amount lent. Any additional amount lent above the fair value is initially recognised as a grant expense.

Disclosure - Receivables

The closing balance of receivables arising from contracts with customers as at 30 June 2023 is \$18.7 million (2022: \$10.8 million) and other receivables as at 30 June 2023 is \$8.3 million (2022: \$10.6 million).

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 and relevant industry data form part of the department's impairment assessment.

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 a debt is over 365 days past due and the department has ceased any enforcement activity. If the amount of debt written-off exceeds the loss allowance, the excess is recognised as an impairment loss.

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 6 years preceding 30 June 2023.

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 6 years preceding 30 June 2023 will be correlated against changes in the unemployment rate and based on those results, the historical default rates will be adjusted based on expected changes to that indicator. Adjustments will be made as at 30 June 2023.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

C2 Receivables (continued)

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

Impairment group - non-government receivables credit risk exposure

Ageing	2023			2022		
	Gross receivables \$'000	Loss rate %	Expected credit losses \$'000	Gross receivables \$'000	Loss rate %	Expected credit losses \$'000
Current	5,859	0.46%	27	3,923	0.47%	18
1 to 30 days overdue	307	1.02%	3	1,075	1.03%	11
31 to 60 days overdue	26	3.74%	1	222	3.76%	8
61 to 90 days overdue	53	8.31%	4	19	8.42%	2
> than 90 days overdue	161	12.94%	21	414	13.20%	55
Total	6,406		56	5,653		94

Disclosure - Movement in loss allowance for trade debtors

	2023 \$'000	2022 \$'000
Loss allowance as at 1 July	93	637
Impairment loss reversals during the year	-	(637)
Increase/decrease in loss allowance recognised in operating result	(31)	93
Loss allowance - closing balance	62	93

C3 Other Assets

Current

	2023 \$'000	2022 \$'000
Prepayments	8,718	9,652
Contract assets - research and development contracts	5,006	4,370
Contract assets - national cost sharing ⁽¹⁾	48,436	16,913
Total	62,160	30,935

Non-Current

	2023 \$'000	2022 \$'000
Prepayments	1,751	1,813
Total	1,751	1,813

(1) Significant changes in contract assets balances during the year:

Contract assets – national cost sharing increased by \$31.5 million to recognise work performed by the department that will be invoiced for recovery from the other states and commonwealth and includes \$28.6 million to be recovered from the commonwealth for the NRIFEAP.

Accounting Policy - Other 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.

Accrued revenues that do not arise from contracts with customers are reported as part of Other receivables.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

C4 Property, plant and equipment

	Land		Buildings		Infrastructure		Plant and Equipment		Capital work in progress		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Gross	160,822	153,787	481,180	406,485	68,998	63,242	223,698	219,968	4,030	3,818	938,728	847,300
Less: accumulated depreciation	-	-	(264,098)	(222,409)	(40,513)	(38,006)	(144,847)	(137,293)	-	-	(449,458)	(397,708)
Less: accumulated impairment losses	-	-	-	-	-	-	-	(85)	-	-	-	(85)
Total	160,822	153,787	217,082	184,076	28,485	25,236	78,851	82,590	4,030	3,818	489,270	449,507
Carrying amount at 1 July	153,787	138,393	184,076	172,976	25,236	22,986	82,590	87,754	3,818	3,329	449,507	425,438
Acquisitions (including upgrades)	-	-	-	-	-	-	4,014	9,922	13,887	3,185	17,901	13,107
Disposals	-	-	(278)	(156)	-	-	(213)	(1,647)	-	-	(491)	(1,803)
Assets reclassified as held for sale ⁽¹⁾	(3,557)	(6,511)	217	(989)	-	-	-	-	-	-	(3,340)	(7,500)
Transfers between asset classes	-	-	7,153	1,683	1,405	1,013	5,117	-	(13,675)	(2,696)	-	-
Net revaluation increments/(decrements) in asset revaluation surplus	10,592	21,911	35,218	19,600	2,352	1,698	-	-	-	-	48,162	43,209
Impairment losses recognised in operating surplus/(deficit)	-	-	-	-	-	-	85	(76)	-	-	85	(76)
Impairment losses recognised through equity	-	(6)	-	(1,198)	-	-	-	-	-	-	-	(1,205)
Depreciation expense	-	-	(9,304)	(7,840)	(508)	(461)	(12,742)	(13,363)	-	-	(22,554)	(21,664)
Carrying amount - closing balance	160,822	153,787	217,082	184,076	28,485	25,236	78,851	82,590	4,030	3,818	489,270	449,507

(1) During 2021-22, the former Queensland Agricultural Training Colleges (QATC) property at Longreach, Land and Buildings, were reclassified into assets held for sale class and were subsequently sold in 2022-23.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

C4 Property, plant and equipment (continued)

Accounting Policies – Property, plant and equipment (PPE)

Recognition

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. 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.

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 *Property, Plant and Equipment*.

Restricted assets are recognised as PPE. 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 2023 is \$0.4 million (2022: \$0.4 million) and is mainly plant and equipment.

Componentisation of complex assets

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

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

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

The department's complex assets are its special purpose research facilities, laboratories and glasshouses.

Cost of acquisition

Historical cost is used for the initial recording of all PPE 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 2023

C4 Property, plant and equipment (continued)

Accounting Policies – Property, plant and equipment (PPE) (continued)

Measurement using fair value

Land and buildings are measured at fair value, which are reviewed each year to ensure they are materially correct. Land and buildings are comprehensively revalued once every five years, or whenever volatility is detected, with values adjusted for indexation in the interim years. Fair value measurement of a non-current asset is determined by taking into account its highest and best use (the highest value regardless of current use). All assets of the department for which fair value is measured in line with the fair value hierarchy, take into account observable and unobservable inputs.

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.

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. Independent professional valuers, Jacobs and AssetVal, supply the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to the professional valuers. The professional valuers provide 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 the professional valuers 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'.

Depreciation expense

Depreciation (representing a consumption of an asset over time) is calculated on a straight-line basis. Annual depreciation is based on the cost or the fair value of the asset, less its estimated residual value, and the department's assessments of remaining useful life of individual assets.

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

Straight line depreciation method is used as that is consistent with the even consumption of service potential of department's assets over their useful life.

Separately identifiable components of assets are depreciated according to the useful lives of each component.

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

Assets under construction (work-in-progress) are not depreciated until they are ready for use.

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.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

C4 Property, plant and equipment (continued)

Accounting Policies - Property, plant and equipment (PPE) (continued)

Useful lives of assets (in years)

For each class of depreciable asset, the following useful lives are applied:

Buildings - Fabric 20-80	Motor vehicles 5-22
Buildings - Fixtures and fittings 10-45	Boats and boating equipment 4-20
Buildings - Plant and services 10-55	Heavy plant 5-30
Land improvements 10-70	Infrastructure wild dog barrier fence 50
Access roads 15-50	Leasehold improvements 4-20
Computer equipment 3-10	Scientific equipment 8-30
Office equipment 5-25	Other plant and equipment 3-20

Impairment

All property, plant and equipment 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 are present, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement*. If an indicator of impairment exists, the department determines the asset's recoverable amount (higher of value in use and fair value less costs of disposal) under AASB 136 *Impairment of Assets*. Any amounts by which the asset's carrying amount exceeds the recoverable amount are considered an impairment loss.

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 the statement of comprehensive income.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

C5 Payables

	2023 \$'000	2022 \$'000
Current		
Trade creditors	16,416	9,406
Deferred appropriation refundable to Consolidated Fund	56,165	32,578
Accrued expenses	7,027	7,756
Equity withdrawal payable ⁽¹⁾	12,822	1,216
Other payables	96	494
Total	92,526	51,450

(1) The increase in 2022-23 is mainly due to the net proceeds from the sale of the former QATC property at Longreach to be returned to QT.

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

	2023 \$'000	2022 \$'000
Current		
Salaries and wages outstanding	338	13
Annual leave levy payable	6,324	5,949
Long service leave levy payable	1,539	1,468
Total	8,201	7,430

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

	2023 \$'000	2022 \$'000
Current		
Contract liabilities	43,028	29,762
Unearned revenue (incl. Leases)	1,601	1,436
Other	228	358
Total	44,857	31,556
Non-Current		
Unearned revenue (incl. Leases)	9,510	10,930
Total	9,510	10,930

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.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

C7 Other liabilities (continued)

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.

Accounting Policy - Other liabilities

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 2023 includes Research and Development contracts of \$33.4 million (2021-22: \$23.5 million), National Cost Sharing contracts of \$5.1 million (2021-22: \$3.3 million) and other contracts of \$4.5 million (2021-22: \$3.0 million).

C8 Right-of-use assets and liabilities

	Land		Buildings		Plant and Equipment		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Right-of-use assets								
Opening balance at 1 July	1,406	380	102,318	108,546	-	-	103,724	108,926
Additions	-	1,209	-	-	421	-	421	1,209
Amortisation	(115)	(192)	(6,259)	(6,251)	(105)	-	(6,478)	(6,443)
Other Adjustments	21	9	30	23	-	-	51	32
Balance as at 30 June	1,312	1,406	96,089	102,318	316	-	97,718	103,724

Lease liabilities

Current

Lease liabilities

Total

Non-Current

Lease liabilities

Total

	2023 \$'000	2022 \$'000
Lease liabilities	3,824	3,563
Total	3,824	3,563
Lease liabilities	95,664	99,439
Total	95,664	99,439

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.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

C8 Right of use assets and liabilities (continued)

Accounting Policy - Leases as lessee (continued)

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 elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets.

The 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.

Lease liabilities

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

Disclosures - Leases as lessee

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).

Research Facilities and equipment

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 in recognition of the up-front capital contribution towards the construction of the facilities and are amortised over the term of the lease. The department also leases the Brian Pastures research facility for beef-cattle research and development with some cropping and horticulture capacity. The department also leases 2 pieces of robotic farm equipment that are used in a collaborative research project that were leased through up-front payments.

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 8 to 15 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.

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.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

C8 Right of use assets and liabilities (continued)

Disclosures - Leases as lessee (continued)

	2023 \$'000	2022 \$'000
<u>Amounts recognised in profit and loss</u>		
Interest expenses on lease liabilities	2,328	2,424
Breakdown of 'Lease expenses' included in Note B3-2		
- Expenses relating to short-term/low value asset leases	728	760
Income from subleasing included in 'Property Rental' in Note B1-2	304	306
<u>Total cash outflow for leases</u>	6,316	5,739

Accounting Policy - Leases as lessor

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

Disclosures - Leases as lessor

(i) Details of leasing arrangements as lessor

Sublease of Health and Foods Sciences Precinct Coopers Plains

The department subleases floor space to CSIRO, which is leased under a 30-year head lease agreement.

The sublease agreements include make-good clauses that requires the lessees to restore the facilities to a satisfactory condition at the end of the lease term.

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

The department does not have any finance leases.

(ii) Maturity analysis

The following table sets out a maturity analysis of future undiscounted lease payments receivable under the department's operating leases.

	2023 \$'000	2022 \$'000
Less than 1 year	972	862
1 to 2 years	336	773
2 to 3 years	118	137
3 to 4 years	119	118
4 to 5 years	119	119
More than 5 years	874	993
Total	2,538	3,002

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

C9 Equity

C9-1 Contributed equity

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

C9-2 Appropriation recognised in equity

	2023 \$'000	2022 \$'000
Budgeted equity adjustment appropriation	(2,064)	(818)
Transfer to other headings	-	(2,332)
Lapsed equity adjustment	(6,459)	-
Equity adjustment receipts (payments)	(8,523)	(3,150)
Plus: Opening balance of equity adjustment payable	1,216	-
Less: Closing balance of equity adjustment payable	(697)	(1,216)
Equity adjustment recognised in contributed equity	(8,004)	(4,366)

C9-3 Asset revaluation surplus by asset class

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Total \$'000
Balance as at 1 July 2021	46,490	35,690	4,054	86,235
Revaluation increments	21,911	19,600	1,698	43,209
Revaluation decrements	(6)	(1,198)	-	(1,205)
Balance as at 30 June 2022	68,395	54,092	5,752	128,240
Balance as at 1 July 2022	68,395	54,092	5,752	128,240
Revaluation increments	10,592	35,435	2,352	48,379
Revaluation decrements	-	(217)	-	(217)
Balance at 30 June 2023	78,987	89,310	8,104	176,401

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

Section D: Notes about risks and other accounting uncertainties

D1 Fair value measurement

D1-1 Accounting policies and inputs for fair values

Accounting policies and inputs for fair values

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 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 note D1-3.

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

In 2022-23, land assets with total net book value of \$0.245 million (2021-22: \$0.916 million) were transferred out of level 3 into level 2. Land assets with total net book value of \$21.796 million were transferred out of level 2 into level 3. These land and building assets were revalued by an independent valuer using quoted market prices for identical assets within the locality in preparation for them to be transferred to assets held for sale.

There were no transfers of infrastructure or building assets between fair value hierarchy levels during the year.

The department comprehensively values its land, building and infrastructure assets using a rolling revaluation program which ensures all material assets are valued by independent professional valuers at least once every five years. 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.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

D1 Fair value measurement (continued)

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)
- 30 June 2022 Indexation applied only
- 30 June 2023 by AssetVal

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 financially 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 apply taking into account the restrictions on use.

Subsequent valuation activity

AssetVal recommended relevant indices ranging from 0% to 20% to update the land fair values effective 30 June 2023, which were assessed by management to be reasonable. AssetVal tested the reasonableness of the indices by applying the indices to a sample of assets and comparing results to similar assets that have been specifically appraised.

Buildings

Effective date of last specific appraisal:

- 30 June 2022 by Jacobs Group (Australia) Pty Ltd (Jacobs)
- 30 June 2023 by Jacobs

Valuation approach: Current replacement cost

Inputs

Jacobs performed specific appraisals on 21% (2022: 19%) of the total building assets effective 30 June 2023.

The valuation of buildings has been undertaken by physical inspection, with the value of the building adjusted for modern-day equivalent construction rates taking into account the various standard components of the buildings where appropriate.

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

Subsequent valuation activity

Fair values were updated using indexation on the remaining 79% (2022: 81%) of the building assets effective 30 June 2023. Jacobs recommended relevant indices ranging from 8% to 10.50% based on the location of the properties to account for cost increases in construction rates in regional areas.

Infrastructure

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

Valuation approach: Current replacement cost - due to no active market for the 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.

Subsequent valuation activity

The fair value of the fence was assessed by Jacobs and updated using indexation effective 30 June 2023. The indexation rate of 9.0% was applied to the WDBF asset. This rate was provided by Jacobs to reflect the market conditions in the area the asset is based.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

D1 Fair value measurement (continued)

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

	Land		Buildings		Infrastructure		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Fair value level 2	50,779	69,764	44	-	-	-	50,823	69,764
Fair value level 3	110,043	84,022	217,038	184,077	28,485	25,236	355,566	293,335
Carrying amount at 30 June	160,822	153,787	217,082	184,077	28,485	25,236	406,389	363,099

D1-4 Level 3 fair value measurement - reconciliation

	Land		Buildings		Infrastructure		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Carrying amount at 1 July	84,022	70,413	184,077	172,976	25,236	22,986	293,335	266,375
Transfers from level 2 to level 3	21,796	-	-	-	-	-	21,796	-
Transfers from level 3 to level 2	(245)	(916)	-	(19,610)	-	-	(245)	(20,526)
Disposals ⁽¹⁾	-	-	(278)	(156)	-	-	(278)	(156)
Transfers between asset classes	-	-	7,113	1,683	1,405	1,013	8,518	2,697
Net revaluations in other comprehensive income	4,470	14,532	35,430	38,221	2,352	1,698	42,252	54,451
Impairment loss through equity	-	(6)	-	(1,198)	-	-	-	(1,205)
Depreciation	-	-	(9,303)	(7,840)	(509)	(461)	(9,812)	(8,301)
Carrying amount at 30 June	110,043	84,022	217,038	184,077	28,485	25,236	355,566	293,335

(1) This excludes held for sale assets.

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:

	Notes	2023 \$'000	2022 \$'000
Financial assets			
Cash and cash equivalents	C1	102,872	85,965
Receivables at amortised cost	C2	26,926	20,581
Loans and advances receivable - fair value through profit and loss	C2	-	784
Total		129,798	107,330
Financial liabilities at amortised cost - comprising			
Payables	C5	92,526	51,450
Other liabilities	C7	228	358
Lease liabilities	C8	99,488	103,002
Total		192,242	154,810

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

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

D2 Financial risk disclosures (continued)

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 risks are managed by the Finance and Asset Management Unit under policies approved by the department. The department provides written principles for overall risk management, as well as policies covering specific areas.

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. Interest rate risk 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.

(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.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

D2 Financial risk disclosures (continued)

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	2023				2022			
	Total	Contractual Maturity			Total	Contractual Maturity		
		< 1 Year	1 - 5 Years	> 5 Years		< 1 Year	1 - 5 Years	> 5 Years
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Payables	92,526	92,526	-	-	51,450	51,450	-	-
Other liabilities	228	228	-	-	358	358	-	-
Lease liabilities	120,444	6,068	26,110	88,266	126,301	5,909	25,336	95,056
Total	213,198	98,822	26,110	88,266	178,109	57,717	25,336	95,056

D3 Contingencies

(a) Litigation in progress

As at 30 June 2023, the following ongoing cases, which have a contingent liability were filed in the courts naming the State of Queensland through DAF:

	2023	2022
District Court	-	1
Magistrates Court	21	17
Queensland Industrial Relations Commission (QIRC)	2	2
Supreme Court	3	3
Total number of litigation matters in progress	26	23

As at 30 June 2023, of the 26 cases in progress (2021-22: 23 cases), there were 3 cases (2021-22: 7 cases) where the State of Queensland through DAF, or an officer of DAF, is named as a defendant or respondent. The remaining 23 cases (2021-22: 16 cases) are matters where the State of Queensland through DAF is a complainant or appellant, and proceedings have commenced.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

D3 Contingencies (continues)

(a) Litigation in progress (continued)

There are 26 contingent liabilities at the reporting date (2021-22: 23 contingent liabilities). These relate to Supreme Court proceedings, Magistrates Court proceedings and two matters in the Queensland Industrial Relations Commission. The value of these contingent liabilities is estimated to be approximately \$215,000 (2021-22: \$9.5 million).

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 (six) other cases that are not yet subject to court action. These cases may or may not result in subsequent litigation. Indemnity for the department has been sought in respect of some of these matters through the 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 saw milling 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 areas where the State owns the forest products. At this stage the department does not foresee the need to pay compensation in relation to any of these long-term sales permits.

D4 Commitments

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:

	2023 \$'000	2022 \$'000
Buildings - Not later than 1 year	1,806	2,137
Plant and equipment - Not later than 1 year	912	844
Infrastructure - Not later than 1 year	682	-
Intangibles - Not later than 1 year	378	-
Total capital expenditure commitments ⁽¹⁾	3,778	2,981

(1) These amounts are GST exclusive.

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

Australian accounting standards and interpretations with future effective dates are either not applicable to the department's activities or have no material impact on the department at the reporting date.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

Section E: Notes on our performance compared to budget

E1 Budgetary reporting disclosures

This section contains explanations of major variances between the department's actual 2022-23 financial results and the original budget presented to Parliament.

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

	Variance Notes	2023 Actual \$'000	2023 Original Budget \$'000	Actual vs. Budget Variance \$'000
Income from operations				
Appropriation revenue	1	342,864	364,843	(21,979)
User charges and fees	2	165,905	148,949	16,956
Grants and contributions		62,992	63,620	(628)
Royalties	3	38,676	30,217	8,459
Other revenue	4	1,513	552	961
Total revenue		611,950	608,181	3,769
Gains on disposal and re-measurement of assets	5	4,050	95	3,955
Total income from operations		616,000	608,276	7,724
Expenses from operations				
Employee expenses		260,757	255,883	(4,874)
Supplies and services		287,803	291,028	3,225
Grants and subsidies	6	29,539	27,661	(1,878)
Depreciation and amortisation		29,371	28,602	(769)
Finance costs		2,328	2,320	(8)
Impairment losses		813	-	(813)
Other expenses	7	2,559	2,782	223
Total expenses from operations		613,170	608,276	(4,894)
Operating result for the year surplus/(deficit)		2,830	-	2,830

- 1) The decrease in Appropriation revenue primarily relates to funding for various departmental projects which have been deferred to the outer years (\$56.93 million). This is partly offset by additional funding received during 2022-23 for Biosecurity response and preparedness (\$18.03 million), operational assistance for the Mossman Mill (\$5.9 million), Drought Assistance initiatives (\$3.15 million), depreciation (\$2.92 million), Pacific Labour Scheme and Seasonal Workers Program (\$1.84 million), Recreational Use Fees (\$1.69 million), Shark Control Program (\$0.53 million) and superannuation top up to reflect the changes to government superannuation policy (\$0.54 million).
- 2) The increase in User charges and fees is largely due to an increase in revenue for Research and Development projects (\$11.91 million). Also contributing to the increase is higher than expected ICT project revenue through the BCP arrangements (\$1.87 million), coupled with increased national cost share revenue from other states and territories for the Electric Ant Eradication program (\$1.43 million).
- 3) The increase in Royalties is largely due to higher than expected sale of quarry materials (\$5.36 million), royalties' revenue for agricultural commercialised research and development (\$1.2 million) and an increase in the sale of forest timber products (\$1.79 million).
- 4) The increase in Other revenue is mainly due to QGIF cost recoveries for Oxley Creek Common and disaster claims.
- 5) The increase in Gains on disposal and re-measurement of assets is mainly due to the sale of the former QATC Longreach facility (\$2.83 million) and an increase in the livestock valuations resulting from higher than expected cattle prices (\$1.46 million).
- 6) The increase in Grants and subsidies is largely due to expenses for operations assistance for the Mossman Mill (\$5.9 million), coupled with the additional demand for the Drought Assistance Package (\$1.18 million) where the 2022-23 allocations were held centrally by Queensland Treasury and drawn down in arrears based on actual expenditure.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

E1 Budgetary reporting disclosures (continued)

E1-1 Explanation of major variances - statement of comprehensive income (continued)

This is partly offset by funding deferred to 2023-24 for various departmental programs - including a timing adjustment for the capital grant for the former QATC site at Emerald (\$4.0 million) and the Farm Management Grants Scheme administered by QRIDA (\$0.95 million).

- 7) The decrease in Other expenses is due to lower than anticipated expenditure associated with delays in projects.

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

	Variance Notes	2023 Actual \$'000	2023 Original Budget \$'000	Actual vs. Budget Variance \$'000
Current assets				
Cash and cash equivalents	1	102,872	39,997	62,875
Receivables	2	26,926	18,652	8,274
Inventories	3	3,697	2,723	974
Other assets	4	62,160	28,535	33,625
Total current assets		195,655	89,907	105,748
Non-current assets				
Receivables		-	2,000	(2,000)
Property, plant and equipment	5	489,270	436,438	52,832
Right-of-use assets		97,717	95,878	1,839
Intangible assets		1,279	1,846	(567)
Other assets		1,751	2,250	(499)
Total non-current assets		590,017	538,412	51,605
Biological assets				
Biological assets	6	4,117	2,986	1,131
Total biological assets		4,117	2,986	1,131
Total assets		789,789	631,305	158,484
Current liabilities				
Payables	7	92,526	15,010	(77,516)
Accrued employee benefits	8	8,201	6,480	(1,721)
Lease liabilities		3,824	3,279	(545)
Other liabilities	9	44,857	25,601	(19,256)
Total current liabilities		149,408	50,370	(99,038)
Non-current liabilities				
Lease liabilities		95,664	94,633	(1,031)
Other liabilities		9,510	9,512	2
Total non-current liabilities		105,174	104,145	(1,029)
Total liabilities		254,582	154,515	(100,067)
Net assets		535,207	476,790	58,417

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

E1 Budgetary reporting disclosures (continued)

E1-2 Explanation of major variances - statement of financial position (continued)

- 1) The increase in Cash and cash equivalents is largely due to unexpended appropriation funds at year end (\$58.87 million) related to the appropriation payable to Queensland Treasury, which was either deferred to 2023-24 or lapsed, coupled with the net proceeds on sale of the former QATC Longreach facility (\$12.12 million), which is to be returned to the Consolidated fund in 2023-24.
- 2) The increase in Receivables largely reflects the increased debtor balance from government customers including DES and Resources for ITP services in 2022-23 (\$2.61 million), NCS partners for their 2022-23 contributions to NRIFAEP (\$3.44 million) and Electric Ants (\$2.27 million).
- 3) The increase in Inventories is largely due to higher than budgeted bulk purchases of bait for the NRIFAEP (\$1.24 million) resulting from increased activity.
- 4) The increase in Other assets is mainly due to a higher than expected contributions receivable under NCS arrangements for NRIFAEP in line with increased activity (increase in amount receivable of \$28.6 million from 2022-23) and the Four Tropical Weeds Eradication Program (\$2.8 million).
- 5) The increase in Property, plant and equipment is predominantly due to the revaluation increment of buildings (\$35.44 million) and infrastructure assets (\$2.35 million) resulting from the 2nd year of the 5-year rolling revaluation program, which reflects the increase in price of construction materials and labour. Increases related to land value (\$10.59 million) are reflective of the continuous upward movement in the property market.
- 6) The increase in Biological assets is due to higher than expected livestock valuations as a result of higher-than-expected cattle prices.
- 7) The increase in Payables is largely due to the unexpended appropriation funds at year end (\$58.87 million) related to the appropriation payable to Queensland Treasury, which was either deferred to 2023-24 or lapsed, the net proceeds for the sale of Longreach (\$12.12 million), which is to be returned to the Consolidated fund, combined with higher than expected end of year expense accruals including the payment to QRIDA for the Rural Economic Development Grants Scheme (\$3.14 million) and outstanding milestone payments with Sugar Research Australis (\$1.42 million).
- 8) The increase in Accrued employee benefits is due to higher than expected payables to Queensland Treasury for central leave schemes (\$0.45 million) and an increase to superannuation payable to reflect the changes to government superannuation policy (\$0.31 million), coupled with realignment of prior year balance to reflect EB increases (\$0.86 million).
- 9) The increase of Other liabilities is higher than expected mainly due to revenue received in advance for contractual agreements for Research and Development projects and projects aligned to Reef Water Quality outcomes (\$11.35 million), unexpended contributions received under NCS arrangements for NRIFAEP from other states and territories (\$4.65 million), and revenue received in advance for disaster relief funding arrangements (DRFA) (\$1.17 million).

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

E1 Budgetary reporting disclosures (continued)

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

	Variance Notes	2023 Actual \$'000	2023 Original Budget \$'000	Actual vs. Budget Variance \$'000
Cash flows from operating activities				
Inflows:				
Service appropriation receipts		366,451	364,843	1,608
User charges and fees	1	165,519	148,122	17,397
Grants and other contributions	2	33,230	62,620	(29,390)
Royalties	3	38,978	30,217	8,761
GST input tax credits received from ATO		16,738	13,181	3,557
GST collected from customers		17,697	-	17,697
Other inflows	4	2,160	1,752	408
Outflows:				
Employee benefits		(259,031)	(255,175)	(3,856)
Supplies and services		(282,541)	(291,882)	9,341
Grants and subsidies	5	(29,173)	(27,661)	(1,512)
GST paid to suppliers		(32,198)	(13,131)	(19,067)
Finance costs		(2,328)	(2,320)	(8)
Other outflows		(2,977)	(3,232)	255
Net cash provided/(used) by operating activities		32,525	27,334	5,191
Cash flows from investing activities				
Inflows:				
Sales of property, plant and equipment	6	13,041	525	12,516
Sales of biological assets	7	2,363	-	2,363
Outflows:				
Payments for property, plant and equipment		(17,901)	(21,976)	4,075
Payments for intangibles		(85)	-	(85)
Payments for biological assets		(524)	-	(524)
Net cash provided/(used) in investing activities		(3,106)	(21,451)	18,345
Cash flows from financing activities				
Inflows:				
Equity injection		4,428	6,666	(2,238)
Outflows:				
Lease payments		(3,988)	(3,741)	(247)
Equity withdrawal		(12,951)	(8,730)	(4,221)
Net cash provided/(used) by financing activities		(12,511)	(5,805)	(6,706)
Net increase/(decrease) in cash and cash equivalents		16,908	78	16,830
Cash and cash equivalents - opening balance		85,965	39,919	46,046
Cash and cash equivalents - closing balance		102,872	39,997	62,875

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

E1 Budgetary reporting disclosures (continued)

E2-1 Explanation of major variances - statement of cash flows (continued)

- 1) The increase in User charges and fees is largely due to an increase in revenue for Research and Development projects (\$11.91 million), including additional co-investment contributions to the Horticultural Market Access Research Partnership project (\$4.87 million). Also contributing to the increase is higher than expected ICT project revenue through the BCP arrangements (\$1.87 million), coupled with increased national cost share revenue from other states and territories for the Electric Ant Eradication program (\$1.43 million).
- 2) The decrease in Grants and other contributions represents a timing difference for the NCS arrangements for NRIFAEP, which is expected to be received in 2023-24 (\$28.60 million).
- 3) The increase in Royalties is largely due to increased royalties' revenue for agricultural commercialised research and development (\$1.24 million), increase in the sale of forest products (\$1.79 million) and higher than expected sale of quarry materials (\$5.36 million)
- 4) The increase in Other inflows mainly relates to QGIF cost recoveries for Oxley Creek Common and disaster works at various locations.
- 5) The increase in Grants and subsidies is largely due to expenses for operations assistance for the Mossman Mill (\$5.9 million), coupled with the additional demand for the Drought Assistance Package (\$1.18 million) where the 2022-23 allocations were both held centrally by Queensland Treasury and drawn down in arrears based on actual expenditure. This is partly offset by funding deferred to 2023-24 for various departmental programs including a timing adjustment for the ex QATC site at Emerald (\$4.0 million) and the Farm Management Grants Scheme administered by QRIDA (\$0.94 million).
- 6) The increase in Sales of property, plant and equipment is mainly due to the sale of the former ex QATC Longreach facility (\$12.40 million).
- 7) The increase in Sales of biological assets is largely due to higher than expected cattle prices (\$1.46 million).

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

Section F: What we look after on behalf of whole-of-Government

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

		2023	2023	Actual vs. Budget	2022
	Variance Notes	Actual \$'000	Original Budget \$'000	Variance \$'000	Actual \$'000
Administered income					
Appropriation revenue	1	61,074	178,909	(117,835)	55,366
User charges and fees	2	1,983	1,754	229	1,683
Grants and contributions		18,517	18,517	-	18,004
Other revenue		1,745	1,406	339	1,797
Total administered income		83,319	200,586	(117,267)	76,850
Administered expenses					
Grants to QRIDA	3	28,327	138,800	110,473	22,784
Grants to QRIC		32,096	32,287	191	30,949
Supplies and services	4	-	1,500	1,500	872
QRIDA administration expenses	5	618	6,300	5,682	740
Depreciation and amortisation - Forestry Assets		33	22	(11)	21
Decrements on revaluation - Forestry Assets		11	-	(11)	-
Transfers of administered income to Government ⁽¹⁾		22,245	21,677	(568)	21,484
Total administered expenses		83,330	200,586	117,256	76,850
Operating result for the year surplus/(deficit)		(11)	-	(11)	-
Other comprehensive income					
Items that will not be reclassified to operating result:					
Increase in asset revaluation surplus - Forestry Assets		(325)	-	-	243
Total comprehensive income		(336)	-	(11)	243

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

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

F1 Administered items (continued)

F1-1 Schedule of administered income and expenses (continued)

- 1) The decrease in administered Appropriation revenue is largely due to a timing adjustment for the Australian Government North Queensland Restocking, Replanting and On-Farm Infrastructure Grants Program (\$116.17 million).
- 2) The increase in User charges and fees is largely related to fee indexation for the management of brands and earmarks in Queensland.
- 3) The decrease in QRIDA grant expenses is due to a timing adjustment for the Australian Government North Queensland Restocking, Replanting and On-Farm Infrastructure Grants Program (\$110.49 million).
- 4) The decrease in Supplies and services is largely related to a realignment for the Jimna Fire Tower Restoration and Repair project from 2022-23 to 2023-24.
- 5) The decrease in QRIDA administration expenses is due to a realignment for the Australian Government North Queensland Restocking, Replanting and On-Farm Infrastructure Grants Program (\$5.50 million).

F1-2 Schedule of administered assets and liabilities

		2023	2023	Actual vs. Budget	2022
	Variance Notes	Actual \$'000	Original Budget \$'000	Variance \$'000	Actual \$'000
Administered assets					
Current					
Cash	1	517	10	507	136
Receivables		531	277	254	436
Total current assets		1,048	287	761	572
Non-current					
Property, plant and equipment - Forestry assets		404	541	(137)	773
Total non-current assets		404	541	(137)	773
Total assets		1,452	828	624	1,345
Administered liabilities					
Current					
Administered income refundable to Government	2	437	-	(437)	58
Payables to Government	3	570	266	(304)	191
Other payables		22	-	(22)	304
Total current liabilities		1,029	266	(763)	553
Net administered assets/liabilities		423	562	(139)	792

- 1) The increase in Cash largely reflects unexpended administered appropriation funds at year end (\$0.44 million) related to the administered income refundable to Government, which was deferred to 2023-24.
- 2) The increase in Administered income refundable to Government relates to deferrals of QRIDA administration fees associated with the Australian Government North Queensland Restocking, Replanting and On-Farm Infrastructure Grants Program and the Jimna Fire Tower Restoration and Repair project.
- 3) The increase in Payables to Government largely represents a timing difference for the collection of QRIC fees and charges at the end of the financial year (\$0.44 million).

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

F1 Administered items (continued)

F1-3 Schedule of administered equity

	Variance Notes	Contributed Equity \$'000	Accumulated Surplus/ (Deficit) \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance as at 1 July 2021		3,632	(3,153)	92	571
Other comprehensive income					
Increase/(decrease) in asset revaluation surplus		-	-	243	243
Total comprehensive income for the year		-	-	243	243
Transactions with owners as owners:					
Appropriated equity injections		624	-	-	624
Appropriated equity withdrawals		(22)	-	-	(22)
Non-appropriated equity withdrawals	1	(117,136)	-	-	(117,136)
Non appropriated equity adjustment	1	116,512	-	-	116,512
Net transactions with owners as owners		(22)	-	-	(22)
Balance as at 30 June 2022		3,610	(3,153)	335	792
Balance as at 1 July 2022		3,610	(3,153)	335	792
Operating result					
Operating result		-	(11)	-	(11)
Other comprehensive income					
Increase/(decrease) in asset revaluation surplus		-	-	(325)	(325)
Total comprehensive income for the year		-	(11)	(325)	(336)
Transactions with owners as owners:					
Appropriated equity injections		524	-	-	524
Appropriated equity withdrawals		(33)	-	-	(33)
Non-appropriated equity withdrawals	1	(89,403)	-	-	(89,403)
Non appropriated equity adjustment	1	88,879	-	-	88,879
Net transactions with owners as owners		(33)	-	-	(33)
Balance as at 30 June 2023		3,577	(3,164)	10	423

- 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. In 2022-23, QRIDA has returned \$88.9 million (2021-22: \$116.5 million) of loan repayments to DAF that the department then repaid to Queensland Treasury.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

F1 Administered items (continued)

F1-4 Reconciliation of payments from consolidated fund to administered income

	2023 \$'000	2022 \$'000
Budgeted appropriation	178,909	57,827
Treasurer's transfers	-	(4,758)
Lapsed appropriation ⁽¹⁾	(117,467)	-
Appropriation adjustment	11	(97)
Total administered receipts	61,453	52,972
Add: opening balance of deferred appropriation payable to Consolidated Fund	58	2,452
Less: closing balance of deferred appropriation payable to Consolidated Fund	(437)	(58)
Administered income recognised in Note F1-1	61,074	55,366

1) This is mainly due to a timing adjustment for the Australian Government North Queensland Restocking, Replanting and On-Farm Infrastructure Grants Program.

F1-5 Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity

	2023 \$'000	2022 \$'000
Budgeted equity adjustment appropriation	502	505
Appropriation adjustment	(11)	97
Equity adjustment receipts (payments)	491	602
Net appropriation equity	491	602

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

Section G: Other information

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.

Key management personnel include those positions that had direct or indirect authority and responsibility for planning, directing and controlling activities of the department during 2022-23 and 2021-22. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

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 are disclosed in the Queensland General Government Consolidated Financial Statements which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the department's other KMP is set by the Queensland Public Sector Commission as provided for under the *Public Sector Act 2022*. 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 the provision of a parking space 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 employment or acceptance of an offer of termination of employment.

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.

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 2023

KMP remuneration expenses 1 July 2022 - 30 June 2023

Position	Position responsibility	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Total Expenses
		Monetary Benefits \$'000	Non-Monetary Benefits ⁽¹⁾ \$'000	\$'000	\$'000	\$'000
Director-General (former) to 18/05/2023	The Director-General is responsible for the efficient, effective and economic administration of the department overseeing Agriculture, Fisheries and Forestry, Biosecurity Queensland and Corporate services.	336	10	9	41	396
Director-General, appointment effective 18/05/2023		57	1	1	7	66
Deputy Director-General, Corporate (former) to 26/05/2023	The Deputy Director-General, Corporate is responsible for the delivery of a broad range of corporate services to enable the department to deliver against its strategic objectives. These include Finance and Asset Management, Communications and Engagement, Digital Enterprise and Portfolio Management, Human Resources and Internal Audit and Risk.	211	-	5	24	240
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.	262	11	7	29	309
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, and sustainable use and allocation of the state natural resources.	265	11	7	30	313
Deputy Director-General and Chief Biosecurity Officer, Biosecurity Queensland (former) to 10/04/2023	The Deputy Director-General and Chief Biosecurity Officer is responsible for the efficient, effective and economic administration of Queensland's Biosecurity functions and responsibilities of the department to prevent, respond and recover from biosecurity threats.	229	9	6	27	271
Deputy Director-General and Chief Biosecurity Officer, Biosecurity Queensland, appointment effective 11/04/2023		63	2	1	7	73
Total		1,423	44	36	165	1,668

1) Non-monetary benefits include car park and associated benefits.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

KMP remuneration expenses 1 July 2021 - 30 June 2022

Position	Position responsibility	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Total Expenses
		Monetary Benefits \$'000	Non-Monetary Benefits ⁽¹⁾ \$'000	\$'000	\$'000	\$'000
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 services.	375	11	9	44	439
Deputy Director-General, Corporate	The Deputy Director-General, Corporate is responsible for the delivery of a broad range of corporate services to enable the department to deliver against its strategic objectives. These include Finance and Asset Management, Communications and Engagement, Digital Enterprise and Portfolio Management, Human Resources and Internal Audit and Risk.	227	-	6	25	258
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.	258	11	6	28	303
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, and sustainable use and allocation of the state natural resources.	242	11	6	27	286
Deputy Director-General and Chief Biosecurity Officer, Biosecurity Queensland	The Deputy Director-General and Chief Biosecurity Officer is responsible for the efficient, effective and economic administration of Queensland's Biosecurity functions and responsibilities of the department to prevent, respond and recover from biosecurity threats.	258	11	6	29	304
Total		1,360	44	33	153	1,590

1) Non-monetary benefits include car park and associated benefits.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

G2 Related party transactions

Transactions with people/entities related to KMP

A review has been undertaken for the 2022-23 financial year of the department's KMP related party transactions 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.

During the 2022-23 financial year, the department received defined services from the following agencies:

- Department of Resources: Legal Services
- DES: Privacy and Ethics and Right to Information.

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

- Department of Tourism Innovation and Sport (DTIS): Information Technology and Fleet Management.
- Department of Resources: Information Technology and Fleet Management.
- DES: Information Technology and Fleet Management.
- Department of Regional Development, Manufacturing and Water (DRDMW): Information Technology and Fleet Management.

User charges and fees (Note B1-2) includes the fee for service revenue received from the above agencies and other government entities for information management services, and this represents approximately 22% (2021-22: 25%) of the total user charges and fees.

Office accommodation and QFleet costs disclosed in supplies and services (Note B3-2) include office accommodation arrangements with DEPW across the state 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 Transport and Main Roads (effective 18 May 2023) 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.

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

Accounting standards applied for the first time

There are no new accounting standards or interpretations that apply to the department for the first time in 2022-23.

Accounting standards early adopted

No new Australian Accounting Standards have been early adopted for 2022-23.

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).

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

G5 Climate risk disclosure

a) 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.

b) 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 2022-23 non-current assets revaluations program, Jacobs – qualified quantity surveyors and AssetVal have considered the risk of climate change on the non-current values for DAF at 30 June 2023.

Land

AssetVal considered the impact of obvious and immediate risks including flooding and bushfires and have taken the impacts into account when providing the land values at 30 June 2023. The sales evidence used in this valuation program reflects any effect of climate change that a market participant would consider at this time, so no adjustments to the adopted land values at 30 June 2023 were 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

AssetVal 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 AssetVal had consideration of the risk of climate change, flooding and bushfires. AssetVal undertook searches and made enquiries to identify the impact of past events to subject properties and sales evidence in order to take these into account for the 2022-23 revaluation period.

Buildings and Infrastructure

Asset vulnerability to climate change is partially defined by exposure; that is, the extent to which the location experiences the disruptor. Coastal locations are usually highly exposed to sea-level rise, whereas inland locations are not. Changes in average and extreme temperatures, precipitation and the other climate elements vary according to global and regional scale climate systems as well as geography. Exposure to climate change impacts can therefore vary on a local scale.

As part of the 2022-23 rolling valuation program for buildings and infrastructure, the rapid climate change exposure assessment was used for DAF's facilities across South-east Queensland.

Rapidly available spatial data were collected to describe likely climate change impacts on DAF's assets. The following climate hazards were considered:

- Heatwaves and extreme temperatures
- Riverine flooding
- Sea level rise and storm tide
- Bushfire
- Extreme wind
- Annual rainfall / humidity.

Each of the sites comprehensively valued in 2022-23 were assessed against climate exposure hazards ranked between 0 (lowest score) to 6 (highest score) against each of the climate hazards categories.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

G5 Climate risk disclosure (continued)

b) Current year impacts (continued)

Of the high-score hazards (scores 5 and above), there was no material impact to the 2022-23 comprehensively valued assets.

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 assets are reflected in the total lives adopted.

c) Future year impacts

Climate change impacts on DAF's assets will be continually monitored through the rolling non-current assets valuation program. Any future impacts of climate risk will be assessed and taken into account where relevant.

Under the Queensland Climate Action Plan (QCAP) the department has adopted the Monitoring, Evaluation, Reporting and Improvement (MERI) framework, whereby there is a requirement to report annually (commencing 31 July 2023) to DES on climate risk management. The primary purpose of the MERI Framework is to enable the tracking and reporting of climate action progress across Queensland.

Department of Agriculture and Fisheries

Notes to the financial statements

For the year ended 30 June 2023

Certification

Management certificate

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 financial year ended 30 June 2023 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 and 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: 23 August 2023



.....
Dr Chris Sarra PhD
Director-General
Date: 28 August 2023

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 2023, 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 2023, 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 material accounting policy 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 (\$63.47 million)

Refer to note C4 and D1 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 involved reference to publicly available data on recent sales of similar land in nearby localities and subsequent indexation of these valuations as at 30 June 2023. The department's reserve land (restricted for use) comprises 39.46 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>Significant judgement was also required to determine the appropriate index.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • assessing the adequacy of management's review of the valuation process and results • assessing the competence, capability and objectivity of management's independent expert used to develop the indexation rates • obtaining an understanding of the valuation methodology used with reference to common industry practice • evaluating the reasonableness of the following for a sample of land parcels: <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 • assessing the reasonableness of the indexation rates applied, with reference to external information and factors

Buildings valuation (\$217.08 million) and depreciation expense (\$9.30 million)

Refer to note C4 and D1 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 • indexing unit rates for any subsequent increases in input costs. <p>The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of assets.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • assessing the adequacy of management's review of the valuation process and results • assessing the competence, capability and objectivity of the experts used by the department to develop the models • obtaining an understanding of the methodology used, and assessing its appropriateness with reference to common industry practices • assessing the appropriateness of the building components used for measuring gross replacement cost 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 the relevance and appropriateness of the indices used by comparing to other relevant external indices • evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> ○ reviewing management's annual assessment of useful lives ○ ensuring that no component still in use has reached or exceeded its useful life ○ 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 forming an opinion on the effectiveness of the department's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information 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 2023:

- a) I received all the information and explanations I required.
- b) 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.



Jacqueline Thornley
as delegate of the Auditor-General

29 August 2023

Queensland Audit Office
Brisbane

Appendixes

Appendix 1: Performance statements

Table A1 Performance statements (2022–23)

Service standards	Notes	2022–23 Target/est.	2022–23 Actual
SERVICE AREA: ENABLING AGRICULTURE INDUSTRY GROWTH			
Service: Agri-business and Policy			
<i>Effectiveness measure</i>			
Percentage of primary producers adopting drought and climate resilient practices as a result of DAF support	1, 2	20%	28%
<i>Efficiency measures</i>			
Average cost per hour to conduct regulatory policy and reform activities		\$82	\$84
Service: Rural Economic Development			
<i>Effectiveness measure</i>			
Proportion of stakeholders who considered that Rural Economic Development services positively influence their operations	1	70%	70.3%
<i>Efficiency measure</i>			
Average cost of regional agricultural advocacy activities	3	\$450	\$338
Service: Agri-Science Queensland			
<i>Effectiveness measures</i>			
Assessed impact of completed agricultural research, development and extension projects and/or programs (benefit cost ratio)	4	>4.0	7.23
Level of funding partner satisfaction that research outcomes contribute to industry productivity growth	5	90%	80%
<i>Efficiency measure</i>			
Percentage return on research, development and extension investment through royalty returns	6	5%	7.98%

Table A1 cont. Performance statements (2022–23)

Service standards	Notes	2022–23 Target/est.	2022–23 Actual
SERVICE AREA: QUEENSLAND BIOSECURITY SERVICES			
<i>Effectiveness measures</i>			
Proportion of significant biosecurity responses that deliver the planned outcomes to safeguard economic loss		95%	100%
Level of satisfaction with biosecurity partnership performance		>3.0	3.17
<i>Efficiency measures</i>			
Cost of significant biosecurity responses per agricultural production unit	7	≥1:450	1:1145
Cost of core biosecurity services per agricultural production unit	8	≥1:250	1:314
SERVICE AREA: FISHERIES AND FORESTRY INDUSTRY DEVELOPMENT			
Service: Fisheries			
<i>Effectiveness measures</i>			
Percentage of key Queensland fish stocks assessed that are considered to have no sustainability concerns		85%	93%
Percentage of units inspected that are compliant with fisheries laws		90%	87%
<i>Efficiency measure</i>			
Average cost of inspections	9	\$850	\$808
Average number of inspections per full-time equivalent		220	209

Service: Forestry			
<i>Effectiveness measure</i>			
Percentage of findings from the previous third-party audit confirmed as satisfactorily addressed in order to maintain certification to the Australian Standard for Sustainable Forest Management (AS4708:2013)		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)	10	\$38.15	\$50.19
b) quarry material (expenses/m ³)		\$0.52	\$0.53

Table A1 cont. Performance statements (2022–23)

Notes

1. New measure introduced in 2022–23.
2. The variance between the 2022–23 target/estimate and the 2022–23 actual reflects further uptake, adoption and participation in the Drought and Climate Adaptation Program (DCAP) programs in 2022–23, particularly in DCAP Farm Business Resilience Program projects. More primary producers were successfully engaged in developing and adopting farm business planning outcomes than were anticipated for the year.
3. The variance between the 2022–23 target/estimate and the 2022–23 actual is due to an increase in advocacy activity associated with statewide involvement in Rural Economic Development Grants and Rural Agricultural Development Grants.
4. The 2022–23 target/estimate was 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, 6 new research, development and extension projects/programs are chosen at random. The variance between the 2022–23 target/estimate and the 2022–23 actual is due to 6 randomly chosen projects/programs delivering improved benefits relative to costs, greater than in the past.
5. The 2022–23 actual is lower than the 2022–23 target/estimate. There was a lower survey response rate compared to previous years (down 29%), which means that the overall result is more heavily influenced by individual responses. The survey measures funding partner satisfaction with the quality, relevance and timeliness of processes used by Agri-Science Queensland and outcomes delivered by individual projects.
6. The variance between the 2022–23 target/estimate and the 2022–23 actual is due to an increased market share of the department-bred strawberry, mango and mandarin varieties, good seasonal growing conditions for sorghum and increased royalties relating to livestock vaccines.
7. 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 2022–23 actual is based on the available GVP for 5 years from 2017–18 to 2021–22. These are the latest official figures, which show an increasing trend. The ratio of cost of managing biosecurity incidents to the value of production protected was impacted by the decrease in Queensland's contribution to funding the National Red Imported Fire Ant Eradication Program due to investment being brought forward in previous years.
8. The 2022–23 actual is based on the available GVP for 5 years from 2017–18 to 2021–22. These are the latest official figures, which show an increasing trend.
9. The variance between the 2022–23 target/estimate and 2022–23 actual reported in the Department of Agriculture and Fisheries Service Delivery Statement 2023–24 is due to an increase in the number of inspections conducted by authorised Queensland Boating and Fisheries Patrol (QBFP) officers for the period. In the 2022–23 period, an additional 14 authorised officers were onboarded and trained, resulting in an improved 2022–23 actual. The average cost is influenced by fixed cost salaries, which are payable regardless of operating restrictions.
10. The variance between the 2022–23 target/estimate and 2022–23 actual is a result of increased costs associated with the delivery of the forestry business.

Appendix 2: Related entities

The entities in Table A2, together with the department, form the ministerial portfolio for the Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities.

The entities in Table A3 are administered for the Minister for Education, Minister for Industrial Relations and Minister for Racing.

Table A2 Related entities

Name	Type of entity	Functions	Legislation under which the entity was established	Annual reporting arrangement
Darling Downs – Moreton Rabbit Board	Statutory body	Take reasonable steps to ensure the board's operational area is kept free from rabbits	<i>Biosecurity Act 2014</i>	Annual report tabled in parliament
Queensland Rural and Industry Development Authority	Statutory body	Administer approved financial assistance schemes that foster a more productive and sustainable rural and regional sector in Queensland	<i>Rural and Regional Adjustment Act 1994</i>	Annual report tabled in parliament
Safe Food Production Queensland	Statutory body	Regulate, under food safety schemes, the production of primary produce to ensure it is safe for human and animal consumption	<i>Food Production (Safety) Act 2000</i>	Annual report tabled in parliament
Veterinary Surgeons Board of Queensland	Statutory body	Registration of veterinary surgeons, provisions in response to misconduct, and the control of veterinary science practice	<i>Veterinary Surgeons Act 1936</i>	The transactions of the entity are included in the department's financial statements

Table A3 Additional entities administered

Name	Type of entity	Functions	Legislation under which the entity was established	Annual reporting arrangement
Queensland Racing Appeals Panel	Statutory authority	Hears and decides applications for review of racing decisions of a steward and any other function given to the panel under the Act.	<i>Racing Integrity Act 2016</i>	Annual performance report to the Minister tabled in parliament The transactions of the entity are included in the department's financial statements
Queensland Racing Integrity Commission	Statutory body	Oversees the integrity and welfare standards of racing animals and participants in Queensland	<i>Racing Integrity Act 2016</i>	Annual report tabled in parliament

Appendix 3: Compliance checklist

Table A4 Compliance checklist 2022–23

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 (for TOC) 133 (for Glossary)
	<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	2–5, 12–13
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	15–19
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs—section 11.2	20–37
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs—section 11.3	7, 124–127
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs—section 12.1	42–48
Governance—management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs—section 13.1	49
	<ul style="list-style-type: none"> Executive management 	ARRs—section 13.2	50–52
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs—section 13.3	14, 128
	<ul style="list-style-type: none"> Public sector ethics 	<i>Public Sector Ethics Act 1994</i> ARRs—section 13.4	55
	<ul style="list-style-type: none"> Human rights 	<i>Human Rights Act 2019</i> ARRs—section 13.5	56
	<ul style="list-style-type: none"> Queensland public service values 	ARRs—section 13.6	6

Table A4 cont. Compliance checklist 2022–23

Summary of requirement		Basis for requirement	Annual report reference
Governance—risk management and accountability	• Risk management	ARRs—section 14.1	57–58
	• Audit committee	ARRs—section 14.2	58–59
	• Internal audit	ARRs—section 14.3	60
	• External scrutiny	ARRs—section 14.4	60
	• Information systems and recordkeeping	ARRs—section 14.5	60–62
	• Information security attestation	ARRs—section 14.6	58
Governance—human resources	• Strategic workforce planning and performance	ARRs—section 15.1	63–67
	• Early retirement, redundancy and retrenchment	<i>Directive no. 04/18: Early retirement, redundancy and retrenchment</i> ARRs—section 15.2	67
Open data	• Statement advising publication of information	ARRs—section 16	Inside front cover
	• Consultancies	ARRs—section 31.1	data.qld.gov.au
	• Overseas travel	ARRs—section 31.2	data.qld.gov.au
	• Queensland language services policy	ARRs—section 31.3	data.qld.gov.au
Financial statements	• Certification of financial statements	FAA—section 62 FPMS—sections 38, 39 and 46 ARRs—section 17.1	118
	• Independent auditor's report	FAA—section 62 FPMS—section 46 ARRs—section 17.2	119–123

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
ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
ABS	Australian Bureau of Statistics
ADA	aquaculture development area
AFMF	Australian Fisheries Management Forum
AgTech	agricultural technology
APM	Australian Police Medal
ARC	Audit and Risk Committee
ARRs	Annual report requirements for Queensland Government agencies
ASQ	Agri-Science Queensland
ATO	Australian Taxation Office
AWTG	Animal Welfare Task Group
BCM	business continuity management
BCP	Business and Corporate Partnership
CPI	consumer price index
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAF	Department of Agriculture and Fisheries
DCAP	Drought and Climate Adaptation Program
DEPW	Department of Energy and Public Works
DES	Department of Environment and Science
DRAS	Drought Relief Assistance Scheme
DTIS	Department of Tourism, Innovation and Sport
eDRMS	electronic document and records management system
ERA	environmentally relevant activities
FAA	<i>Financial Accountability Act 2009</i>
FBRP	Farm Business Resilience Program
FBT	fringe benefits tax
FIFA	Federation Internationale de Football Association
FPMS	Financial and Performance Management Standard 2019
FTE	full-time equivalent
GBR	Great Barrier Reef
GDP	gross domestic product
GST	goods and services tax
GVP	gross value of production

Acronyms and abbreviations cont.

ICT	information and communication technology
IGAB	Intergovernmental Agreement on Biosecurity
ISMS	Information Security Management System
ISO	International Organization for Standardization
ITP	Information and Technology Partners
KMP	key management personnel
KPI	key performance indicator
MOHRI	Minimum Obligatory Human Resource Information
NAIDOC	National Aborigines and Islanders Day Observance Committee
NCS	national cost sharing
NRIFAEP	National Red Imported Fire Ants Eradication Program
PALM	Pacific Australia Labour Mobility
Panama disease TR4	Panama disease Tropical Race 4
PPE	Property, plant and equipment
QAO	Queensland Audit Office
QATC	Queensland Agricultural Training Colleges
QBFP	Queensland Boating and Fisheries Patrol
QGIF	Queensland Government Insurance Fund
QLD	Queensland
QRIC	Queensland Racing Integrity Commission
QRIDA	Queensland Rural and Industry Development Authority
QSA	Queensland State Archives
QT	Queensland Treasury
QTC	Queensland Treasury Corporation
RAD	Rural Agricultural Development
RD&E	research, development and extension
RIFA	red imported fire ants
RSPCA	Royal Society for the Prevention of Cruelty to Animals
SVS	State Valuation Service
WDBF	wild dog barrier fence
WHS	work health and safety; also workplace health and safety
WIRFN	Women in Recreational Fishing Network Queensland
WISA	Women in Seafood Australasia

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
banana freckle	a 'wet spore' organism that causes characteristic 'sandpapery feeling' spots on banana leaves and fruit. Plant health, productivity, and fruit quality and appearance can be affected. The fungus can move short distances by water droplet splash and wind-driven rain and is spread over larger distances by people moving infected fruit, leaves and suckers used for planting
COVID-19	the coronavirus that originated in China in 2019 and was declared a global pandemic
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
foot-and-mouth disease	a highly contagious animal viral disease that affects all cloven-hoofed animals (those with a divided hoof), including cattle, sheep, goats, camelids (alpacas, llamas and camels), deer and pigs. It does not affect horses or zebras. There is no threat to human health from the disease of affected meat. The virus is carried by live animals and in meat and dairy products, as well as in soil, bones, untreated hides, vehicles and equipment used with these animals. It can also be carried on people's clothing and footwear and survive in frozen, chilled and freeze-dried foods
forest product	any state-owned material derived from a forest (e.g. timber, seeds, foliage)
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)
gross value of production (GVP)	the value of final goods and services produced in a given period
Japanese encephalitis	a viral zoonotic disease spread by mosquitoes. The virus can cause reproductive losses and encephalitis in pigs and horses. In rare cases, Japanese encephalitis can cause disease in people. People and horses are considered 'dead end' hosts. Once infected, they do not play a role in transmitting the virus. Pigs and some species of wild birds are amplifying hosts
lumpy skin disease	an acute to chronic, highly infectious, generalised skin disease of cattle and water buffalo. The disease is caused by a poxvirus and is believed to be mechanically transmitted mostly by a range of arthropods, including biting insects and ticks. The virus does not affect humans. Economic losses due to the virus would include stock losses and reduced production, including reduced milk yield, loss of animal body condition and rejection or reduced value of the hide
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 the Queensland Government
Panama disease Tropical Race 4 (TR4)	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; TR4 varies from other strains in that onset is generally quicker and the disease is generally more aggressive
red imported fire ants (RIFA)	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
tropical weeds	five weed species that are native to tropical America but have been introduced into North Queensland and are now targeted for eradication— <i>Limnocharis flava</i> , miconia (<i>Miconia calvescens</i> , <i>M. nervosa</i> , <i>M. racemosa</i>) and mikania vine (<i>Mikania micrantha</i>)
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

