

ANNUAL REPORT

2017–2018



CS8398 09/18

ISSN 2205 8753 (print)

ISSN 2205 8761 (online)

Contact us

Electronic versions of the annual report are available on the department's website at www.daf.qld.gov.au.

Enquiries regarding this document are welcome.

Call

13 25 23 (Queensland callers only)

(07) 3404 6999 (outside Queensland)

Monday, Tuesday, Wednesday and Friday: 8 am to 5 pm

Thursday: 9 am to 5 pm

Post

Department of Agriculture and Fisheries

GPO Box 46

BRISBANE QLD 4001

AUSTRALIA

Interpreter statement

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



Feedback

The Department of the Premier and Cabinet is coordinating feedback on agency annual reports at www.qld.gov.au/annualreportfeedback.

© The State of Queensland (Department of Agriculture and Fisheries), 2018.

This annual report is licensed by the State of Queensland (Department of Agriculture and Fisheries) under a Creative Commons Attribution (CCBY) 4.0 International licence.



In essence, you are free to copy, communicate and adapt this annual report, as long as you attribute the work to the State of Queensland (Department of Agriculture and Fisheries).

To view a copy of this licence, visit <http://creativecommons.org/licenses/by/4.0>.

The information contained in this report is subject to change without notice. The Queensland Government shall not be liable for technical or other errors or omissions. The reader/user accepts all risks and responsibility for losses, damages, costs and other consequences resulting directly or indirectly from using this information.

Contents

Statement of compliance	1
Message from the Director-General	2
Snapshot of performance	4
Financial overview	5
Controlled funds	7
Administered funds	10
Outlook for 2018–19	10
The sector we serve	12
Outlook	16
Our organisation	18
Our vision	18
Our purpose	18
Our strategic direction	19
Our services	19
Our leaders	20
Our organisational structure	23
Our performance management framework	24
Our impact and investment framework	25
Objective 1	
Create the conditions for successful agribusinesses and supply chains which encourage innovation and productivity	28
Strategic risks and opportunities	28
Key performance indicators	29
Cross-government commitments	29
Results and work program	30
Priorities for 2018–19	44
Objective 2	
Assist people in agriculture, fisheries, forestry and rural businesses to respond to challenges and protect environmental values	45
Strategic risks and opportunities	45
Key performance indicators	46
Cross-government commitments	46
Results and work program	47
Priorities for 2018–19	63

Objective 3

Ensure the sustainable management of natural resources to underpin productivity and protect the environment 64

Strategic risks and opportunities 64

Key performance indicators 65

Cross-government commitments 65

Results and work program 66

Priorities for 2018–19 85

Our Future DAF—preparing the way 86

Corporate governance 86

Accountability and risk management 90

Risk management 93

Information management 93

People management 96

Financial statements: 30 June 2018 102

Statements 102

Independent auditor’s report 144

Disclosures 148

Appendix 1: Regulator performance framework self-assessment 148

Appendix 2: Online reporting 150

Appendix 3: Related entities 151

Appendix 4: Performance statements 152

Appendix 5: Administered legislation 155

Appendix 6: Compliance checklist 156

Acronyms and abbreviations 158

Glossary 160

Statement of compliance

21 September 2018

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

Dear Minister

I am pleased to submit for presentation to Parliament the *Annual report 2017–2018* and financial statements for the Department of Agriculture and Fisheries.

I certify that this annual report complies with:

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

This report was prepared on the basis of the current administrative arrangements for this department applying for the whole of the 2017–18 financial year. That is, it reflects the structure, operations and performance of the department as it now exists.

A checklist outlining the annual reporting requirements can be found in Appendix 6, page 156 of this annual report, or accessed at www.daf.qld.gov.au.

Yours sincerely



Dr Elizabeth Woods
Director-General
Department of Agriculture and Fisheries

Message from the Director-General

I am pleased to present the annual report of the Department of Agriculture and Fisheries (DAF). Over the course of the past 12 months, we have delivered on our commitments to our clients and the Queensland community—promoting a sustainable and innovative agriculture, fisheries and forestry sector and rural business that adds value to the economy and the community. The 2017–18 year has seen DAF work with the new Minister for Agricultural Industry Development and Fisheries to advance the department's priorities.

Strategic directions

We made considerable progress delivering several key strategies that will benefit the agriculture, fisheries and forestry sector. A third of the actions designated in the *Queensland sustainable fisheries strategy 2017–2027* have been delivered within its first 12 months. This puts in place policies and plans setting foundational reforms for the ongoing work that will underpin sound and sustainable fisheries management for the next 10 years.

The department and the biosecurity partnership that collectively wrote the *Queensland biosecurity strategy: our next five years 2018–2023* have tapped the wisdom of national leading experts to look at areas of priority and navigate new partnership plans. Strong progress has been demonstrated only 3 months into its release.

In March 2018, we released the *Queensland agriculture snapshot 2018*, which provides a strategic overview of the economic conditions and outstanding opportunities available for our sectors.

Focusing our investments

The *Queensland agriculture and food research, development and extension 10-year roadmap and action plan* focuses research, development and extension (RD&E) efforts to support our agri-industries to remain at the national forefront and continue to attract investment funding.

During the year, DAF continued to embed our impact and investment methodology. It is designed to get a clear picture of the return on investment delivered from our activities right across the department, and the impact they are having into communities. This management methodology ensures a strong foundation is now in place to support the government's recently released objectives for the community—Our Future State: Advancing Queensland's Priorities.

Supporting our community

During the Commonwealth Games, Queensland's biggest sporting and tourism event, DAF's participation in the Trade 2018 investment and trade initiatives promoted local produce to the world. Also, to help government engage more effectively with challenges facing Aboriginal and Torres Strait Islander communities, it has been my personal pleasure to work as the government champion in the Northern Peninsula Area, at the tip of Cape York.

Throughout the year, our staff worked to increase the resilience of rural communities by administering rural and drought assistance packages that played a critical role in drought and disaster recovery. We also commenced an important journey to become a White Ribbon Australia accredited workplace, to address domestic and family violence.

Building our capability

DAF continued its transition to a modern, streamlined organisation, ensuring important investments in our capability and culture will drive improved performance. In December 2017, we completed a capability blueprint review, which assessed DAF on our leadership, strategy and service delivery. The review provided insights into where to focus business process improvements, embracing the digital age and enhancing and positioning the skills to drive this change.

Two of our new key programs, *FutureDAF* and the DAF Digital Future Strategy, will look to harness the diversity of skills, experience and knowledge of DAF staff as one of our greatest assets to effectively operate and manage our business at all levels. DAF continued to improve the capability of its people and its systems, with the finalisation of stage 1 of its \$1 million Portfolio Activity Reporting Information System. This system will help to consolidate the variety of processes and technologies used in managing the department's RD&E projects.

Many more achievements were realised during 2017–18 and these are detailed throughout this report. In closing, I would like to thank all staff, the Minister and his office for their support during the year.



Dr Elizabeth Woods

Director-General
Department of Agriculture and Fisheries

Snapshot of performance

This snapshot shows how DAF supported the government's objectives for the community in 2017–18.

Queensland Government's objectives for the community

Creating jobs and a diverse economy

Gross value of agriculture, fisheries and forestry production \$19.45 billion

- **\$472.6 million** provided for government agriculture, fisheries and forestry services
- **531** audits improved supply chain competitiveness and access to markets

Rural exports \$9.46 billion

- **35** international delegations supported to promote agricultural trade and investment opportunities
- **12 718** plant health certificates issued to provide market access for Queensland commodities

Jobs and employment

- **~ 26 000** farm businesses supported across Queensland
- **63 000** Queenslanders employed in agriculture, forestry and fishing jobs; **~ 2.6%** of Queensland's workforce
- A network of **90+** offices provided services across the state, with **~ 68%** of staff working in locations outside Brisbane's central business district

Delivering quality frontline services

Biosecurity services

- **79** exotic and established animal and plant pest and disease incidents effectively managed
- **6** nationally cost-shared eradication programs led by Biosecurity Queensland

Fisheries education and compliance services

- **91%** of units inspected by the Queensland Boating and Fisheries Patrol compliant with fisheries laws
- **1383** commercial fishing boat licences and **316** commercial harvest fishery licences issued and monitored

Responsive government

- **87.6%** of **80 275** customer enquiries answered at the first point of contact by the Customer Service Centre
- **95%** of **2628** claims for business assistance as a result of drought or natural disaster processed within **21** days
- **6 489 175** web page views
- **84 082** Facebook and **10 031** Twitter followers
- **First ever approval** of a third-party (industry-led) biosecurity accreditation program under the *Biosecurity Act 2014*

Building safe, caring and connected communities

Drought and disaster relief

- **2628** claims valued at **\$9.8** million processed for freight subsidies and emergency water rebates under the Drought Relief Assistance Scheme
- **4** agricultural recovery responses activated in North, North West and Central Queensland following severe weather and flooding events and Tropical Cyclones Debbie and Nora

Animal welfare

- **1386** animal welfare investigations to ensure high standards of animal welfare and support the ethical production of food products
- **119** registration licences issued for using animals for scientific purposes

Keeping Queenslanders healthy

- **41** audits or investigations completed to ensure the safe use of chemicals in production and reduce contaminant risks

Protecting the environment

Native forests

- *Australian standard: sustainable forest management* (AS4708:2013) certification maintained

Fish stocks

- **82%** of key Queensland fish stocks assessed have no sustainability concerns

Land, water and protecting the Great Barrier Reef

- **47%** of primary producers in Reef catchments adopted best management practices after participating in DAF extension programs
- **4670** agricultural chemical user licences issued to ensure environmentally responsible production

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 2017 to 30 June 2018.

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 of the three primary financial statements:

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

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

For a more comprehensive set of financial statements covering all aspects of the department's activities, see 'Financial statements: 30 June 2018' on page 102.

The statements include a comparison of actual financial results with the budget estimates published in the 2017–18 State Budget Papers, and provide explanations of major variances.

Table 1: Summary of DAF's financial statements (controlled funds) for the period 1 July 2017 to 30 June 2018

The increase in income and expenses is largely due to additional funding during 2017–18 for biosecurity pest and disease responses including those for white spot disease and Panama disease tropical race 4, and national cost-sharing arrangements (including the National Red Imported Fire Ant Eradication Program).

The operating result for 2017–18 is a surplus due to the recognition of revenue for leasehold improvements transferred from the Department of Housing and Public Works and the reimbursement of capital expenditure in relation to the relocation of the Information and Technology Partners data centre from the Land Centre as part of the Cross River Rail project.

The increase in current assets is mainly due to higher than expected receivables under national cost-sharing arrangements for biosecurity pest and emergency disease responses (including the National Red Imported Fire Ant Eradication Program).

The decrease in non-current assets is mainly due to the revaluation adjustments to land and buildings to reflect market values.

The increase in current liabilities is largely due to higher than expected funding received in advance of service delivery for research and development projects, and an appropriation payable to the Consolidated Fund for end-of-year deferrals appropriations.

The decrease is mainly in the asset reserves, reflecting 2017–18 revaluation adjustments to land and buildings valuations in non-current assets.

Statement of comprehensive income	2017–18 actual (\$ million)	2017–18 budget (\$ million)
Total income	472.6	424.7
Less: total expenses	469.5	424.7
Operating result for 2017–18	3.1	

Statement of cash flows	2017–18 actual (\$ million)	2017–18 budget (\$ million)
Balance of cash at 1 July 2017	52.9	40.6
Operating activities	8.6	20.6
Investing activities	(14.8)	(16.6)
Financing activities	(5.9)	(4.1)
Net increase in cash held	(12.1)	(0.1)
Cash at 30 June 2018	40.8	40.5

The decrease in cash balances during the financial year is largely due to additional expenses associated with the finalisation of national cost-sharing arrangements for the National Red Imported Fire Ant Eradication Program, the containment of white spot disease, the ongoing control and coordination for Panama disease tropical race 4 and the Queensland Reef Water Quality Program, where funding arrangements were finalised after the published budget was released.

Statement of financial position	2017–18 actual (\$ million)	2017–18 budget (\$ million)
Current assets (including cash balances)	98.2	78.7
Non-current assets (including property, plant and equipment)	367.9	384.7
Total assets	466.1	463.4
Current liabilities	54.3	34.2
Non-current liabilities	16.6	18.0
Total liabilities	70.9	52.2
Net assets	395.2	411.2
Total equity at 30 June 2018	395.2	411.2

Controlled funds

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

Operating result

The operating result for 2017–18 is a \$3.1 million surplus. This surplus represents the recognition of revenue for leasehold improvements transferred from the Department of Housing and Public Works and the reimbursement of capital expenditure in relation to the relocation of the Information and Technology Partners data centre from the Land Centre as part of the Cross River Rail project. Excluding those unbudgeted revenues, the department reported a balanced budget result for 2017–18.

Income—where the dollars came from

Total operating revenues were \$472.6 million, including:

- \$278.0 million (58.8%) through funding provided as service revenue by Parliament
- \$129.8 million (27.5%) in user charges 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)
- \$31.6 million (6.7%) from grants and other contributions (including national cost-sharing revenue from the Australian Government for biosecurity pest and disease programs)
- \$31.8 million (6.7%) from other income sources (including royalty revenues on forest products removed from state land)
- \$1.4 million (0.3%) from disposal and revaluation of assets.

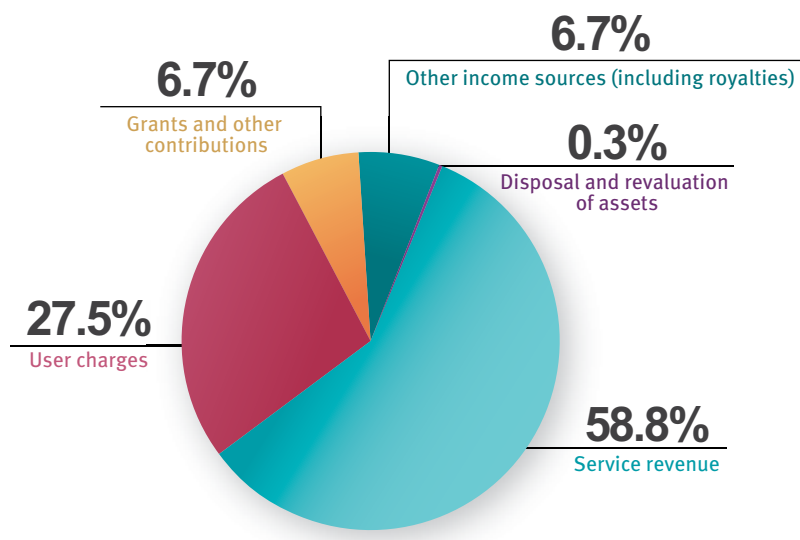


Figure 1: Operating revenues, 1 July 2017 to 30 June 2018

Expenses—where the dollars were spent

Total operating expenses were \$469.5 million, including:

- \$207.6 million (44.2%) in employee costs
- \$216.0 million (46.0%) for supplies and services, including contractors for national cost-sharing biosecurity pest and disease programs, research and development projects, the provision of services through the Business and Corporate Partnership arrangements, outsourced service delivery arrangements, accommodation, travel and other operating costs
- \$21.6 million (4.6%) in grants and subsidies, mainly including payments under the Drought Relief Assistance Scheme, an Australian Government-funded payment to the Australian Banana Growers Council associated with the Panama disease tropical race 4 response, and payments to Safe Food Queensland and the Darling Downs – Moreton Rabbit Board
- \$21.6 million (4.6%) in depreciation expenses
- \$2.7 million (0.6%) in other expenses, mainly including asset write-downs, special payments, Queensland Government insurance premiums, audit fees and other miscellaneous expenditure.

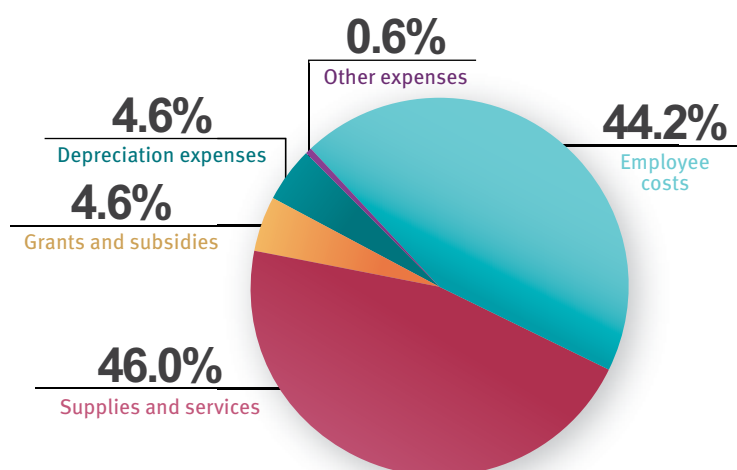


Figure 2: Operating expenses, 1 July 2017 to 30 June 2018

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

- Agriculture (\$210.8 million or 50%)
- Biosecurity Queensland (\$136.6 million or 32.4%)
- Fisheries and Forestry (\$74.0 million or 17.6%).

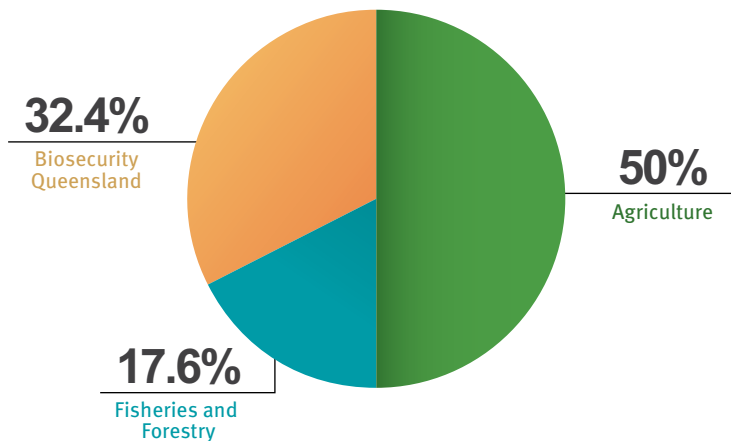


Figure 3: Operating expenses by service areas, 1 July 2017 to 30 June 2018

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

Equity—what we are worth

Equity represents net worth, which is calculated by ‘what we own’ (total assets of \$466.1 million) less ‘what we owe’ (total liabilities of \$70.9 million). As at 30 June 2018, DAF’s equity was \$395.2 million.

Assets—what we own

At 30 June 2018, DAF had total assets of \$466.1 million. The department’s major assets comprised cash, property, plant and equipment (mainly land, buildings, infrastructure, plant and equipment), prepayments (including lease payments) and receivables (including trade debtors).

Liabilities—what we owe

At 30 June 2018, DAF had total liabilities of \$70.9 million, which comprised accrued employee expenses, payables (including trade creditors, an appropriation payable to the Consolidated Fund for end-of-year deferrals and lapsed appropriations, and the payment of employee benefits to QSuper) and unearned revenue (largely funding received in advance of service delivery for research and development projects).

Capital expenditure

Capital outlays of \$17.7 million in 2017–18 were focused on developing and upgrading research facilities, and replacing plant and equipment to deliver outcomes for agriculture, biosecurity, fisheries and forestry. The department also made capital grant payments of \$1.8 million to the RSPCA for facility upgrades in North Queensland, \$1.0 million to the Grains Research and Development Corporation for purchase of a research property at Millmerran and \$0.5 million for improving the Queensland Country Women's Association heritage halls.

Administered funds

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

As a result of Administrative Arrangements Order (no. 4) dated 21 December 2017, DAF became the administering agency for the Queensland Racing Integrity Commission (QRIC), effective 1 January 2018.

During 2017–18, DAF received administered revenue of \$44.7 million comprising administered appropriation revenue from the Queensland Government, Racing Queensland's contribution to QRIC via administered funds and the collection of regulatory receipts (including taxes, fees and fines) on behalf of the Queensland Government.

Appropriation revenue was paid to the Queensland Rural and Industry Development Authority for the administration of assistance schemes, to the Queensland Agricultural Training Colleges and to QRIC. Regulatory receipts and Racing Queensland's contribution were paid into the Queensland Government's consolidated revenue.

At 30 June 2018, DAF had net administered assets of \$0.9 million. DAF manages the surplus assets that were transferred back to the government prior to the sale of Forestry Plantations Queensland to the private sector.

Outlook for 2018–19

Operating budget

DAF's operating budget for 2018–19 is \$481.7 million. DAF's budget focuses on achieving a productive and profitable agriculture, fisheries and forestry sector—promoting sustainability and innovation and helping to realise the value of the sector and rural businesses to the economy and the community.

The Queensland Government is continuing its support for drought-affected producers through the Drought Relief Assistance Scheme, providing up to \$20.0 million in 2018–19 (held centrally). This is part of the whole-of-government Drought Assistance Package of up to \$34.6 million for allocation to affected communities.

DAF will implement the government's Driving Queensland Agriculture and Rural Jobs Growth policy to grow agricultural export capacity and enhance innovation throughout the supply chain, with additional funding of \$19.2 million provided over 3 years (\$7.4 million in 2018–19). The funding breakdown is \$10.0 million for the Rural Economic Development Grants Scheme, \$5.0 million to continue the Queensland Feral Pest Initiative, \$3.0 million for the Rural Jobs Growth Initiative, \$1.0 million for pulse storage RD&E, and \$200 000 for a study into stamp duty on agricultural insurance products.

The implementation of the *Queensland sustainable fisheries strategy 2017–2027* will continue in 2018–19 to ensure that fisheries resources are managed in a sustainable and responsible manner that recognises the interests of all Queenslanders.

Biosecurity and fighting pests will remain a top priority in 2018–19. Additional funding of \$411.4 million over 10 years (\$39.6 million in 2018–19) has been finalised under the national cost-sharing agreement for the National Red Imported Fire Ant Eradication Program. The Queensland Government will contribute \$43.3 million over 10 years, and the remaining funding will be contributed by the Australian Government and other states and territories. The Queensland Government has also ensured continued funding for other nationally significant biosecurity responses and eradication programs, including control of Panama disease tropical race 4.

Capital expenditure

The 2018–19 budget has a capital expenditure program of \$22.1 million. This includes \$20.4 million in capital outlays focused on upgrading departmental facilities and replacing plant and equipment, and \$1.7 million in capital grants.

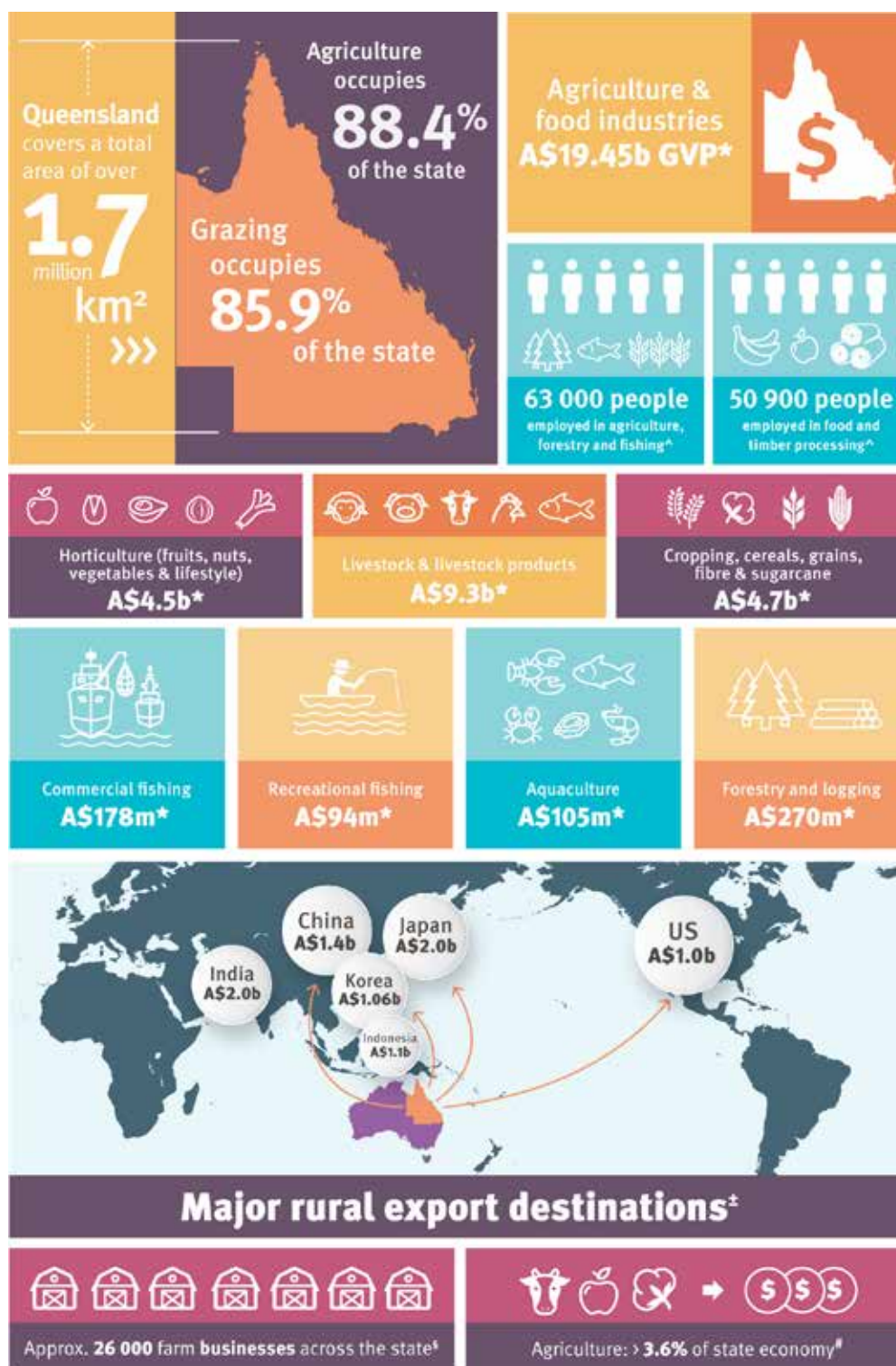
The sector we serve

Queensland's diverse agriculture, fisheries and forestry sector is a driver of economic growth, trade, innovation and investment. With a population of around five million, Queensland produces 0.4% of the world's agricultural production and nearly 1% of the world's agriculture exports from 1% of the world's total land area. The sector plays a critical role in employment in many regional communities and makes a significant contribution to jobs across the food supply chain. It is a major contributor to the Queensland economy, and is central to achieving the Queensland Government's objectives for the community in creating jobs and a strong, diverse economy. An overview of the contribution of the sector is provided in Figure 5.

The largest contributions to the total value of Queensland's primary industries commodities, by estimated gross value of production (GVP), were meat products (45%), horticulture (23%), sugar (9%) and cereal products (7%), with output volumes growing on average by 1.1% per annum. A range of external factors—such as exchange rates, commodity prices and weather conditions—may affect the actual value achieved. A summary of commodity performance is provided in Figure 4.



Figure 4: Summary of commodity performance (Source: *AgTrends* update: April 2018)

Figure 5: Agriculture, fisheries and forestry snapshot (Source: *Queensland agriculture snapshot 2018*)

* DAF, *AgTrends update: April 2018*, <<https://www.daf.qld.gov.au/business-trade/agtrends>>. Note: Placing a value on recreational fishing is difficult. In simple terms, recreational fishing has a harvest, a recreational and a wilderness component. The harvest component can be measured in a similar way to commercial fishing, but the other two components need to be valued for their wider economic contribution through, for example, linked sectors. Consequently, depending on the method used, there may be significant variation in reported results.

[^] ABS 6291.0.55.003, *Labour force, Australia, detailed, quarterly, May 2018*, <<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6291.0.55.003>>.

[±] Queensland Government Statistician, <<https://www.treasury.qld.gov.au/economy-and-budget/queensland-economy/statisticsand-indicators>>.

[§] ABS 7121.0, *Agricultural commodities, Australia, 2016–17*, <<http://www.abs.gov.au/ausstats/abs@.nsf/mf/7121.0>>.

[#] ABS 5220, *Australian national accounts: state accounts, 2016–17*, <<http://www.abs.gov.au/ausstats/abs@.nsf/mf/5220.0>>.

The employment contribution from agriculture and the food supply chain is spread across the state, and dominates many regional areas. In the Darling Downs – Maranoa area it provides approximately 25% of employment, while it is also key in the Outback and Wide Bay areas, contributing approximately 13% of employment in those locations.

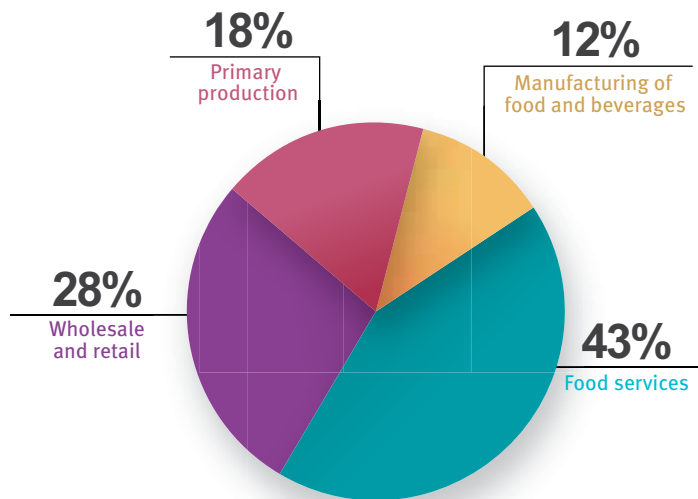


Figure 6: Employment in agriculture and the food supply chain 2017–18 (Source: ABS, *Labour force, Australia, detailed quarterly, May 2018*)

The sector continues to face a range of challenges. These include climate and weather, biosecurity and technological disruptions, increasing production costs and changing skill needs, through to global economy and market factors. There was significant flooding during 2017–18 with four natural disaster activations for primary producer recovery assistance in Wide Bay Burnett, North Queensland, North West Queensland and Central Queensland. Such events test production and recovery, and have ongoing impacts on the health and wellbeing of individuals and rural and regional communities. Even with alleviating rainfall, the proportion of Queensland drought-declared as at the end of June 2018 was still high at 57.4%, although down from 66.27% in 2016–17 (see Figure 7). Despite this improvement, parts of Queensland have been facing drought for 6 years or more.

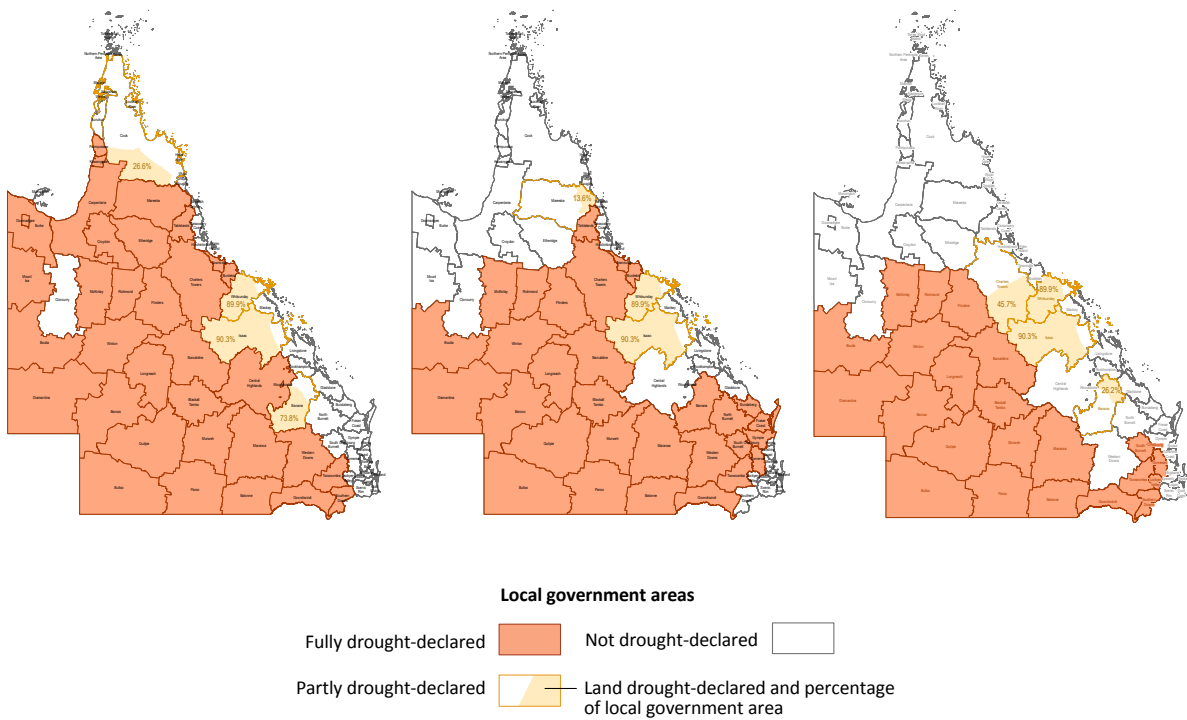
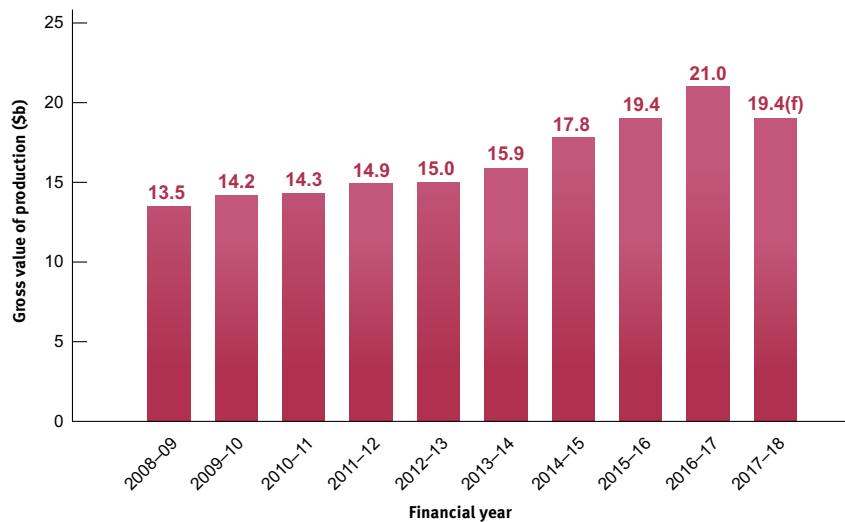


Figure 7: The Queensland drought situation at 1 June 2016 (left), 30 June 2017 (centre) and 2 July 2018 (right) (Source: Department of Environment and Science, www.longpaddock.qld.gov.au)

The sector continues to demonstrate its resilience through the value of production of Queensland’s food and fibre industries (see Figure 8).



‘f’ indicates forecast, not actual

Figure 8: Gross value of agricultural production for farm gate and first-stage processing, Queensland’s food and fibre industries (Source: DAF, *AgTrends* figures to April 2018)

Rural exports have contributed an estimated \$9.46 billion in 2017–18 (see Figure 9). Exports in 2018–19 are forecast to reach around \$19.45 billion, driven largely by the emerging middle classes in Asia.

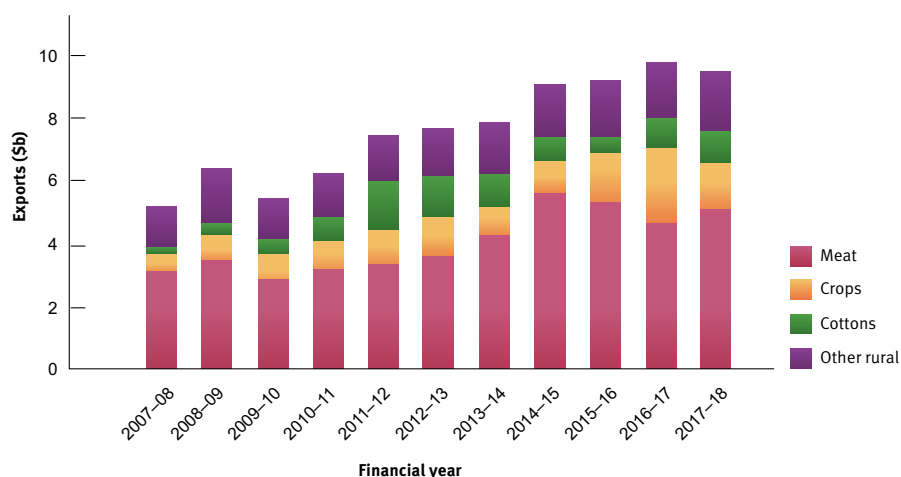


Figure 9: Queensland's rural overseas merchandise exports, 2008–18 (Sources: ABS unpublished trade data; Queensland Treasury)

Outlook

The forecast for the short to medium term remains strong for the agriculture, forestry and fisheries sector. Around half of the world's population is projected to be on Australia's northern doorstep by 2020 (National Farmers' Federation). This will provide great opportunities for Queensland's economy, especially in our food and fibre sector.

Free trade agreements and tariff reductions with Asian countries including China, Japan and the Republic of Korea have been an important factor in steady sector growth and continued favourable forward projections. The Comprehensive and Progressive Agreement for Trans Pacific Partnership regional free trade agreement signed in March 2018 (between Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore and Vietnam) is seen as a boon for Queensland's producers. The agreement is expected to drive economic growth and employment for Queenslanders in agribusiness as it incorporates new market access opportunities for exporters of goods and services and reduces costs and red tape for regional supply chains.

The growth of the agriculture, fisheries and forestry sector is also significantly influenced by shifting consumer preferences (such as increased demand for meat protein in emerging markets and for less-processed food in developed countries) and access to existing, new and emerging markets. Nearly half of Queensland's agricultural production is exported, making managing economic variables—from input to energy costs and agricultural commodity prices—challenging. In addition to these pressures, building resilience, adapting to climate change, and responding to technological advances and disruptions will present the greatest tests and opportunities in coming years. The growth of global markets and associated opportunities will also increase the potential for pests and diseases to be introduced to Queensland. There is also uncertainty arising from changes in global protectionism. However, food quality, supply assurance, safety, environment, a skilled workforce and animal welfare will remain competitive advantages for Queensland.

Subject to variance in seasonal weather, such as forecasts of an El Niño event in 2018–19, the growth trends set over the last decade look set to continue. During the last 10 years, Queensland's food and fibre industries recorded average annual growth of 4.6% in the value of production, as output volumes grew by 1.1% annually and real prices received were maintained, or slightly increased.

Our organisation

DAF worked to achieve a productive and profitable agriculture, fisheries and forestry sector by promoting sustainability and innovation, and helping to realise the sector's value to the economy and the community. To do this, DAF has effectively managed community resources, applied science to improve production and products, helped protect Queensland's producers and the community from losses that arise from animal and plant pests and diseases, and worked constructively with stakeholders for mutual benefit. The department supported the sector through initiatives that promoted innovation and competitiveness, and that proactively managed risk.

A Department of Agriculture was first established in Queensland in June 1887. Through the intervening years, it has evolved to become the current Department of Agriculture and Fisheries.

DAF forms part of the portfolio of the Minister for Agricultural Industry Development and Fisheries, working with the five statutory bodies outlined in Appendix 3.

DAF's responsibilities are outlined in Administrative Arrangements Order (no. 4) 2017 of 21 December 2017. In line with this Administrative Arrangements Order, DAF is the administrative agency for the Queensland Racing Integrity Commission on behalf of the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs. Details of the Acts we administer are provided in Appendix 5.

In 2017–18, DAF had an operating budget of \$424.7 million and a capital budget for purchases and grants of \$19.5 million and managed assets worth \$463.4 million to deliver services.

DAF's work makes a significant contribution to the Queensland Government's objectives for the community through our strategies and service delivery initiatives—with a dedicated focus on rural economic development (see 'Snapshot of performance', page 4). The department operated in more than 90 locations across the state. Around 68% of our staff live and work in locations outside Brisbane's central business district, contributing to Queensland's vibrant regional communities.

DAF's strategic plan outlines the department's direction, but evolves in line with changes to the operating environment, government priorities and community expectations of services.

Our vision

A productive and profitable agriculture, fisheries and forestry sector.

Our purpose

To promote a sustainable and innovative agriculture, fisheries and forestry sector and rural business which adds value to the economy and community.

Our strategic direction

Organisational strategy supported our vision with the following key objectives:

- Create the conditions for successful agribusinesses and supply chains which encourage innovation and productivity.
- Assist people in agriculture, fisheries, forestry and rural businesses to respond to challenges and protect environmental values.
- Ensure the sustainable management of natural resources to underpin productivity and protect the environment.

The achievement of these objectives also depends on the effectiveness of DAF's collaboration with other government agencies, industry and research bodies.

Our services

DAF's services were delivered through three service areas:

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

Our leaders



Dr Elizabeth (Beth) Woods
OAM, ATSE, Director-General

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

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



Bernadette Ditchfield
Acting Deputy Director-General, Agriculture

Bernadette joined the department in this role in October 2017 and is responsible for leading the development of policies, research and initiatives that lift the productivity of Queensland's food and fibre businesses.

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

Bernadette has an extensive background in policy development and service delivery, coupled with a strong industry development focus.

She is responsible for leading the *FutureDAF* initiative, which works with departmental staff to drive innovation and a culture of continuous improvement.



Scott Spencer
Deputy Director-General, Fisheries and Forestry

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

His previous government roles include Director-General of the former Department of Natural Resources and Water (2006–09) and Chair of SunWater Limited (2009–12). Scott grew up in Brisbane and joined the state's public service in 1978. Scott brings more than 30 years of experience in government and beyond. He holds qualifications in economics.



Malcolm Letts
Acting Chief Biosecurity Officer, Biosecurity Queensland

Malcolm, as Acting Chief Biosecurity Officer since September 2017, has applied all of his government experience and knowledge, including that gained in the role of Deputy Director-General, Agriculture, held from January 2016. He led the state's efforts in the management of animal and plant pests and diseases, invasive species, animal welfare and agricultural chemical use. His experience in managing policy around food safety and traceability, and in rural and industry development, trade, investment attraction and agricultural policy made for a smooth transition into biosecurity.

Malcolm has worked with the Queensland Government for 25 years, having previously spent time working for the Northern Territory Government and in Australian Government departments. He holds qualifications in applied science, environmental technology and rural systems management, and is a Graduate of the Australian Institute of Company Directors. He is currently a member of the Safe Food Production Queensland Board.

Malcolm is the Queensland Government representative on the National Biosecurity Committee and chaired a number of state and national biosecurity committees, including the Intergovernmental Agreement on Biosecurity Taskforce. Malcolm's focus continues to position Queensland within national biosecurity frameworks and ensures that Queensland, as the frontline state for biosecurity, is well positioned for the biosecurity fight.



Sinead McCarthy
Acting Deputy Director-General, Corporate

Sinead commenced as Acting Deputy Director-General in June 2018.

In this role, Sinead was responsible for the delivery of a broad range of corporate services to enable the department to deliver against its strategic objectives.

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

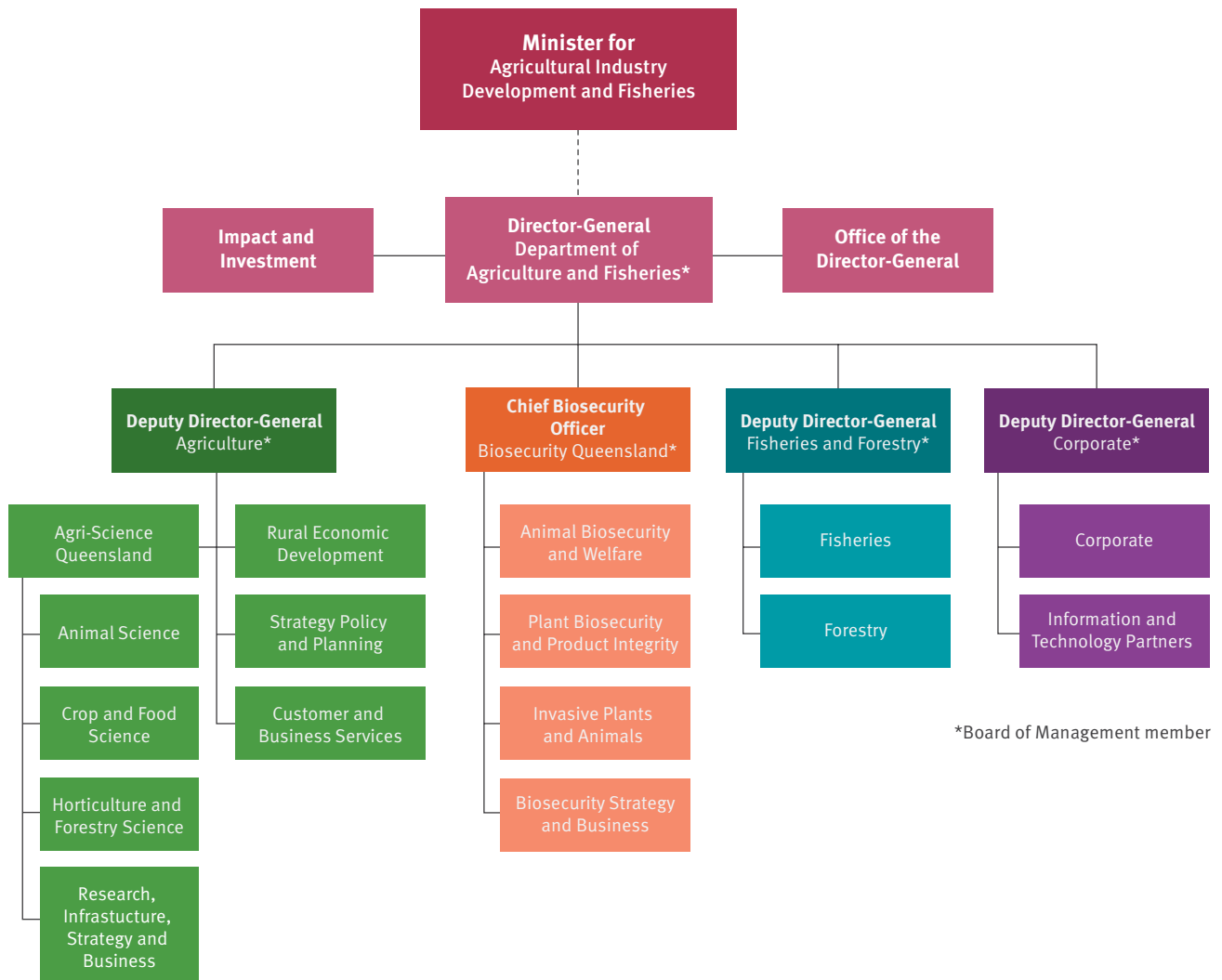
Sinead also led the strategic planning, performance and risk functions within the Department of Natural Resources, Mines and Energy.

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

Our organisational structure

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

Services were delivered through impact areas that align to these four business areas.



Note: Following machinery-of-government changes in December 2017, Corporate primarily provides services to DAF's three core service delivery areas. Information and Technology Partners continues to provide its services to three other agencies through business and corporate partnership arrangements.

Figure 10: DAF's organisational structure reflecting areas of responsibility as at 30 June 2018

Our performance management framework

DAF's strategic plan establishes the department's direction for the next 4 years, outlining the department's objectives and how it will respond to identified challenges. The plan is reviewed annually to ensure emerging issues and government priorities are strategically addressed and to ensure that its objectives, risks and actions align. Planning is guided by industry needs, government priorities, legislative and policy mandates, and community objectives.

Development of the strategic plan is guided by the government's priorities and objectives and the plan links and contributes to the achievement of them. In 2017–18, the Queensland Government's objectives for the community were:

- creating jobs and a diverse economy
- delivering quality frontline services
- building safe, caring and connected communities
- protecting the environment.

The release of the government's Our Future State: Advancing Queensland Priorities in late June 2018 provided a new targeted focus for the department's strategic planning for 2018–19 and future years.

The strategic plan is supported by business plans that link inputs, activities and outputs to ensure outcomes and objectives are achieved. Our business plans specified service and individual accountabilities and required levels of performance.

The services we provided are the means through which DAF created value for its stakeholders and the community (see page 19). They were defined in the Service Delivery Statement (Budget Paper 5), which also outlined the new initiatives and investment priorities for the coming year.

Operational performance and the delivery of the strategy is regularly monitored to ensure that DAF meets its commitments and achieves its objectives. Progress has been measured quarterly and annually, through quarterly performance reports and the annual report.

Our impact and investment framework

In 2017–18 DAF’s impact and investment framework ensured public resources were used in the most efficient and effective way possible. There are five functional components in the framework, as shown in Figure 11.



Figure 11: DAF’s impact and investment framework

DAF’s investment is guided by five key principles under the ‘Our investment’ element of the framework:

1. **We deliver on government objectives**—DAF exists to serve the government of the day.
2. **We invest for impacts**—DAF ensures its work delivers economic, environmental and community outcomes.
3. **We deliver results**—DAF invests where it can achieve success.
4. **We deliver public value or benefits**—DAF utilises taxpayer dollars to deliver benefits to resource users and the community.
5. **We build capability, collaborations and infrastructure for the future**—DAF invests in people, skills, infrastructure and technologies to meet future needs.

Investment decision-making is supported by performance measurement (‘Our performance’) and by the results of evaluations (‘Our results’).

The 'Our performance' element of DAF's impact and investment framework has supported the achievement of whole-of-government objectives in providing program-level outcome measures of performance. These measures complement the department's Service Delivery Statements, making sure performance is tracked across the breadth of our work and fosters a culture of measurement and continuous improvement.

To assess 'Our results', during the year DAF commenced a strategic program of evaluations. These consisted of deep dives into programs of work to evaluate the delivery of impacts aligned to DAF's strategic objectives. Evaluations were focused on the Biosecurity Queensland and Agriculture business groups, with several major programs of work being evaluated. Going forward, there will be more emphasis on evaluation of Fisheries and Corporate programs. Additionally, process and impact evaluations were conducted at the project/activity level to help inform investment decision-making, and ensure that activities contributed to business group objectives. DAF continues to build a culture of evaluation to ensure our decisions are based on best evidence.

Our work and desired impacts were described at the business unit level and defined through 15 impact areas. Agriculture had 7 impact areas, Biosecurity Queensland had 4, Fisheries and Forestry had 2, and Corporate had 2.

Agriculture



Strategic policy and planning



Horticulture and forestry science



Rural economic development



Research infrastructure, strategy and business



Animal science



Customer and business services



Crop and food science

Biosecurity Queensland



Animal biosecurity and welfare



Invasive plants and animals



Plant biosecurity and product integrity



Biosecurity strategy and business

Fisheries and Forestry



Fisheries



Forestry

Corporate



Corporate



Information and
technology partners

A detailed report for the financial year 2017–18, measured against the three objectives outlined in the *Strategic plan 2017–2021*, is provided in the following pages. The impact area icons appear throughout the annual report, indicating the contributions our business units made in achieving these outcomes. Results for the strategic plan indicators and related service standards and other measures are identified. This provides a comprehensive view of how DAF implemented its strategy, how it created value in delivering services and how it used its budget.

Objective 1

Create the conditions for successful agribusinesses and supply chains which encourage innovation and productivity

Attractive conditions for agribusinesses drive investment and innovation and provide benefits along the supply chain. Establishing the correct conditions promotes economic sustainability to deliver jobs and prosperity for the future.

The department worked with industry and other government agencies to maintain and open markets, and to generate benefits from free trade agreements and the Queensland Government's Advance Queensland initiative. DAF also engaged with industry and rural communities and maximised opportunities to add value to primary production and grow rural exports, to ensure sustainability and drive jobs growth.

Through partnerships with industry and universities and investment in vital research and development, DAF encouraged diversification into new and emerging products and supported traditional agriculture sectors. Policy and regulatory instruments provided certainty around regulatory requirements, assisted industries to access markets, increased productivity and ensured sector sustainability. As an example, DAF regulated the sustainable development of intensive animal farming operations to deliver future growth and certainty of supply for pork, beef and poultry (eggs and meat) for domestic value chains and export markets.

The *Queensland agriculture and food research, development and extension 10-year roadmap and action plan*, released on 24 May 2018, reaffirmed Queensland's leadership in tropical and subtropical agricultural research by supporting innovative collaboration, partnerships and world-class facilities.

By promoting sustainability and innovation throughout the agricultural supply chain, DAF helped realise the value of the sector and rural businesses to the economy and the community.

Strategic risks and opportunities

- **Global demand for food and fibre**—the growing global population and affluence in emerging economies results in demand for protein foods, niche primary products and agricultural scientific expertise that can provide expanded and new markets for Queensland producers and new sources of investment for the sector.
- **New technologies**—new technologies to detect threats and improved modelling supported by increased processing power and big data can help DAF prevent the spread of biosecurity diseases and pests, improve fisheries management, and assist producers to improve decision-making leading to increased productivity and better predict climatic change.
- **Strategic partnerships**—strengthening partnerships with research organisations, industry bodies and other government agencies enables DAF to leverage expertise and share resources aimed at increasing innovation and promoting rural economic development.

- **Organisational agility**—the diverse and unpredictable nature of conditions affecting the sector challenges DAF’s ability to adapt and renew its business model, skills base and services to better meet the changing needs of customers and grow rural economies.
- **Competition for resources**—resources used for agriculture, fisheries and forestry are increasingly subject to demands for competing access from other economic, environmental and social interests that are not always possible to fully resolve.

Key performance indicators

- Market and investment opportunities facilitated by DAF
- Percentage return on RD&E investment
- Regulatory frameworks continually improved

Cross-government commitments

The following intergovernmental agreements and whole-of-government strategies influenced the way DAF delivered these services.

Advance Queensland initiative

Advance Queensland is a Queensland Government initiative designed to create the knowledge-based jobs of the future, drive productivity improvements and build on Queensland’s natural advantages. DAF’s actions align with Advance Queensland priorities for developing innovative industries and businesses. DAF worked closely with the *Advancing trade and investment: Queensland trade and investment strategy 2017–2022* to promote export and investment opportunities in the agriculture, fisheries and forestry sector. DAF was represented on the Advance Queensland Interdepartmental Committee. Advance Queensland programs supported Queensland’s agriculture and food sector to innovate, apply new ideas, conduct original research, deploy new technologies and create new market opportunities.

National RD&E framework

The National Primary Industries Research, Development and Extension Framework provides a forum giving guidance to leaders in agriculture and food RD&E on how to make the best use of available expertise across the nation and thereby maximise the outcomes from agriscience investment in Queensland. Queensland co-led the beef and sugarcane strategies in partnership with the relevant industry organisations. Leadership was also delegated to Queensland for specific sector and cross-sector areas within the grains, horticulture, intensive livestock, animal welfare, soils and biosecurity strategies.

Regulation of agricultural chemicals and veterinary medicines

An intergovernmental agreement for a single national regulatory framework for regulation of agricultural chemicals and veterinary medicines was signed by the Queensland Government in 2013. DAF was represented on the national working groups developing implementation plans for the framework.

Results and work program

Strategy

Grow markets and investment to support the flow of trade and capital

Contributing impact areas



Strategic policy
and planning



Animal science



Rural economic
development



Crop and food
science



Horticulture and
forestry science



Animal biosecurity
and welfare



Plant biosecurity and
product integrity

KPI

Market and investment opportunities facilitated by DAF

Performance monitored by a number of DAF business measures

Investment showcases: 1

Incoming trade delegations: 35

Note: Support to overseas trade missions is driven by the nature, scope and focus of the mission. During the year we provided indirect mission support through a range of mechanisms including expert advice and connecting delegates. With a substantial number of incoming trade delegations, in 2017–18 we focused on maximising the benefits from these events.

Hosting and supporting inbound international trade delegations

International trade delegations provide a valuable opportunity to build better international trade. They also provide unique occasions to establish contacts in-market for export or investment opportunities, to build international connections and collaborations, and to gain an improved understanding of markets, including regulatory requirements. They help leverage free trade agreements and showcase new, niche and emerging products.

In 2017–18, DAF hosted and supported 35 international trade delegations. Our role included:

- hosting delegations from Japan's Ministry of Agriculture, Forestry and Fisheries and the Nomura Research Institute to investigate collaborative research and investment opportunities following the signing of a memorandum of cooperation
- hosting delegates from South Africa's Parliamentary Select Committee on Land and Mineral Resources who were investigating the aquaculture industry and attended an Agri-Science Queensland information session and tour of facilities at the Bribie Island Research Centre

- participating in a research and market development mission to Hong Kong and Indonesia with Queensland strawberry growers to establish business relationships with importers and retail buyers (funded through the Queensland Government's Growing Queensland's Food Exports program and supported by the Queensland Strawberry Growers Association and Trade and Investment Queensland)
- engaging with Chinese delegations, such as from the Chinese Ministry of Agriculture under the Australia–China Agricultural Cooperation Agreement, at the Australia–China Business Forum in Canberra in September 2017, and with China Construction Bank representatives regarding Queensland agriculture investment opportunities (with Trade and Investment Queensland)
- hosting an incoming trade delegation from the Guangxi Zhuang Autonomous Region of China on 26–28 March 2018 (funded by the United Nations Development Program), which led to the first shipment of live cattle destined for China departing from Townsville, breaking into a lucrative market for northern Australian beef exporters
- hosting a reverse-trade mission at the Gatton Research Facility involving more than 52 international fruit and vegetable buyers, retailers, wholesalers and importers to highlight Queensland's vegetable farmers' 'clean, green and safe' credentials
- engaging with the Pacific Alliance Forum to further increased trade with Chile, Colombia, Mexico and Peru.

The Commonwealth Games

The Commonwealth Games held on the Gold Coast in April 2018 was the biggest sporting and tourism event to be hosted by Queensland to date. The Games were hugely successful and brought international and domestic visitors to Queensland; they also provided the opportunity to showcase Queensland's produce and investment opportunities. DAF participated in the Trade 2018 program and presented on Queensland's endless opportunities in food and agribusiness. Trade 2018 events we participated in included:

- Investing in Queensland Agribusiness
- Food and Agribusiness Buyers Program
- Queensland and Commonwealth Collaboration and Showcase
- Food Tech Innovation Forum
- site visits to the Health and Food Sciences Precinct
- Papua New Guinea international activation (in-market business reception and engagement, run concurrently with the Queen's Baton Relay).

Growing Queensland's Food Exports

The Growing Queensland's Food Exports pilot program supported Queensland's food businesses by providing grants of matched funding (up to \$100 000 over 2 years) to build business capability to take advantage of export opportunities. Six applications were approved in 2017–18 (for more information, see page 51). The second round of the grants program opened for applications on 1 July 2018.



The Queensland Government was a principal partner of Beef Australia 2018 as part of its commitment to work with the sector to build a sustainable beef industry in Queensland. Beef Australia, held in Rockhampton from 6 to 12 May 2018, was attended by more than 100 000 visitors, including more than 1200 international delegates and investors.

Participation in Beef Australia provided the opportunity to celebrate local industry, facilitate new export and trade opportunities and explore the latest research and development from across the globe.

DAF was the lead agency coordinating the whole-of-government presence with Beef Australia Limited, particularly through the support of regionally based staff. The department had staff membership on all committees and subcommittees for the organisation of the event. Queensland Government agencies attended to highlight key services around trade and investment, business development, natural

resource management and transport. The Queensland Government provided 27 speakers and 5 session chairs across the seminars series, with the majority of the sessions being sold out.

The next Beef Australia is scheduled for 2021.

Highlights included:

- engagement with over 1200 international delegates and matching investment interest with business opportunities
- monitoring and biosecurity management for the movement of over 5000 head of cattle, displaying to the world the robust biosecurity protocols in Queensland that underpin our international trade credentials
- presentation of DAF's world-class RD&E in the beef sector to sold-out seminars
- coordination of the property tour program across 11 sites with more than 800 delegates
- attendance by the Premier, various ministers and director-generals, senior executives and staff from across the state to help showcase Queensland's beef industry to the world.

Export distribution centre for regional Queensland

The government's Driving Queensland Agriculture and Rural Jobs Growth policy has committed \$10 million from the Jobs and Regional Growth Fund to fund a business case and capital works for an export distribution centre pilot in regional Queensland. DAF continues to work with its agency partners on this pilot to capitalise on the export opportunities offered by airfreight from regional centres. The Department of State Development, Manufacturing, Infrastructure and Planning has responsibility for leading this commitment, with DAF to provide significant input.

Strategy

Support the discovery, application and commercialisation of new ideas and technologies

Contributing impact areas



Research infrastructure,
strategy and business



Horticulture and
forestry science



Animal science



Crop and food
science

KPI ▶ Percentage return on RD&E investment

Performance monitored by a number of DAF service standards

Table 2: RD&E investment performance indicator and complementary service standards

Indicator	Measure	Results				
		2013–14	2014–15	2015–16	2016–17	2017–18
Strategic plan and service standard	Percentage return on RD&E investment through royalty returns	4%	4.32%	4.54%	8.12%	6.78%
Service standard (effectiveness)	Level of funding partner satisfaction that research outcomes contribute to industry productivity growth	Not measured	79%	100%	100%	96%

Note: The royalty return in 2017–18 is above trend due to favourable winter seasonal growing conditions for wheat, barley and chickpeas. In addition, royalties for Rhinogard relating to 2016–17 were received in 2017–18. The royalty return in 2016–17 was well above trend, largely due to accumulated chickpea royalties being received in one financial year and favourable seasonal conditions for grains and mangoes. DAF-bred strawberry varieties were also starting to take market share from overseas varieties, increasing runner sales that generate royalties.

Supporting the discovery and practical application of new ideas and technologies provides benefits across the whole sector. Collaborative efforts, where possible, ensure that research undertaken is in line with industry needs, and lessens the barriers to realising innovation. Key achievements in 2017–18 are outlined on the following pages.

Queensland agriculture and food research, development and extension 10-year roadmap and action plan

This roadmap was launched on 24 May 2018 as part of the Queensland Government's \$650 million Advance Queensland initiative to create knowledge-based jobs of the future for Queenslanders. It presents a comprehensive whole-of-government overview of Queensland's agriculture and food sector's RD&E priorities and will support Queensland's agri-industries to remain at the forefront nationally and internationally and continue to attract investment funding.

The roadmap outlines a set of 14 actions organised around the goals of boosting innovation and commercialisation, identifying agriculture and food RD&E opportunities and supporting the sector to grow and develop new businesses. Over the past 18 months, DAF worked closely with industry stakeholders, the research sector and other government agencies to develop the plan.

RD&E investment prioritisation

Agri-Science Queensland spent \$126.6 million in agricultural RD&E in 2017–18 to build Queensland's competitive advantage. In addition, funding was provided to university alliances to deliver the department's RD&E priorities where expertise was required. During 2017–18, DAF's investment in RD&E partnerships with the university sector and Sugar Research Australia included:

- \$7.724 million with UQ in the Queensland Alliance for Agriculture and Food Innovation (QAAFI), which is a research collaboration between UQ and the Queensland Government to work on key agricultural industry challenges
- \$0.922 million with the University of Southern Queensland for research on wheat and summer grain pathology, agricultural systems modelling, agricultural engineering and winter crop nematology
- \$0.179 million with the University of the Sunshine Coast in pre-harvest forestry research
- \$0.231 million with Central Queensland University to co-fund research positions in vegetable crop protection and farming systems research
- \$0.260 million with UQ for the Centre for Future Timber Structures, to provide solutions to issues inhibiting the widespread adoption of massive timber construction in medium-to high-rise construction
- \$2.85 million with Sugar Research Australia in sugarcane RD&E projects.

Discovery and application

An example of RD&E highlighting how DAF addressed challenges facing agricultural, fishing and forestry producers follows; other examples are outlined later in this report.

New phone/tablet app ready to help in natural disasters

A new DAF app was implemented last wet season to quickly establish where and what damage occurred after a natural disaster. The Rapid Damage Assessment Tool uses an app called Survey123 that can operate in remote areas. It allows staff to upload damage assessment information to the app using a phone or tablet. The tool gives a clear indication of the situation on the ground, informing preparedness and response plans, and assists field staff and natural disaster response teams. The app enables local disaster management teams to instantly upload impact data for viewing and assessment

from any location in the state. Impact data is viewed via an online map that updates automatically as the disaster response progresses.

In the implementation, maps and photographs of damage established a visual representation of impacts, which resulted in more efficient and targeted response and recovery activities. The app had the added advantage of working even if disconnected from the internet. Around 75 staff participated in training for disaster assessment and use of the app in preparation for the end of the wet season.

Return on investment

We received approximately \$4.168 million in royalty revenue, which equated to a return on investment of 6.78%, as noted in Table 2.

The Technology Commercialisation Fund

Formation of the Technology Commercialisation Fund (TCF) project was announced as part of the Advance Queensland initiative in 2016–17. Consequently, DAF established a pilot project with the intent to grow jobs and create new economic activity for Queensland and its regions from the commercialisation of intellectual property owned by DAF and its research partners.

During 2017–18, the TCF project moved to detailed commercialisation analysis and developing business cases. Six technologies have been identified for potential development to commercialisation, with one business case now completed. A potential investor indicated interest in this first business case and has made an initial anchor offer, subject to due diligence processes. Specialist advisors were appointed to assist the project and PwC has agreed to review each business case as part of the government's audit process. Funding for additional research (close-out funding) has been provided to several technologies to advance the research to make the technology more attractive to potential investors.

This pilot project was initially based on the concept of a portfolio of technologies being incorporated into an external legal entity with significant external venture capital investment to fund commercialisation through the early high-risk stage of commercialisation (the 'valley of death'). As the technologies were evaluated, it became evident this was not achievable and the concept was deemed non-viable, as the suite of proposed technologies did not have sufficient value to attract the size of investment originally anticipated. The TCF project is now focusing on commercialising individual technologies rather than a portfolio of projects. If this approach is successful, the individual projects will attract new investment into Queensland and potentially a small number of high-technology jobs. DAF will share the learnings with the other agencies so they can be applied in future endeavours.

Strategy

Continue to build Queensland's biosecurity capability to protect the economy, the environment and the community from biosecurity risks

Contributing impact areas



Biosecurity strategy and business



Plant biosecurity and product integrity



Animal biosecurity and welfare



Invasive plants and animals

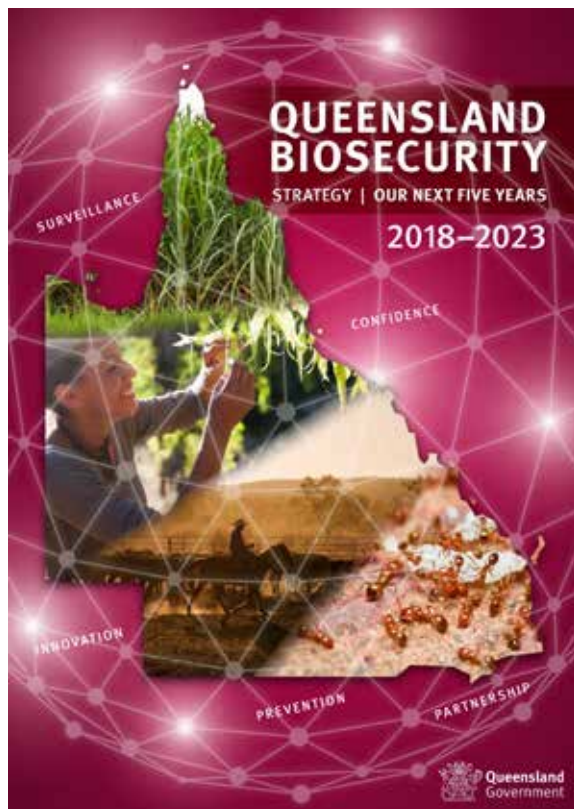


Fisheries

Each year Queensland combats more biosecurity incursions than any other state, due to our extensive coastline, proximity to other countries and number of ports. This places us on the front line for biosecurity in Australia. The number, scale and scope of recent pest and disease incursions highlights the pressure Queensland's biosecurity system is under, presenting ever greater challenges to response capability and capacity.

Biosecurity strategy and action plan

The *Queensland biosecurity strategy: our next five years 2018–2023* was released on 27 March 2018.



THEME 1
Collaborative governance and leadership



THEME 2
Every Queenslanders plays their part



THEME 3
Empowered to act



THEME 4
Bright ideas and better ways



THEME 5
Valuing and building on our investments



THEME 6
Better intelligence systems

Figure 12: Queensland's biosecurity strategy

Co-developing the biosecurity strategy

The Queensland Biosecurity Capability Review indicated that shared decision-making arrangements should be the centrepiece of the future administration of the Queensland biosecurity system. A strategy and action plan was the flagship work to lead and guide these new arrangements. Further, to facilitate true shared decision-making, the review was adamant that the strategy should be co-developed with industry

and stakeholders and be a guide to all players in the biosecurity system, not just government.

A series of broad engagement processes involving more than 30 organisations informed an industry-led writing group in the development of the six strategic themes that combine to form the strategy.

The impact of the biosecurity strategy

Queensland's biosecurity system faces increasing challenges from growth in global trade and movement of people. Maintaining the integrity of that system requires the consolidated efforts of every Queenslanders. The biosecurity strategy was developed collaboratively with industry and the community to deliver shared ownership and management of biosecurity risks and decision-making.

Since the strategy's release, action planning has commenced using the

same co-development philosophy. DAF conducted action planning workshops for two of the six themes of the strategy. Participants included CSIRO, the Australian Bureau of Agricultural and Resource Economics and Sciences and the Centre for Biosecurity Risk Analysis. Expert group recommendations are now the basis for negotiation with industry and community groups to develop new partnership plans under the two themes.

Minimising the impacts of white spot disease

White spot disease was detected in December 2016. To maintain market access to overseas countries, DAF launched the national proof-of-freedom program on 28 August 2017, demonstrating that Queensland does not have white spot disease outside of the known restriction area. Since then, 7500 surveillance samples have been taken from Moreton Bay, Logan River, Brisbane River and the extended east coast of Queensland (Caloundra to Cairns).

DAF worked with industry to minimise the impacts of white spot disease on Queensland's seafood industry; this included an extensive communication and engagement program, which involved:

- social media engagement reaching 650 000 recreational fishers
- information packs delivered to 3300 commercial fishers, 332 aquaculture operators and 100 bait and tackle shops
- signage at 100 boat ramps in the Moreton Bay region

- weekly engagement activities
- a behaviour change campaign (featuring retired cricketer Andrew Symonds and reaching 1.2 million people) designed to reduce the prevalence of prawns purchased from supermarkets being used as bait
- a seafood confidence campaign featuring football star Sam Thaiday, delivered in collaboration with the Queensland Seafood Industry Association and the Moreton Bay Seafood Industry Association.

We also conducted research in collaboration with industry and the Fisheries Research and Development Corporation, such as:

- investigating options for treating bait prawns with gamma irradiation to identify the minimal effective dose to prevent white spot disease in prawns
- conducting soil sediment analysis to obtain information on the efficacy of white spot disease destruction and decontamination activities
- investigating the effectiveness of the industry-led initiative to introduce more stringent biosecurity measures on farms.

Direct financial support has also been made available to Logan River prawn farmers:

- The Destruction (early phase) Scheme was focused on reimbursing certain costs associated with on-farm activities to improve biosecurity and minimise the risk of disease. It delivered over \$594 000 in direct financial assistance to affected prawn farmers. Payments to farms under this scheme are now complete.
- The Reimbursement Scheme is focused on certain costs associated with the disposal and decontamination phase. Payments under this scheme to 30 June 2018 were over \$133 000.

Concessional loans totalling \$10 million had previously been made available to prawn farmers through the Primary Industries Productivity Enhancement Scheme, and a further \$20 million was made available in 2017–18. Through this scheme, each farmer is able to access up to \$3 million, enabling significant capital investments such as filtration plants, bird netting and other essential infrastructure to strengthen their biosecurity protection.

Strategy

Ensure department activity/regulation provides the foundations for a strong business environment, balancing economic, ecological, social and biosecurity imperatives

Contributing impact areas



Animal biosecurity and welfare



Biosecurity strategy and business



Invasive plants and animals



Plant biosecurity and product integrity



Strategic policy and planning



Fisheries



Forestry

KPI

Regulatory frameworks continually improved

Performance monitored by a business measure (see Appendix 1) together with a DAF service standard (Table 3)

DAF had extensive responsibilities maintaining and managing portfolio legislation (see Appendix 5) with regulatory frameworks principally encompassing four areas:

1. agricultural chemicals and veterinary medicines
2. animal welfare and management
3. biosecurity
4. fisheries management.

Table 3: Service standard—average cost to conduct regulatory policy and reform activities

Indicator	Measure	Results				
		2013–14	2014–15	2015–16	2016–17	2017–18
Service standard (efficiency)	Average cost per hour to conduct regulatory policy and reform activities	Not measured	Not measured	\$70	\$69	\$71
Note: The cost for this efficiency measure is based on employee expenses for staff responsible for regulatory policy and reform.						

Industry, enterprises and individuals benefit from stable regulatory frameworks, as they provide certainty around legislative requirements and clarity on the obligations of individuals and businesses.

Key improvements to the regulatory framework for 2017–18 are outlined in the following sections.

Agricultural chemicals and veterinary medicines

Progression of a range of amendments to the Chemical Usage (Agricultural and Veterinary) Control Regulation 2017 gave effect to the intergovernmental agreement for the single national regulatory framework for agricultural chemicals and veterinary medicines. These will be consistent with other nationally harmonised recordkeeping and training requirements for the use of restricted chemical products, and will be implemented over the next 4 years as agreed at the Agriculture Ministers' Forum on 28 April 2018. Further reform is proposed through consolidation of the *Chemical Usage (Agricultural and Veterinary) Control Act 1988* and the *Agricultural Chemicals Distribution Control Act 1966* into one statute.

Animal welfare and management

The Animal Care and Protection (Code of Practice for Breeding of Dogs) and Other Legislation Amendment Regulation 2017 established a mandatory code of practice for the breeding of dogs in Queensland; it will commence on 1 October 2018. This completed legislative amendments to support the government's election commitment to shut down cruel 'puppy farms'. The Regulation also prescribed the Queensland Racing Integrity Commission as an approved entity to accredit breeders under the Act.

Biosecurity

Following major reforms to biosecurity legislation that commenced on 1 July 2016, the Biosecurity and Other Legislation Amendment Regulation 2018 amended the Biosecurity Regulation 2016 to change the way biosecurity zone maps are referred to, and to allow for the Chief Executive to establish areas with lesser restrictions within electric ant biosecurity zones. Restrictions in white spot biosecurity zones were reviewed to ensure they reflected actual risks associated with certain fishing activities; they now allow all fishing except line fishing.

Fisheries management

During 2017–18, DAF initiated a package of amendments to the *Fisheries Act 1994* to support implementation of the *Queensland sustainable fisheries strategy 2017–2027*. The amendments will modernise the objectives of the *Fisheries Act 1994*, recognise the interests of key stakeholder groups, clarify roles in the management of the state's fisheries, strengthen enforcement powers to address serious fisheries offences such as black-marketing and reduce the complexity of provisions, and remove redundant provisions. Stakeholder responses to a discussion paper outlining the proposed changes (released for public consultation in March 2018) indicated widespread support for the proposed Fisheries Act amendments. The Fisheries Regulation 2008 will also be reviewed in line with the strategy, and it is proposed to incorporate the provisions of the Fisheries (East Coast Trawl) Management Plan 2010 into the Fisheries Regulation.

Declarations were made by the Chief Executive to define the catch quotas that will apply in the Queensland Coral Reef Fin Fish Fishery and the Queensland Spanner Crab Fishery for the 2018–19 fishing seasons. The allowable take of coral trout in the Coral Reef Fin Fish Fishery was increased from 963 tonnes to 1163 tonnes in response to improved catch rates in the fishery over the preceding year. The allowable take of spanner crabs in the Queensland Spanner Crab Fishery was reduced from 1631 tonnes to 847 tonnes in response to declining catch rates for this species in recent years.

Other improvements to the regulatory framework

There were also regulatory reforms during 2017–18 to legislation outside these four main areas of activity.

- Amendments to the *Drugs Misuse Act 1986*, Part 5B (made through the Hospital Foundations Bill in March 2018) allowed the production, processing and marketing of low-tetrahydrocannabinol hemp seed (industrial cannabis) for human consumption, in line with changes to the Australia New Zealand Food Standards Code. Amendments to licensing arrangements for growers and researchers also provided a more balanced approach to managing risk.
- Amendments made to the Rural and Regional Adjustment Regulation 2011 provide for financial assistance schemes administered by QRIDA. These include the Solar PV and Battery Energy Storage Assistance Scheme (under the government's Affordable Energy Plan), and a scheme to assist commercial fishers with the purchase and installation costs of vessel-tracking equipment.
- Further to a consultation regulatory impact statement released in August 2016, the government increased fees under the Veterinary Surgeons Regulation 2016 to achieve full cost recovery and better service delivery by the Veterinary Surgeons Board. Changes were also made to fee structures for specialist veterinarians, retired veterinarians and new graduates.

Regulatory performance monitoring

The Red Tape Reduction Advisory Council (now the Better Regulation Task Force) was established in August 2015 to provide the Queensland Government with advice on regulatory issues impacting on small business. In response to recommendations in the council's report tabled in November 2016, the government committed to developing an enhanced regulatory framework.

For the 2017–18 financial year, the department again scored regulator performance in each of its four main areas of regulatory activity against the six key performance indicators (KPIs) in the Australian Government's framework for regulator performance (see Appendix 1). Future regulator performance reporting will align with any regulatory framework implemented by the Queensland Government.

Strategy

Optimise benefits from fisheries and state-owned forestry

Contributing impact areas



Fisheries



Forestry

DAF is responsible for managing fisheries and state-owned forest products in a way that optimises benefits for Queenslanders, while ensuring future generations can continue to profit from these community resources. The provision of planning and monitoring services to industry helped maximise opportunities for the sustainable growth of aquaculture. DAF also provided technical advice to government and industry to minimise the impacts of proposed development on fisheries resources and productivity. Also, graziers and apiarists were authorised to operate in some state forests to secure food-production opportunities.

Charter fishing action plan

One means through which DAF is optimising benefits from fisheries is by developing a charter fishing action plan. An action plan discussion paper released in June 2017 for public consultation received 134 submissions from stakeholders including recreational fishers, commercial fishers and charter operators.

In response to feedback, the action plan will address:

- better recognition of charter fishing
- improved engagement and consultation
- enhanced industry standards and stewardship
- development of charter fishing as a regional tourism opportunity.

Since the public consultation, the *Queensland sustainable fisheries strategy 2017–2027* has been released (see page 77). A number of actions from the strategy will complement the action plan, particularly around more resilient fish stocks and harvest strategies based on sustainable catch limits.

Release of the final charter fishing action plan is expected in late 2018.

Forest materials management

DAF continued to meet all sales permit/contract obligations for the supply of state-owned forest products, worked with industry to implement agreed programs to help develop the industry, and oversaw the 99-year licence with HQPlantations. The department met contracted supply commitments for native forest log timber, other forest products and quarry material, and delivered expected financial returns while also meeting environmental and community expectations.

Native forest log timber sales in 2017–18 saw around 256 000 cubic metres of log timber sold, including about 7000 cubic metres to provide hardwood timber poles and girders for railway, bridge and electricity infrastructure. These native log timber sales contributed around 9% to the total log timber domestically produced in Queensland.

The department's quarry material sales are the source of some 16% of the quarry material used in Queensland each year, and these sales played a key role in supplying quarry material to supporting infrastructure, mining, industry, residential and commercial development across Queensland. Quarry material sales for 2017–18 were about 4.43 million cubic metres.

Funding of \$2.7 million was allocated to implement a range of actions to help develop the industry; this included \$1.4 million towards industry research priorities. These actions aligned with the priorities of job creation, growing existing economic strengths, value-adding, innovation and supporting regional and rural Queensland. Significant progress has been made in implementing the actions, including:

- supporting industry to promote the forest and timber industry to jobseekers and the broader community as a long-term career by funding the Timber and Building Materials Association *Queensland forest & timber workforce development plan 2016–2020*
- progressing an extension project to support private landholders to better manage their forests for both environmental and timber production outcomes.

Queensland forest and timber industry plan

The plan's RD&E program achieved several milestones in 2017–18, including the completion of five significant projects. Targeted research has enhanced the early detection of and response to post-border pest and disease incursions on Queensland's pine plantations. Additional research delivered key information to assist with the management of Sirex woodwasp. Development of QTimber, the web-based version of the pivotal publication *Construction timbers in Queensland*, aided the building industry. Also, a project on characterisation of softwood plantation resources developed innovative methods of estimating wood quality in standing trees, an approach that is attracting significant attention from both growers and processors. Another project tested the impact resistance of wood products to windborne debris from cyclones. These projects had strong industry partners and were overseen by an industry-led steering committee.

Priorities for 2018–19

- Lead the implementation of the government's Driving Queensland Agriculture and Rural Jobs Growth policy to grow agriculture export capacity and enhance innovation throughout the agricultural supply chain, by increasing export opportunities for agribusiness in international markets to enhance economic growth.
- Work with industry to investigate the feasibility of abolishing stamp duty on agricultural insurance products and reducing the reliance of primary producers on government assistance during natural disasters.
- Continue to implement the *Queensland agriculture and food research, development and extension 10-year roadmap and action plan*, which aligns with the Advance Queensland agenda and drives innovation in Queensland's agricultural and food industries.
- Provide \$500 000 in 2018–19 for RD&E to address knowledge gaps in pulse storage to support the rapidly expanding chickpea and pulses industry.
- Invest \$390 000 in 2018–19 to:
 - tackle fruit flies in Bundaberg
 - trial regional agriculture data collection with Bundaberg Fruit and Vegetable Growers.
- Implement the Queensland biosecurity strategy and action plan.
- Commission the Animal Welfare Advisory Board to conduct a review regarding the welfare of companion animals and provide recommendations to government.
- Develop a Queensland Government policy on the future of timber production in state-owned native forests.
- Continue to oversee the plantation licence held by HQPlantations Pty Ltd, as well as the related agreements, on behalf of the state.

Objective 2

Assist people in agriculture, fisheries, forestry and rural businesses to respond to challenges and protect environmental values

Weather, climate change and biosecurity events pose regular risks to production for agribusinesses in Queensland, impacting along the supply chain. Disruptive technologies and technological change are further challenges. Our programs and initiatives assisted agricultural, fisheries, forestry and rural businesses to be better equipped to mitigate and manage risks, and prepare for and respond to these events. This helped to maintain business continuity and ensure their sustainability.

DAF supported industry capacity to prepare for, manage and recover from drought, through new climate forecasting information and decision-support tools and climate risk management practices. This work underpinned the ability of rural communities to adapt to changes in climate and continue to supply fresh food and value-added products. Identifying economic development opportunities and attracting investment strengthens existing businesses, opens up new business opportunities, and creates jobs in rural and regional Queensland.

Through effective leadership of biosecurity responses, delivery of drought assistance and extension services, DAF promoted sustainability, supported the physical and mental wellbeing of individuals, and built community resilience. Efforts were enabled through strong and inclusive partnerships that built shared ownership and more effective intervention strategies.

Strategic risks and opportunities

- **Climate**—the frequency and duration of extreme weather events impacts on the ability of the sector and the department to direct resources to growth opportunities.
- **Biosecurity threats**—greater global movement of goods and people increases the transmission of exotic pests and diseases, which may have a significant impact on the agricultural and broader economy, compromise Queensland's disease-free reputation and restrict market access.
- **New technologies**—new technologies to detect threats and improved modelling supported by increased processing power and big data can help DAF prevent the spread of biosecurity diseases and pests, improve fisheries management, and assist producers to improve decision-making leading to increased productivity and better predict climatic change.
- **Strategic partnerships**—strengthening partnerships with research organisations, industry bodies and other government agencies enables DAF to leverage expertise and share resources aimed at increasing innovation and promoting rural economic development.

Key performance indicators

- Business improvement attributed to DAF's products and services
- Significant biosecurity response programs deliver agreed outcomes

Cross-government commitments

The following intergovernmental agreements influenced the way DAF delivered these services.

Intergovernmental Agreement on National Drought Program Reform

Under this intergovernmental agreement, the states and territories deliver in-drought business support such as farm business training, coordinated and collaborative social services, and tools and technologies to inform farm decision-making, with the aim of increasing producer drought preparedness and providing in-drought family health and community support. The range of measures introduced during this drought as part of the Drought Assistance Package supported objectives under the intergovernmental agreement.

Intergovernmental Agreement on Implementing Water Reform in the Murray–Darling Basin

The Queensland Murray–Darling Basin Regional Economic Diversification Program was established as part of the structural adjustment program resulting from the Murray–Darling Basin Plan. It is designed to stimulate economic activity and jobs in areas affected by reductions in irrigation water allocations that have occurred as part of the Murray–Darling Basin Plan 2012. DAF administered two projects under this program—High Value Horticulture Value Chains and Improved Economic Productivity from Irrigated Agriculture. Both projects were completed as scheduled in 2017. However, the reallocation of unspent funds from other projects has allowed the High Value Horticulture Value Chains project to extend through to 2020. It will continue to develop new export-oriented horticulture value chains in the region to maximise economic return from the available irrigation water.

Intergovernmental Agreement on Biosecurity

The Intergovernmental Agreement on Biosecurity establishes nationally agreed approaches to mitigate risks across the biosecurity continuum and identifies national priorities for action. The agreement helps the federal, state and territory governments avoid unnecessary duplication of biosecurity activities, improve the efficiency of resource use and clarify their respective roles and responsibilities. National cost-sharing arrangements were outlined in subsidiary response deeds and agreements. The Intergovernmental Agreement on Biosecurity is linked to international agreements.

Results and work program

Strategy

Support development of a modern and capable workforce to meet agribusiness labour needs

Contributing impact area



Strategic policy and planning

Queensland's agricultural sector has an ongoing demand for skilled workers. DAF continued to support the Rural Jobs Skills Alliance and the Queensland Agriculture Workforce Network. This enabled industry to identify and address their labour market challenges, assisted workforce development and supported rural agribusinesses in their efforts to attract and retain skilled workers and seasonal labour.

The industry-led Rural Jobs and Skills Alliance continued to collect industry intelligence and provide market performance feedback and advice to state and federal agencies on employment, training and skills. The alliance is recognised by both levels of government as a significant, united voice on Queensland's agribusiness workforce needs.

The Queensland Agriculture Workforce Network provided agribusinesses and farming communities with tailored support. The network involved six officers based with agribusiness bodies throughout the state, from Far North Queensland, through Central Queensland to South East Queensland. Since the network commenced in January 2016, support and advice has been provided to over 8000 farm business owners and employees and over 6500 potential new employees, influencing over 1300 positive employment and training outcomes.

The year also saw continued support to the AgForce-managed School to Industry Partnership Program and the Agribusiness Gateway to Industry Schools program, which promote agribusiness career options and training.

Strategy

Engage and partner with agribusinesses to capitalise on opportunities for innovation, growth and export development

Contributing impact areas



Animal science



Crop and food science



Horticulture and forestry science



Plant biosecurity and product integrity



Rural economic development

KPI Business improvement attributed to DAF's products and services

Performance monitored by a DAF service standard, together with qualitative case studies of the work in innovation, growth, exports, production risks and changes in climate

Table 4: Service standard—improvements due to RD&E

Indicator	Measure	Results				
		2013–14	2014–15	2015–16	2016–17	2017–18
Service standard (effectiveness)	Percentage of customers indicating that participation in an RD&E activity contributes to business improvements	54–60%	60–73%	64%	69%	82.46%

Note: Over 4500 participants completed the survey with 82.46% indicating they would make business improvements as a result of participating in the RD&E activity. Approximately 2500 more participants were surveyed in 2017–18 than in 2016–17.

Research and technology innovations underpin a sustainable, profitable and productive agriculture and food sector, with benefits across the supply chain, generating jobs in rural communities and strengthening the economy. The department's RD&E effort integrated with industry needs, addressed challenges and helped to increase opportunities for innovation, growth and export development.

Queensland producers are looking to reap the benefits of RD&E by assessing or using new food and crop varieties, technologies and tools. DAF provided support for this through field days, workshops and forums and increased its social media presence.

The *Queensland agriculture and food research, development and extension 10-year roadmap* (see page 34), developed as part of the Queensland Government's Advance Queensland initiative, provided a blueprint and direction for the RD&E effort, to support innovation and increase growth and export opportunities.

The following examples showcase how innovations from DAF's breeding programs and other initiatives provided benefits to the sector. More examples are provided in other sections of this report.

Transforming the Central Queensland cotton industry

Research funded by DAF and the Cotton Research and Development Corporation has identified a better way to grow cotton in Central Queensland. The tactic of sowing in late winter (August) has in four out of five seasons increased commercial yields by 20–30%, improved lint quality and substantially reduced climatic risk factors.

With the wider planting window afforded by the new cotton variety Bollgard 3, DAF scientists explored tactics to have cotton crops mature outside the main rainfall events around Emerald. Cotton rots and discolouration caused by rain just before harvest can lead to major financial penalties for many growers following the more traditional 'standard' mid-September planting window.

Crops were planted in August, and agronomy practices promoted early crop growth in the slightly

cooler weather encountered at crop establishment. The benefit of increased crop biomass from Bollgard 3, and light interception during spring and early summer, culminated in crop yields of just over 14 bales per hectare. These results are outstanding when compared with the district standard September planting of 9 bales per hectare. The benefits are even greater when price discounts for poor colour as a result of being caught in rain are considered.

Total funding for the project was approximately \$1.18 million. The value of total benefits has been estimated at \$20.24 million. This result generated an estimated net present value of \$19.06 million, and a benefit–cost ratio of approximately 17.1 to 1, which is a great return on investment for the research expenditure.



Figure 13: Bollgard 3 cotton variety being harvested in Central Queensland during trials

Virus cocktails improving food safety

The Campylobacter bacteria is one of the most common causes of foodborne illness in Australia. Queensland Health states that there are an estimated 230 000 cases of campylobacteriosis each year in Australia, costing an estimated \$1.25 billion to society. Infections of Campylobacter cause a range of intestinal illnesses including gastroenteritis and diarrhoea. Campylobacter infection is often related to eating raw or undercooked poultry or food that has been cross-contaminated. Anyone can be affected by Campylobacter.

Campylobacter occurs naturally in the intestines of chickens and causes the birds no harm. Current detection technologies for the bacteria in poultry processing plants are slow and expensive and require a well-equipped laboratory, meaning results may be too late to allow intervention. One way to control Campylobacter is to manage the bacteria on the farm. This strategy has been adopted by the Australian poultry industry and a thousand-fold decrease in Campylobacter numbers in the intestines of infected birds at slaughter is associated with a 90% reduction in public health risks (*Food Control*, 2017).

Bacteriophages are naturally occurring viruses that kill bacteria and specific bacteriophages attack Campylobacter. A proof-of-concept trial led by DAF researchers used a cocktail of bacteriophages to control Campylobacter in commercial birds (on farm) in a recently completed study co-funded by the Poultry Cooperative Research Centre. The work has now progressed to an AgriFutures co-funded project to further expand the outcomes of the original study. This collaborative study by DAF, the University of Nottingham and the Institute of Environmental Science and Research (ESR NZ) aims to significantly reduce Campylobacter numbers in the bird gut, leading to a safe, marketable product. Work is now in progress to broaden, refine and optimise the activity of the original cocktail of bacteriophages by screening it against Campylobacter sourced from commercial farms. Our collaborators at the University of Nottingham have identified select bacteriophages to demonstrate that they do not encode any known genes that would be of concern for efficacy and safety, a key requirement for both the acceptance and regulatory approval of the treatment.

Agricultural Ministerial Advisory Council

The department supported the Minister to establish the Agricultural Ministerial Advisory Council (AgMAC) to help identify future opportunities and challenges across Queensland's agricultural sector. AgMAC's members are from the Queensland Farmers' Federation and AgForce, with other relevant organisations invited to attend meetings as advisors on particular issues. The inaugural meeting is to be held in July 2018 to discuss key themes and priorities for 2018–19 in order to drive positive outcomes for the agricultural sector.

Strategy

Work with rural communities to identify regional economic opportunities and improve rural business competitiveness

Contributing impact area



Rural economic development

Rural communities are the backbone of Queensland's food and fibre sector, making significant contributions to our economic growth and employment (see 'Snapshot of performance', page 4). DAF advocated for the rural sector across government to ensure policy that would drive prosperity and support community sustainability and resilience. Through our extensive regional network, DAF worked with rural communities to identify community priorities and to build stronger, more diverse economies, aiming to broaden the range and quality of economic and social opportunities available within them.

Rural Economies Centre of Excellence

DAF established the Rural Economies Centre of Excellence, providing \$3 million in funding over 3 years. The centre is a collaborative partnership with the University of Southern Queensland, Central Queensland University, James Cook University and The University of Queensland. It has a significant regional presence, providing benefits to rural and regional Queensland, and is co-located in seven rural centres: Toowoomba, Gatton, Rockhampton, Emerald, Townsville, Cairns and the Atherton Tableland, and Brisbane. It has brought together economic analysts, rural business development specialists, policy developers and regional economic development practitioners.

The centre is focused on identifying policies, strategies and outreach programs to drive innovation in Queensland's rural and regional economies to optimise economic prosperity for rural Queensland.

Growing Queensland's Food Exports

DAF progressed the Growing Queensland's Food Exports (GQFE) initiative, establishing a pilot program to encourage sustainable economic development in regional communities by supporting food producers to build their export capability. The program focused on food value chains with strong market opportunities that will benefit from improved capability through market development support, supply chain facilitation, post-harvest quality, and market research. The \$1.3 million funding for the program matches funding of up to \$100 000 over 2 years per eligible project by an export-ready or currently exporting business in the food supply chain.

Six projects throughout the state were funded in the first year of the GQFE pilot:

- Bundaberg's Macadamias Australia, to develop exports for retail-ready macadamia products
- Manbulloo Ltd, to expand its mango exports from North Queensland to Japan, Hong Kong, New Zealand and Singapore
- The Lockyer's Mulgowie Fresh Pty Ltd, to capitalise on packaged sweet corn consumer traceability

- SunPork Fresh Foods Pty Ltd, to develop pork products at its Kingaroy and Murrarie plants for the high-end Asian market
- Burdekin's VFPlus Pty Ltd, to develop exports of high-quality melons out of North Queensland to Japan and Singapore
- E & A Coco and Sons Pty Ltd (based at Elimbah near Caboolture), to export Queensland strawberries to Hong Kong and Indonesia involving collaboration with other Sunshine Coast strawberry businesses (Ashbern Farms and Berry Patch), as well as the Queensland Strawberry Grower Association.

One-stop service

The one-stop service was initiated by DAF in 2016 to assist northern Queensland agricultural development proponents with processes of government. In 2017–18, initial funding of \$300 000 per year over 3 years was allocated to extend the service state-wide. The one-stop service comprised a web information portal and a project facilitation service that helped clients navigate government processes, and linked them with allied government services for agriculture and supply chain projects, including those for planning and development and trade and investment. It was tailored around case management principles to respond to specific characteristics of a given project. The service supported new projects or the expansion or diversification of existing businesses.

For further information on DAF's achievements, see 'Strategy: Support development of a modern and capable workforce to meet agribusiness labour needs (page 47) and 'North Queensland' (page 69).

Strategy

Increase the capacity of agribusinesses to respond to production risks and adapt to changes in climate

Contributing impact areas



Agribusinesses in Queensland are regularly challenged by and face risks to production from climate change, extreme weather and biosecurity events. DAF's support to producers and communities involved collaboration across all levels of government and industry. Services to build community and producer capacity and resilience include, among others, provision of drought assistance, development and introduction of new technologies and work to increase disease resistance of plants and animals.

Climate impacts

In 2017–18 there were four natural disaster activations—including primary producer assistance in Wide Bay Burnett, North Queensland, North West Queensland and Central Queensland—following severe weather and flooding events including Tropical Cyclones Debbie and Nora.

The recovery effort in the wake of Severe Tropical Cyclone Debbie in the previous financial year has continued to impact the agriculture and fisheries industries, with lost crops, lost stock and damage to infrastructure still being resolved. In late March 2018, Tropical Cyclone Nora brought heavy rainfall, winds and flooding to the coast of Tropical North Queensland, isolated some communities and caused extensive damage to local businesses and infrastructure.

DAF provided assistance for weather events through the joint federal–state Natural Disaster Relief and Recovery Arrangements (categories B and C). Applications for this assistance are managed through QRIDA and included:

- securing category B and category C assistance for producers in the Bundaberg and North Burnett areas, and a 3-month extension to the closing date for assistance for the category C assistance activated in response to the Central Coast weather event in October 2017
- securing activation for category B assistance for primary producers impacted by heavy rainfall and flooding in northern Queensland during February and March 2018
- securing category B assistance for the heavy rainfall and flooding that impacted northern Queensland during March 2018, causing extensive damage to primary production enterprises, principally sugarcane
- securing activation for category B assistance for primary producers impacted by Tropical Cyclone Nora in North West Queensland in March 2018.

DAF continued to support the ability of primary producers to manage climate risks and:

- oversaw the \$21 million 6-year Drought and Climate Adaptation Program (including the initiation and implementation of nine RD&E projects), while collaborating with partners from other agencies, universities and research and development corporations enabled the program to leverage additional funding of \$16.6 million, as well as in-kind support of \$24.5 million over the next 4 years
- delivered drought relief arrangements to farmers impacted by drought, with 95% of customer applications to DAF for business assistance as a result of natural disaster or drought being processed within 21 days
- ensured expenditure on the management of the Drought Relief Assistance Scheme (DRAS) as a proportion of the total amount paid on claims did not exceed 10%.

Drought Relief Assistance Scheme

In 2017–18, DAF provided \$9.8 million in drought relief under DRAS, processing 2628 claims.

DRAS is the largest component of the multi-agency Drought Assistance Package. The Drought Assistance Package has also provided relief from electricity charges, land rent and water licence fees, as well as rural financial counselling and mental health support, and community and educational assistance. It has also assisted charities to deliver fodder and other services to drought-affected communities.

DRAS provided freight subsidies (\$7.4 million in 2017–18) and emergency water infrastructure rebates (\$2.5 million in 2017–18), as well as charity payments and rural financial counselling services. Table 5 gives an overview of DRAS responsiveness.

The DRAS program, like all subsidy programs, is subject to regular scrutiny and audit. Producers who have received ineligible payments have been required to repay the subsidy, and in some cases, claims have been referred to the police for consideration. In 2017–18, repayments of \$0.83 million were made and two fraudulent cases were successfully prosecuted in the courts.

Between April 2013, when the drought commenced, and 30 June 2018, the Queensland Government has spent approximately \$162 million across agencies to support farm businesses, families and communities through the Drought Assistance Package.

Table 5: DRAS performance

Indicator	Measure	Results				
		2013–14	2014–15	2015–16	2016–17	2017–18
Condition	Percentage of state drought-declared	79%	80.3%	83.9%	66.27%	57.4%
Service standard (quantity)	Number of applications received	6165	7636	4294	1691	2628
Service standard (effectiveness)	Percentage of customers whose application for business assistance as a result of natural disaster or drought is processed within 21 days	36%	90%	97%	98%	95%
Service standard (effectiveness)	Investment in the management of the Drought Relief Assistance Scheme program as a proportion of the total claims paid under the scheme	Not measured	Not measured	Not measured	Not measured	8%

Note: The drought declarations figure is at 8 June 2018 (Source: Queensland Government, www.longpaddock.qld.gov.au). The investment assessment methodology is cost of claims paid to eligible producers divided by administration costs. Administration costs include salary, IT and phone costs of temporary staff and percentage of salary and IT costs of permanent staff based on time spent processing claims. Also included are audit costs and Information and Technology Partners maintenance of the Drought and Disaster Assistance Management System (DDAMS) database.

Rural Assistance Package

Despite recent changes in drought conditions across Queensland and a drop in drought-affected areas, there is still a great deal of financial stress and high debt within farming communities. DAF is committed to assisting drought-affected communities, implementing the Rural Assistance Package to reduce their financial stress and improve their financial sustainability. The Rural Assistance Package provided total funding of \$77.96 million over 5 years from 2015–16.

Amendments to the *Rural and Regional Adjustment Act 2011* commenced on 1 July 2017, with QRAA becoming the Queensland Rural and Industry Development Authority (QRIDA), to expand the functions and role of the old authority. These amendments included:

- the establishment of the Farm Business Debt Mediation service
- an increase in the maximum amount of Primary Industries Productivity Enhancement Scheme from \$650 000 to \$1.3 million, or \$2 million for first start loans
- the establishment of the Farm Debt Restructure Office within QRIDA, which commenced on 23 January 2018.

There were also ongoing pest and weed management programs under the Feral Pest Initiative, including wild dog exclusion and cluster fencing funding of \$19.74 million over 3 years, complemented by a \$13 million investment by the federal government. More than \$24 million funded nearly 9000 kilometres of cluster fencing. Initial data from completed cluster fence projects indicates that lambing rates have increased from 40% to upwards of 80% and sheep numbers have almost doubled, increasing from 269 000 to 497 000 head.

Drought and Climate Adaption Program

The Drought and Climate Adaptation Program is a partnership between DAF, the Department of Environment and Science, Meat and Livestock Australia and the University of Southern Queensland. It provides for RD&E to address climate risk and drought. The program receives \$3.5 million annually, with funding for 6 years from 2016–17 totalling \$21 million.

The Queensland Drought Mitigation Centre, a collaboration between DAF, the Department of Environment and Science and the University of Southern Queensland, is the largest component of the program. It brought together national and international climate modelling expertise to develop tools and systems to improve seasonal forecasting and provide the tools and training to support producers in their decision-making.

After a pilot year in 2016–17, the program initiated nine major projects in 2017–18, including the Northern Australian Climate Program and Grazing Futures.

The \$8 million Northern Australian Climate Program was launched in January 2018 to improve the quality and reliability of regional forecasts in northern Australia. It provides the tools (and training to use them) that will be part of a producer's climate risk management and business planning.

Grazing Futures offers graziers in western Queensland training and extension services to help them with drought recovery and to better plan and manage for climate variability. It is the main extension component of the program. In 2017–18, it assisted 727 producers by providing 54 training, skill development and mentoring activities. These activities involved 490 grazing businesses that managed over 1.2 million cattle and over 344 200 sheep across 13.1 million hectares of Queensland's pastoral regions. The impact of Grazing Futures was extended through networks of landholder client groups and the supply chain through the involvement of over 391 agribusiness professionals in the activities. Grazing Futures was linked to the Grazing BMP initiative (see page 73).

Strategy

Build capability to adjust to market disruptions driven by technological innovation

Contributing impact areas



Horticulture and
forestry science



Animal science



Crop and food
science



Strategic policy
and planning



Research infrastructure,
strategy and business

Agriculture is experiencing a new technology boom, from precision agriculture (involving remotely operated sensors, vehicles and robots) to data mining. Such innovations have the potential to disrupt or radically change farming practices as well as boost productivity.

During 2017–18, DAF offered forums, workshops and technology displays often with partner organisations to increase the sector's understanding and awareness of emerging trends, and to give participants the opportunity to discuss advances and possible areas of investment.

DAF contributed \$30 000 (including GST) in sponsorship to TropAg2017, in 2016–17, and later 0.5 full-time equivalent in-kind support for the event. TropAg2017, held in November 2017, was hosted by the Queensland Alliance for Agriculture and Food Innovation at the Brisbane Convention and Exhibition Centre. The theme for TropAg2017 was 'High impact science to nourish the world', with the program developed by an international advisory committee representing over ten different countries. The conference attracted both Australian and international delegates and showcased Queensland agriculture and food innovation, technologies and applications of science that were close to or ready for commercialisation.

The AgFutures forum encouraged participants to examine the integration of agritechnologies, innovation and investment across various industries, focusing on support for the research and development community, and small to medium enterprises. DAF staff presented their research, including projects relating to tree crop productivity, plant breeding in the mandarin industry, natural variation in sorghum, tomato breeding, custard apple breeding and the chickpea industry rising to meet global demand.

Improving the quality of Australian fresh produce into Asian markets

DAF scientists help growers, exporters and importers ensure their produce is transported in a way that minimises loss of quality and freshness, reduces waste and improves reliability into Asian markets.

Approximately 16% of Queensland's fruit and vegetable output is exported (*Queensland agriculture snapshot 2018*). The main factors influencing arrival quality are harvest quality and transport duration and conditions, especially temperature. Produce needs to meet consumer expectations for quality and value to maintain and expand these markets. Regular temperature monitoring of export consignments is essential to identify where improvements are needed to prevent quality loss.

As part of a 4-year study that commenced in 2016, DAF researchers have monitored the key transport and holding conditions that significantly influence quality loss during movement through the supply chain from farm to consumer.

The scientists used new wireless temperature-monitoring technologies on approximately 50 export consignments of mangoes, citrus, table grapes and summer fruit. The produce was monitored to help highlight areas for improvement such as consistent forced air cooling, re-cooling at the freight forwarder, better temperature management in the refrigerated sea freight container, reduced total time in the container, and temperature and time management at the importer.

Preliminary industry outcomes are very promising. Adoption of the research recommendations in a mango export chain contributed to a significant increase in shelf life for fruit transported to China during the 2017–18 season. DAF scientists are also working with the stone fruit and citrus industries to improve the quality of fruit that arrives in export markets. To date, the research findings have been significant in helping the industry learn and move forward to provide better produce to Asia.

Reducing the impact of cyclones on farms

Cyclones are a major issue for many working in horticulture production, particularly in northern Queensland. In 2017, Cyclone Debbie left 63 000 people without power and cost farmers more than \$1 billion.

The Queensland Government is committed to ensuring the state, its industries and its people are protected from natural disasters. DAF scientists have been working on practices such as trellising, windbreaks and pruning to develop a holistic solution to help farmers grow a more productive and economically sustainable tropical fruit industry in cyclone-prone areas of northern Queensland.

A recently completed 5-year study found that the vast majority of high-value tropical fruit tree species, including guava, mango, durian, jackfruit and avocado, could be grown on trellises, potentially providing greater resilience to strong winds.

The practice developed following the devastation left by Cyclone Yasi, when it was found that trellising reduced damage and sped recovery. This is important, considering that growing many tropical fruit species is labour-

intensive and it can take many years for farms to produce a commercial yield.

While trellising is expensive, the long-term benefits make it cost-effective, with trees of many species producing higher yields and better quality fruit. There are further economic benefits in trellis use as a protective netting support. However, trellising will not suit every farming operation, so a range of chemicals with potential to rapidly defoliate trees and so lower wind resistance were trialled. High-density orchards and the use of on-farm mechanical pruning equipment and emergency defoliation were similarly assessed as means to speed recovery.

The project also examined the production of new tree stock using ‘rooted cutting’ technology as a means of rapidly producing replacement stock relative to traditionally used air layering or grafting techniques. The technology leads the way to faster recovery post-cyclone and the production of cheaper planting material.

This successful work was co-funded by the Australian Government through AgriFutures Australia.

Strategy

Lead Queensland's biosecurity preparedness and responses

Contributing impact areas



Animal biosecurity and welfare



Invasive plants and animals



Biosecurity strategy and business



Plant biosecurity and product integrity

KPI Significant biosecurity response programs deliver agreed outcomes

Performance monitored by a range of DAF service standards

Table 6: Performance indicator and complementary service standards—significant biosecurity responses

Indicator	Measure	Results				
		2013–14	2014–15	2015–16	2016–17	2017–18
Business measure (activity)	Number of significant response programs	Not measured	6	7	7	7
Service standard (effectiveness)	Percentage of significant response programs on track to deliver nationally agreed outcomes (on time and on budget)	100%	100%	100%	100%	100%
Service standard (efficiency)	Average cost per hour to deliver biosecurity services for Queensland	Not measured	Not measured	\$48	\$52.40	\$53.33
Note: The number of significant response programs is based on the type and nature of detections made. Agreed cost-sharing responses vary as they are subject to review and negotiation. Agreed outcomes are monitored by outcomes defined in funding agreements. The increase in cost per hour to deliver biosecurity services for Queensland between 2015–16 and 2016–17 reflects an increase in overtime and higher duties as a result of the white spot disease response and program.						

Queensland is the frontline state for biosecurity responses. A collaborative approach to the management of animal and plant pests and diseases—as a shared responsibility between federal and local government, industry and members of the community—brings recognised benefits.

National cost-sharing agreements clarify management and funding arrangements between the federal, state and territory governments and industry groups to allow efficient and effective responses to biosecurity incidents.

In 2017–18, under national cost-sharing arrangements, Biosecurity Queensland managed the following programs:

- Varroa Mite
- Exotic Fruit Fly
- Red Imported Fire Ant—South East Queensland
- Red Imported Fire Ant—Brisbane Airport
- Red Witchweed
- Four Tropical Weeds.

A new era in fire ant eradication begins

The National Red Imported Fire Ant Eradication Program in South East Queensland is a 10-year, \$411.4 million program. It is now moving into its second year since funding was announced in July 2017. The 10-year eradication strategy plans to reduce the size of the red imported fire ant infestation through a staged, rolling planned treatment program starting from the west and progressively moving to the east.

Its first priority in 2017–18 was undertaking the broadcast bait treatment season; this was completed in June 2018. The second treatment season is set to resume from September 2018. An expanded broadscale bait treatment program is being conducted in the western outer infestation areas of the Lockyer Valley, Scenic Rim, Somerset and Ipswich and throughout areas of high-density infestation on the east in Logan and the Gold Coast. Multiple rounds of bait treatment are planned in these areas over consecutive years to eradicate fire ants from this region.

The 2017–18 plan also included targeted surveillance, supported by community engagement, to search for and locate any fire ant nests, particularly around the outer extents of the operational area.

While the national program focused on a broadscale bait treatment plan, it also responded to public reports of suspected fire ant sightings. On confirmed sites, a direct injection method was used to destroy fire ant infestations to reduce risks to public safety and commercial product movement and to achieve the eradication aim.

Community and industry partnerships are critical to the success of eradication. In 2018–19 the program will seek opportunities to implement pilot programs by which industry and the community can play their part in minimising the impact of fire ants and help achieve eradication of this invasive pest.

DAF has established contractual arrangements for 13 national cost-sharing agreements, 6 of which Queensland led, under the Emergency Animal Disease Response Agreement, the Emergency Plant Pest Response Deed and the National Environmental Biosecurity Response Agreement. These agreements bring together the state and territory governments and industry groups to collectively and significantly increase Queensland's capacity to prepare for and respond to emergency animal disease incursions, and emergency pest disease incursions.

Biosecurity Queensland works closely with its stakeholders and the community to maintain a strong biosecurity system. During 2017–18, DAF demonstrated its capacity to meet all service requirements by effectively responding to 47 biosecurity incidents. Biosecurity Queensland's main non-national cost-sharing responses during 2017–18 included:

- anthrax in cattle
- Hendra virus in horses
- white spot disease
- Panama disease tropical race 4
- West Indian drywood termite
- cucumber green mottle mosaic virus
- electric ants
- Asian green mussels
- Mozambique tilapia and spotted tilapia.

Queensland's plant pest surveillance programs also delivered strong results in providing evidence of freedom from pests and diseases to safeguard national and international trade from the state for a wide range of commodities. This included participation in a national program, facilitated and funded by the Australian Government, to undertake surveillance for 57 high-priority pests and diseases, including a range of exotic fruit fly and gypsy moth species. This surveillance enhances early detection for these serious biosecurity threats and supports international trade from Australia in host commodities.

The department further enhanced Queensland's biosecurity prevention and response capability through several actions under the Queensland Biosecurity Capability Implementation Program.

DAF increased plant pathology and molecular diagnostic services provided by the Plant Biosecurity Laboratory at the Ecosciences Precinct in Brisbane. Improvements included the introduction of specialist staff to boost the diagnostic capacity for plant virology. Also, the Laboratory Information Management System's Sample Manager now provides an integrated system that improves productivity, reduces sample transcription errors, ensures sample traceability and provides for the generation of comprehensive and accurate reports to meet client needs.

The Laboratory Quality Management System was progressed to obtain NATA accreditation, which, once achieved, will provide increased confidence in diagnostic test results. It will also assist in decision-making and management of biosecurity risks.

The department boosted marine pest prevention and preparedness by moving from responsive management towards proactive protection. This will reduce the impact from invasive marine pests on industry, other users of Queensland's marine resources and the environment, including World Heritage-listed ecosystems such as the Great Barrier Reef. Actions included:

- developing a Queensland ports marine pest surveillance pilot program, in conjunction with Queensland port authorities and experts in Western Australia, to improve early detection, control and eradication (to be implemented at five key Queensland ports over the next 18 months—Brisbane, Gladstone, Mackay, Townsville and Cairns)
- initiating a targeted marine pest education and awareness campaign, with supporting guidelines and training for frontline sectors (such as port authorities and marina and slipway operators).

Exercise Border Bridge was a fantastic opportunity for two jurisdictions—Queensland and New South Wales—to work collaboratively on a response that crosses a shared border. There were some challenges, but in true response style, we worked through them.

Allison Crook, Chief Veterinary Officer



Figure 14: The operations team in the Brisbane State Coordination Centre responding to simulated biosecurity emergencies as part of Exercise Border Bridge

Exercise Border Bridge

Exercise Border Bridge (5–9 March 2018) was a cross-border simulated biosecurity emergency readiness exercise undertaken by teams from Biosecurity Queensland and the New South Wales Department of Primary Industries. The exercise, which included responding to ‘lumpy skin disease’ and the ‘giant African snail’, effectively assessed how teams from Queensland and New South Wales responded to a biosecurity incident occurring across both jurisdictions. DAF’s emergency preparation and response capability is vital for the protection of our \$15.33 billion primary industries production value, our environment and our community. As biosecurity emergencies are complex and volatile and do not necessarily stop at borders, it is critical that DAF’s emergency response preparation and response capability is strong across all jurisdictions to ensure adequate protection for Queensland.

The planning for Exercise Border Bridge involved more than 100 people over 8 months of full-time preparation. There were approximately 500 days of work and two lead-in exercise activities (Border Law and Order, and Digital Bridge) in the planning stage. The exercise employed 260 participants from DAF, the New South Wales Department of Primary Industries, Animal Health Australia, Plant Health Australia, industry and other jurisdictions. It was the biggest biosecurity readiness exercise undertaken in Australia in the past 10 years.

The exercise demonstrated DAF’s emergency preparation and response capability as well as providing insights for improvements.



Figure 15: Participants in the Brisbane State Coordination Centre reviewing maps of the simulated outbreak

Priorities for 2018–19

- Support the Agricultural Ministerial Advisory Council in defining key objectives, priorities and a forward work agenda to drive agricultural industry development and overall sector growth and sustainability.
- Continue supporting and promoting agriculture technology, innovation and investment through AgFutures 2018.
- Lead the implementation of the government's Driving Queensland Agriculture and Rural Jobs Growth policy to grow agricultural export capacity and enhance innovation throughout the agricultural supply chain by:
 - promoting agricultural industry development and jobs in rural communities through \$3.3 million for the Rural Economic Development Grants program package
 - enhancing rural job skills with a further \$1 million for the successful Rural Jobs and Skills Alliance and to extend the Queensland Agricultural Workforce Network.
- Provide existing drought relief arrangements to drought-affected communities and invest in the Queensland Drought and Climate Adaptation Program to improve farm business capacity, seasonal forecasting and decision-support tools that enable producers to better manage climate risk.
- Lead the implementation of existing national agreements and partnerships, and negotiations associated with proposed new project agreements, to ensure adequate funding contributions for:
 - pest animal and weed management in drought-affected areas
 - established pest animal and weed management
 - pest and disease preparedness and response programs.
- Continue nationally significant biosecurity responses and eradication programs including programs for red imported fire ants, white spot disease in prawns, and Panama disease tropical race 4.
- Provide a further \$2.5 million in grants for the Queensland Feral Pest Initiative for wild dog exclusion cluster fencing in western and southern Queensland in drought-affected communities.

Objective 3

Ensure the sustainable management of natural resources to underpin productivity and protect the environment

Even the most abundant natural resources are limited. Sustainable use of our natural resources will ensure long-term vibrancy of the food and fibre sector. A balanced approach—between economic, social and environmental factors—gives current and sustainable benefits while ensuring the fundamental natural resources of land, water, fish and forests are available for future generations.

DAF focused on the research and development of improved farm management practices, decision-making tools for producers, and effective weed control to support sustainable resource use and minimise the impact of agriculture on the Great Barrier Reef. The department partnered with industry, natural resource management groups and local governments to increase uptake of improved management practices. DAF's Reef program played a significant role in delivering on improved Reef water quality targets. Reforms associated with improved fisheries management further ensured that resources were sustainably used and provided ongoing economic and social value.

DAF also advocated to preserve and protect agricultural land and water, and worked with other government agencies to encourage a focus on an improved provision of water, energy, communications and transport to rural communities to support sustainable resource use and strong economies.

With responsibility for regulating access to fisheries resources and allocating native forest resources, the department maintained specific accreditations to ensure the ongoing viability of management practices, including certification of forest management practices under internationally recognised standards.

DAF's continuing role in community education and safety—through boating and fishing awareness programs and the shark control program—allowed Queenslanders to enjoy safe, sustainable recreation opportunities.

Strategic risks and opportunities

- **New technologies**—new technologies to detect threats and improved modelling supported by increased processing power and big data can help DAF prevent the spread of biosecurity diseases and pests, improve fisheries management, and assist producers to improve decision-making leading to increased productivity and better predict climatic change.
- **Climate**—the frequency and duration of extreme weather events impacts on ability of the sector and the department to direct resources to growth opportunities.

- **Biosecurity threats**—greater global movement of goods and people increases the transmission of exotic pests and diseases, which may have a significant impact on the agricultural and broader economy, compromise our disease-free reputation and restrict market access.
- **Competition for resources**—resources used for agriculture, fisheries and forestry are increasingly subject to demands for competing access from other economic, environmental and social interests that are not always possible to fully resolve.

Key performance indicators

- DAF's effectiveness in influencing planning and development
- Adoption levels of best management practice in Reef catchments
- Status of key Australian fish stocks
- Accreditation of our fishery and forest management systems

Cross-government commitments

The following intergovernmental agreements influenced the way DAF delivered these services.

Reef 2050 Plan

The *Reef 2050 long-term sustainability plan* (Reef 2050 Plan) provides the framework for the actions of the Australian and Queensland governments to protect and manage the Great Barrier Reef. DAF contributed to 38 of the 51 actions in the Reef 2050 Plan. Many initiatives under the sustainable fisheries strategy have been completed, and a charter fishing action plan is being progressed. DAF's continued efforts contribute directly to the plan. DAF works directly with producers with the aim of improving Reef water quality and to implement ecologically sustainable fishing policy.

Accreditation of aquaculture discharge adjacent to the Great Barrier Reef Marine Park

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

Great Barrier Reef Marine Park Authority Intergovernmental Agreement

Schedule E of the agreement recognises Australia's international responsibilities for the Great Barrier Reef World Heritage Area under the World Heritage Convention, Offshore Constitutional Settlement arrangements, the intergovernmental agreement, associated Australian and Queensland government legislative provisions and the role of the Ministerial Forum to ensure both governments apply the guiding principles established in the intergovernmental agreement relating to fishing and collection of fisheries resources in the Great Barrier Reef World Heritage Area.

Conservation agreement for assessment of applications under the *Great Sandy regional marine aquaculture plan*

The conservation agreement between Queensland and Australian government ministers for the *Great Sandy regional marine aquaculture plan* means that applications for aquaculture that comply with the plan do not require a separate assessment or approval under the *Environment Protection and Biodiversity Conservation Act 1999*. Instead, matters under the Act are covered through the issue and conditions of the development approval (under the *Planning Act 2016*) and resource allocation authority (under the *Fisheries Act 1994*), which are assessed under the plan.

Shared waters

Management arrangements for commercial fisheries are established under the Offshore Constitutional Settlement 1995 agreement and resulting memorandum of understanding between the Queensland, Northern Territory and Australian governments to manage shared waters.

The Queensland Fisheries Joint Authority (established in 1995) manages some northern finfish stocks within offshore waters in the Gulf of Carpentaria.

The Torres Strait Protected Zone Joint Authority (established in 1984) manages all commercial fisheries in the Torres Strait Protected Zone.

There are no joint authorities operating in the Queensland East Coast.

Results and work program

Strategy

Advocate for agriculturally important land, energy and water

Contributing impact areas



Rural economic development



Strategic policy and planning



Forestry



Fisheries

KPI

DAF's effectiveness in influencing planning and development

Performance monitored by two DAF service standards

Table 7: DAF's effectiveness in influencing planning and development—various indicators

Indicator	Measure	Results				
		2013–14	2014–15	2015–16	2016–17	2017–18
Service standard (effectiveness)	Proportion of stakeholders who have a high level of satisfaction with agriculture policy and planning, and consultation and engagement processes	Not measured	Not measured	Not available	70%	70%
Note: This measure covers a range of dimensions of stakeholder satisfaction including quality, satisfaction with the tools and methods of engagement and the level of opportunity to contribute to policy direction to determine overall stakeholder satisfaction. Both quantitative and qualitative responses are sought.						

Table 8: Regional agricultural advocacy

Indicator	Measure	Results				
		2013–14	2014–15	2015–16	2016–17	2017–18
Service standard (efficiency)	Average cost of regional agricultural advocacy activities	Not measured	Not measured	\$839	\$754	\$670
Note: The decrease for 2017–18 is mainly due to activities being less complex and shorter than anticipated, resulting in a lower cost per activity.						

Queensland's land use and management practices have potential long-lasting impacts on natural resources, agricultural producers and the environment. A collaborative approach from state and federal governments to promoting effective practices and programs is essential for rural economic development and sustainable planning activities.

Only 2.5% of Queensland's land is suitable for a wide range of current and potential crops with minor or no limitations to production. DAF advocated for agriculturally important land and the resources needed to sustain agricultural production by:

- providing \$1.18 million for two Central Queensland agricultural technology projects aimed at reducing weeds and boosting yields, through the Strategic Cropping Land Mitigation Fund
- supporting private-sector initiatives to develop land and water resources in North Queensland, including progressing the one-stop service and obtaining funding to expand the service's scope (\$0.9 million over 3 years).

DAF's network of regional officers ensures that the interests of agriculture are considered in statutory planning processes, water allocation and energy policy, including those processes administered by other state and federal agencies.

The Department of Natural Resources, Mines and Energy (DNRME) is responsible for the policy, planning and management of Queensland's water resources. It also has a role in water infrastructure and water pricing as well as energy policy and legislation. DAF actively participates with DNRME in the interagency consultation process on matters such as the Murray–Darling Basin (MDB) Plan, the MDB Regional Economic Diversification Program, the Condamine Alluvium water tender and the proposed Rookwood Weir, as well as advocating for the release of unallocated water for irrigators where there is demand for additional water. DAF continues to participate in discussions regarding ongoing water reforms to ensure the consideration of agricultural water users as reforms are progressed.

DAF activity also includes working closely with the State Assessment and Referral Agency to ensure developments that may have an impact on marine habitats are assessed. Through the provision of advice and timely assessment of applications and plans, DAF helps to ensure that infrastructure impacts on fish habitats are minimised. The department successfully transitioned to all additional new provisions under the *Planning Act 2016*, which commenced on 3 July 2017.

Strategy

Leverage changes in water and land use to develop new agricultural and aquaculture opportunities

Contributing impact areas



Strategic policy and planning



Animal science



Rural economic development



Crop and food science



Horticulture and forestry science



Fisheries



Forestry

The one-stop service, first established in 2016, was expanded in 2017 to assist clients with government processes for agriculture and supply chain development and investment projects. The service includes a web information portal as a single entry point to a broad range of information such as on planning and development, trade and investment, mapping and industry support. Also, an agribusiness project facilitation service helps clients navigate the various stages of projects, including through referrals to other agencies or by linking people with investment or funding options. The expanded service supports new projects or the expansion or diversification of existing businesses, including initiatives to develop land and water resources in North Queensland.

North Queensland

Queensland is one of the most significant advanced economies in the tropics; it also has the benefit of extensive experience in tropical and subtropical agriculture. A quarter of Queensland's agricultural output is produced in Tropical North Queensland, with this region of the sector dominated by cattle, sugarcane, bananas and vegetables. The region has significant land and water resource opportunities that are still to be fully assessed and utilised.

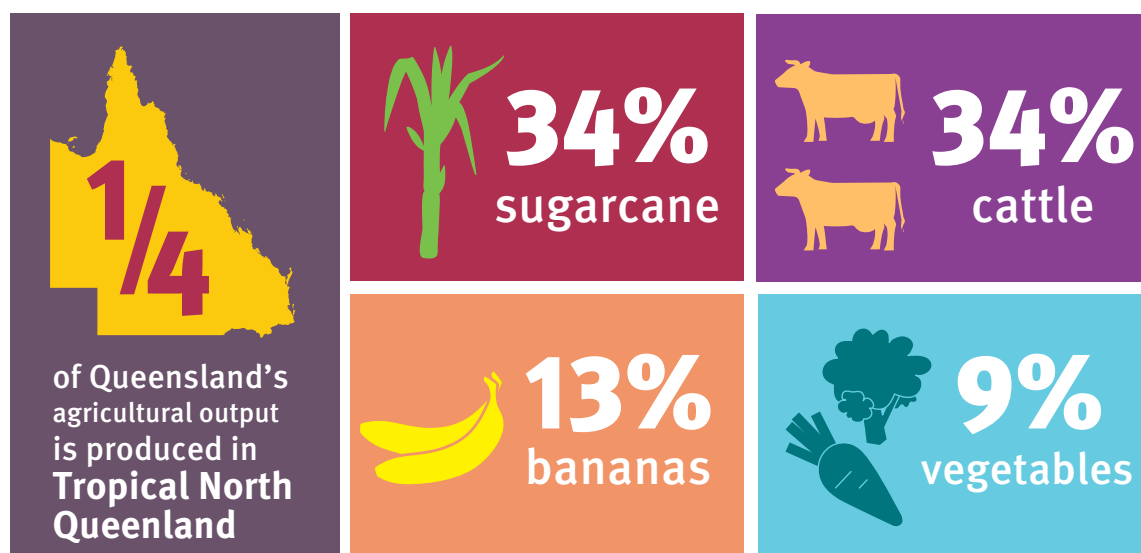


Figure 16: Agricultural output produced in Tropical North Queensland as proportions of state totals (Sources: *Queensland agriculture and food research, development and extension 10-year roadmap and action plan*; ABS 7503.0, *Value of agricultural commodities produced, Australia*)

In relation to the federal government's *Our north, our future: white paper on developing northern Australia*, in March 2018, DAF entered into a partnership funding deed with the Cooperative Research Centre for Developing Northern Australia and committed \$600 000 over 3 years. DAF is a research partner in five projects:

- Developing sustainable cropping systems for cotton, grains and fodder (lead organisation Ord River District Cooperative Limited on behalf of the Northern Australia Crop Research Alliance)
- New pastures to increase livestock productivity across the north (lead organisation Agrimix Pastures Pty Ltd)
- Transforming mango orchards—high-density systems for industry growth (lead organisation Manbulloo Ltd)
- Exporting perishable commodities to Asia—developing a stakeholder collaboration model (lead organisation Central Queensland University)
- Science leadership for cotton development in northern Australia (lead organisation Cotton Research and Development Corporation).

DAF has continued to contribute to building resilience of individuals, businesses and communities by delivering technical advisory and compliance services to farmers, fishers, landholders and the community to help achieve biosecurity and natural resource management priorities.

Implementation of the Queensland aquaculture policy statement

With growing demand for seafood globally, there is significant scope to grow aquaculture in Queensland to strengthen the economy and create jobs.

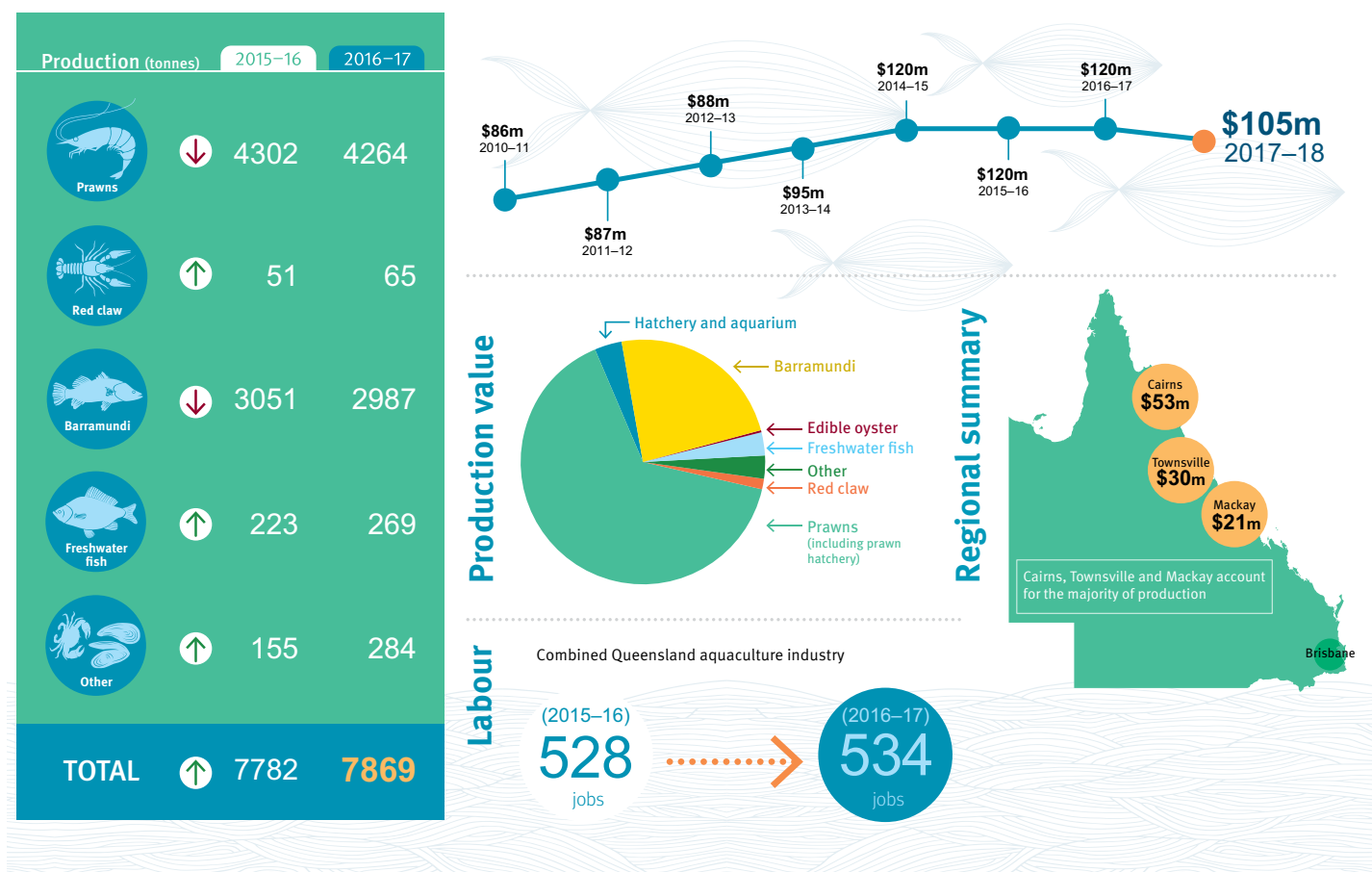


Figure 17: Queensland's aquaculture production (Source: *Ross Lobbegeiger report to farmers: aquaculture production summary 2016-17*, DAF)

Potential land-based marine aquaculture development area (ADA) sites are being identified across Queensland. This addresses a recommendation from the Queensland Competition Authority in 2016. Implementation of the recommendation supports the *Queensland aquaculture policy statement* and is an important initiative to grow the aquaculture industry in Queensland, which in 2017-18 was worth approximately \$105 million.

In 2017-18, targeted consultation was undertaken with industry and local governments to refine suitable sites. Additional stakeholder consultation later in 2018 may further refine the list of sites ahead of formally recognising these through the appropriate planning mechanism. The identification of ADAs helps protect areas with potential for land-based marine aquaculture development, and provides investors with areas that will be supported by the state and relevant local governments. While potential ADAs are being identified, it does not prohibit investors exploring other areas for aquaculture development in Queensland.

Scallop sustainability

In 2016, a scallop stock assessment showed the biomass of scallop was potentially as low as 6% of its original biomass. To address this decline, DAF reduced fishing effort on the stock by closing all scallop replenishment areas and introducing a winter no-take closure for scallops between 1 May and 31 October each year.

The Queensland Government committed \$200 000 per year over the next 3 years to support monitoring and assessment of scallop stocks. This was a collaborative effort between DAF, James Cook University, The University of Queensland and the Fisheries Research and Development Corporation. It includes an independent scallop survey, improving mortality estimates and stock modelling, incorporating physical oceanographic processes.

Catch information from commercial fishing logbooks has shown that the 2017–18 scallop catch has increased, although more information is required before conclusions about the state of the resource can be assessed with confidence.

Strategy

Reduce the impact of agriculture, pests and weeds on the environment and the Great Barrier Reef

Contributing impact areas



Strategic policy and planning



Animal science



Rural economic development



Crop and food science



Plant biosecurity and product integrity



Invasive plants and animals

KPI

Adoption levels of best management practice in Reef catchments

Performance monitored by DAF service standard

Table 9: Service delivery standard—best management practice

Indicator	Measure	Results				
		2013–14	2014–15	2015–16	2016–17	2017–18
Service standard (effectiveness)	Percentage of primary producers in Reef catchments who adopt best management practices after participation in DAF extension programs	20%	74%	58%	68%	47%
Note: The target for this measure was 40% in 2017–18 to acknowledge that persistent dry conditions may affect producers' ability to implement and timing of desired changes. The result of 47% is considered to be a sound achievement for the year under the current conditions.						

Protecting the Great Barrier Reef

The diverse range of habitat types and extraordinary biodiversity make the Great Barrier Reef one of the richest and most complex natural systems on earth. The area has significant environmental as well as social, economic and cultural value and plays an important role in the local, regional and national economies.

In 2017–18, DAF leveraged \$8.671 million from Great Barrier Reef funding programs, and committed over \$5 million to lead and support actions of the *Reef water quality protection plan 2013*. To further support protecting the Great Barrier Reef, DAF delivered key milestones from the Reef 2050 Plan. During the year DAF:

- completed impact assessment for Queensland and Australian government investments under the Reef 2050 Plan and published in the *Great Barrier Reef report card 2016* (released October 2017)
- commenced development of an online tool (to be released for general use in August 2018) that enables estimation of water quality benefits derived from improving farm management practices in Reef catchments (funding secured and proof-of-concept work completed)
- led the implementation of enhanced and coordinated extension and education programs for Reef water quality
- delivered on-ground practice change, improved agribusiness profitability and improved the health of the Reef through economic evaluation of profitable practices and delivery of best management practice (BMP) and associated programs
- finalised project agreements for the delivery of BMP workshops in Reef catchments.

DAF continued to contribute to the whole-of-government response to the Great Barrier Reef Water Science Taskforce final report (May 2016), supporting our partner agency, the Department of Environment and Science, to achieve the Queensland Government's ambitious water quality targets (reduce nitrogen run-off by up to 80% and sediment run-off by up to 50%). DAF took leadership in improving the use of pesticides in Reef catchments through the Reef Pesticides Working Group. This group of government, industry and community stakeholders developed action plans to address ongoing cases that exceed pesticide water quality guidelines. The plans included new training, extension support, communications and research initiatives.

StoolZippa

The department's BMP development and extension activities, undertaken in collaboration with industry, have resulted in the development of an implement known as the 'StoolZippa'. This piece of equipment bolts to existing machinery to close an implement channel in the soil following the application of imidacloprid, a

pesticide used to control cane grubs. Early studies have revealed a 65% reduction in imidacloprid losses. This significant innovation will reduce the agricultural impact on the Great Barrier Reef by contributing to achieving the pesticide target of protecting 99% of aquatic species.

Bioreactors improve the health of our rivers and the Reef

Improving the quality of water in our rivers and oceans is a high priority for the Queensland Government. Poor water quality has adverse effects on aquatic plants and animals. In response to the government's commitment to protect Queensland's waterways and the Great Barrier Reef, DAF researchers have been working with the horticulture and cane industries and local governments to reduce the concentration of dissolved nitrogen in run-off from agricultural land.

This is being done through a nutrient management strategy that uses 'bioreactors' to remove nitrate through denitrification.

Nitrogen is an essential fertiliser for farming, critical to crop production and crop yields. However, what is good for a crop can be negative for waterways, which is why bioreactors were developed.

This affordable, natural and effective solution involves filling shallow trenches in the ground with carbon-rich materials such as woodchip to form porous walls. These intercept the flow of water before it leaves the farm and moves into waterways. Through a natural process, organisms living on the woodchips take the nitrogen out of the water and release it into the air as

nitrogen gas. This gas makes up 78% of the atmosphere we breathe and is completely safe.

The ongoing study by DAF scientists has produced positive results with almost complete removal of nitrate from agricultural run-off, proving that bioreactors can play a significant role in improving water quality. The strategy could be one solution to improving the quality of water in catchments flowing into the Great Barrier Reef.

Three bioreactors have been built. Two are in south-eastern Queensland on horticultural farms and one is on a cane farm in Giru. Farmers in northern Queensland are supportive and are interested in taking the simple concept further, using it as part of their efforts to improve the quality of water flowing to the Reef. In addition to those already built, more bioreactors will be installed in 2018–19.

As a result of the interest in bioreactors, DAF has developed an interim guideline to assist industry and catchment managers implement and monitor bioreactors. This will be available through the Queensland government publications portal (www.publications.qld.gov.au).

Grazing extension

As part of a collaboration between AgForce, regional natural resource management bodies and private organisations, the ReefPlan Grazing Extension project team delivered activities that complement the industry-led Grazing BMP benchmarking program. As part of this collaboration over the 2017–18 financial year, DAF delivered 295 training and extension events, and worked with 2442 beef producers from 344 unique properties representing 692 businesses in the Burdekin, Fitzroy, Burnett–Mary and Mackay–Whitsunday regions.

Cane BMP program

To minimise the impact of sugarcane production on the Great Barrier Reef, DAF continued to undertake crucial development and extension activities enhancing the impact of the industry-led Smartcane BMP program. The department worked in collaboration with CANEGROWERS, Sugar Research Australia and the broader cane industry to support the adoption of BMP in key production areas between Mackay and Mossman.

From July 2017 to June 2018, DAF engaged 1127 participants in extension processes, representing a total cane land area of approximately 164 260 hectares. Extension activities included nutrient management plans, chemical applications promoting soil health, controlled traffic systems, use of agricultural technology such as drones, and increased regional knowledge of agronomic practices associated with alternative crops for diversity.

The impact of Smartcane BMP on business and the environment in the Wet Tropics

The economic and environmental impacts of adopting Smartcane BMP have been considered for six sugarcane farms in the Wet Tropics (located near Ingham, Tully, Innisfail, Cairns and Mossman, and ranging in size from 90 to 830 hectares). Each of the farms made a number of practice changes over time in the areas of soil health, nutrient management and pesticide management (and drainage improvements at some farms). The profitability and environmental performance of the farms before and after BMP adoption were evaluated using the Farm Economic Analysis Tool and the CaneLCA eco-efficiency calculator, based on farm management data provided by the growers. The economic benefit after BMP adoption was found to be positive for each farm, ranging between \$25 and \$220 per hectare per year. The economic benefits can be sensitive to changes in cane yields and some growers managed

such risks through progressive implementation of the changes or co-investment to reduce capital costs.

The environmental results showed that BMP adoption can decrease the potential for water quality impacts and reduce greenhouse gas emissions. For one of the farms investigated, the avoided greenhouse gas emission was equivalent to taking 86 cars off the road each year. The project findings indicate that BMP changes in the Wet Tropics can provide both better farm profitability and better environmental performance.

The project fact sheet and six case studies have been compiled into a single document for ease of reading and distribution. This and other project resources can be found on the Queensland Government publications portal (www.publications.qld.gov.au).

Control of weeds and pest animals

Agricultural production can be severely impacted by invasive weeds and pest animals as they constrain the use of land and other resources. To limit this impact on agriculture, and the current and ongoing effects of pests and weeds on the environment, during 2017–18 DAF:

- undertook research to improve control options for feral pigs, such as trapping and baiting methods, and assisted local governments and landholders in meeting their obligations for control by providing technical advice
- continued the National Four Tropical Weeds Eradication Program
- monitored the effectiveness of the wild dog exclusion cluster fencing
- developed new methods and strategies for the management of pest animals including wild dogs, feral deer and rabbits
- improved control strategies and methods including biological control for weeds such as prickly acacia, mother-of-millions, giant rat's tail grass and cabomba
- completed the 'War on Western Weeds', a 5-year \$1.88 million project managed by DAF with a focus on tackling prickly acacia, with research assessing the effectiveness of several innovative forms of herbicide application suggested by local graziers, such as a pressurised 'scatter-gun' that spreads herbicide pellets from a tractor, a helicopter-mounted herbicide pellet dispenser and a modified spray-misting machine
- undertook ecological research to improve understanding of how the seeds of prickly acacia are spread in flowing water along creeks, which will help landholders to better understand and manage the spread of seeds from their properties
- in a project partnership with Southern Gulf Natural Resource Management and local governments, assessed the effectiveness and cost of keeping property boundaries free from prickly acacia bushes, thereby avoiding spread by cattle onto neighbouring properties; this 'good neighbour' initiative has destroyed prickly acacia along more than 1000 kilometres of property boundaries on multiple properties in north-western Queensland.

Strategy

Implement the sustainable fisheries strategy

Contributing impact area



Fisheries

KPI

Status of key Australian fish stocks

Performance monitored by a DAF service standard

KPI Accreditation of our fishery management systems

Performance monitored by a business measure

Table 10: Sustainability of Queensland fish stocks

Indicator	Measure	Results				
		2013–14	2014–15	2015–16	2016–17	2017–18
Service standard (effectiveness)	Percentage of key Queensland fish stocks assessed as having no sustainability concerns	Measured under a different methodology	94%	93%	91%	82%

Note: The statuses of key fish stocks in Queensland are assessed using nationally agreed standards and protocols. Each full cycle of the assessment process takes 24 months to complete. The number of stocks assessed fluctuates annually, which in turn influences the result of the formula applied to derive the measure. In 2017–18, 28/34 (82%) of stocks that were assessed had no sustainability concerns; the remaining 6 stocks did have sustainability concerns (i.e. were classified as depleting, overfished or recovering stocks). Significantly, these were all stocks where sustainability concerns had already been identified in previous assessments. No new stocks with sustainability concerns were identified in 2017–18.

Status of fish stocks

Queensland reports annually on the status of fish stocks. The monitoring and evaluation process constantly evolves to ensure adequacy and reliability of data collection and assessment techniques.

The national status of Australian fish stocks reports are coordinated by the Fisheries Research and Development Corporation with guidance from an experienced national advisory group, including a delegate from Queensland. The assessments are conducted and published every 2 years. The next status of Australian fish stocks assessment will be completed and published in December 2018.

Every other year, DAF conducts stock status assessments on any important Queensland fish stocks that are not included in the national process. This ensures that the status of all key Queensland fish stocks are assessed against nationally agreed criteria at least once in every 2-year period. Stock status assessments combine catch, effort and biological data to assign a status to each fish stock, using a weight-of-evidence approach against clearly defined criteria. In Queensland, the majority of fish stocks are classified as ‘sustainable’ or ‘undefined’. Undefined means that there is insufficient information to confidently assign a status, but no immediate sustainability concerns are evident.

The 2017 stock status process identified sustainability concerns for six Queensland fish stocks and the following actions are being undertaken:

1. **Snapper**—east coast stock classified as ‘depleted’ in 2009; quantitative stock assessment is due for release in 2018.
2. **Pearl perch**—east coast stock classified as ‘transitional depleting’ in 2016 and 2017; no evidence was found to suggest the stock was increasing.
3. **King threadfin**—Gulf of Carpentaria stock classified as ‘transitional depleting’ in 2017 for the third year running; additional biological monitoring commenced in late 2015 to feed into more detailed quantitative assessment post 2018.

4. **Saucer scallop**—stocks classified as overfished in 2017 for the second year; urgent management measures were implemented in 2017 and additional monitoring commenced, with a more detailed assessment planned for 2018.
5. **Mangrove jack**—Gulf of Carpentaria stock classified as ‘transitional recovering’ in 2017; new management arrangements including species-specific quotas and independent validation of catch were implemented, with monitoring for signs of recovery.
6. **Barramundi**—southern Gulf of Carpentaria stock classified as ‘transitional depleting’ in 2017; a quantitative stock assessment was undertaken and identified low recruitment over the last few years, indicating the stock is not increasing.

All species with sustainability concerns will be reassessed as part of the 2018 stock status process, with results due to be released in December 2018.

Table 11: Accreditation of our fishery management systems

Indicator	Measure	Results				
		2013–14	2014–15	2015–16	2016–17	2017–18
Business measure (effectiveness)	Queensland fisheries accredited for export	19	19	19	19	19
Note: There has been no change in fisheries export accreditations since 2012–13, when the department withdrew the Rocky Reef Fin Fish Fishery from the accreditation process as there had been no export from that fishery. In the same year, the Coral Reef and Deepwater Fin Fish fisheries were combined. Accreditation to export is granted by the Australian Government's Department of Environment and Energy.						

Sustainable fisheries strategy—first year's progress

The Queensland government has invested \$20.8 million over 3 years to implement the *Queensland sustainable fisheries strategy 2017–2027*. The strategy sets out the reform agenda over 10 years; it outlines 33 actions across 10 reform areas and sets up 12 targets to be achieved by 2020 or 2027. The strategy is the largest reform of the sector in Queensland's history and paves the way for Queensland to have a world-class fisheries management system that also supports thousands of jobs.

Overall, progress has been good in the first 12 months, with one-third of all the actions in the strategy delivered. There has been particularly strong effort in compliance, engagement and rolling out of new monitoring. All of the actions due to be delivered in 2017–18 were completed. This includes employing 20 new compliance officers, reopening the Gladstone Boating and Fisheries Patrol office, establishing new fishery working groups and an expert panel, rolling out additional biological monitoring, and publishing policies, plans and guidelines.

Discussion papers outlining management reform options for the trawl, crab, east coast inshore, coral reef finfish and harvest fisheries and proposed amendments to the *Fisheries Act 1994* were released in March 2018 for public comment. Proposed reforms to modernise Queensland's fisheries laws include stronger compliance powers and penalties for serious offences such as black-marketing. A report on the legislation consultation has been published; this indicated overwhelmingly positive support for these changes, which will be progressed in 2018–19.

The strategy also commits to having vessel-tracking units installed on all commercial boats by 2020 with a priority to install them on net, line and crab boats by the end of 2018. Work has also commenced on the development of some exciting new digital solutions to support the reforms and the use of more novel engagement techniques.

As with any major reform program, there are challenges in communicating with stakeholders, understanding the change process and dealing with uncertainty. A strong focus has been put on better engagement, but relationships need to be further built between government, commercial fishers, recreational fishers and other community groups as the reform process progresses.

The next 12 months will focus on reviewing fishing rules, amending legislation and developing harvest strategies. This will culminate in an amended Act and new Regulation proposed to commence in July 2019. There will be a continued focus on improving engagement, collecting better data to underpin decisions and rolling out of new technologies.



Figure 18: Sustainable fisheries strategy—key achievements in the first 12 months

Digital solutions to support fisheries reforms

The *Queensland sustainable fisheries strategy 2017–2027* identifies the need for accurate, reliable and timely data as a foundation for sustainable fisheries management. One of the strategy actions to solve this problem is the trialling of novel technologies for fisheries monitoring, such as apps, robotic vision and citizen science.

DAF has partnered with Advance Queensland through their Small Business Innovation Research (SBIR) and Testing Within Government (TWiG) programs to develop novel technologies to meet fisheries monitoring needs.

Through SBIR, DAF launched an innovation challenge to automate the collection of catch and effort data for the commercial fishing fleet. This process awarded funding to two companies to develop cameras, sensors and artificial intelligence technologies to automatically capture fishing data from Queensland's fisheries. Both companies are currently working through the feasibility stage, looking at the trawl, net and crab fisheries to show that the technology works.

Round 3 of TWiG has recently launched, and DAF is using this opportunity to find better ways of collecting fisheries biological monitoring data using software-as-a-service solutions. Current programs for collecting fish lengths and age data are time-consuming, but this information is vital to the ongoing management of

fish stocks. Two problems have been put to the market: find ways of using technology to determine the age of fish from their ear bones (otoliths) automatically using microscope images; also, determine and quickly record the lengths of fish when performing field sampling. It is hoped that these initiatives will result in better and more timely data, and will also allow the programs to expand to more species using the existing resources.

To support the strategy in collecting citizen science and better quality data, DAF is also developing new recreational and commercial fishing apps. The recreational fishing app supports the strategy by encouraging users to provide citizen science data that can be used to support fisheries management. The commercial fishing app promotes the use of electronic transactions and catch reporting, which can be validated prior to submission, improving the quality of data. DAF undertook a 'hackathon' as part of the procurement of these apps. This is a new approach for DAF and the five vendors shortlisted developed some amazing prototypes.

These initiatives are underpinning a digital transformation in the toolset available for fisheries in Queensland. These tools are crucial in supporting the sustainable fisheries strategy; they will improve the quality and timeliness of data and give stakeholders more confidence in the data used for decision-making.

Strategy

Balance economic fisheries resource use with environmental and social values

Contributing impact areas



Fisheries



Animal science

To ensure sustainable fisheries resources, DAF managed access to and monitored:

- wild capture commercial fisheries, in which 1383 commercial fishing boat licence holders may operate in a variety of fisheries (including trawl, net, crab, line and lobster fisheries)
- harvest fisheries, in which 316 licence holders may operate in a variety of fisheries (including aquarium, bait, shell, sea cucumber and trochus fisheries).

In recent years, the Stocked Impoundment Permit Scheme (SIPS) has generated over \$1 million a year in revenue, with at least 75% of all revenue going directly to community-based volunteer stocking groups for maintaining and improving freshwater fisheries. There are currently 68 active stocking groups—these release more than 3 million juvenile fish or fingerlings annually into 150 waterways across Queensland. Through the scheme, DAF provided recreational fishing opportunities in areas where they would otherwise be lacking, supporting regional communities and related jobs (via freshwater recreational fishing, fishing-related business and tourism opportunities).

During 2017–18, the department launched a new SIPS website to better promote the stocked impoundments and linked them to regional tourism to encourage participation in the scheme. It also continued online promotion of SIPS through social media channels, and modified the sales system to phase out iPads at small businesses, saving approximately \$90 000 per year in administration costs, which can then be reinvested in other service delivery, monitoring and marketing improvements.

Improving engagement with Aboriginal and Torres Strait Islander communities

Fishing is a significant traditional and cultural activity for many Aboriginal peoples and Torres Strait Islanders living in Queensland and native title fishing rights are protected under federal legislation. The *Fisheries Act 1994* also recognises Indigenous fishing as a distinct class of fishing.

The sustainable fisheries strategy outlined two key actions related to Aboriginal peoples and Torres Strait Islanders:

- Work with Indigenous groups and communities through various forums to provide advice on fisheries management issues.
- Develop a traditional fishing policy to clarify arrangements and an Indigenous commercial fishing development policy to support Indigenous economic development in a way that supports sustainable fishing.

Under the strategy, the department has introduced a cultural liaison officer role for

five officers in the Queensland Boating and Fisheries Patrol. Officers in these roles are working with Aboriginal and Torres Strait Islander communities and Traditional Owners to understand and address issues around fishing. The officers have made significant progress building relationships with communities since January 2018, including working with Indigenous land and sea rangers to undertake cross-decking patrols.

Other initiatives to improve engagement include:

- a round-table meeting with Aboriginal peoples and Torres Strait Islanders held by the fisheries monitoring team to seek expert advice on how to best engage with Aboriginal and Torres Strait Islander communities to collect social and economic fishing information
- presentations to the Great Barrier Reef Marine Park Authority Indigenous Reef Advisory Committee in September 2017 and to an Aboriginal peoples and Torres Strait Islanders ranger workshop in March 2018 to strengthen relationships and explore ways of working together.

DAF is committed to improving engagement with Aboriginal and Torres Strait Islander communities and Traditional Owners on fisheries management and how the strategy is implemented.

Our programs—balancing economic fisheries and forestry resources

In 2017–18, the Queensland Government invested approximately \$16.4 million into the state's fisheries and maritime safety compliance programs, including the Shark Control Program.

The Queensland Boating and Fisheries Patrol (QBFP) monitors boating and fishing activities and investigates alleged illegal activity along 7000 kilometres of coastline and hundreds of freshwater rivers and impoundments.

QBFP has 111 authorised officers stationed across the state. These officers achieved over 62 000 patrol hours in 2017–18 and are located in Far North Queensland (20 officers), North Queensland (25 officers), Central Queensland (24 officers) and South East Queensland (42 officers).

QBFP continues to move towards more intelligence-based activities, specifically targeting non-compliance. This may affect compliance target numbers in coming years, because percentage compliance will likely reduce as more offenders are apprehended. Compliance with fisheries laws remains high and is evidenced by the service standards results (see Table 12).

Patrol officers are authorised to deliver compliance services on behalf of the Department of Environment and Science, the Department of Transport and Main Roads, Maritime Safety Queensland, the Australian Fisheries Management Authority, the Great Barrier Reef Marine Park Authority, the Torres Strait Protected Zone Joint Authority and the Australian Maritime Safety Authority.

Table 12: Service standards for QBFP

Indicator	Measure	Results				
		2013–14	2014–15	2015–16	2016–17	2017–18
Service standard (effectiveness)	Fisheries inspections that are compliant with fisheries laws	Not measured	93%	92%	92%	91%
Service standard (efficiency)	Average cost of inspections	Not measured	Not measured	\$456	\$487	\$469
Service standard (efficiency)	Average number of inspections per full-time equivalent	Not measured	Not measured	295	586	245

Note: The cost of inspection is determined by the number of inspections undertaken by authorised officers of the QBFP and the annual cost of the QBFP. The QBFP conducts both fisheries inspections for DAF and boating safety inspections on behalf of other agencies such as the Department of Transport and Main Roads. The average number of inspections shows a decrease due to the adoption of a targeted intelligence-driven patrol compliance model, which targets non-compliant activities rather than random on-water inspections.

Shark Control Program

The Shark Control Program protects 85 patrolled beaches from 10 centres across Queensland's east coast. Each year the government invests \$3.5 million into this important program.

During 2017–18, the program removed 473 sharks, including 3 great whites, 194 tiger sharks, 63 bull sharks and 107 other potentially dangerous sharks.

The department continues to monitor the progress of alternative shark-deterrent technology trials being conducted by other states. If new technologies are shown to be effective in preventing non-target marine life fatalities and are practical for use, they will be considered for future use in the program.

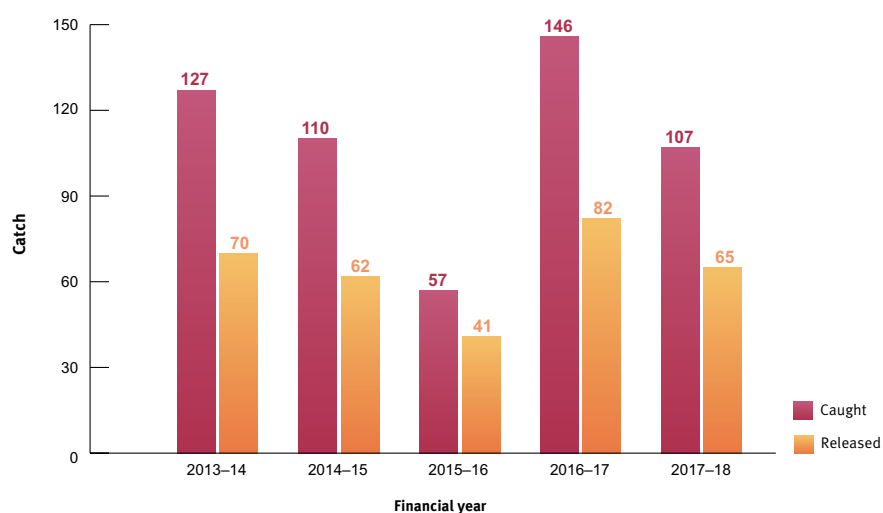


Figure 19: Non-target species catch by the Shark Control Program (Source: DAF Open Data and 2017–18 Shark Control Program statistics)

Strategy

Balance economic forestry resource use with environmental and social values

Contributing impact areas



Forestry



Horticulture and
forestry science

KPI ► Accreditation of our forestry management systems

Performance monitored by a DAF service standard

Table 13: Service standard—accreditation of our forestry management systems

Indicator	Measure	Results				
		2013–14	2014–15	2015–16	2016–17	2017–18
Service standard (effectiveness)	Percentage of findings from the previous third-party audit confirmed as satisfactorily addressed in order to maintain certification to the <i>Australian standard: sustainable forest management</i> (AS4708:2013)	Not measured	Not measured	100%	100%	100%

Table 14: Service standard—forest product sales

Indicator	Measure	Results				
		2013–14	2014–15	2015–16	2016–17	2017–18
Service standard (efficiency)	Total of forest product sales, quantities per total forest product full-time equivalent (FTE):					
	• native forest timber (m ³ /FTE)	3 000	3 210	2 665	2 747	2 763
	• quarry material (m ³ /FTE)	66 950	49 790	41 935	42 167	47 811

Note: The measures illustrate the efficiency of management and administration of state-owned forest and related resources. The results reflect DAF's success in meeting industry demand for both log timber and quarry material, combined with the effective management of staffing levels.

Forestry management system

DAF's forest certification ensures that state-owned forests continue to deliver a range of benefits to the community—including conservation, recreational opportunities and protection of cultural heritage—as well as the production of timber and other forest products.

DAF's forest management system is independently audited and certified as compliant with the requirements of the internationally recognised *Australian standard: sustainable forest management* (AS4708:2013). Certification allows customers to be certified under an associated chain-of-custody program, permitting them to promote, market and sell their timber products as being sourced from sustainably managed native forests.

A comprehensive, independent recertification audit of the forest management system, conducted in November 2017, resulted in some improvements to management systems and the renewal of the certification to the Australian standard (AS4708:2013) for another 3 years. Independent surveillance audits will continue being conducted approximately every 9 months.

Sales of state-owned forest products are continuing at relatively high levels, reflecting the strength of Queensland's economy. The department's log timber and quarry material customers continue to provide good employment and support business opportunities across the state, particularly in regional and rural Queensland.

Priorities for 2018–19

- Continue to support agricultural industries in Reef catchments to improve Reef water quality outcomes through adoption of improved practices by:
 - ensuring coordinated on-ground support services, such as extension capacity building, pesticide education and compliance, and collaborative service delivery
 - specialised extension services such as economic analysis to support the industry-led BMP
 - validating improved and innovative management practices.
- Implement the *Queensland sustainable fisheries strategy 2017–2027* to ensure that fisheries resources are managed in a sustainable and responsible manner that recognises the interests of all Queenslanders. This includes a commitment to:
 - work with industry to help minimise the costs associated with vessel tracking and to ensure the rules applied are practical and achievable for smaller boats and fishing operations that use multiple boats
 - modernise the recreational fisheries app and develop a commercial fisheries app
 - commence a review of the *Fisheries Act 1994* to create a legislative framework for recreational and commercial fishers that is contemporary, simple to understand, and reflective of community expectations.
- Provide the remainder of \$100 000 to each of the Rockhampton, Mackay and Cairns local governments to help promote their net-free zones, which commenced in 2017–18.
- Release the final charter fishing action plan to grow a world-class charter fishing industry.
- Maintain the Shark Control Program, which provides safe and secure beaches in Queensland.
- Continue to meet the state’s native forest and quarry material supply commitments outlined in various sales permits issued under the *Forestry Act 1959*.

Our future DAF—preparing the way

Corporate governance

The accountable officer for DAF is the Director-General, who has responsibility under the *Public Service Act 2008* (s. 98) for the governance and operation of the department. The Director-General is supported in this role by the Board of Management, which comprises the department's executives.

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

In 2016, an external consultant was engaged to provide guidance on improvements to our governance arrangements, and to ensure that they were achieving best practice for a public sector department. In response, DAF commenced a new fit-for-purpose governance structure on 1 July 2017. The new structure aligns strategy and performance, introducing a new approach to governance.

The changes ensured the Board of Management took a strategic perspective for DAF into the future, informed by a new Demand and Resource Committee, which focused on the operational activity of the department. The Workplace Health and Safety Committee supported these two committees and continues to focus on protecting the health, safety and welfare of all employees, contractors, visitors, and other people who may be affected by DAF's work.

In addition, the Information and Communication Technology Committee (formerly the ICT Investment and Strategy Committee) and Capital Works Committee continued as subcommittees of the Demand and Resource Committee. The Audit and Risk Committee continued as an independent committee providing assurance and assistance to the Director-General on risk, external accountability and the department's integrity framework.

DAF's governance is supported by our impact and investment framework (see page 25). The framework links planning and performance to the delivery of impact. It provides a line of sight for individuals from their day-to-day work to departmental goals and positions DAF to demonstrate how its work makes a difference and represents good value for money.

Ethical behaviour and values

Ethical behaviour is the cornerstone of effective corporate governance. Providing ethical leadership is a vital ongoing activity within DAF. This requires leading by example and providing a culture built on commitment to integrity and impartiality, promoting the public good, and accountability and transparency.

All DAF employees are expected to adhere to the Queensland public service values and code of conduct. All employees undertake mandatory training regarding the code of conduct and ethical decision-making (94% of staff had completed this training on 30 June 2018). Fraud awareness and corruption prevention training supports the department's zero tolerance for this behaviour. In 2017–18, 85% of staff completed this training.

DAF's prevention activities over the past year have focused on enhancing the department's culture of reporting and addressing any issues at an early stage. The annual code of

conduct training was released in November 2017 for completion by all staff by 30 June 2018. The department also ran Fraud and Corruption Week from 20 to 24 November, which included a presentation from the Crime and Corruption Commission on fraud and corruption in the public service.

The Queensland public service values are core to DAF. By encouraging employees to emulate these behavioural standards, the department can be confident it will be trusted by the public and be a satisfying place for employees to work. During DAF's capability blueprint review (see page 97), other government departments, external organisations and industry groups described DAF staff as motivated, committed, approachable, innovative, reliable and striving for excellence—behaviours modelling and aligned with the Queensland public service values.



Figure 20: The Queensland public service values

Governance committees

Six departmental governance committees advised and assisted the Director-General in fulfilling her role to manage the department in a way that promotes the effective, efficient and appropriate management of public resources. Further details on each of those committees is contained in Table 15.

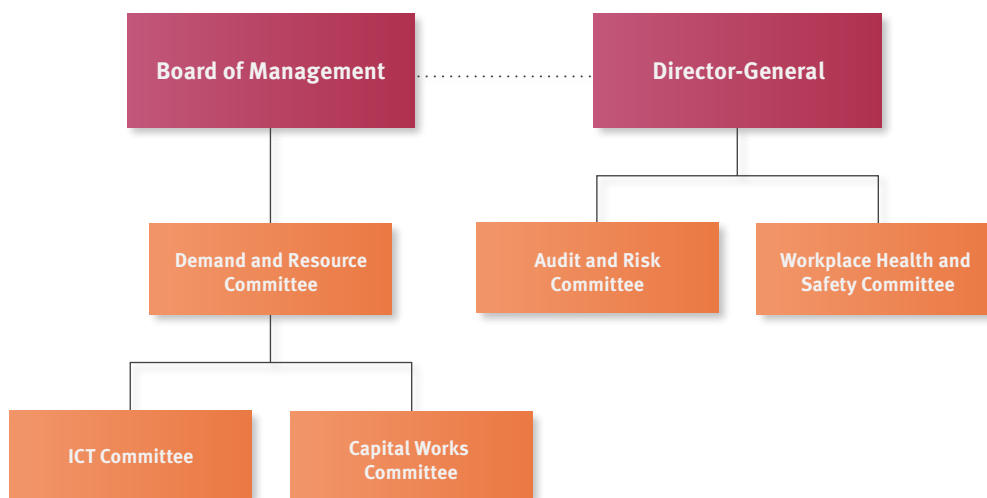


Figure 21: DAF's governance committee structure at 30 June 2018

Table 15: DAF's governance committees

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

Audit and Risk Committee

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

The committee convened five times during 2017–18. Internal Audit Services provided secretariat support to the committee. Key matters considered by committee members included review and revision of the committee charter, review of 55 internal audit recommendations, and closure of 53 internal audit recommendations. Committee members were also provided with recommendations from Queensland Audit Office reports to Parliament related to the department. During 2017–18, 12 recommendations were actioned and closed. Refer to 'Accountability and risk management' (page 90) for the internal and external audits of the department's operations.

Table 16: Audit and Risk Committee membership (as appointed by the Director-General) between 1 July 2017 and 30 June 2018

Name	Position	Committee role	Number of meetings	Number of meetings attended	Remuneration paid
Graham Carpenter	Consultant	Chair External member	5	5	\$12 000
Sue Ryan	Consultant	External member	5	5	\$3 000
Virendra Dua	Consultant	External member	5	5	\$8 780
Dr Jim Thompson	Chief Biosecurity Officer, Biosecurity Queensland	Internal member (to 7 September 2017)	5	1	--
Dr Wayne Hall	Executive Director, Agri-Science Queensland	Internal member	5	5	--
Claire Andersen	Executive Director, Fisheries	Internal member (from 8 September 2017)	5	4	--

As an independent external member and chair of the committee, Graham Carpenter was entitled to be paid \$2400 per meeting (excluding GST) to a maximum of \$12 000 per calendar year (excluding GST). As external members, Sue Ryan was entitled to be paid \$600 per meeting (excluding GST) to a maximum of \$3000 per calendar year (excluding GST), and Virendra Dua was entitled to be paid \$1756 per meeting (excluding GST) to a maximum of \$8780 per calendar year (excluding GST). These fees were payable to the committee members for their services to prepare for, and attend, up to five meetings per annum.

Business and Corporate Partnership

The December 2017 machinery-of-government changes led to a streamlining of the Business and Corporate Partnership arrangements. Four departments remain partners within the Business and Corporate Partnership:

- Agriculture and Fisheries
- Environment and Science
- Natural Resources, Mines and Energy
- Innovation, Tourism Industry Development and the Commonwealth Games.

Each partner was able to maintain its own core set of corporate services, including human resources, finance, planning and performance, and communication services. However, cooperative services within the partnership remain unchanged with departments hosting and sharing services including information technology, legal, accommodation, fleet, internal audit, procurement, right to information, and privacy.

The Business and Corporate Partnership Board is responsible for the long-term performance, business success and timely delivery of departmental key priorities within the partnership. It also provides leadership and sets the strategic direction of the partnership to enable it to meet its goals and objectives.

The membership of the board comprises the:

- Director-General, DAF
- Director-General, Department of Environment and Science
- Director-General, Department of Natural Resources, Mines and Energy
- Director-General, Department of Innovation, Tourism Industry Development and the Commonwealth Games
- Head of Corporate for each Business and Corporate Partnership hub.

Accountability and risk management

Internal audit

Internal audits give the department independent, objective assurance around risk management, control and governance processes. Internal Audit Services, a business unit within the Department of Environment and Science, undertakes internal audits for DAF. Its role, operating environment and responsibilities are established in the 2017–18 internal audit charter (which has due regard to the professional standards) and Queensland Treasury's *Audit committee guidelines: improving accountability and performance* issued by Queensland Treasury (June 2012).

In 2017–18, Internal Audit Services provided independent assurance and advice to the Director-General, senior management and the Audit and Risk Committee on:

- results of internal audits and assurance reviews undertaken, and status of implementation of internal audit and external audit recommendations to the Audit and Risk Committee (management is responsible for implementation of audit recommendations)

- liaison with the Queensland Audit Office (QAO) to ensure there was no duplication of audit effort
- corporate governance and related issues, including fraud and corruption prevention programs and risk management
- the department's annual financial statements and Chief Finance Officer's statements prior to them being presented to the Audit and Risk Committee.

The Audit and Risk Committee completed the following reviews under the DAF 2017–18 strategic internal audit plan:

- Water Availability Statement approval process
- Sustainable Fisheries Strategy—program monitoring and evaluation plan review
- SAP ECC5 Post Implementation Review—benefits realisation
- Sponsorships Management—Beef Australia 2018 Review
- Technology Commercialisation Fund Business Case Review
- ICT Procurement and Contract Management.

It also commenced the following reviews under the plan:

- Fraud and Corruption Risk Management—Implementation Support Review
- Research Facilities Cost Recovery Model Review
- Information Protection Security Review
- Review of Biosecurity Qld Emergency Preparedness, Response and Systems
- Readiness Review—Vessel Monitoring System
- Health and Safety Management System.

External scrutiny

Reviews and external audits promote transparency around how DAF manages its work and guide improved performance. This helps the department meet government and community expectations of accountability and value-for-money service delivery.

The QAO undertakes financial and performance audits within the public sector. In 2017–18, the following QAO reports and external reviews required action by DAF:

- The QAO report 6 to Parliament, *Fraud risk management—report 6: 2017–18*, assessed if agencies appropriately identified and assessed fraud risks, and applied appropriate risk treatments and control activities to adequately manage their exposure to fraud risks. QAO concluded that none of the agencies audited were effectively managing fraud risk, leaving themselves potentially exposed to fraud. Findings from two previous QAO reports had not been applied by the audited agencies and gaps in governance, fraud identification, detection and prevention were still being observed. While the audit did not specifically relate to the department, QAO found issues that related to public sector agencies as a whole and made recommendations accordingly.

QAO recommended departments:

- self-assess against better practices listed in the report to improve fraud control policies and plans and make sure accountabilities and responsibilities for fraud control are clear
- integrate fraud risk management systems and procedures within existing enterprise risk management frameworks
- monitor, through governance forums, exposure to fraud risk and the effectiveness of the internal controls to mitigate risks.

DAF responded with actions to implement the recommendations, including commissioning a review of the department's fraud and corruption risk management, performing regular reviews of fraud risk assessment processes, providing staff training on fraud and corruption risks and establishing an enterprise-wide risk management framework.

- QAO report 8 to Parliament, *Confidentiality and disclosure of government contracts—report 8: 2017–18*, assessed whether departments met contract disclosure requirements. QAO was unable to assess the extent and appropriateness of the use of confidentiality provisions in Queensland Government contracts due to the contracts registers of all departments audited lacking sufficient information. While the audit did not specifically relate to the department, QAO found issues that related to public sector agencies as a whole.

QAO recommended departments:

- meet all mandatory requirements set out in *Procurement guidelines*—contract disclosure
- improve their contract registers or contract management systems to ensure a complete record of all awarded contracts.

The department is currently awaiting advice and guidance from the Department of Housing and Public Works and subject to the release of the updated *Disclosure guidelines*, all mandatory requirements will be met.

- The Crime and Corruption Commission, Queensland, released the corruption audit report *Effectiveness of Queensland public sector corruption risk assessments, summary audit report* (September 2017). It examined corruption risk assessment processes directed towards producing effective anticorruption programs to address particular risks. The audit was conducted across six departments and statutory bodies, but did not include DAF.

DAF commissioned its own review of fraud and corruption risk assessment in the third quarter of 2017–18, taking into account the findings of the audit report. This review is due to be presented in September 2018 to the department's Audit and Risk Committee.

Risk management

The department manages risks and related management treatments within an enterprise-wide risk management framework. This approach enables risk to be managed at all levels of the organisation and, where required, the escalation of risks to the Board of Management.

The accompanying governance structure includes oversight of risk management by the Demand and Resource Committee and independent oversight by the Audit and Risk Committee.

The framework incorporates risks and the management of them for general business, fraud and corruption, workplace health and safety, business continuity, compliance with legislation, and complaints received that highlight customer service risks to the department.

The accompanying risk assurance framework provides assurance to the Director-General and the government that DAF's systems, policies and people are operating in a way that effectively delivers on its objectives while minimising risk.

Each business group manages their operational risks and treatments, which link to the department's strategic risks. All of these are documented in risk registers and assigned treatment owners. Collectively, these documents form the basis for regular reporting up to the department's governance committees. In keeping with the ever-changing operating environment, the department maintains a watchlist of significant risks that require immediate collective attention and action from across the department. Emerging risks are added to the watchlist as they are escalated. Key risk management activities during 2017–18 included:

- continued implementation of the recommendations from the Internal Audit Risk Maturity Assessment
- department-wide assessment of potential fraud and corruption risks
- updates on emergent risks, as well as quarterly review and reporting on treatment progress and control effectiveness against the organisational risk profile
- continued testing of business continuity plans for all critical business functions in conjunction with the Business Continuity Management Reference Group.

Information management

Information systems

Contemporary, efficient information systems assist DAF to make sound decisions and improve its services. They also enable the department to meet its legislative obligations and strategic objectives. The ICT resources strategic plan for 2017–2021 defines the department's ICT strategic priorities, outcomes and supporting activities. During 2017–18, major advances to improve services and work more efficiently included:

- successful completion of the Biosecurity Information Management Systems Program (which delivered the Biosecurity Online Resources and Information System and the Dog Breeder Registration System)
- continued upgrading of the Biosecurity Sciences Laboratory's information management system database (to mitigate the risk of misdiagnosis of samples)

- continued implementation of the body-worn camera solution for QBFP officers conducting field duties (to help ensure the safety of officers and assist with compliance and prosecutions)
- progressed implementation of a new system with multi-channel communication options for DAF's Customer Service Centre (to better serve stakeholders by giving them the ability to choose their preferred communication medium and to enhance DAF's preparedness capability during biosecurity incidents and natural disasters)
- continued development of the Portfolio Activity Reporting Information System (to manage the portfolio of RD&E projects for Agri-Science Queensland).

As we operate in an increasingly digital world, DAF is placing an increasing emphasis on the active management of digital risks and cyber security. Standardised practices and policies are in place to assist the department to achieve its digital agenda and best practice information management. These include:

- specific policies and procedures for information asset custodianship, information security, information security classification, information security access control, records management, digitisation disposal and the use of internet, email and other ICT facilities and devices
- information security planning activities in alignment with whole-of-government information standard (IS18) requirements, with a draft information security strategy (supported by an annual information security plan) currently being finalised
- provision of current information on DAF's portfolio of information assets via an information asset register; in 2017–18, information asset custodians completed an annual review of more than 240 information assets to meet departmental obligations associated with the Queensland Government Chief Information Office's information asset custodianship policy (IS44) and the 2017 ICT profiling standard
- assessment and security classification of information assets in accordance with the Queensland Government Information Security Classification Framework
- engagement with the privacy team (hosted in the Department of Environment and Science) to ensure that departmental projects and initiatives address the requirements of the *Information Privacy Act 2009*
- a digital recordkeeping approach that addresses the key components of integrity, accessibility, security and continuity.

Records management

DAF's comprehensive records management framework is compliant with the *Public Records Act 2002*, the *Public Service Act 2008* and relevant information standards. The recordkeeping framework includes appraisal and disposal programs, a suite of recordkeeping policies, management of legacy paper records, digitisation disposal policies, the digital delivery of legacy records, a functional electronic document and records management system, records training and support, records appraisal of business systems and an active program of transfers to Queensland State Archives.

The department has adopted a digital recordkeeping approach, which addresses the key components of information management, including integrity, accessibility, security and continuity. Work has commenced for the targeted digital capture of high-value records and the preservation of digital corporate memory for the department.

The department's records are managed through approved retention and disposal schedules: Agriculture QDAN 719, Fisheries QDAN 724 and Forestry QDAN 725. Documented processes for records disposal are in place.

Releasing information

As digital technologies become widespread and permeate all aspects of our services, access to information and data (for research, private and commercial use) is becoming more important to Queenslanders. The Open Data portal is the Queensland Government's commitment to releasing data and allowing it to be freely used, reused and redistributed by anyone, anytime and anywhere. The Queensland Government is committed to making open data useful and usable for community and industry as part of its DIGITAL1ST strategy.

To support this commitment, DAF reassessed its open data maturity in 2017–18, developing an action plan to support DAF business groups to increase the integration of open data into their business processes. The reassessment supported the department's overall goals for open data to increase our transparency and the value we derive from our data, and to support new business solutions and ideas.

The Queensland Government's website and its many portals provide access to information, services and data. In accordance with the *Right to Information Act 2009*, categories of public information that the department makes available are listed at www.daf.qld.gov.au.

There are also a range of specific public reporting requirements that are now released online through the Open Data portal (www.data.qld.gov.au) instead of being included in the annual report. These include:

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

The reporting requirement for government bodies is available at www.daf.qld.gov.au.

DAF also provides the eResearch Archive, which is a public digital archive of DAF's scientific and research output (publications and datasets). This research output is freely available to internet users across the world. It is maintained by our Research Information Service in the Ecosciences Precinct.

People management

Profile

The Queensland public sector quarterly workforce profile for June 2018, based on the Minimum Obligatory Human Resource Information data, shows that DAF had 2043 full-time equivalent (FTE) staff and a permanent separation rate of 4.38%.

The FTE total included Business and Corporate Partnership staff providing ICT and fleet management support to DAF and three other agencies.

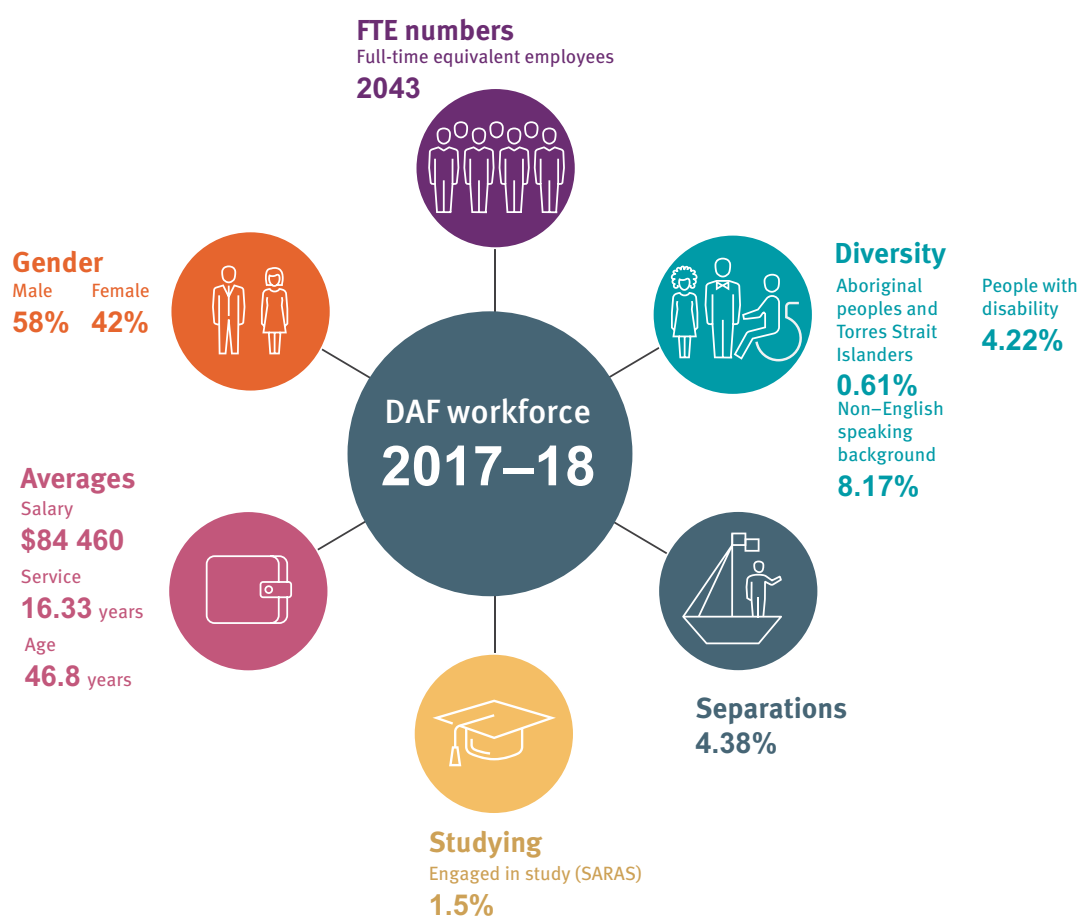


Figure 22: DAF workforce key statistics

Our future workforce

In 2017, the Queensland Government's 10-year human capital outlook and 3-year strategic road map provided the Queensland public sector with a whole-of-sector plan for the future workforce. Together they informed the agenda for change and the strategic imperatives to position agencies for a radically different future. The human capital outlook identified four critical levers for change:

- talent acquisition
- leadership and capability
- new ways of working
- culture.

DAF has developed a strategic human resource management plan, informed by people analytics, to ensure our continued alignment with these sector-wide strategies.

Strategies within the workforce plan have been designed to contribute to all four identified levers for change across the ‘life cycle of our employees’ (talent acquisition, development, succession). This includes, for example, education programs to enhance leadership capability for our leaders at all levels. The plan aims to enable positive improvement in people management behaviour and build a culture that supports more flexibility and choice, a safe and resilient environment and healthy work–life blend.

DAF continues to have a strong culture and history of professional development to meet changing service demands and business priorities. In 2017–18, internal talent development was supported by the Study and Research Assistance Scheme (SARAS), attendance at workshops and conferences, study tours, and regular online and face-to-face learning programs. A skills mapping process was initiated within Biosecurity Queensland to identify key workforce capability strengths and gaps. This model can be extended throughout DAF and will improve service delivery into the future. The revised Professional and Technical Officers Progression Scheme, designed to recognise and reward outstanding performance, resulted in the progression of 64 professional officers in 2017. The announcement of successful technical officer progressions for 2018 is anticipated shortly.

Capability blueprint review

In 2017, the Public Service Commission Chief Executive Officer Leadership Board requested each department conduct a capability blueprint to assess its strengths and opportunities for improvement. DAF’s Board of Management embraced this process as an opportunity to identify key themes to drive increased organisational performance.

On 1 September 2017, DAF’s capability blueprint was released. This assessment was well timed to draw together several existing future-focused initiatives, including the six strategic priority projects under the Future Fit Ideas: Action banner, the *Queensland sustainable fisheries strategy 2017–2027*, the *Draft Queensland biosecurity strategy: our next five years 2017–2022*, and the discussion paper on the agriculture and food RD&E 10-year roadmap.

The blueprint is a point-in-time assessment of the department’s strengths and opportunities for improvement as a public sector organisation against three themes—strategy, leadership and delivery. The assessment found the department had many strengths. Its approach to outcome-focused strategy rated particularly well and DAF is considered to be leading in this area. In other aspects, the department was found to be maturing.

Four key themes emerged during the project: the department moving from less doing to more leading; the importance of the impact and investment framework; a stronger service culture between and within agencies; and valuing regions. The outcomes of the review are now being used to drive performance improvements across DAF.

Building on the capability blueprint, the Director-General launched *FutureDAF* in April 2018.

FutureDAF

FutureDAF aims to make the most of the collective experience, creativity, knowledge and skills of staff to deliver better ways of working and better outcomes for Queenslanders. It builds on the achievements of the Future Fit Ideas: Action program, to engage staff in driving innovation and a culture of continuous improvement. The program provides opportunities for staff to identify and discuss issues and implement ideas that make a real difference to how DAF does business. The key elements of the program are identified in Figure 23.

FutureDAF links with other departmental initiatives such as the impact and investment framework, the strategic plan and the findings of the annual Working for Queensland survey. There are also synergies with the findings from the capability blueprint assessments.

As part of commencing the *FutureDAF* program, the *FutureDAF* Innovation Fund was established. It offered staff a total of \$20 000 per region and \$20 000 for Brisbane to help DAF staff turn their innovative ideas for improving how we work into reality. Staff from across the state had the opportunity to submit proposals for funding of up to \$10 000 per project for delivery in 2018–19.

All staff were encouraged to apply for roles as DAF innovation champions. In total, 24 staff were selected and have undergone training to help them develop techniques and tools to support and lead innovation in the department. Training ranged from adaptive learning and leadership to collaboration, everyday innovation and measuring success.

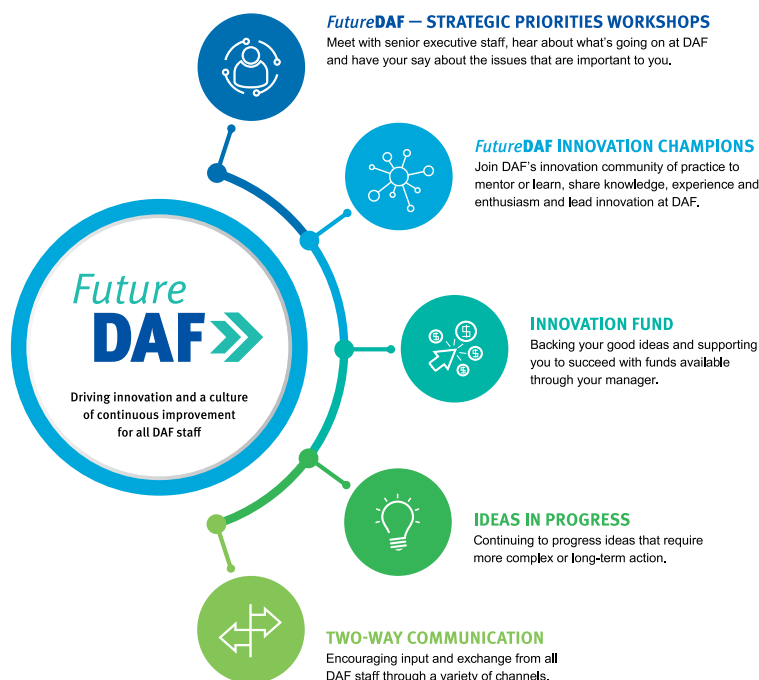


Figure 23: The *FutureDAF* continuous improvement model

Culture and performance

During 2017–18, DAF focused on building and maintaining an inclusive, constructive and agile workplace culture to improve organisational performance. Leaders at all levels were encouraged to adopt more effective leadership strategies balanced between task and interpersonal orientation to foster higher employee engagement and increase cross-group collaboration. Opportunities in 2017–18 included:

- active participation in masterclasses and seminars sponsored by the Public Service Commission and the Leadership Board
- the Cerno 360° feedback survey for all senior leaders based on the Workforce Success Profile for Program Managers, including a ‘perceived leadership potential’ survey to identify relevant development strategies and facilitate active succession planning
- unconscious bias training to examine consistent tendency to respond in a particular way and strategies to consciously override that tendency in order to make unbiased decisions
- quarterly senior leaders forums to provide opportunities to discuss government and departmental priorities and how best to coordinate DAF’s efforts, frequently including relevant input from the Minister, external stakeholders and industry guests
- a stakeholder engagement capability forum to promote DAF’s stakeholder engagement strategy and toolkit, and to discuss how best to grow internal capability and capacity
- a session on strategy and risk for directors and officers in the public sector facilitated by the Australian Institute of Company Directors.

During 2018–19, DAF will continue to work on succession planning by extending the ‘perceived leadership potential’ survey to include emerging leaders at the level below senior leader. Coupled with 360° feedback and normal performance assessment processes, this information will help inform appropriate cross-group rotations and the offer of short-term projects.

The department delivered several blended learning and development initiatives in 2017–18 for all staff, with a particular focus on building management and leadership skills. These included:

- Confident People Management—a program for high-performing team leaders
- Conquering Complex Performance Management Challenges—a series of state-wide seminars to build the skills and confidence of managers to manage others and improve performance in complex cases
- training in policy skills
- online and face-to-face programs offering practical tools and strategies to build resilience.

Throughout the year, the department recognised and celebrated the achievements, innovation and service excellence of staff. The department participates in whole-of-government award programs such as the Public Service Medal and Prime Minister’s Award for Excellence. The department also offers a range of internal reward and recognition programs, including the DAF Incentive Program, DAF Achievement Awards, DAF Australia Day Achievement Awards and the DAF Professional and Technical Officers Progression Scheme.

Diversity and inclusion

DAF has continued to champion safe, inclusive and diverse workplaces to better reflect the community we serve. DAF believes diversity in the workforce is critical to delivering quality services to the community. Key initiatives supported this year to help raise awareness and build diversity to meet the 2022 employment diversity targets included:

- NAIDOC week celebrations with approximately 800 visitors to the DAF marquee at the Musgrave Park Family Fun Day, with staff also attending a special presentation by Uncle Des Sandy
- continuation of funding and support for two Aboriginal traineeships within Biosecurity Queensland (in collaboration with the federal Department of Agriculture and Water) in the Northern Peninsula Area, to help build Queensland's biosecurity capability in this high-risk region and offer a unique cultural perspective and understanding of the area
- celebration of International Women's Day with several events, including a rousing presentation by Australian journalist and television presenter Pip Courtney, which was live-streamed to DAF staff across the state
- partnership with the Anti-Discrimination Commission of Queensland to deliver unconscious bias training to several locations throughout Queensland.

Safe and healthy people and workplace

The health and safety of DAF's workforce and workplaces is central to DAF being able to effectively deliver our services. WHS network groups meet regularly to discuss and resolve strategic and operational WHS issues. DAF created, maintained and improved a proactive WHS culture through its strategic health, safety and wellbeing program.

Key initiatives of the program during 2017–18 included:

- a domestic and family violence program to promote a respectful workplace culture and provide support to those whose lives are affected by domestic and family violence
- delivery of health checks, with results used to inform evidence-based campaigns
- enhancing the medical case management processes, ensuring our employees are supported to remain at work or return to work as soon as possible after an injury or illness
- regular meetings of WHS network groups to resolve strategic and operational WHS issues in the department
- the annual health and safety week to promote a positive health and safety culture
- WHS leadership awards to recognise those who help make the department a healthier and safer workplace
- scheduled audits to ensure the maintenance of a safe working environment
- quarterly performance reporting and benchmarking of performance to ensure continual improvement
- training sessions to build capacity around health and safety management, obligations and bullying and harassment
- the influenza vaccination program.

DAF continues to see the positive results of its WHS program in the WorkCover Queensland premium with statutory claim costs reduced by \$191 070.30 from the previous financial year. As at 30 June 2018, the department's average monthly payments across the WorkCover industry classifications were also all tracking well and under the industry average for comparable industry classifications. Total claim payments for 2017–18 were \$186 104 less across all industries than for 2016–17.

Early retirement, redundancy and retrenchment

No early retirement, redundancy or retrenchment packages were paid during 2017–18.

White Ribbon accreditation

In May 2018, DAF commenced working towards becoming a White Ribbon Australia accredited workplace.

The goal of the 15-month accreditation program will see:

- DAF leaders modelling a culture of safety, support, respect and accountability
- the department equipped with effective policies and procedures to prevent and respond to violence against women
- support for those experiencing domestic and family violence, including referral to professional organisations for counselling and other safety assistance, ensuring local workplace safety, and provision of leave entitlements and flexible working arrangements where needed.

As part of the department's commitment, DAF's senior leaders have pledged their support to preventing violence against women by signing the White Ribbon oath:

'I will stand up, speak out and act to prevent men's violence against women.'

The department also participated in the Darkness to Daylight Challenge in May 2018, to help raise awareness and support for those affected by domestic and family violence. As part of the event, the department raised \$4272 for Australia's CEO Challenge.

In 2018–19, DAF will educate its leaders to better recognise, respond to and refer instances of domestic and family violence. The department will also undertake significant initiatives to raise awareness and increase capability, promoting and building on DAF's respectful, safe and inclusive culture.



Figure 24: DAF's senior leaders pledging their commitment to preventing violence against women by signing the White Ribbon oath

Financial statements: 30 June 2018

DEPARTMENT OF AGRICULTURE AND FISHERIES

Financial Statements

for the year ended 30 June 2018

Contents

	Page
Statement of comprehensive income	103
Statement of comprehensive income by major departmental services	104
Statement of financial position	106
Statement of assets and liabilities by major departmental services	107
Statement of changes in equity	108
Statement of cash flows (including notes to the statement of cash flows)	109
Basis of financial statement preparation	111
Notes to the financial statements	112
Management Certificate	143
Independent Auditor's Report	144

General Information

These financial statements cover the Department of Agriculture and Fisheries (DAF).

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

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

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

Level 35
1 William Street
BRISBANE QLD 4000

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

For information in relation to the department's financial statements please call Larisa Villis, Director, Planning and Performance on 07 3087 8569 or by email to larisa.villis@daf.qld.gov.au, or visit the department Internet site www.daf.qld.gov.au.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Statement of Comprehensive Income
for the year ended 30 June 2018

		2018	2018	Budget	2017
		Actual	Original	Variance*	Actual
	Notes	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations					
Appropriation revenue	3	277,997	287,832	(9,835)	292,495
User charges and fees	4	129,758	101,408	28,350	117,625
Grants and other contributions	5	31,567	8,302	23,265	16,972
Royalties and land rents	6	29,487	26,585	2,902	27,611
Other revenue	7	2,383	520	1,863	864
Total Revenue		471,192	424,647	46,545	455,567
Gains on disposal/revaluation of assets	8	1,446	95	1,351	1,790
Total Income from Continuing Operations		472,638	424,742	47,896	457,357
Expenses from Continuing Operations					
Employee expenses	9	207,682	210,747	(3,065)	198,927
Supplies and services	10	215,951	181,954	33,997	211,871
Grants and subsidies	11	21,554	8,529	13,025	16,083
Depreciation and amortisation	12	21,572	21,926	(354)	21,141
Impairment losses		132	-	132	790
Other expenses	13	2,630	1,586	1,044	9,521
Total Expenses from Continuing Operations		469,521	424,742	44,779	458,332
Operating Result for the Year		3,117	-	3,117	(975)
Other Comprehensive Income					
<u>Items that will not be reclassified to Operating Result:</u>					
Increase/(decrease) in asset revaluation surplus	22	(11,416)	-	(11,416)	1,091
Total Comprehensive Income		(8,299)	-	(8,299)	116

*An explanation of major variances is included at Note 29

The accompanying notes form part of these statements.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Statement of Comprehensive Income by Major Departmental Services
for the year ended 30 June 2018

	Agriculture		Fisheries and Forestry		Biosecurity Queensland	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations ⁽¹⁾						
Appropriation revenue	147,083	143,078	36,957	30,725	83,207	107,781
User charges and fees	53,526	51,999	11,827	10,655	25,386	16,412
Grants and other contributions	3,532	343	500	43	27,503	16,556
Royalties and land rents	4,168	4,731	25,319	22,880	-	-
Other revenue	1,315	751	390	69	676	41
Total Revenue	209,624	200,902	74,992	64,372	136,772	140,790
Gains on disposal/revaluation of assets	1,222	1,580	28	42	197	169
Total Income from Continuing Operations	210,846	202,482	75,020	64,413	136,968	140,959
Expenses from Continuing Operations ⁽¹⁾						
Employee expenses	92,146	89,583	34,643	31,954	57,933	55,677
Supplies and services	91,084	87,124	33,157	30,559	70,519	73,715
Grants and subsidies	13,818	10,324	3,322	238	4,381	5,521
Depreciation and amortisation	13,021	13,257	1,725	1,741	2,810	2,827
Impairment losses	50	682	56	81	26	25
Other expenses	632	3,132	1,069	164	898	3,842
Total Expenses from Continuing Operations	210,751	204,103	73,972	64,736	136,568	141,607
Operating Result for the Year	96	(1,621)	1,047	(323)	400	(648)
Other Comprehensive Income						
<u>Items that will not be reclassified to Operating Result:</u>						
Increase/(decrease) in asset revaluation surplus	(12,337)	(116)	(142)	(222)	1,165	1,138
Total Comprehensive Income	(12,241)	(1,737)	905	(545)	1,565	490

	Corporate Partnership ⁽²⁾		Total	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations ⁽¹⁾				
Appropriation revenue	10,751	10,911	277,997	292,495
User charges and fees	39,020	38,559	129,758	117,625
Grants and other contributions	32	30	31,567	16,972
Royalties and land rents	-	-	29,487	27,611
Other revenue	1	4	2,383	864
Total Revenue	49,803	49,503	471,192	455,567
Gains on disposal/revaluation of assets	1	-	1,446	1,790
Total Income from Continuing Operations	49,804	49,503	472,638	457,357
Expenses from Continuing Operations ⁽¹⁾				
Employee expenses	22,960	21,713	207,682	198,927
Supplies and services	21,190	20,473	215,951	211,871
Grants and subsidies	34	-	21,554	16,083
Depreciation and amortisation	4,015	3,316	21,572	21,141
Impairment losses	-	1	132	790
Other expenses	31	2,383	2,630	9,521
Total Expenses from Continuing Operations	48,230	47,886	469,521	458,332
Operating Result for the Year	1,574	1,618	3,117	(975)
Other Comprehensive Income				
<u>Items that will not be reclassified to Operating Result:</u>				
Increase/(decrease) in asset revaluation surplus	(102)	291	(11,416)	1,091
Total Comprehensive Income	1,472	1,909	(8,299)	116

⁽¹⁾ Corporate services income and expenses relating to DAF provided through the Business Corporate Partnership (BCP) arrangements have been allocated to respective departmental services.

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

DEPARTMENT OF AGRICULTURE AND FISHERIES**Statement of Comprehensive Income by Major Departmental Services (continued)
for the year ended 30 June 2018****Major departmental services of the department**

DAF has three main areas:

Agriculture

This service area:

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

Biosecurity Queensland

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

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

Fisheries and Forestry

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

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

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

The host agency of each corporate service function receives the appropriation of funds and reports Full Time Equivalent positions in the respective agency. The model is multi-layered for different corporate services functions.

As the host agency, DAF provided defined services to the following agencies for the period 1 July 2017 to 31 December 2017:

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

Due to Machinery of Government (MoG) changes dated 12 December 2017, DAF's role as host agency changed. Effective from 1 January 2018, DAF provides defined services to the following agencies:

- Department of Natural Resources, Mines and Energy (DNRME): Information Management; Fleet Management; Telecommunications; Human Resources reporting
- Department of Environment and Science (DES): Information Management; Fleet Management; Telecommunications.
- Department of Innovation, Tourism, Industry Development and Commonwealth Games (DITID): Finance; Information Management; Fleet Management; Telecommunications.

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

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

DEPARTMENT OF AGRICULTURE AND FISHERIES
Statement of Financial Position
as at 30 June 2018

		2018	2018		2017
		Actual	Original	Budget	Actual
	Notes	\$'000	Budget	Variance*	
			\$'000	\$'000	\$000
Current Assets					
Cash and cash equivalents	14	40,798	40,488	310	52,904
Receivables	15	48,746	30,363	18,383	38,856
Inventories		1,160	1,502	(342)	980
Other current assets		7,494	6,302	1,192	6,137
Total Current Assets		98,199	78,655	19,544	98,877
Non-Current Assets					
Intangible assets	16	997	1,481	(484)	1,665
Property, plant and equipment	17	351,341	367,620	(16,279)	366,195
Other non-current assets		11,757	13,545	(1,788)	12,409
Total Non-Current Assets		364,094	382,646	(18,552)	380,268
Biological Assets					
Biological assets		3,758	2,089	1,669	3,395
Total Biological Assets		3,758	2,089	1,669	3,395
Total Assets		466,050	463,390	2,660	482,540
Current Liabilities					
Payables	18	16,982	10,160	(6,822)	17,945
Accrued employee benefits	19	9,016	4,734	(4,282)	8,263
Unearned revenue	20	27,952	19,285	(8,667)	28,628
Security deposits		324	-	(324)	462
Total Current Liabilities		54,275	34,179	(20,096)	55,296
Non-Current Liabilities					
Unearned revenue	20	16,611	17,995	1,384	18,031
Total Non-Current Liabilities		16,611	17,995	1,384	18,031
Total Liabilities		70,886	52,174	(18,712)	73,327
Net Assets		395,165	411,216	(16,052)	409,213
Equity					
Contributed equity		377,506	-	-	383,357
Accumulated surplus/deficit		(8,790)	-	-	(12,010)
Asset revaluation surplus	22	26,449	-	-	37,866
Total Equity		395,165	-	-	409,213

*An explanation of major variances is included at Note 29

The accompanying notes form part of these statements.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Statement of Assets and Liabilities by Major Departmental Services

as at 30 June 2018

	Agriculture		Fisheries and Forestry		Biosecurity Queensland	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets						
Cash and cash equivalents	17,840	22,120	6,778	7,558	12,064	13,798
Receivables	11,713	15,696	5,168	5,664	28,003	14,184
Inventories	102	100	492	476	567	404
Other current assets	2,317	2,035	584	350	864	659
Total Current Assets	31,972	39,951	13,021	14,048	41,497	29,046
Non-Current Assets						
Intangible assets	114	201	122	226	203	440
Property, plant and equipment	253,577	273,737	23,261	22,860	63,473	61,009
Other non-current assets	10,717	11,435	66	67	118	123
Total Non-Current Assets	264,409	285,373	23,450	23,154	63,794	61,571
Biological Assets						
Biological assets	3,480	3,083	-	-	278	312
Total Biological Assets	3,480	3,083	-	-	278	312
Total Assets⁽¹⁾	299,861	328,407	36,471	37,202	105,568	90,929
Current Liabilities						
Payables	4,231	8,171	2,595	1,532	6,849	6,265
Accrued employee benefits	4,046	3,742	1,459	1,262	2,516	2,334
Unearned revenue	21,991	23,818	703	3,094	5,258	1,715
Security deposits	-	-	324	462	-	-
Total Current Liabilities	30,268	35,732	5,080	6,350	14,623	10,314
Non-Current Liabilities						
Unearned revenue	16,611	18,031	-	-	-	-
Total Non-Current Liabilities	16,611	18,031	-	-	-	-
Total Liabilities⁽¹⁾	46,879	53,763	5,080	6,350	14,623	10,314

	Corporate Partnership ⁽²⁾		Total	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current Assets				
Cash and cash equivalents	4,117	9,428	40,798	52,904
Receivables	3,863	3,309	48,746	38,856
Inventories	-	-	1,160	980
Other current assets	3,729	3,093	7,494	6,137
Total Current Assets	11,709	15,831	98,199	98,877
Non-Current Assets				
Intangible assets	558	798	997	1,665
Property, plant and equipment	11,029	8,589	351,341	366,195
Other non-current assets	855	783	11,757	12,409
Total Non-Current Assets	12,442	10,169	364,094	380,268
Biological Assets				
Biological assets	-	-	3,758	3,395
Total Biological Assets	-	-	3,758	3,395
Total Assets⁽¹⁾	24,151	26,000	466,050	482,540
Current Liabilities				
Payables	3,308	1,977	16,982	17,945
Accrued employee benefits	996	924	9,017	8,263
Unearned revenue	-	-	27,952	28,628
Security deposits	-	-	324	462
Total Current Liabilities	4,304	2,902	54,275	55,296
Non-Current Liabilities				
Unearned revenue	-	-	16,611	18,031
Total Non-Current Liabilities	-	-	16,611	18,031
Total Liabilities⁽¹⁾	4,304	2,902	70,886	73,327

⁽¹⁾ Corporate services assets and liabilities relating to DAF provided through the Business Corporate Partnership (BCP) arrangements have been allocated to respective departmental services. In 2017-18 the department has allocated items previously shown as General - Not Attributed across the departmental services. This methodology has also been applied to the comparatives.

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

DEPARTMENT OF AGRICULTURE AND FISHERIES
Statement of Changes in Equity
for the year ended 30 June 2018

	Notes	Accumulated Surplus/Deficit \$'000	Asset Revaluation Surplus \$'000	Contributed Equity \$'000	TOTAL \$'000
Balance as at 1 July 2016		(11,035)	36,775	391,208	416,948
Operating Result					
Operating result from continuing operations		(975)	-	-	(975)
Other Comprehensive Income					
- Increase/(Decrease) in asset revaluation surplus	22	-	1,091	-	1,091
Total Comprehensive Income for the Year		(975)	1,091	-	116
Transactions with Owners as Owners:					
- Appropriated equity withdrawals		-	-	(6,189)	(6,189)
- Net transfers in/(out) from other Queensland Government entities		-	-	488	488
- Non appropriated equity withdrawal		-	-	(2,150)	(2,150)
Net Transactions with Owners as Owners		-	-	(7,851)	(7,851)
Balance at 30 June 2017		(12,010)	37,866	383,357	409,213
Operating Result					
Operating result from continuing operations		3,117	-	-	3,117
Other Comprehensive Income					
- Increase/(Decrease) in asset revaluation surplus	22	-	(11,314)	-	(11,314)
- Transfers between reserves and accumulated surplus		102	(102)	-	-
Total Comprehensive Income for the Year		3,219	(11,416)	-	(8,197)
Transactions with Owners as Owners:					
- Appropriated equity injections		-	-	2,150	2,150
- Appropriated equity withdrawal		-	-	(5,851)	(5,851)
- Non appropriated equity withdrawal		-	-	(2,150)	(2,150)
Net Transactions with Owners as Owners		-	-	(5,851)	(5,851)
Balance at 30 June 2018		(8,790)	26,449	377,506	395,165

The accompanying notes form part of these statements.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Statement of Cash Flows
for the year ended 30 June 2018

		2018	2018		2017
		Actual	Original	Budget	Actual
	Notes	\$'000	Budget	Variance*	\$'000
Cash flows from operating activities					
<i>Inflows:</i>					
Service appropriation receipts		273,625	287,832	(14,207)	288,045
User charges and fees		122,548	101,950	20,598	110,441
Grants and other contributions		24,559	8,302	16,257	10,827
Royalties and land rents		29,487	26,585	2,902	27,611
GST input tax credits received from ATO		9,119	13,181	(4,062)	10,039
GST collected from customers		13,023	-	13,023	12,907
Other inflows		2,716	1,120	1,596	1,244
<i>Outflows:</i>				-	
Employee expenses		(207,365)	(210,997)	3,632	(199,177)
Supplies and services		(211,931)	(183,517)	(28,414)	(205,569)
Grants and subsidies		(21,554)	(8,529)	(13,025)	(16,083)
GST paid to suppliers		(23,037)	(13,131)	(9,906)	(22,394)
GST remitted to ATO		(93)	-	(93)	-
Other outflows		(2,526)	(2,186)	(340)	(2,403)
Net cash provided by operating activities		8,571	20,610	(12,039)	15,488
Cash flows from investing activities					
<i>Inflows:</i>					
Sales of property, plant and equipment		1,953	1,480	473	3,084
<i>Outflows:</i>					
Payments for property, plant and equipment		(16,656)	(17,327)	671	(15,772)
Payments for intangibles		(123)	(800)	677	(816)
Net cash used in investing activities		(14,826)	(16,647)	1,821	(13,503)
Cash flows from financing activities					
<i>Inflows:</i>					
Equity injections		2,150	-	2,150	-
<i>Outflows:</i>					
Equity withdrawals		(8,001)	(4,138)	(3,863)	(8,339)
Net cash provided by financing activities		(5,851)	(4,138)	(1,713)	(8,339)
Net increase (decrease) in cash and cash equivalents		(12,106)	(175)	(11,931)	(6,354)
Cash and Cash Equivalents - opening balance		52,904	40,663	12,241	59,259
Cash and Cash Equivalents - closing balance	14	40,798	40,488	310	52,904

*An explanation of major variances is included at Note 29

The accompanying notes form part of these statements.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the Statement of Cash Flows
for the year ended 30 June 2018

Reconciliation of Operating Result to Net Cash Provided by Operating Activities

	2018	2017
	\$'000	\$'000
Operating surplus/(deficit)	3,117	(975)
Non-cash items:		
Depreciation and amortisation expense	21,572	21,141
Gains on sale or disposal of property, plant and equipment	(328)	(175)
Loss on sale or disposal of property, plant and equipment	236	1,542
Impairment losses	132	790
Impairment loss reversals	(40)	(219)
Donations	-	231
Assets received below fair value ⁽¹⁾	(2,446)	-
Other non cash items	-	1
Change in assets and liabilities:		
(Increase)/decrease in receivables	(9,027)	(15,208)
(Increase)/decrease in GST input tax credits receivable	(1,126)	552
(Increase)/decrease in appropriation services revenue receivable	434	(616)
Increase/(decrease) in GST payable	138	-
(Increase)/decrease in annual leave reimbursements	(183)	(673)
(Increase)/decrease in long service leave reimbursements	(256)	(134)
(Increase)/decrease in other receivables	38	3,184
(Increase)/decrease in inventories	(180)	152
(Increase)/decrease in prepayments	(705)	911
(Increase)/decrease in biological assets	(362)	(345)
Increase/(decrease) in payables	(962)	4,975
Increase/(decrease) in accrued employee benefits	754	559
Increase/(decrease) in unearned revenue	(2,095)	(667)
Increase/(decrease) in security deposits	(138)	462
Net cash from operating activities	8,571	15,488

⁽¹⁾ This includes \$2.385 million of leasehold improvements for 41 George Street transferred from the Department of Housing and Public Works.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Basis of Financial Statement Preparation for the year ended 30 June 2018****Statement of compliance**

DAF has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*. These financial statements comply with Queensland Treasury's (QT's) Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2017.

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

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 2(k).

The reporting entity

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

Basis of measurement

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

- Land, buildings and infrastructure which are measured at fair value.
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value; and
- Inventories which are measured at the lower of cost and net realisable 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 business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current/depreciated replacement cost methodology.
- The *income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

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

Present value

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

Net realisable value

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

Accounting estimates and judgements

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

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

- Impairment of Trade Receivables – Note 15.
- Valuation of Property, Plant and Equipment – Note 17.
- Contingencies – Note 24.

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

Other presentation matters

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

Comparatives - Comparative information reflects the audited 2016-17 financial statements. The comparatives in the Statement of Assets and Liabilities by Major Departmental Services have been restated for the separate disclosure of Corporate Partnership assets and liabilities and the allocation of the remaining assets and liabilities across departmental services. The department has corrected prior period balances to reflect mapping changes across and within account categories.

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.

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 2018

Note	Note Title
1	Objectives and principal activities of the department
2	Summary of significant accounting policies
3	Reconciliation of payments from consolidated fund to appropriation revenue recognised in statement of comprehensive income
4	User charges and fees
5	Grants and other contributions
6	Royalties and land rents
7	Other revenue
8	Gains on disposal/revaluation of assets
9	Employee expenses
10	Supplies and services
11	Grants and subsidies
12	Depreciation and amortisation
13	Other expenses
14	Cash and cash equivalents
15	Receivables
16	Intangible assets
17	Property, plant and equipment
18	Payables
19	Accrued employee benefits
20	Unearned revenue
21	Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity
22	Asset revaluation surplus by class
23	Commitments for expenditure
24	Contingencies
25	Financial instruments
26	Key management personnel (KMP) disclosures
27	Related Party Transactions
28	Events occurring after balance date
29	Budget vs Actual Comparison
30	Schedule of administered Items
31	Reconciliation of payments from consolidated fund to administered income
32	Administered Activities Budget vs Actual Comparison

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the Financial Statements for the year ended 30 June 2018****1. Objectives and principal activities of the department**

DAF works to achieve the vision of a productive and profitable agriculture, fisheries and forestry sector. The department promotes a sustainable and innovative sector, helping to realise its value to the economy and the community.

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

Our strategic objectives reflect this context and focus on:

- creating the conditions for successful agribusinesses and supply chains which encourage innovation and productivity
- assisting people in agri and rural businesses to respond to challenges and protect environmental values
- ensuring the sustainable management of natural resources to underpin productivity and protect the environment.

Key investment areas for 2017-18 include:

- Growing Queensland's Food Exports program to support fruit and vegetable producers
- Invest and investigate new opportunities to advance economic activity and employment in Queensland
- Investment to maximise the impact of white spot disease on aquaculture and commercial fishing, Panama disease tropical race 4 in bananas, and red witchweed on the sugar industry and stakeholders, leading to more responsive decision making
- Deliver a more responsive and consultative approach to fisheries management as outlined in the Sustainable Fisheries Strategy
- Deliver a comprehensive Great Barrier Reef Water Quality Program to support the continuation of programs to assist in working towards the achievement of water quality targets, including Best Practice Management programs, provision of economic support and decision making tools for agricultural producers, the Paddock to Reef program and the Natural Resources Management Program for Reef Water Quality
- Progress the Commercialisation Technology Fund and the Agricultural and Food Research, Development and Extension Ten Year Roadmap and Action Plan, which highlight the ongoing commitment to international leadership in tropical and sub-tropical agricultural research and development through innovation, world-class facilities, partnerships and collaboration.

2. Summary of significant accounting policies**(a) Allocation of Revenues and Expenses from Ordinary Activities to Corporate Services**

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

(b) Assets Under Construction (Capital Works in Progress)

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

(c) Biological Assets

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

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

(d) Contributed Equity

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

(e) Financing/Borrowing costs

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

Finance costs include:

- Finance lease charges;
- Ancillary administration charges.

No borrowing costs are capitalised into qualifying assets.

(f) Insurance

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

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

2. Summary of significant accounting policies (continued)

(g) Inventories

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

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

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

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

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

(h) Leases

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

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

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

(i) Services Received Free of Charge or for Nominal Value

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

DAF received defined services from the following agencies:

- DNRME (formerly DNRM): Accommodation Services; Legal Services
- DES (formerly DEHP): Privacy and Ethics; Internal Audit; Procurement; Right to Information

The revenue and expense related to these contributions of services have not been recognised in the financial statements as these values cannot be measured reliably.

(j) 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 15).

(k) First year application of new accounting standards, early adoption of accounting standards or change in accounting policy

Changes in Accounting Policy

In 2017-18 financial statements, DAF was required to adopt *AASB2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit-Entities* effective from 1 July 2017. This amendment requires accumulated impairment on land and buildings reported as at 1 July 2017 to be restated as revaluation decrements to represent the fair value of assets.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2017-18 financial year.

Accounting Standards Applied for the First Time

In 2017-18 financial statements, DAF was required to adopt *AASB2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB107* effective from 1 July 2017. This amendment requires additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities and be disclosed by way of a reconciliation in the notes to the statement of cash flows. DAF does not currently have any liabilities arising from financing activities.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the Financial Statements for the year ended 30 June 2018

2. Summary of significant accounting policies (continued)

(I) Future impact of accounting standards not yet effective

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

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

These standards will first apply to the department from its financial statements for 2019-20. Potential future impacts identifiable at the date of this reports are as follows:

- Special Purpose Grants received to construct non-financial assets controlled by the department will be recognised as a liability, and subsequently recognised progressively as revenue as the department satisfies its performance obligations under the grant. At present, such grants are recognised as revenue up front.
- Other grants are currently recognised as revenue based on the terms of the performance obligations if they are sufficiently specific and enforceable, with a liability recognised where appropriate for unperformed obligations. These include national cost sharing arrangements with the Commonwealth and other state governments.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. The department receives several grants for which there are no sufficiently specific performance obligations - these grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements. The total of these grants in the 2017-18 were \$6.002 million and are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.
- It is not expected that the new requirements of AASB 15 will result in a change in the timing of recognising fee for service revenue, as currently a liability is recognised upfront and progressively recognised as revenue as the department satisfies its performance obligations under the contract. The contracts in place have clear performance obligations, are enforceable, sufficiently specific and contain refund clauses.

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9

These standards will become effective from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on the department are that they will change the requirements for the classification, measurement and disclosures associated with the department's financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the department's conclusions will not be confirmed until closer to that time. In the case of the current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

Another potential impact of AASB 9 relates to calculating impairment losses for the department's receivables. Assuming no substantial change in the nature of the department's receivables, the impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, the department will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised. The department does not expect a material change in the reported values.

AASB 16 Leases

This standard will become effective for reporting beginning on or after 1 January 2019. Lessees will be required to recognise a right-of-use asset (representing the right to use the underlying leased asset) and a liability (representing the obligation to make future lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value. The majority of operating leases will be reported in the Statement of Financial Position, potentially resulting in a significant increase in assets and liabilities.

The right-of-use asset will be initially recognised at cost, plus any lease payments made to the lessor at or before commencement date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Expenses for operating lease payments will no longer be reflected in the Statement of Comprehensive Income. Instead, these payments will be apportioned between a reduction in the lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

The department is currently analysing its existing operating lease commitments at Note 23(a) by type of lessor and type of lease to estimate the expected impacts on transition based on information available at 30 June 2018.

The total lease commitments in Note 23(a) is \$392.016 million as at 30 June 2018. Approximately 99% of the department's operating lease commitments comprise arrangements with other Queensland Government agencies as lessor (i.e. internal-to-Government leases). Less than 1% of operating lease commitments are with lessors external to Government.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

2. Summary of significant accounting policies (continued)

(l) Future impact of accounting standards not yet effective (continued)

Internal-to-Government leases

The department's leases with internal-to-Government lessors are primarily for land, building, laboratories, office accommodation and storage facilities through the Queensland Government Accommodation Office (DHPW) and Queensland Health (QH) as the two main providers of accommodation. Employee housing is also provided under the Government Employee Housing program.

At 30 June 2018, the department has operating lease commitments of \$392.016 million and annual lease payments of \$22.935 million (disclosed within Note 10 - Supplies and services operating lease rentals) per year for building, laboratories, office accommodation and storage facilities. Commitments are not currently recognised for employee housing under the Government Employee Housing program as they are cancellable arrangements.

Considering their operation and impact across the whole-of-Government, the Department is currently awaiting formal guidance from Queensland Treasury as to whether these arrangements should be accounted for on-balance sheet under AASB 16.

In the event these arrangements are to be accounted for on-balance sheet, the department estimates a right-of-use asset and lease liability on transition of approximately no more than \$392.016 million based on the undiscounted amount disclosed for current operating lease commitments greater than 1 year (estimate based on balances at 1 July 2019), as the department is still to determine an appropriate discount rate and adjust for any lease options that are reasonably certain. The accommodation leases for Ecosciences and Coopers Plains Precincts may have a material impact in the Financial Statements with the introduction of the new lease standard.

The Department also has a number of cancellable motor vehicle leases with QFleet that are not presently included as part of the operating lease commitments note as they do not constitute a lease under AASB 117 and Accounting Interpretation 4. The department is also awaiting confirmation from Queensland Treasury that QFleet arrangements will continue to fall outside the requirements of AASB 16 for on-balance sheet accounting.

External-to-Government leases

For leases with external lessors, these comprise arrangements for the right-of-use of commercial property for land, building, laboratories, office accommodation, storage facilities including rural and remote regions. The department is still assessing these leases and not able to estimate a transitional value for the right-of-use-asset and lease liability, however given the value of the lease commitments and the short lease terms for these arrangements it is not expected to have a material impact on the balance sheet.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
3. Reconciliation of payments from consolidated fund to appropriation revenue recognised in statement of comprehensive income		
Budgeted appropriation revenue	287,832	304,818
Lapsed appropriation revenue	(14,207)	(16,773)
Total appropriation receipts (cash)	273,625	288,045
Less: Opening balance of appropriation revenue receivable	(616)	-
Plus: Closing balance of appropriation revenue receivable	182	616
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	4,806	3,834
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(61)	(4,806)
Net appropriation revenue	277,936	287,689
Plus: Deferred appropriation payable to Consolidated Fund (expense)	61	4,806
Appropriation revenue recognised in statement of comprehensive income	277,997	292,495

Accounting Policy - Appropriation Revenue

Appropriations provided under the *Appropriation Act 2017* are recognised as revenue when received or when appropriation revenue receivable is recognised after approval from Queensland Treasury.

4. User Charges and Fees

Fee for service ⁽¹⁾	110,603	99,184
Sale of goods	4,390	3,332
Fees and fines	7,698	8,443
Property rental	7,066	6,666
Total User Charges and Fees	129,758	117,625

⁽¹⁾ Increase due to additional funding for National Red Imported Fire Ants Eradication Program (NRIFAEP) following finalisation of National Cost Sharing (NCS) funding arrangements for the ten year eradication program.

Accounting Policy - User Charges and Fees

User charges and fees controlled by the department are recognised when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the department where they can be deployed for the achievement of departmental objectives. User charges and fees collected, but not controlled, by the department are reported as administered revenue. Refer Note 30.

5. Grants and Other Contributions

Commonwealth grants ⁽¹⁾	20,482	10,494
Local government contributions	6,002	5,876
State contributions	2,175	210
Industry contributions	149	110
Goods and services received below fair value	2,759	282
Total Grants and other contributions	31,567	16,972

⁽¹⁾ The increase is largely due to additional revenue from the Australian Government for the NRIFAEP following finalisation of NCS funding arrangements for the ten year eradication program.

Accounting Policy - Grants and other contributions

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

Contributed physical assets are recognised at their fair value. The accounting treatment for contributed equity is explained in Note 1(d).

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.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the Financial Statements for the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
6. Royalties and Land Rents		
Royalties and land rents	29,487	27,611
Total Royalties and Land Rents	29,487	27,611
Accounting Policy - Royalties and other territorial revenue		
The department under the provisions of the <i>Forestry Act 1959</i> has issued sales permits regarding the supply of forest products (including native forest log timber and quarry material) from lands relevant to the <i>Forestry Act 1959</i> . The department recognises the revenue for forest products based on the returns provided by the permit holders.		
7. Other Revenue		
Sale of portable and attractive items	11	9
Bad debts recovered	8	8
Insurance recoveries	479	65
Impairment loss reversal - receivables	40	218
Sundry revenue	1,846	563
Total Other Revenue	2,383	864
8. Gains on disposal/revaluation of assets		
Net gains on disposal of property, plant and equipment	328	175
Net increment in valuation of biological assets	1,118	1,616
Total Gains on disposal/revaluation of assets	1,446	1,790

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the Financial Statements for the year ended 30 June 2018

9. Employee Expenses

<u>Employee Benefits</u>		
Wages and salaries	160,934	154,398
Termination benefits	254	204
Employer superannuation contributions	21,593	20,693
Annual leave levy	17,095	16,024
Long service leave levy	3,268	3,238
Other employee benefits	2,195	1,828
<u>Employee Related Expenses</u>		
Workers compensation premium	1,122	1,263
Other employee related expenses	1,221	1,277
Total Employee Expenses ⁽¹⁾	207,682	198,927

⁽¹⁾ The number of employees at 30 June 2018, including both full-time and part-time employees, measured on a full-time basis as provided to the Public Service Commission (PSC) and utilised in the preparation of the Minimum Obligatory Human Resource Information (MOHRI) is:

	2018	2017
Number of employees	2,047	1,968

BCP employee expenses aligned to DAF and providing services to other departments are included in the above figure. The number of full time and part time employees measured on a full time equivalent basis providing services to other departments at balance date is set out below.

	2018	2017
Number of employees:		
Department of Agriculture and Fisheries	1,831	1,759
Business and Corporate Partnership Agreement (providing services to other departments)	216	209
Total number of employees	2,047	1,968

Accounting Policy - Employee expenses

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

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

Wages, salaries and sick leave

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

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

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

Long Service Leave and Annual Leave

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

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

Superannuation

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

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

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

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
10. Supplies and services		
Consultants and contractors	69,972	65,877
Operating lease rentals	29,251	28,063
Building Services	7,276	6,941
Repairs and maintenance	10,293	9,384
Transport	7,483	4,937
Travel	5,852	6,051
Computer/information technology	16,406	15,679
Telecommunications and electricity	6,727	7,005
Shared services provider fee	5,635	5,726
Materials	14,791	16,660
Portable and attractive items	3,326	2,252
Service delivery costs and service level agreement charges	8,682	9,338
Outsourced service delivery	23,172	27,297
Other	7,084	6,662
Total Supplies and Services	215,951	211,871

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 11.

Accounting Policy - Operating Leases

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred. Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expenses and reduction of the liability.

Disclosure - Operating Leases

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities. Lease terms extend over a period of 5 to 30 years. The department has no option to purchase the leased item at the conclusion of the lease although the lease provides for a right of renewal at which time the lease terms are renegotiated.

Operating lease rental expenses comprises the minimum lease payments payable under operating lease contracts. Lease payments are generally fixed, but with annual inflation escalation clauses upon which future year rentals are determined.

11. Grants and Subsidies

Queensland and local government	6,590	3,557
Industry	1,518	4,848
Charities/community groups	-	100
Subsidies	9,802	7,160
Commonwealth	88	88
Capital ⁽¹⁾	3,257	329
Goods and services provided below fair value	298	-
Total Grants and Subsidies	21,554	16,083

⁽¹⁾ This includes grants to the RSPCA for \$1.757 million and the Grains Research and Development Corporation (GRDC) for \$1.000 million.

Accounting Policy - Grants and Subsidies

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

A subsidy payment is a payment or contribution made to an organisation or person which is not repaid or reciprocated. Gifts and donations are disclosed in Note 13 - Other expenses.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
12. Depreciation and amortisation		
Depreciation and amortisation were incurred in respect of:		
Buildings	5,149	5,040
Infrastructure	414	379
Plant and equipment	15,217	14,933
Software purchased	486	483
Software internally generated	305	305
Total Depreciation and amortisation	21,572	21,141

Accounting Policy - Depreciation and amortisation

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

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

Key Judgement: Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the department.

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

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

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

Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

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.

Plant and equipment subject to a finance lease is amortised on a straight line basis over the term of the lease, or where it is likely that the department will obtain ownership of the asset, the expected useful life of the asset to the department.

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

Depreciation Rates

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

Asset class	Category	Rate %
Buildings	Buildings and improvements	1.25–5%
	Access roads	1.25–4%
	Land improvements	1.67–5%
Infrastructure	Wild dog barrier fence	2%
Plant and equipment	Computer equipment	12.5–33.33%
	Motor vehicles	5–20%
	Boats and boating equipment	5–25%
	Heavy plant	5–20%
	Scientific equipment	5–12.5%
	Office equipment	5–20%
	Leasehold improvements	10%
	Other plant and equipment	12.5%
Intangible assets	Software purchased	20–25%
	Software internally generated	10%

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
13. Other expenses		
Deferred appropriation payable to Consolidated Fund	61	4,806
External audit fees - QAO ⁽¹⁾	197	257
Other audit services performed	3	33
Insurance premiums - QGIF	727	707
Insurance premiums - Other	170	128
Loss on disposal of property, plant and equipment	236	1,542
Losses - Public property	-	1
Sponsorships	323	282
Donations and gifts	4	233
License fees and permits	235	252
Patent, copyright & trademark acquisition	416	293
Royalties paid	-	146
Special payments ⁽²⁾		
Ex-gratia payments	103	702
Compensation payments	11	-
Other	144	138
Total Other Expenses	2,630	9,521

⁽¹⁾ Total audit fees payable to the Queensland Audit Office relating to the 2017-18 financial year are based upon their estimated fee of \$235,750 (2017: \$230,000). There are no non-audit services included in this amount.

⁽²⁾ Special payments include ex gratia expenditure and other expenditure that the department is not contractually or legally obliged to make to other parties. Special Payments during 2017-18 include the following payments over \$5,000:

- Payments associated with the Red Witch Weed Eradication program.
- Payments associated with White Spot disease outbreak.

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

14. Cash and cash equivalents

Cash at bank	40,770	52,875
Imprest accounts	29	30
Total Cash and Cash Equivalents	40,798	52,904

Accounting Policy - Cash and cash equivalents

For the purposes of the Statement of financial position and the Statement of cash flows, cash assets include all cash and cheques receipted but not banked at 30 June.

Departmental bank accounts grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation and do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
15. Receivables		
Current		
Trade debtors	41,970	33,051
Less: allowance for impairment loss ⁽¹⁾	(193)	(210)
	<u>41,777</u>	<u>32,842</u>
 GST input tax credits receivable	 2,577	 1,451
GST payable	(138)	-
	<u>2,439</u>	<u>1,451</u>
 Appropriation revenue receivable	 182	 616
Annual leave reimbursements	3,180	2,997
Long service leave reimbursements	1,119	863
Other	49	88
	<u>4,530</u>	<u>4,563</u>
 Total Current Receivables	 <u>48,746</u>	 <u>38,856</u>

⁽¹⁾ Disclosure – Individually Impaired Receivables Position (Aged)

Accounting Policy - Receivables

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

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is generally required within 30 days from the invoice date.

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

Credit risk exposure

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

Receivables fall into one of the following categories when assessing collectability:

- within terms and expected to be fully collectible
- within terms but impaired
- past due but not impaired
- past due and impaired

All receivables within terms and expected to be fully collectible are considered of good credit quality based on recent collection history.

Aging of receivables

	2018			2017		
	Gross Receivables	Allowance for Impairment	Carrying Amount	Gross Receivables	Allowance for Impairment	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Overdue						
Less than 30 days ⁽¹⁾	33,588	-	33,588	16,371	-	16,371
30 to 60 days	266	-	266	585	-	585
60 to 90 days	96	-	96	1,333	-	1,333
Greater than 90 days ⁽²⁾	1,695	193	1,502	583	210	373
Total Overdue	35,645	193	35,452	18,872	210	18,662

⁽¹⁾ Increase due to additional funding for NRIFAEP following finalisation of NCS funding arrangements for the ten year eradication program.

⁽²⁾ All receivables greater than 90 days are considered past due and individually assessed for impairment.

Disclosure – Movement in Allowance for Impairment for Impaired Receivables

	2018 \$'000	2017 \$'000
Balance at 1 July	210	389
Increase/decrease in allowance recognised in operating result	5	322
Amounts written-off during the year in respect of bad debts	(22)	(501)
Total Overdue	193	210

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the Financial Statements for the year ended 30 June 2018
15. Receivables (continued)
Impairment of Receivables
Accounting Policy - Impairment of Receivables

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the department, according to the due date in the contract. Economic changes impacting the department's debtors, and relevant industry data, also form part of the department's documented risk analysis.

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If DAF determines that an amount owing by such a debtor does become uncollectible (after appropriate range of debt recovery actions), that amount is recognised as a Bad Debt expense and written-off directly against Receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a Bad Debt expense and written-off directly against Receivables.

Impairment loss expense for the current year regarding the department's receivables is \$0.108 million. This is a decrease of \$0.485 million from 2017 due to one external client having gone into liquidation in 2016-17.

	2018 \$'000	2017 \$'000
16. Intangible assets		
Software Purchased: At Cost		
Gross	1,388	2,324
Less: Accumulated amortisation	(596)	(1,168)
Total Software Purchased	792	1,156
Software Internally Generated: At Cost		
Gross	4,916	5,883
Less: Accumulated amortisation	(4,711)	(5,373)
Total Software Internally Generated	205	510
Total Intangible Assets	997	1,665

Intangibles Reconciliation

	Software Purchased: At Cost		Software Internally Generated: At Cost		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Carrying amount at 1 July	1,156	823	510	815	1,665	1,638
Acquisitions	123	816	-	-	123	816
Amortisation	(486)	(483)	(305)	(305)	(791)	(788)
Carrying amount at 30 June	792	1,156	205	510	997	1,665

Accounting Policy

Intangible assets of the department comprise purchased software and internally developed software. Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed.

There is no active market for any of the department's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

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

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

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

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

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
17. Property, plant and equipment		
Land		
Gross	110,323	122,935
Less: accumulated impairment losses	(2,587)	(2,587)
Total Land	107,736	120,348
Buildings		
Gross	266,595	272,374
Less: accumulated depreciation	(139,407)	(141,167)
Less: accumulated impairment losses	(10,105)	(10,650)
Total Buildings	117,083	120,557
Infrastructure		
Gross	40,956	39,832
Less: accumulated depreciation	(19,882)	(19,467)
Total Infrastructure	21,074	20,364
Plant and Equipment: At cost		
Gross	214,889	211,086
Less: accumulated depreciation	(113,938)	(107,679)
Less: accumulated impairment	(236)	(238)
Total Plant and Equipment	100,714	103,169
Capital Work in Progress: At cost		
At cost	4,734	1,756
Total Capital Work in Progress	4,734	1,756
Total Property, Plant and Equipment	351,341	366,195

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the Financial Statements for the year ended 30 June 2018
17. Property, plant and equipment (continued)
Property, Plant and Equipment Reconciliation

	Land	Buildings	Infrastructure	Plant and Equipment	Capital Works in Progress	Heritage & Cultural	Total
	2018	2018	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2017	120,348	120,557	20,364	103,169	1,756	-	366,195
Acquisitions (including upgrades)	-	15	-	8,012	11,014	-	19,041
Transfer in from other Qld Government entities	61	-	-	-	-	-	61
Disposals	(1,392)	(285)	-	(184)	-	-	(1,860)
Transfers between asset classes	-	1,979	1,124	4,934	(8,036)	-	-
Net Revaluation increments/(decrements) in asset revaluation surplus ⁽¹⁾	(11,280)	(34)	-	-	-	-	(11,314)
Depreciation	-	(5,149)	(414)	(15,217)	-	-	(20,780)
Carrying amount at 30 June 2018	107,736	117,083	21,074	100,714	4,734	-	351,341

⁽¹⁾ The decrement is mainly due to the revaluation of the Redlands Poultry Station prior to sale of \$11.691 million. The sale value was determined by arriving at a suitable discount rate for the restrictions on reserve land. There was also an increment of \$1.110 million due to indexation as at 31 March 2018.

	Land	Buildings	Infrastructure	Plant and Equipment	Capital Works in Progress	Heritage & Cultural	Total
	2017	2017	2017	2017	2017	2017	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2016	124,108	118,940	19,117	109,042	2,993	252	374,452
Acquisitions (including upgrades)	29	16	-	4,683	10,358	-	15,086
Transfer in from other Qld Government entities	238	239	-	2	-	-	479
Disposals	(1,029)	(398)	-	(565)	-	-	(1,992)
Donations	-	-	-	-	-	(225)	(225)
Assets reclassified as held for sale	(1,180)	(1,109)	-	(11)	-	-	(2,300)
Transfers between asset classes	611	5,173	843	4,995	(11,595)	(27)	-
Net Revaluation increments/(decrements) in asset revaluation surplus	(868)	4,464	783	-	-	-	4,379
Impairment losses recognised in the asset revaluation surplus	(1,793)	(2,214)	-	-	-	-	(4,007)
Impairment losses recognised in operating surplus/(deficit)	-	-	-	(43)	-	-	(43)
Impairment losses recognised in asset revaluation surplus	233	486	-	-	-	-	719
Depreciation	-	(5,040)	(379)	(14,933)	-	-	(20,352)
Carrying amount at 30 June 2017	120,348	120,557	20,364	103,169	1,756	-	366,195

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

17. Property, plant and equipment (continued)

Accounting Policy - Property, plant and equipment

Recognition thresholds for property, plant and equipment

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

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

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. Items comprising the department's technical library are expensed on acquisition.

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

Acquisition of Assets

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

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

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

Measurement of property plant and equipment using fair value

Land, buildings, infrastructure and heritage and cultural assets are measured at fair value as required by Queensland Treasury's Non-Current Asset Policies (NCAP) for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable.

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

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

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

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

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

Fair Value Measurement Hierarchy

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

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

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

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

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

There were no transfers of assets between fair value hierarchy levels during the period.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

17. Property, plant and equipment (continued)

Categorisation of assets measured at fair value

	Land		Buildings		Infrastructure		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value Level 1	-	-	-	-	-	-	-	-
Fair Value Level 2	48,690	48,427	45,643	39,362	-	-	94,333	87,790
Fair Value Level 3	59,046	71,921	71,440	81,195	21,074	20,364	151,560	173,480
Carrying amount at 30 June	107,736	120,348	117,083	120,557	21,074	20,364	245,893	261,270

Level 3 Fair value measurement reconciliation

	Land		Buildings		Infrastructure		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	71,921	71,789	81,195	79,799	20,364	19,117	173,480	170,705
Acquisitions	61	626	857	3,986	1,124	843	2,042	5,455
Disposals	(1,142)	-	(412)	(49)	-	-	(1,554)	(49)
Revaluation increments/(decrements)	(11,793)	(718)	(51)	3,073	-	-	(11,844)	2,355
Impairment (losses)/reversals	-	223	5	(2,214)	-	783	5	(1,208)
Reclassification of Fair Value Levels	-	-	(6,930)	-	-	-	(6,930)	-
Depreciation and amortisation	-	-	(3,225)	(3,400)	(414)	(379)	(3,640)	(3,779)
Carrying amount at 30 June	59,046	71,921	71,440	81,195	21,074	20,364	151,560	173,480

Measurement of property plant and equipment using cost

Plant and equipment, (that is not classified as major plant and equipment) is measured at cost in accordance with the NCAP. The carrying amounts for such plant and equipment at cost is not materially different from their fair value.

The department does not classify any Plant and Equipment as Major Plant and Equipment.

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

Revaluation of property plant and equipment measured at fair value

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

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

Plant and equipment is measured at cost in accordance with the NCAP. The carrying amounts for plant and equipment at cost should not materially differ from their fair value.

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

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

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

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

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

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

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the Financial Statements for the year ended 30 June 2018

17. Property, plant and equipment (continued)

On revaluation:

- 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, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'; and
- for assets revalued using a market or income-based valuation approach - accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

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

Impairment of non-current assets

All non-current assets, including work in progress assets, must be assessed for indicators of impairment so that they are not carried at more than their recoverable amount in accordance with AASB 136 *Impairment of Assets*. Assets held at either cost or fair value are subject to the requirements of this Standard. The impairment loss is the amount by which the assets carrying amount exceeds its recoverable amount being the higher of the asset's fair value less cost of sale, (or net fair value), and its value-in-use.

The requirements of AASB 136 apply subject to the provisions contained in AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. In determining materiality, where assets are tested for impairment and the total change in the written down value for the class of assets or the total impact on depreciation for the class of assets is material, then the impairment loss must be brought to account.

A review of whether there are any indications that an asset may be impaired is undertaken annually.

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

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

Valuation of property plant and equipment including key estimates and judgements

Land

SVS provides an individual factor change per property derived from the review of market transactions (Observable Market Data). These market movements are determined having regard to the review of land values undertaken for each local government area issued by the Valuer-General Department of Natural Resources and Mines. SVS undertakes investigation and research into each factor provided for the interim land asset indexation.

All Local Government property market movements are reviewed annually by market surveys to determine any material changes in values. For local government areas where the Valuer-General has issued land values, an index will be provided. Ongoing market investigations undertaken by SVS assists in providing an accurate assessment of the prevailing market conditions and detail the specific market movement that are applicable to each property. The department's land was comprehensively revalued as at 30 June 2016 and indexed as at 30 June 2018.

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

Buildings

SVS provided the valuation for Buildings and improvements which are indexed using the most appropriate method of indexation and determined by the type of asset to which the index is applied. Improvements such as specialised Government assets were indexed with a Building Price Index (BPI) which is based on recent tenders for typical specialised buildings (Observable Market Data) and is the most appropriate index to apply for specialised government assets. General non-residential construction was indexed using the Queensland Treasury's OESR Implicit Price Deflator as the recommended and is the most appropriate index to use for these particular assets. Residential assets were indexed by the Cordell Housing Price Index which is specific to Queensland house price movements (Observable Market Data) and is the most appropriate index to use for residential housing specific to Queensland properties. The department's Buildings and Improvements were comprehensively revalued as at 30 June 2016 and indexed as at 30 June 2018.

In the comprehensive revaluation process the gross replacement cost of buildings at balance date is derived using unit prices that required significant judgements. These include identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so, estimating the adjustment to the unit rate required to reflect this difference. Where buildings are not specifically appraised in the current year, indexing unit rates for increases in input costs are applied.

Infrastructure

SVS provided the valuation for Infrastructure which is indexed using the most appropriate method of indexation and determined by the type of asset to which the index is applied. Improvements such as specialised Government assets were indexed with a Building Price Index (BPI) which is based on recent tenders for typical specialised buildings (Observable Market Data) and is the most appropriate index to apply for specialised government assets. The department's infrastructure was comprehensively revalued as at 30 June 2016 and indexed as at 30 June 2018.

Work in Progress

The department is carrying the capital works in progress as per the Queensland Treasury's policies.

Restricted Assets

The department has included a number of assets in the accounts, which are classified as restricted assets. These are assets, the uses of which are wholly or partly restricted by legislation or other externally imposed requirements. The total value of restricted assets for 30 June 2018 is \$0.703 million (2017: \$0.777 million).

Certain Plant and Equipment assets valued at \$0.627 million (2017: \$0.685 million) and certain Building assets valued at \$0.076 million (2017: \$0.092 million) are restricted by contractual obligations preventing their sale.

DEPARTMENT OF AGRICULTURE AND FISHERIES
Notes to the Financial Statements for the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
18. Payables		
Current		
Trade creditors	9,809	6,117
Deferred appropriation refundable to Consolidated Fund	61	4,806
Taxes, fees and fines payable	66	76
Accrued expenses	6,930	6,745
Royalties payable	116	201
Total Current Payables	16,982	17,945

Accounting Policy - Payables

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

19. Accrued employee benefits

Current

Salaries and wages outstanding	3,578	3,353
Annual leave levy payable	4,508	4,018
Long service leave levy payable	931	885
Severance payments payable	-	7
Total Current Accrued Employee Benefits	9,016	8,263

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*.

20. Unearned revenue

Current

Unearned revenue ⁽¹⁾	27,952	28,628
Total	27,952	28,628

Non-Current

Unearned revenue - rental revenue	16,611	18,031
Total	16,611	18,031

⁽¹⁾ This includes unearned revenue for research and development contracts and rental revenue.

21. Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity

Budgeted equity adjustment appropriation	(4,138)	(5,613)
Lapsed equity adjustment	-	(576)
Unforeseen expenditure	437	-
Equity adjustment recognised in contributed equity	(3,701)	(6,189)

Accounting Policy - 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.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

22. Asset revaluation surplus by class

	Land	Buildings	Infrastructure	Heritage & Cultural	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2017	17,097	16,396	4,271	102	37,866
Revaluation surplus	(11,280)	(34)	-	-	(11,314)
Transfers to Accumulated Surplus	-	-	-	(102)	(102)
Balance 30 June 2018	5,816	16,362	4,271	-	26,449

	Land	Buildings	Infrastructure	Heritage & Cultural	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance 1 July 2016	19,525	13,660	3,488	102	36,775
Revaluation surplus	(2,428)	2,736	783	-	1,091
Balance 30 June 2017	17,097	16,396	4,271	102	37,866

23. Commitments for Expenditure

2018 **2017**
\$'000 **\$'000**

(a) Operating Leases

Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable as follows:

• Not later than 1 year	21,531	21,545
• Later than 1 year and not later than 5 years	72,612	81,692
• Later than 5 years	297,873	313,569
Total operating lease commitments	392,016	416,806

The department has operating leases predominately relating to land, building, laboratories, office accommodation, storage facilities and motor vehicles. Lease payments are generally fixed and reported at present value, but with inflation escalation clauses on which contingent rentals are determined. QFleet lease commitments have been removed from the comparatives as they are considered cancellable and maintenance agreements associated with the Ecosciences precinct and Health and Food Sciences precinct have been transferred to other expenditure commitments. The department is currently analysing its existing operating lease commitments at Note 23(a) by type of lessor and type of lease to estimate the expected impacts on transition to AASB 16 Leases.

(b) 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:

Capital Works in Progress	1,314	1,102
Plant and equipment	411	72
	1,725	1,174
Payable:		
• Not later than 1 year	1,725	1,174
Total capital expenditure commitments	1,725	1,174

(c) Grants and Subsidies Commitments

Grants and subsidies commitments (inclusive of non-recoverable GST input tax credits), committed to be provided at the reporting date, but not recognised in the accounts are payable as follows:

Payable:		
• Not later than 1 year	10,164	8,444
• Later than 1 year and not later than 5 years	18,909	18,041
Total grants and subsidies expenditure commitments	29,073	26,485

(d) Other Expenditure Commitments

Other expenditure commitments (inclusive of non-recoverable GST input tax credits), committed to provide at reporting date but not recognised in the accounts are payable as follows:

Payable:		
• Not later than one year	49,145	24,677
• Later than one year and not later than five years	26,850	11,168
• Later than five years	60,928	49,669
Total other expenditure commitments	136,924	85,515

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

24. Contingencies

(a) Litigation in progress

As at 30 June 2018, the following cases were filed in the courts naming the State of Queensland through DAF or DAF, as defendant:

	2018	2017
Supreme Court	-	1
District Court	3	2
Magistrates Court	16	6
Planning and Environment Court	4	1
Queensland Civil and Administrative Tribunal (QCAT)	1	1
Queensland Industrial Relations Commission (QIRC)	2	-
Anti-Discrimination Commission Queensland (ADCQ)	-	1
Administrative Appeals Tribunal (AAT)	1	-
Total number of litigation in progress	27	12

It is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time. The department has also received notification of one other case that is not yet subject to court action. This may or may not result in subsequent litigation. Depending on the outcome of the litigation process, indemnity for the department may be sought in respect of some of the above matters through the Queensland Government Insurance Fund.

(b) Contaminated land sites

Assets of the former Forestry Plantations Queensland (FPQ) were transferred to HQPlantations Pty Ltd (HQPlantations) or the State respectively in 2010. This included the transfer of potentially contaminated land and assets to the State including: underground (fuel) storage tanks, above-ground (fuel) storage tanks and herbicide disposal pits. Responsibility for the potentially contaminated land assets now rest with DAF. In 2011, an independent state-wide review of around 3,000 potentially contaminated sites prioritised 99 sites for further investigation. An internal review in 2014 further reduced this to 78 sites requiring action. DAF has a contaminated lands asset plan, which identified 23 abandoned fuel tanks and 55 herbicide pits for further assessment and remediation if needed.

Of the 23 abandoned fuel tanks located on sites across Queensland (ex FPQ plantations), all were excavated and removed in the period May – July 2016 with any contaminated soils found during excavation then stockpiled for further remediation.

The cost to remove the 23 tanks was \$270,000. Contaminated soil at six sites was stockpiled for remediation by an environmental consultant prior to retesting of the stockpile soil in 2017. The remediation of the stockpiles at five locations has been successfully completed by end 2017 and only one stockpile remains that needs further remediation effort.

Once this last stockpile has completed remediation measures by late 2018, this will complete the DAF abandoned fuel tanks project and remove any future environmental risks or liabilities to the State.

In 2018-19, DAF will progress the long term resolution of the 55 former herbicide pits located at various sites across Queensland (ex FPQ plantations in various state forest locations). All herbicide pits are long out of use and have been buried. Pits have warning signs and fencing as a precaution to prevent entry.

(c) Long-Term Sales Permits

The department, under the provisions of the *Forestry Act 1959*, has issued the following long-term sales permits to various sawmilling business regarding the supply of log timber from State-owned native forests.

- 14 sales permits, which expire 31 December 2024, and 1 sales permit, which expires 31 December 2019, for the supply of native forest hardwood sawlogs from State-owned native forests in south-east Queensland;
- 2 sales permits, which expire 31 December 2033, for the supply of native forest hardwood sawlogs from State-owned native forests in western Queensland; and
- 14 sales permits, which expire 31 December 2037, for the supply of native forest cypress sawlogs from State-owned native forests in southern Queensland.

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

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the Financial Statements for the year ended 30 June 2018****25. Financial Instruments****(a) Categorisation of Financial Instruments**

The department has the following categories of financial assets and financial liabilities:

	Note	2018 \$'000	2017 \$'000
Category			
Financial Assets			
Cash and cash equivalents	14	40,798	52,904
Receivables	15	48,746	38,856
Total Financial Assets		89,545	91,760
Financial Liabilities			
Payables	18	16,982	17,945
Total Financial Liabilities		16,982	17,945

(b) Financial Risk Management

The department's activities expose it to a variety of financial risks – credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Queensland Government and departmental policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department.

All financial risk is managed by the Finance and Asset Management Division under policies approved by the department. The department provides written principles for overall risk management, as well as policies covering specific areas. The department measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method
Credit risk	Ageing analysis
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

(c) Credit Risk Exposure

Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The 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.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

(d) Liquidity Risk

Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The department is exposed to liquidity risk in respect of its payables only.

The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The liquidity risk of financial liabilities held by the department is disclosed in Note 15. The department only has financial liabilities which are payable within no more than 12 months and hence the liquidity risk is based on the undiscounted cash flows relating to the liabilities at reporting date.

(e) Market Risk

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.

(f) Interest Rate Sensitivity Analysis

Departmental funds are not held in interest bearing accounts so the department is not exposed to interest rate risk. The department does not have any borrowings.

(g) Fair Value

DAF does not recognise any financial assets or financial liabilities at fair value. The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

Accounting Policy - Financial instruments**Recognition**

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

Classification

Financial instruments are classified and measured as follows:

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

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

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

26. Key management personnel (KMP) disclosures

a) Details of key management personnel

As from 2016-17, the department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in AASB 124 Related Party Disclosures. That Minister is the Minister for Agricultural Industry Development and Fisheries.

The following details for non-Ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2017-18 and 2016-17. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
Director-General	The Director-General is responsible for the efficient, effective and economic administration of the department overseeing Agriculture, Fisheries and Forestry and Biosecurity Queensland.
Deputy Director-General, Corporate	The Deputy Director-General is responsible for the efficient, effective and economic administration of the Human Resource, ICT, Strategy, Performance, Business Services, Finance, Media, Communications and Corporate Partnership functions of the department.
Deputy Director-General, Agriculture Queensland	The Deputy Director-General is responsible for the efficient, effective and economic administration of Queensland Agriculture and Fisheries, Food, Forestry and Regional Services and functions of the department.
Deputy Director-General, Fisheries and Forestry	The Deputy Director-General is responsible for the efficient, effective and economic administration of Queensland Fisheries and Forestry activities and responsibilities.
Chief Biosecurity Officer, Biosecurity Queensland	The Chief Biosecurity Officer is responsible for the efficient, effective and economic administration of Queensland's Biosecurity functions and responsibilities of the department.

b) KMP remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members Remuneration Handbook. The department does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlement being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government Consolidated Financial Statements as from 2017-18, 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 Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment (including motor vehicle entitlements and performance payments if applicable) are specified in employment contracts.

Remuneration expenses for those KMP comprise the following components:

- Short term employee expenses, including:
 - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee was a key management person.
 - non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service entitlements) payable on termination of employments or acceptance of an offer of termination of employment.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

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

c) Remuneration Expenses

The following disclosure focus on the expenses incurred by the department attributable to non-Ministerial KMP during respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

1 July 2017 – 30 June 2018

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Total Expenses ⁽¹⁾
	Monetary Benefits \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000
Director-General	325	-	7	26	358
Director-General (Acting) 19/09/2017 - 15/10/2017, 10/11/2017 -16/11/2017 and 23/06/2018 - 30/06/2018	45	-	1	3	49
Deputy Director-General, Corporate ⁽²⁾ 01/07/2017 - 09/01/2018	110	-	2	14	126
Deputy Director-General, Corporate (Acting) 05/02/2018 - 30/06/2018	78	-	2	9	89
Deputy Director-General, Agriculture Queensland 01/07/2017 - 13/10/2017	57	-	1	6	64
Deputy Director-General, Agriculture Queensland (Acting) 16/10/2017 - 22/6/2018	166	-	3	18	187
Deputy Director-General, Fisheries and Forestry	216	-	4	25	245
Chief Biosecurity Officer 01/07/2017 - 01/09/2017	65	-	1	7	73
Chief Biosecurity Officer (Acting) 16/10/2017 - 30/06/2018	171	-	4	19	194
Total	1,233	-	25	127	1,385

⁽¹⁾ The key management personnel and remuneration expenses above for the year ended 30 June 2018 do not include any termination benefits.

⁽²⁾ This position was previously shared with the former Department of Tourism, Small Business, Major Events and the Commonwealth Games (DTESB) until the MoG changes in December 2017. The new DITID has established a standalone corporate function.

1 July 2016 – 30 June 2017

	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Total Expenses ⁽¹⁾
	Monetary Benefits \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000
Director-General	308	-	6	33	347
Deputy Director-General, Corporate ⁽²⁾ (Acting) 1/7/2016 - 30/6/2017	229	-	4	21	255
Deputy Director-General, Agriculture Queensland	240	-	5	26	271
Deputy Director-General, Fisheries and Forestry	236	-	5	25	266
Chief Biosecurity Officer	243	-	5	26	274
Chief Finance Officer & Executive Director ^{(2) (3)} (Acting) 1/7/2016 - 30/6/2017	226	-	4	20	250
Executive Director, Rural Economic Development ⁽³⁾	227	-	4	23	255
Executive Director, Agri-Science Queensland ⁽³⁾	219	-	4	24	246
Total	1,928	-	37	199	2,164

⁽¹⁾ The key management personnel and remuneration expenses above for 2016-17 do not include any termination benefits.

⁽²⁾ These positions were shared with the DTESB and were fully funded by DAF to 30 June 2017 as per the BCP arrangement.

⁽³⁾ The Board of Management (BOM) included these positions in 2016-17. Under new governance arrangements that commenced on 1 July 2017, these positions were no longer a part of BOM.

d) 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 2018

27. Related Party Transactions

a) Transactions with people/entities related to KMP

A review has been undertaken for the 2017-18 financial year, to 30 June 2018, of the department's KMP related party transactions (RPT) disclosures and no transactions have been identified between the department and its KMPs' related parties.

b) Transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from Government for its services are appropriation revenue (Note 3) and equity injections (Note 21), both of which are provided in cash via Queensland Treasury.

The department received defined services from the following agencies:

- DNRME (formerly DNRM): Accommodation Services; Legal Services; Customer Solution Services
- DES (formerly DEHP): Privacy and Ethics; Internal Audit; Procurement; Right to Information

As the host agency, DAF provided defined services to the following agencies for the period 1 July 2017 to 31 December 2017:

- DNPSR: Information Management; Fleet Management; Telecommunications.
- DNRM: Information Management; Fleet Management; Telecommunications; Human Resources reporting.
- DEWS: Information Management; Fleet Management; Telecommunications; Human Resources.
- DEHP: Information Management; Fleet Management; Telecommunications.
- DTESB: Finance; Information Management; Fleet Management; Telecommunications.

Due to MoG changes dated 12 December 2017, DAF's role as host agency changed. Effective from 1 January 2018, DAF provides defined services to the following agencies:

- DNRME: Information Management; Fleet Management; Telecommunications; Human Resources reporting.
- DES: Information Management; Fleet Management; Telecommunications.
- DITID: Finance; Information Management; Fleet Management; Telecommunications.

User Charges and Fees (Note 4) includes the fee for service revenue received from the above agencies for information management services and this represents approximately 30% of the total User Charges and Fees.

Operating lease rentals disclosed in (Note 10) includes: property lease rentals across the State with the Department of Public Works and Housing and accommodation at the Health Food Sciences Precinct Coopers Plains with Queensland Health; and motor vehicle lease arrangements are provided by Qfleet.

Building and Asset Services within the Department of Public Works and Housing are the provider of building repair and maintenance disclosed within (Note 10) under Repairs and maintenance.

28. Events occurring after balance date

There are no events subsequent to balance date, which would have a material effect on the information provided in the department's controlled or administered financial statements.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

29. Budget vs Actual Comparison

A budget vs actual comparison, and explanations of major variances, has not been included for the Statement of Changes in Equity, as major variances relating to that statement have been addressed in explanations of major variances for other statements.

Statement of Comprehensive Income

	Variance Notes	Original Budget 2018 \$'000	Actual 2018 \$'000	Budget Variance 2018 \$'000
Income from Continuing Operations				
Appropriation revenue	1	287,832	277,997	(9,835)
User charges and fees	2	101,408	129,758	28,350
Grants and other contributions	3	8,302	31,567	23,265
Royalties and land rents	4	26,585	29,487	2,902
Other revenue	5	520	2,383	1,863
Total Revenue		424,647	471,192	46,545
Gains on disposal/revaluation of assets	6	95	1,446	1,351
Total income from operations		424,742	472,638	47,896
Expenses from Continuing Operations				
Employee expenses	7	210,747	207,682	(3,065)
Supplies and services	8	181,954	215,951	33,997
Grants and subsidies	9	8,529	21,554	13,025
Depreciation and amortisation		21,926	21,572	(354)
Impairment losses	10	-	132	132
Other expenses	11	1,586	2,630	1,044
Total Expenses from Continuing Operations		424,742	469,521	44,779
Operating Result for the Year		-	3,117	3,117

Explanation of major variances:

- The decrease is largely due to a deferral of funding from 2017-18 to 2018-19 for various departmental programs. This is partly offset by additional funding received in 2017-18 for the containment of White Spot Disease, the Queensland contribution for NRIFAEP, the ongoing control and coordination program for the Panama TR4 response and the Great Barrier Reef Water Quality Program and the Drought Assistance Package.
- User charges are higher than the original budget mainly due to additional revenue for National Cost Sharing (NCS) arrangements from other States and Territories for the NRIFAEP following the finalisation of funding arrangements for the ten year eradication program on 26 July 2017. Also contributing to the variance is higher than expected revenue for ITP services from the business and corporate partnership, revenue from the Great Barrier Reef Marine Park Authority (GBRMPA) towards the Sustainable Fishing Strategy and revenue from the sale of Tick Fever serums.
- The increase is largely due to additional revenue from the Australian Government for the NRIFAEP following finalisation of NCS funding arrangements for the ten year eradication program on 26 July 2017.
- The increase is largely due to higher than expected seed and legume royalties and higher than expected revenue received for the sale of quarry materials. This is partly offset by a decline in the demand for the sale of timber materials.
- The increase is largely related to revenue recognised from DHPW for the recovery of both capital and operating expenses associated with the relocation of the ITP data centre from the Land Centre as part of the Cross River Rail project and insurance recovery claims received this financial year for damage at the Bribie Island and Applethorpe research facilities and the Parkhurst facility.
- Higher than expected cattle prices, as a result of more favourable conditions has led to an increase in the livestock valuation.
- The variance is largely due to vacant budgeted positions across the department with the use of contractors in place of employees for seasonal work, short term demand and biosecurity pest and disease emergency responses.
- The increase is largely due to additional expenses associated with the finalisation of NCS arrangements for the NRIFAEP, the containment of White Spot Disease, the ongoing control and coordination for Panama TR4 and the Great Barrier Reef Water Quality Program. This is partially offset by a reduction in expenses associated with the deferral of funding from 2017-18 for various departmental programs.
- The increase is largely due to expenses incurred in 2017-18 for the continuation of the Drought Assistance Package and a grant paid to QRIDA to administer the Fisheries Vessel Tracking and Monitoring Scheme.
- The increased expense relates to the write off of bad debts and the recognition of doubtful and bad debts that the department has deemed unrecoverable.
- The increased expense relates to a sponsorship payment to Beef Australia for Beef 2018 and the loss on sale of property, plant and equipment, which was surplus to service delivery requirements.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

29. Budget vs Actual Comparison (continued)

Statement of Financial Position

	Variance Notes	Original Budget 2018 \$'000	Actual 2018 \$'000	Budget Variance \$'000
Current Assets				
Cash and cash equivalents		40,488	40,798	310
Receivables	12	30,363	48,746	18,383
Inventories		1,502	1,160	(342)
Other current assets		6,302	7,494	1,192
Total Current Assets		78,655	98,199	19,544
Non-Current Assets				
Intangible assets	13	1,481	997	(484)
Property, plant and equipment	14	367,620	351,341	(16,279)
Other non-current assets		13,545	11,757	(1,788)
Total Non-Current Assets		382,646	364,094	(18,552)
Biological Assets				
Biological assets	15	2,089	3,758	1,669
Total Biological Assets		2,089	3,758	1,669
Total Assets		463,390	466,050	2,660
Current Liabilities				
Payables	16	10,160	16,982	6,822
Accrued employee benefits	17	4,734	9,016	4,282
Unearned revenue	18	19,285	27,952	8,667
Security deposits	19	-	324	324
Total Current Liabilities		34,179	54,275	20,096
Non-Current Liabilities				
Unearned revenue	20	17,995	16,611	(1,384)
Total Non-Current Liabilities		17,995	16,611	(1,384)
Total Liabilities		52,174	70,886	18,712
Net Assets		411,216	395,164	(16,052)

Explanation of major variances:

12. The increase is largely due to higher than expected receivables under NCS arrangements for biosecurity pest and emergency disease responses (including the NRIFAEP).
13. The decrease is largely due to lower than anticipated software acquisitions during 2017-18.
14. The decrease is largely due to sales, transfers and impairment of assets, and the timing of plant and equipment purchases and capital works projects. Also contributing to the decrease is a revaluation decrement of assets at the former Redlands Poultry Research Station.
15. The increase is largely related to livestock valuations due to higher than expected cattle prices, as a result of more favourable conditions.
16. The increase mainly reflects higher than expected end of year accruals largely associated with capital works upgrades for the Toowoomba facility, expenses for the Queensland Feral Pest Initiative and contractors for March to June for the NRIFAEP that were still unpaid at 30 June.
17. The variance is due to higher than anticipated accrued employee benefits.
18. The increase reflects higher than expected unearned revenue for contractual agreements for Research and Development projects and the funding received in advance for multi year Reef Water Quality Science projects as recommended by the Great Barrier Reef Taskforce.
19. The variance reflects the security deposits held as cash cover of accounts for Forestry customers that do not hold bank guarantees.
20. The decrease largely represents the amortisation of fit-out rent received in advance from CSIRO for the Health and Food Science Precinct and the Ecosciences Precinct.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

29. Budget vs Actual Comparison (continued)

Statement of Cash Flows

	Variance Notes	Original Budget 2018 \$'000	Actual 2018 \$'000	Budget Variance 2018 \$'000
Cash flows from operating activities				
<i>Inflows:</i>				
Service appropriation receipts	21	287,832	273,625	(14,207)
User charges and fees	22	101,950	122,548	20,598
Grants and other contributions	23	8,302	24,559	16,257
Royalties and land rents	24	26,585	29,487	2,902
GST input tax credits received from ATO		13,181	9,119	(4,062)
GST collected from customers		-	13,023	13,023
Other inflows		1,120	2,716	1,596
<i>Outflows:</i>				
Employee expenses	25	(210,997)	(207,365)	3,632
Supplies and services	26	(183,517)	(211,931)	(28,414)
Grants and subsidies	27	(8,529)	(21,554)	(13,025)
GST paid to suppliers		(13,131)	(23,037)	(9,906)
GST remitted to ATO		-	(93)	(93)
Other outflows		(2,186)	(2,526)	(340)
Net cash provided operating activities		20,610	8,571	(12,039)
Cash flows from investing activities				
<i>Inflows:</i>				
Sales of property, plant and equipment	28	1,480	1,953	473
<i>Outflows:</i>				
Payments for property, plant and equipment	29	(17,327)	(16,656)	671
Payments for intangibles	30	(800)	(123)	677
Net cash used in investing activities		(16,647)	(14,826)	1,821
Cash flows from financing activities				
<i>Inflows:</i>				
Equity injections	31	-	2,150	2,150
<i>Outflows:</i>				
Equity withdrawals	32	(4,138)	(8,001)	(3,863)
Net cash provided by financing activities		(4,138)	(5,851)	(1,713)
Net increase/(decrease) in Cash and Cash Equivalents		(175)	(12,106)	(11,931)
Cash and Cash Equivalents - opening balance		40,663	52,904	12,241
Cash and Cash Equivalents - closing balance		40,488	40,798	310

Explanation of major variances:

21. The decrease is largely due to a deferral of funding from 2017-18 to 2018-19 for various departmental programs including the Technology Commercialisation Fund, the Sustainable Fishing Strategy, Wild Dog control initiatives, the implementation of the Biosecurity Capability Review and pest and weed initiatives. This is partly offset by additional funding received in 2017-18 for the containment of White Spot Disease, the Queensland contribution for the NRIFAEP, the ongoing control and coordination program for the Panama TR4 response and the Great Barrier Reef Water Quality Program. Additional funds have also been released in 2017-18 from the funds held centrally by government for the continuation of the Drought Assistance Package.
22. User charges are higher than the original budget mainly due to additional revenue for NCS arrangements from other States and Territories for the NRIFAEP following the finalisation of funding arrangements for the ten year eradication program on 26 July 2017. Also contributing to the variance is higher than expected revenue for ITP services from the business and corporate partnership, additional revenue received from the GBRMPA towards the Sustainable Fishing Strategy and higher than expected revenue from the sale of Tick Fever serums.
23. The increase is largely due to additional revenue from the Australian Government for the NRIFAEP following finalisation of NCS funding arrangements for the ten year eradication program on 26 July 2017.
24. The increase is largely due to higher than expected seed and legume royalties and higher than expected revenue received for the sale of quarry materials. This is partly offset by a decline in the demand for the sale of timber materials.
25. The variance is largely due to vacant budgeted positions across the department with the use of contractors in place of employees for seasonal work, short term demand and biosecurity pest and disease emergency responses.
26. The increase is largely due to additional expenses associated with the finalisation of NCS arrangements for the NRIFAEP, the containment of White Spot Disease, the ongoing control and coordination for Panama TR4 and the Great Barrier Reef Water Quality Program, where funding arrangements were finalised after the published budget was released. This is partially offset by a reduction in expenses associated with the deferral of funding from 2017-18 for various departmental programs.
27. The increase is largely due to expenses incurred in 2017-18 for the continuation of the Drought Assistance Package and a grant paid to QRIDA to administer the Fisheries Vessel Tracking and Monitoring Scheme.
28. The increase is mainly due to the sale of land at the former Redlands Poultry Station.
29. The decrease is largely due to the timing of capital purchases and projects.

DEPARTMENT OF AGRICULTURE AND FISHERIES**Notes to the Financial Statements for the year ended 30 June 2018****29. Budget vs Actual Comparison (continued)****Explanation of major variances (continued):**

30. The decrease is largely due to lower than anticipated software acquisitions during 2017-18.
31. The actual reflects an equity injection for the proceeds from the sale of Manningham Station.
32. The actual reflects an equity withdrawal for the transfer of the proceeds from the sale of Manningham Station to QATC and equity to output funding swaps approved during 2017-18 to fund departmental operating initiatives.

30. Schedule of Administered Items**Schedule of Administered Income and Expenses**

	2018	2017
	\$'000	\$'000
Administered Income		
Appropriation revenue	26,737	12,389
User charges and fees	1,803	1,962
Grants and other contributions	15,191	-
Other revenue	960	39
Total Administered Income	44,691	14,389
Administered Expenses		
Grants to Queensland Rural and Industry Development Authority (QRIDA) ⁽¹⁾	14,010	11,470
Grants to Queensland Racing Integrity Commission (QRIC) ⁽²⁾	11,958	-
Grants to Queensland Agricultural Technical College (QATC)	-	900
Depreciation and amortisation	20	19
Loss on disposal/revaluation of assets	-	309
Impairment losses	-	1,367
Decrements on revaluation	29	-
Transfers of Administered appropriation to Government	750	-
Transfers of Administered income to Government	17,954	2,000
Total Administered Expenses	44,721	16,065
Operating Surplus/(Deficit)	(30)	(1,675)

Schedule of Administered Assets and Liabilities**Administered Assets**

<i>Current</i>		
Cash	760	(147)
Receivables ⁽²⁾	16,457	199
Other current assets	-	18
Total Current Assets	17,218	70

Non-Current

Property, plant and equipment	912	961
Total Non Current Assets	912	961

Administered Liabilities

<i>Current</i>		
Appropriation refundable to Government	1,730	-
Payables to Government ⁽²⁾	15,469	49
Payables	-	2
Total current Liabilities	17,199	51

Net Administered Assets/Liabilities

931	980
------------	------------

Schedule of Administered Equity Represented by:**Administered Equity**

Contributed Equity	3,754	3,772
Accumulated surplus/(deficit)	(2,846)	(2,815)
Asset Revaluation Reserve	23	23
Total Administered Equity	931	980

⁽¹⁾ The Queensland Rural Adjustment Authority (QRAA) was renamed QRIDA effective from 1 July 2017.

⁽²⁾ As a result of Administrative Arrangements Order (No.4) 2017, responsibilities for funding of QRIC was transferred to DAF from Queensland Treasury, effective 1 January 2018.

Accounting Policy - Schedule of administered items

The department administers, but does not control, certain resources on behalf of the Government. In doing so, it has responsibility and is accountable for administering related transactions and items, but does not have the discretion to deploy the resources for the achievement of the department's objectives. These transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
31. Reconciliation of payments from consolidated fund to administered income		
Budgeted appropriation	14,028	13,070
Transfers from/to other departments	12,688	-
Lapsed administered appropriation	-	(700)
Equity Adjustment	12	19
Unforeseen expenditure ⁽¹⁾	982	-
Total administered receipts	27,710	12,389
Add: Opening balance of deferred appropriation payable to Consolidated Fund	7	7
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(1,730)	(7)
Net Appropriation Revenue	25,987	12,389
Plus Deferred appropriation payable to Consolidated Fund (expense)	750	-
Appropriation Revenue recognised in Statement of Comprehensive Income	26,737	12,389

⁽¹⁾ This adjustment is required to recognise 2016-17 appropriation deferral for QRIC.

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

Budgeted equity adjustment appropriation	1,142	(157)
Equity adjustment	(12)	145
Equity adjustment(to reverse deferred appropriation)	-	(7)
Equity adjustment receipts (payments)	1,130	(19)
Plus: Closing balance of equity adjustment receivable	980	-
Plus: opening balance of equity adjustment payable	(7)	-
Less: Closing balance of equity adjustment payable	-	7
Equity adjustment recognised in contributed equity	2,103	(12)

DEPARTMENT OF AGRICULTURE AND FISHERIES

Notes to the Financial Statements for the year ended 30 June 2018

32. Administered Activities Budget vs Actual Comparison

		Adjusted Budget ⁽¹⁾ 2018 \$'000	Actual 2018 \$'000	Budget Variance 2018 000
	Variance Notes			
Administered Income				
Appropriation revenue		26,735	26,737	2
User charges and fees		1,843	1,803	(40)
Grants and other contributions	33	16,191	15,191	(1,000)
Other revenue	34	1,750	960	(790)
Total Administered Income		46,519	44,691	(1,828)
Administered Expenses				
Grants to Queensland Rural and Industry Development Authority (QRIDA)		14,028	14,010	(18)
Grants to Queensland Racing Integrity Commission (QRIC)	35	12,688	11,958	(730)
Depreciation and amortisation		19	20	1
Decrements on revaluation		-	29	29
Transfers of Administered appropriation to Government	36	-	750	750
Transfers of Administered income to Government	37	19,784	17,954	(1,830)
Total Administered Expenses		46,519	44,721	(1,798)
Operating Surplus/(Deficit)		-	(30)	(30)
Administered Assets				
<i>Current</i>				
Cash		4	760	756
Receivables	38	12	16,457	16,445
Total Current Assets		16	17,218	17,201
<i>Non-Current</i>				
Property, plant and equipment	39	1,004	912	(92)
Total Non-Current Assets		1,004	912	(92)
Administered Liabilities				
<i>Current</i>				
Appropriation refundable to Government	40	-	1,730	1,730
Payables to Government	41	3	15,469	15,466
Total Current Liabilities		3	17,199	17,196
Net Administered Assets/Liabilities		1,017	931	(87)

⁽¹⁾ Adjusted budget has been recast due to MoG changes.

Explanation of major variances:

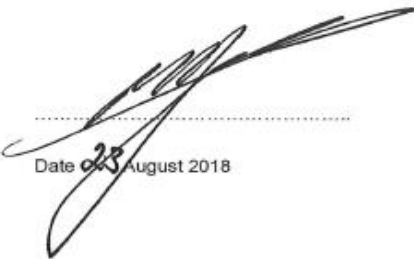
33. The variance relates to CBRC decision under section 54(2) of the Racing Integrity Act 2016 to reduce Racing Queensland's contribution for 2017-18.
34. The variance represents collection of funds for the period after MoG changes.
35. The variance is due to deferral of funds from 2017-18 into 2018-19 to match funding with anticipated cash flows.
36. The actual represents a payable to the consolidated fund for an underspend in 2017-18 of government appropriated funds allocated to QRIC.
37. The variance mainly relates to CBRC decision under section 54(2) of the Racing Integrity Act 2016 to reduce Racing Queensland's contribution and collection of other revenue after MoG.
38. The increase largely represents a receivable from Racing Queensland for their 2017-18 contributions towards QRIC operations.
39. The variance largely represents a decrease in the land valuation for forestry assets administered by the department.
40. The actual represents a payable to the consolidated fund for an underspend in 2017-18 of government appropriated funds allocated to QRIC.
41. The increase largely represents a payable to return the 2017-18 contributions from Racing Queensland to the Consolidated Fund.

Management Certificate of the Department of Agriculture and Fisheries

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with Section 62(1)(b) of the Act we certify that in our opinion:


- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Agriculture and Fisheries for the year ended 30 June 2018 and of the financial position of the department at the end of that year; and
- c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

Mike Richards B.Com., MIPA
Chief Finance Officer



.....
Date 23 August 2018

Dr. Elizabeth Woods
Director-General



.....
Date 23 August 2018



INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Agriculture and Fisheries

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Department of Agriculture and Fisheries.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2018, 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 2009 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 2018, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental service for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

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

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

Key audit matters

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



Valuation of Land \$107.736 million

Refer to note 17 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>The Department of Agriculture and Fisheries' Land was measured at fair value using the market approach which involves physical inspection and reference to publicly available data on recent sales of similar land in nearby localities.</p> <p>The Department engaged a registered valuer to undertake a specific appraisal of all land holdings at 30 June 2016.</p> <p>Significant judgement was used in arriving at suitable discount rates for the restrictions on reserve land.</p> <p>The fair value of reserve land was derived by discounting the market value of similar land that had no restrictions, and then estimating the discount a willing market participant would make taking into account the restrictions on use.</p> <p>The Department has subsequently performed annual indexations of these valuations. Significant judgement was required in determining the appropriate index.</p>	<p>My procedures for the valuation of Land included, but were not limited to:</p> <p>In the prior year:</p> <ul style="list-style-type: none"> Assessing the competence, capability and objectivity of the experts used to develop the valuations. Obtaining an understanding of the valuers methodology used with reference to common industry practices. <p>For the periods subsequent to the specific appraisal performed as at 30 June 2016:</p> <ul style="list-style-type: none"> Evaluating the reasonableness of the index used against other publicly available information about movements in values for unrestricted land that is otherwise similar. On a sample basis, testing the accuracy of the application of indices to the valuation of land assets.

Buildings valuation (\$117.083 million) and depreciation expense (\$5.149 million)

Refer to note 17 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>The Department of Agriculture and Fisheries' specialised buildings were measured at fair value at balance date using current replacement cost method that comprises:</p> <ul style="list-style-type: none"> Gross replacement cost, less Accumulated depreciation. <p>The Department's Buildings were specifically appraised as at 30 June 2016 and indexed in subsequent years.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Assessing management's controls over the valuation process Assessing the appropriateness of the process used for measuring gross replacement cost with reference to the department's asset management plans, the unit costs of its recent projects, and common industry practices. For unit rates: <ul style="list-style-type: none"> Assessing the competence, capability and objectivity of the experts used by the department to develop the unit rate models. Obtaining an understanding of the methodology used and assessing its appropriateness with reference to common industry practices.

Key audit matter	How my audit addressed the key audit matter
<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 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. buildings not specific appraised in the current year, indexing unit rates for increases in input costs <p>The measurement of accumulated depreciation involves significant judgements for estimating the remaining useful lives of assets.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p>	<ul style="list-style-type: none"> For buildings specific appraisals in the current year, evaluating on a sample basis 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 on costs) adjustment for excess quality or obsolescence. For buildings revaluated through indexation, recalculating the index with reference to the current year's specific appraisal. Evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> Reviewing management's annual assessment of useful lives. Assessing whether assets still in use have reached or exceeded their 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 2009 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In accordance with s.40 of the *Auditor-General Act 2009*, for the year 30 June 2018:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

A handwritten signature in blue ink, appearing to read 'George'.

Nick George
as delegate of the Auditor-General

29 August 2018

Queensland Audit Office
Brisbane

Disclosures

Appendix 1: Regulator performance framework self-assessment

Table A1: Business measure—self-audit against the six KPIs of the Australian Government Regulator Performance Framework (performance score: 1 = poor to 5 = excellent)

Agricultural chemicals and veterinary medicines	KPI 1: Regulators do not unnecessarily impede the efficient operation of regulated entities	Performance score: 4 During 2017–18 a new online system (the Chemical Application Licensing System) was implemented to streamline renewal of licences under the <i>Agricultural Chemicals Distribution Control Act 1966</i> .
	KPI 2: Communication with regulated entities is clear, targeted and effective	Performance score: 3.5 National-level discussions to improve engagement on cross-jurisdictional issues were initiated. An industry liaison officer based in AgForce was used to enhance communication on topics such as spraydrift and industry training requirements. Web enhancements were implemented.
	KPI 3: Actions undertaken by regulators are proportionate to the risk being managed	Performance score: 4 A risk assessment framework was adopted to improve decision-making in investigations of potential non-compliance in the use of hormone growth products. This scheme is implemented at the national level but compliance is undertaken at the state level.
	KPI 4: Compliance and monitoring approaches are streamlined and coordinated	Performance score: 4
	KPI 5: Regulators are open and transparent in their dealings with regulated entities	Performance score: 4 The legislation that underpins this regulatory area contains requirements in relation to the information and notices that must be given to regulated entities under various circumstances. The decision-making processes in place meet these obligations.
	KPI 6: Regulators actively contribute to the continuous improvement of regulatory frameworks	Performance score: 5 DAF contributed to a review of the intergovernmental agreement for the single national regulatory framework for agricultural chemicals and veterinary medicines.
Animal welfare and management	KPI 1: Regulators do not unnecessarily impede the efficient operation of regulated entities	Performance score: 4 The ability for dog breeders to renew licences online has provided efficiencies. The Queensland Racing Integrity Commission was prescribed as an approved entity under animal management legislation, and can now manage details of registered dog owners.
	KPI 2: Communication with regulated entities is clear, targeted and effective	Performance score: 4 The Dog Breeder Registration Governance Group was established to provide advice on matters such as compliance by local governments and approved entities, dog breeder registration, and streamlining processes.
	KPI 3: Actions undertaken by regulators are proportionate to the risk being managed	Performance score: 4
	KPI 4: Compliance and monitoring approaches are streamlined and coordinated	Performance score: 4 The Biosecurity Queensland case management system, implemented during 2017–18, facilitates a more coordinated compliance process.
	KPI 5: Regulators are open and transparent in their dealings with regulated entities	Performance score: 4 Biosecurity Queensland continues to work with the RSPCA on continuous improvement of compliance and monitoring processes.
	KPI 6: Regulators actively contribute to the continuous improvement of regulatory frameworks	Performance score: 4.5 DAF commenced review of the <i>Brands Act 1915</i> to provide a more efficient legislative framework. Other legislative amendments were developed to meet community expectations about animal welfare and management.

(continued)

Table A1 (continued)

Biosecurity	KPI 1: Regulators do not unnecessarily impede the efficient operation of regulated entities	Performance score: 4 Following legislative amendments in 2016–17 to allow third-party certification, DAF recognised industry accreditation of production nurseries under BioSecure HACCP.
	KPI 2: Communication with regulated entities is clear, targeted and effective	Performance score: 5 DAF continued funding for an industry liaison position within the peak stakeholder organisations. This arrangement has facilitated an improved understanding of stakeholder obligations under the <i>Biosecurity Act 2014</i> and the concept of shared responsibility.
	KPI 3: Actions undertaken by regulators are proportionate to the risk being managed	Performance score: 4 DAF utilised the full suite of legislative instruments available under the <i>Biosecurity Act 2014</i> .
	KPI 4: Compliance and monitoring approaches are streamlined and coordinated	Performance score: 3.5 Penalty infringement notices for a range of biosecurity offences were incorporated into the State Penalties Enforcement Regulation 2014 to streamline compliance and reduce burdens on the court system.
	KPI 5: Regulators are open and transparent in their dealings with regulated entities	Performance score: 4 The legislation that underpins this regulatory area contains requirements in relation to the information and notices that must be given to regulated entities under various circumstances. The decision-making processes in place meet these obligations.
	KPI 6: Regulators actively contribute to the continuous improvement of regulatory frameworks	Performance score: 4 DAF established the Regulatory Change Committee to oversee the regulatory framework, and to ensure that biosecurity legislation is contemporary, fit for purpose, and managed in a rigorous way.
Fisheries management	KPI 1: Regulators do not unnecessarily impede the efficient operation of regulated entities	Performance score: 2 DAF improved responsiveness of decision-making by using harvest strategies that set out predetermined rules for fisheries management under the <i>Queensland sustainable fisheries strategy 2017–2027</i> . The strategy also sets out the government's preference for output-based management (i.e. quota), which will allow for prescriptive regulations to be reduced.
	KPI 2: Communication with regulated entities is clear, targeted and effective	Performance score: 4 As part of a public consultation processes associated with the reviews of the <i>Fisheries Act 1994</i> and the crab, trawl and east coast inshore fisheries, DAF released discussion papers and completed a program of regional meetings. The opportunity to provide feedback was supported through online surveys and written submissions.
	KPI 3: Actions undertaken by regulators are proportionate to the risk being managed	Performance score: 3 Management actions taken to ensure sustainability are based on best practice fisheries management principles and best available information. Changes were made in the last year to coral trout quota, spanner crab quota and hammerhead shark protections.
	KPI 4: Compliance and monitoring approaches are streamlined and coordinated	Performance score: 4 Compliance and monitoring approaches are being improved in line with the <i>Queensland sustainable fisheries strategy 2017–2027</i> . This includes 20 new compliance officers, a more intelligence-based approach to compliance, and further cross-checking with other agencies.
	KPI 5: Regulators are open and transparent in their dealings with regulated entities	Performance score: 4 Summaries of the results of consultation have been provided to fisheries stakeholder working groups and will be released on DAF's website (www.daf.qld.gov.au).
	KPI 6: Regulators actively contribute to the continuous improvement of regulatory frameworks	Performance score: 3 DAF proposed amendments to the <i>Fisheries Act 1994</i> to deliver more responsive fisheries management decisions and modernise the fisheries legislation.

Source: Commonwealth of Australia, 2014, <www.pmc.gov.au/resource-centre/regulation/regulator-performance-framework>.

Appendix 2: Online reporting

To support accountability and transparency across government, a number of reporting requirements are now released online through the Open Data portal in lieu of inclusion in the annual report.

Table A2: Annual reporting requirements available through the Queensland Government's Open Data portal

Reporting requirement	Available series
Consultancies	2012–13 to 2017–18
Overseas travel	2012–13 to 2017–18
<i>Queensland language services policy</i>	2014–15 to 2017–18
Government entities*	2014–15

* Government entities/bodies from 2015–16 on are published at www.daf.qld.gov.au.

Appendix 3: Related entities

The entities in Table A3, together with the department, form the ministerial portfolio for the Minister for Agricultural Industry Development and Fisheries.

The entity in Table A4 is administered by the department for the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs.

Table A3: Related entities in ministerial portfolio

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 Agricultural Training Colleges	Statutory body	Provide high-quality agricultural and rural vocational education and training	<i>Queensland Agricultural Training Colleges Act 2005</i>	Annual report tabled in Parliament
Queensland Rural and Industry Development Authority	Statutory body	Administer approved financial assistance schemes	<i>Rural and Regional Adjustment Act 1994</i>	Annual report tabled in Parliament
Safe Food Production Queensland	Statutory body	Regulate the production and processing of food products	<i>Food Production (Safety) Act 2000</i>	Annual report tabled in Parliament
Veterinary Surgeons Board of Queensland	Statutory authority	Registration of veterinary surgeons, provisions in response to misconduct, and the control of veterinary science practice	<i>Veterinary Surgeons Act 1936</i>	The transactions of the entity are included in the department's financial statements

Table A4: Additional entity administered

Name	Type of entity	Functions	Legislation under which the entity was established	Annual reporting arrangement
Queensland Racing Integrity Commission*	Statutory body	Oversees the integrity and welfare standards of racing animals and participants in Queensland	<i>Racing Integrity Act 2016</i>	Annual report tabled in Parliament

* In line with Administrative Arrangements Order (no. 4) 2017 of 21 December 2017, the Department of Agriculture and Fisheries is the administrative agency for the Queensland Racing Integrity Commission.

Appendix 4: Performance statements

Table A5: Performance statements (2017–18)

	Notes	2017–18 target/ estimate	2017–18 estimated actual	2017–18 actual
Service area: Agriculture				
Service: Strategic policy and planning				
Service standards				
<i>Effectiveness measure</i> Proportion of stakeholders who have a high level of satisfaction with agriculture policy and planning, consultation and engagement processes	1	70%	70%	70%
<i>Efficiency measure</i> Average cost per hour to conduct regulatory policy and reform activities	2, 3	\$75	\$69	\$71
Service: Rural economic development				
Service standards				
<i>Effectiveness measures</i> Percentage of customers whose application for business assistance as a result of natural disaster or drought is processed within 21 days		90%	93%	95%
Percentage of primary producers in Reef catchments who adopt best management practices after participation in DAF extension programs	4, 5	40%	40%	47%
<i>Efficiency measures</i> Average cost of regional agricultural advocacy activities	6, 7	\$800	\$800	\$670
Investment in the management of the Drought Relief Assistance Scheme program as a proportion of the total claims paid under the scheme	8, 9	10%	8%	8%
Service: Agri-Science Queensland				
Service standards				
<i>Effectiveness measures</i> Percentage of customers indicating that participation in a research, development and extension activity contributes to business improvements	10	75%	75%	82.46%
Level of funding partner satisfaction that research outcomes contribute to industry productivity growth	11, 12	80%	80%	96%
<i>Efficiency measure</i> Percentage return on research, development and extension investment through royalty returns	13, 14	3.5%	3.5%	6.78%

(continued)

Table A5 (continued)

	Notes	2017–18 target/ estimate	2017–18 estimated actual	2017–18 actual
Service area: Biosecurity Queensland				
Service standards				
<i>Effectiveness measure</i> Percentage of significant response programs on track to deliver nationally agreed outcomes (on time and on budget)		100%	100%	100%
<i>Efficiency measure</i> Average cost per hour to deliver biosecurity services for Queensland		\$52	\$53.01	\$53.33
Service area: Fisheries and Forestry				
Service: Fisheries				
Service standards				
<i>Effectiveness measures</i> Percentage of key Queensland fish stocks assessed that are considered to have no sustainability concerns	15	85%	82%	82%
Percentage of units inspected that are compliant with fisheries laws		93%	91%	91%
<i>Efficiency measures</i> Average cost of inspections	16	\$480	\$500	\$469
Average number of inspections per FTE	17	298	280	245
Service: Forestry				
Service standards				
<i>Effectiveness measure</i> Percentage of findings from the previous third-party audit confirmed as satisfactorily addressed in order to maintain certification to the <i>Australian standard: sustainable forest management</i> (AS4708:2013)	18	100%	100%	100%
<i>Efficiency measure</i> Total of forest product sales quantities per total Forest Products full-time equivalent (FTE):				
(a) Native forest timber (m ³ /FTE)		2 450	2 870	2 763
(b) Quarry material (m ³ /FTE)	19, 20	40 800	53 700	47 811

Notes:

1. This measure covers a range of dimensions of stakeholder satisfaction including quality, satisfaction with the tools and methods of engagement and the level of opportunity to contribute to policy direction to determine overall stakeholder satisfaction. Both quantitative and qualitative responses are sought.
2. The cost for this efficiency measure is based on employee expenses for staff responsible for regulatory policy and reform.

(continued)

Table A5 (continued)

3. The average cost per hour to conduct regulatory policy and reform activities is lower than originally forecast due to flexible staffing arrangements, which have reduced the overall cost of service provision.
4. Best management practice is an industry-recognised term for a standard of overall practice generally achieved from a series of improvements over time. This measure reports adoption of improved practices which can have a positive impact on resource condition and production during the surveyed period.
5. The actual result is above target due to the effective delivery of the department's extension programs leading to progressively higher levels of adoption of best management practices.
6. Expenses included in the methodology are salaries (including on-costs) plus general operating costs directly attributable to the activity.
7. The actual is below target due to activities being less complex and shorter than anticipated, resulting in a lower cost per activity.
8. Methodology is cost of claims paid to eligible producers divided by administration costs. Administration costs include salary, IT and phone costs of temporary staff and percentage of salary and IT costs of permanent staff based on time spent processing claims. Also included are audit costs and ITP maintenance of the Drought and Disaster Assistance Management System (DDAMS) database.
9. The variance between the 2017–18 Target/Estimate and the 2017–18 Estimated Actual and Actual is due to the active management of contractor numbers resulting in reduced expenditure throughout the year, a small increase in the number and value of claims being received, and a fall in the required maintenance and development costs for the DDAMS database.
10. Over 4500 participants completed the survey, an increase of approximately 2500 respondents over the 2016–17 number. The result is reflective of the larger sample and the perceived benefit, and intent to make business improvements, as a result of participating in the RD&E activity. The target of 75% was set based upon prior performance feedback.
11. This measure of funding partner satisfaction covers a range of dimensions that consider both the quality, relevance and timeliness of processes used by Agri-Science Queensland (ASQ) and the outcomes delivered by individual projects. Both quantitative and qualitative feedback is sought to gauge overall satisfaction and improve the service.
12. The target is a minimum standard. Satisfaction is measured across 9 questions assessing different aspects of DAF's performance (1 = very dissatisfied, 3 = neutral, 5 = very satisfied). The result reflects an averaged level of satisfaction for respondents across the 9 questions (averaged rating is >3).
13. The Queensland Government investment in RD&E through ASQ is calculated annually. The percentage relates to the royalty and licensing income earned by ASQ as a direct result of the government's investment in agricultural RD&E. This excludes partnership payments to the university sector and Sugar Research Australia where intellectual property is not allocated to DAF, as well as research facility transition costs.
14. The royalty return in 2017–18 is above trend due to favourable winter seasonal growing conditions relating to wheat, barley and chickpeas. In addition, royalties for Rhinogard relating to 2016–17 were received in 2017–18.
15. The status of key fish stocks in Queensland are assessed using nationally agreed standards and protocols. Each full cycle of the assessment process takes 24 months to complete. The number of stocks assessed fluctuates annually, which in turn influences the result of the formula applied to derive the measure. In 2017–18, 28/34 (82%) of stocks that were assessed had no sustainability concerns, while the remaining six stocks did have sustainability concerns (i.e. were classified as depleting, overfished or recovering stocks). Significantly, these were all stocks where sustainability concerns had already been identified in previous assessments. No new stocks with sustainability concerns were identified in 2017–18.
16. The cost of inspection is determined by the number of inspections undertaken by authorised officers of the Queensland Boating and Fisheries Patrol (QBFP) and the annual cost of QBFP operations. The QBFP conducts both fisheries inspections for DAF and boating safety inspections on behalf of other agencies such as the Department of Transport and Main Roads.
17. This measure is below target due to the adoption of a targeted intelligence-driven patrol compliance model that targets non-compliant activities rather than random on-water inspections. As a result, the number of units inspected that are compliant is expected to decrease while the number of offence detections is expected to increase.
18. Certification to the Australian Standard is voluntary, and pursued as a value-adding credential for Forest Products. This certification enables purchasers of state-owned forest products to promote and label their products as sourced from responsibly managed forests. This chain-of-custody process helps DAF customers to access increasingly discerning markets requiring legally sourced and environmentally credentialed timber products. It also provides the Queensland community with confidence that designated forest areas have been determined to meet high standards of sustainable management through independent review. The department endeavours to satisfactorily address all significant audit findings within a 12-month period to ensure relevant customers can continue to label their products as sustainably produced.
19. The 2017–18 estimated actual is higher than the target due to higher than expected removals for native forest timber and quarry materials, combined with lower than expected FTEs as a result of staff turnover.
20. Variance between target and actual result is due to higher than expected removals for native forest timber and quarry materials, combined with lower than expected FTEs due to higher than anticipated staff turnover and a number of pending recruitment activities.

Appendix 5: Administered legislation

The public business of the State of Queensland is divided among its ministers. Each ministerial portfolio carries particular responsibilities, including the administration of relevant legislation. As at 30 June 2018, DAF administered the following legislation for the Minister for Agricultural Industry Development and Fisheries.

Table A6: Legislation administered by DAF (2017–18)

Legislation	Notes
<i>Agricultural and Veterinary Chemicals (Queensland) Act 1994</i>	
<i>Agricultural Chemicals Distribution Control Act 1966</i>	
<i>Animal Care and Protection Act 2001</i>	
<i>Animal Management (Cats and Dogs) Act 2008</i>	
<i>Biological Control Act 1987</i>	
<i>Biosecurity Act 2014</i>	
<i>Brands Act 1915</i>	
<i>Chemical Usage (Agricultural and Veterinary) Control Act 1988</i>	
<i>Drugs Misuse Act 1986 (part 5B)</i>	
<i>Exhibited Animals Act 2015</i>	
<i>Farm Business Debt Mediation Act 2017</i>	
<i>Fisheries Act 1994</i>	Except for Fish Habitat Areas, which are administered with the Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts
<i>Food Production (Safety) Act 2000</i>	
<i>Forestry Act 1959</i>	Jointly administered with the Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts
<i>Nature Conservation Act 1992</i>	To the extent that it is relevant to demonstrated and exhibited native animals; jointly administered by the Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts
<i>Racing Integrity Act 2016</i>	Administered on behalf of the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs
<i>Regional Planning Interests Act 2014 (part 4, division 2)</i>	
<i>Rural and Regional Adjustment Act 1994</i>	
<i>Sugar Industry Act 1999</i>	
<i>Torres Strait Fisheries Act 1984</i>	
<i>Veterinary Surgeons Act 1936</i>	

Appendix 6: Compliance checklist

Table A7: Compliance checklist (2017–18)

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 160–161
	<ul style="list-style-type: none"> Public availability 	ARRs—section 9.2	Inside front cover
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government language services policy ARRs—section 9.3	Inside front cover
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs—section 9.4	Inside front cover
	<ul style="list-style-type: none"> Information licensing 	<i>Queensland Government enterprise architecture—information licensing</i> ARRs—section 9.5	Inside front cover
General information	<ul style="list-style-type: none"> Introductory information 	ARRs—section 10.1	2–4
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs—section 10.2	18–19
	<ul style="list-style-type: none"> Machinery-of-government changes 	ARRs—sections 31 and 32	N/A
	<ul style="list-style-type: none"> Operating environment 	ARRs—section 10.3	12–17
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs—section 11.1	4, 24
	<ul style="list-style-type: none"> Other whole-of-government plans/specific initiatives 	ARRs—section 11.2	Cross-government commitments
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs—section 11.3	28–85
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs—section 11.4	152–154
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs—section 12.1	5–11
Governance—management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs—section 13.1	23
	<ul style="list-style-type: none"> Executive management 	ARRs—section 13.2	20–22
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs—section 13.3	151
	<ul style="list-style-type: none"> <i>Public Sector Ethics Act 1994</i> 	<i>Public Sector Ethics Act 1994</i> ARRs—section 13.4	86
	<ul style="list-style-type: none"> Queensland public service values 	ARRs—section 13.5	87

(continued)

Table A7 (continued)

Summary of requirement		Basis for requirement	Annual report reference
Governance—risk management and accountability	• Risk management	ARRs—section 14.1	90, 93
	• Audit committee	ARRs—section 14.2	89
	• Internal audit	ARRs—section 14.3	90
	• External scrutiny	ARRs—section 14.4	91
	• Information systems and recordkeeping	ARRs—section 14.5	93–95
Governance—human resources	• Strategic workforce planning and performance	ARRs—section 15.1	96–101
	• Early retirement, redundancy and retrenchment	<i>Directive no. 11/12: early retirement, redundancy and retrenchment</i> <i>Directive no. 16/16: early retirement, redundancy and retrenchment (from 20 May 2016)</i> ARRs—section 15.2	101
Open Data	• Statement advising publication of information	ARRs—section 16	150
	• Consultancies	ARRs—section 33.1	https://data.qld.gov.au
	• Overseas travel	ARRs—section 33.2	https://data.qld.gov.au
	• <i>Queensland language services policy</i>	ARRs—section 33.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA—section 62 FPMS—sections 42, 43 and 50 ARRs—section 17.1	143
	• Independent auditor's report	FAA—section 62 FPMS—section 50 ARRs—section 17.2	144–147

ARRs—Annual report requirements for Queensland Government agencies

FAA—Financial Accountability Act 2009

FPMS—Financial and Performance Management Standard 2009

Acronyms and abbreviations

ABS	Australian Bureau of Statistics
ADA	aquaculture development area
AgMAC	Agricultural Ministerial Advisory Council
ARRs	<i>Annual report requirements for Queensland Government agencies</i>
ASQ	Agri-Science Queensland
BMP	best management practice
CGIAR	Consultative Group on International Agricultural Research
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAF	Department of Agriculture and Fisheries
DDAMS	Drought and Disaster Assistance Management System
DNRME	Department of Natural Resources, Mines and Energy
DRAS	Drought Relief Assistance Scheme
ERA	ecological risk assessment
FAA	<i>Financial Accountability Act 2009</i>
FPMS	Financial and Performance Management Standard 2009
FTE	full-time equivalent
GQFE	Growing Queensland's Food Exports
GST	goods and services tax
GVP	gross value of production
HACCP	hazard analysis and critical control point
ICT	information and communication technology
IT	information technology
ITP	Information and Technology Partners
KPI	key performance indicator
MDB	Murray–Darling Basin
NAIDOC	National Aborigines and [Torres Strait] Islanders Day Observance Committee
NATA	National Association of Testing Authorities
QAAFI	Queensland Alliance for Agriculture and Food Innovation
QAO	Queensland Audit Office
QBFP	Queensland Boating and Fisheries Patrol
QRIC	Queensland Racing Integrity Commission
QRIDA	Queensland Rural and Industry Development Authority

Acronyms and abbreviations (continued)

Reef 2050 Plan	<i>Reef 2050 long-term sustainability plan</i>
RD&E	research, development and extension
RSPCA	Royal Society for the Prevention of Cruelty to Animals
SARAS	Study and Research Assistance Scheme
SBIR	Small Business Innovation Research
SIPS	Stocked Impoundment Permit Scheme
TCF	Technology Commercialisation Fund
TWiG	Testing Within Government
UQ	The University of Queensland
WHS	workplace health and safety

Glossary

Administrative Arrangements Order	a document that specifies the subject matter and legislation dealt with by particular government departments
anthrax	a malignant infectious disease affecting cattle, sheep and other animals (and rarely humans) caused by <i>Bacillus anthracis</i>
aquaculture	the rearing of aquatic animals or the cultivation of aquatic plants for food
Asian green mussel	a large mussel (species name <i>Perna viridis</i>) that is a prohibited marine animal under the <i>Biosecurity Act 2014</i> ; it accumulates toxins and heavy metals that can cause poisoning if eaten and fouls surfaces such as vessel hulls, industrial intake pipes and wharves
cabomba	a popular, rapidly growing aquarium plant that when released into natural waterways can dominate native vegetation and obstruct creeks, wetlands, lakes and dams, interfering with swimming, boating and fishing as well as creating a habitat for disease carriers like mosquitoes
category B assistance	assistance available to primary producers, including concessional loans and freight subsidies
category C assistance	assistance available to primary producers for severe impact events only (with approval from the Prime Minister), including community recovery packages and clean-up and recovery grants
chain-of-custody program	an inventory control system that tracks log timber from its origin in certified forest and through its processing and manufacturing in the supply chain, providing assurance to the consumer that the timber product is from a responsibly managed source
citizen science	public participation in and contribution to scientific research with the aim of increasing scientific knowledge, usually in collaboration with a professional scientist
cucumber green mottle mosaic virus	a virus affecting cucurbits (such as cucumbers, pumpkins and melons) with symptoms including mosaic-like mottling of leaves, necrotic lesions on the stem and the malformation of fruit; also commonly referred to as 'CGMMV'
El Niño	a climatic event involving a rapid warming of the surface of the central and eastern tropical Pacific Ocean causing a change in normal wind and current movements, and having far-reaching and often disastrous effects on the world's weather, in particular causing drought on the eastern coast of Australia
electric ants	tiny golden-brown ants (species name <i>Wasmannia punctata</i>) that congregate under rocks, leaf litter etc. and can give sharp stings that can cause prolonged pain, itchiness, pustules and even blindness in small animals
forest product	any material derived from a forest for commercial use (e.g. log timber, other timber, seed, foliage, wildflowers)
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)
giant rat's tail grass	an aggressive native African long upright grass that forms large tussocks; it can reduce pasture productivity and significantly degrade natural areas
grazing	the use of land for the production of animals that are fed on native or introduced pastures or plants

(continued)

Glossary (continued)

gross value of production	the value of final goods and services produced in a given period
gypsy moth	an exotic moth whose caterpillar is a destructive pest of forests and horticulture; it has a very wide host range, but could be particularly damaging to Australian commercial pine plantations
mother-of-millions	a slender, erect, succulent perennial plant with pinkish-brown or greyish stems and red to orange flowers, native to Madagascar (and now a weed in Australia)
navua sedge	a vigorous, grass-like, perennial plant native to tropical Africa (and now an invasive plant in Australia) that competes strongly with pasture and other plants for nutrients, light and moisture
open data	data in its rawest form, made available free of charge
Open Data portal	a collection of agency-owned datasets that allows the public to find, access and re-use raw data from Queensland Government
Panama disease tropical race 4	a destructive fungal disease of banana plants (of which there are four strains) that invades the vascular tissue (xylem) through the roots, causing discolouration and wilting; tropical race 4 varies from other strains in that onset is generally quicker and the disease is generally more aggressive
prickly acacia	a weed of national significance that transforms natural grasslands into thorny scrub and woodlands, interfering with the movement of stock and access to water, and can cause soil degradation by contributing to erosion
pulses	annual crops yielding 1–12 seeds of various sizes, shapes and colours within a pod (e.g. kidney beans, lentils, navy beans, dry peas); also called grain legumes
red imported fire ants	small red ants (species name <i>Solenopsis invicta</i>) originally from South America that inflict a painful, fiery sting and could severely damage the environment, Queensland's outdoor lifestyle and the agriculture and tourism industries
red witchweed	a parasitic weed that grows attached to the roots of a 'host plant' and robs it of water and nutrients, suppressing its growth; hosts includes commercially important grasses and summer cereals
Sirex woodwasp	an invasive pest that has the potential to cause damage in pine plantations, first detected in Queensland in 2009 in temperate regions; however, research has shown that the widely planted hybrid pine are an inferior host for Sirex
tilapia	a restricted noxious fish under the <i>Biosecurity Act 2014</i> , first introduced into Australia in the 1970s as an ornamental fish and now regarded as one of the greatest threats to Australia's native biodiversity
tramp ants	a diverse group of invasive ant species originating from many regions of the world that are defined by their ability to spread to and establish in a wide variety of ecosystems, and their significant impacts on environmental, social and cultural values and human health
varroa mite	either of the two mites <i>Varroa destructor</i> or <i>V. jacobsoni</i> , which are external parasites of bees; <i>V. jacobsoni</i> was detected in Townsville in 2016 and is the focus of a nationally cost-shared eradication program
white spot disease	a highly contagious disease affecting prawns and other crustaceans but presenting no risk to humans

