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Annual Report 2003-04  
Department of Primary Industries and Fisheries

# Welcome

The Department of Primary Industries and Fisheries (DPI&F) is a Queensland Government agency that works to maximise the economic potential of Queensland's primary industries – the cornerstone of the state's economy. We do this by providing leading industry development, biosecurity, fisheries and forestry management services to the food, fibre, lifestyle, forestry, and fisheries industries (see page 10 for details).

Our *Annual Report 2003-04* provides financial and non-financial information about DPI&F's objectives, activities and performance for the financial year ended 30 June 2004. The report's format links programs undertaken in 2003-04 to the strategic values published in DPI&F's *Strategic Plan 2003-08*.

We have prepared this report as our primary accountability document for reporting to the Queensland Parliament, and also for individuals and groups who share an interest in DPI&F's current operations and future direction.

An electronic version of this report is available on the Internet at [www.dpi.qld.gov.au](http://www.dpi.qld.gov.au). Additional printed copies can be obtained by visiting the DPI&F Information Centre at 80 Ann Street, Brisbane. Alternatively, you are welcome to email [callweb@dpi.qld.gov.au](mailto:callweb@dpi.qld.gov.au) or telephone 13 25 23 for assistance. Information on other DPI&F publications is provided at Appendix 4 of this report.

## Have your say

DPI&F welcomes your comments or suggestions about our *Annual Report 2003-04* design and content. Please send your feedback to the Assistant Director-General, Corporate Capability, Department of Primary Industries and Fisheries, GPO Box 46, Brisbane Qld 4001. Alternatively, you can email [donna.mcgregor@dpi.qld.gov.au](mailto:donna.mcgregor@dpi.qld.gov.au).

As part of our continuous improvement process, feedback on past Annual Reports has been incorporated in the development of this report.

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## 2003-04 Highlights and challenges

DPI&F's new strategic direction as an economic development agency saw us realign our efforts to achieve greater productivity in the food and fibre sector, assist primary producers to exceed annual trade targets, and secure the long-term future of primary industries in Queensland.

### Highlights

- DPI&F welcomed a new Director-General and embraced a new name, a market-driven vision and mission, and a new operating framework aimed at 'aligning for success'. We began developing a *Primary Industries Future Directions Paper* to guide the delivery of profitable primary industries for Queensland (see page 4).
- We commenced preparing a *Research and Development (R&D) Strategy* aligned with the State Government's R&D priorities, and spent approximately \$117.9 million on R&D during 2003-04. This included investing in more than 900 state, national and international projects managed by 880 scientists and 380 support staff at 75 sites (see page 23).
- In response to strong demand for timber products, we sold a record 2.4 million cubic metres of State-owned softwood and hardwood timber to Queensland's regional timber processing industry (see page 39).
- DPI&F commenced developing a *Food and Agribusiness Export Strategy* and also directly influenced \$24.4 million of primary industries trade. This amount exceeded our trade target for the third consecutive year (see page 23).
- New legislation to ensure the sustainable management of coral reef fin fish and Spanish mackerel in Queensland was passed this year (see page 23).
- Preliminary monitoring of known red imported fire ant sites suggested that more than 99% of the ants have been eradicated in Queensland. This was achieved with massive community support (see page 37).
- Demonstrating our strong financial position, DPI&F's liabilities were less than 15% of our assets in 2003-04. Our net assets totalled \$267.3 million, an increase of \$21 million compared with last year (see page 60).

### Challenges

- Under the State Government's \$30.1 million *Future Directions Strategy*, DPI&F has begun working to double the area of State-owned hardwood plantation in south east Queensland. This will help the region's timber industry to successfully move from harvesting State-owned native forest timbers to plantation timbers by the end of 2024 (see page 26).
- Increased competition and low world sugar prices continued to place pressure on Queensland's sugar industry to improve its sustainability. We have supported the State Government's commitment to the industry through a new, three-year \$5.2 million FutureCane program and committed \$5.1 million to the Sugar Industry Innovation Fund (see page 26).
- With 57% of the state (as at 30 June 2004) remaining drought affected and under Exceptional Circumstances provisions, DPI&F provided further drought relief assistance to primary producers and began planning future drought readiness initiatives (see page 21).
- The continued threat to our primary industries of a major pest or disease incursion served to strengthen DPI&F's prevention, surveillance and response capabilities in 2003-04 (see page 38).

# OUR DIRECTOR-GENERAL'S OUTLOOK



Jim Varghese, Director-General

When I took up the Director-General's role at DPI&F in March 2004, I joined an organisation of highly skilled people dedicated to working hard for the benefit of Queensland. These qualities have stood them in good stead over the past year which was a time of major change and ongoing challenges within the department.

## A bold transformation

During 2003-04, DPI&F began one of the largest and boldest transformations in the department's 117-year history. It is a transformation that has to happen if the department is to continue to be a strong force in the success of Queensland's primary industries in the 21st century.

A review of our activities, which I called *'Aligning for Success'*, identified that to be successful in today's environment, we had to change the way we do business and build stronger partnerships with all our key stakeholder groups. We have a unique opportunity to be seen as adding significant value to the overall economic wellbeing of Queensland.

The primary industries sector is a major contributor to the State Government's efforts to grow a diverse economy and create more jobs. Today, the department has one clear focus; one simple vision that underpins everything we do. That is: 'profitable primary industries for Queensland'.

"I am pleased to report on the positive progress made by the department for the year ended 30 June 2004. I am proud of DPI&F's many successes and I am equally looking forward to an even better future."

To make this vision a reality, we have developed a set of values. The first is about a commitment to that vision: 'We are committed to profitable primary industries for Queensland'. This is no small challenge. Not only are this state's primary industries faced with the global problems of climate change and variability, community demands for sustainability, increasing competition, biosecurity threats, changing consumer expectations and globalisation of supply chains, there are significant domestic challenges as well.

Among them is the need to reduce the impacts of primary production on the environment and meet the requirements of increasing regulatory regimes in areas such as food safety, animal welfare and natural resource management.

To meet these challenges, I believe that DPI&F needs the very best people working together across Queensland as one organisation. This is the basis of our second value: 'We work together as one DPI&F'.

This vision cannot be achieved working in isolation. Our third and fourth values revolve around working with primary industries to understand and respond to the challenges that are facing them today. We must also work with Government to lead the development of a policy framework that maximises the contribution of primary industries to the economy. Our scientists need to form strategic collaborations with other research organisations to develop innovative solutions. This means a commitment to values centred on building effective relationships with our stakeholders and demonstrating leadership and innovation.

We will look closely at potential barriers to excellent performance and make any necessary changes. We will understand how to deliver outcomes and how relationships contribute to their delivery. We are moving to an organisation that nurtures the courage to question assumptions at all levels of management, that has structures that are more flexible, and systems that work for us and that bring in the capabilities we need. We are working on ways to deliver what we promise; our fifth value.

## The way forward

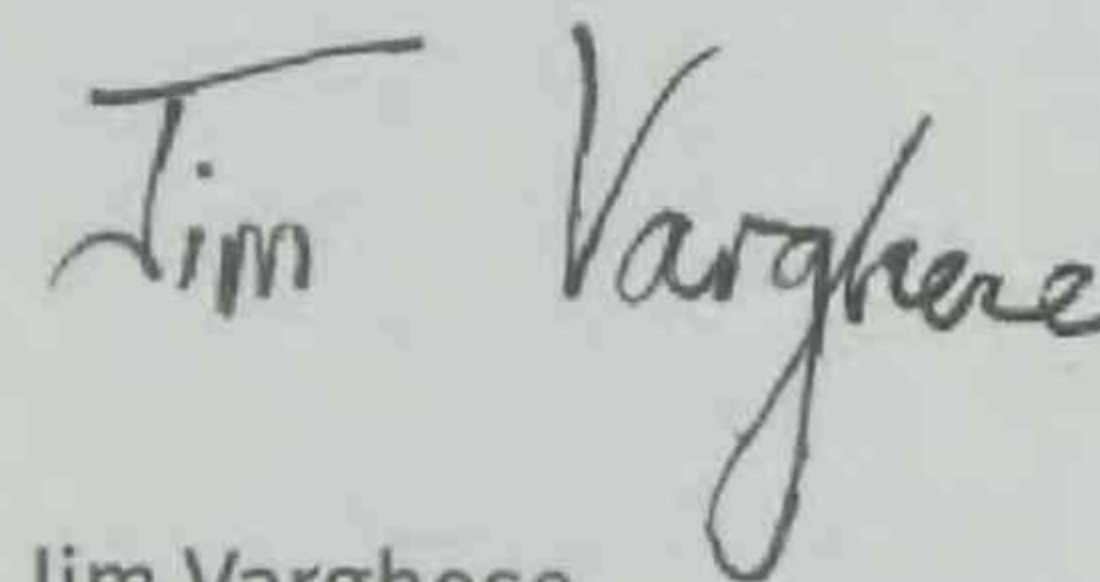
Our new vision of profitable primary industries for Queensland repositions us as an economic development agency, and it is through our economic development role that we will influence natural resource use issues. With this new role also comes a commitment to stronger collaborative partnerships with our stakeholders.

Overall, our repositioning strengthens DPI&F's commitment to:

- Taking a stronger role to address the hard issues facing primary industries and engaging industry in the process.
- Aligning our activities with Government priorities, linking our policies and strategies to whole-of-Government initiatives.
- Strengthening our policy capability and driving the primary industry agenda within the broader Government framework.
- Delivering regional development and employment outcomes.
- Strengthening industry self-reliance, rather than reliance on Government.
- Providing industry customers with smart science, practical innovations and business solutions that anticipate changing market forces and needs.
- Extending our focus to all aspects of industries' value chains.
- Working with industries throughout their lifecycles, recognising the equal importance of emerging and mature industries to Queensland's economy.
- Forming strategic research and development alliances and partnerships with universities, CSIRO, other Government agencies and industry-based research and development corporations.

Transformational change can be challenging, but also highly rewarding. I am passionate about DPI&F's exciting future and I encourage you to see how we are '*Aligning for Success*' with our new vision, mission, values and output areas (or service areas) in the following pages. You can also view our new organisation structure, including my transitional leadership team that is leading DPI&F's various business groups during this period of change.

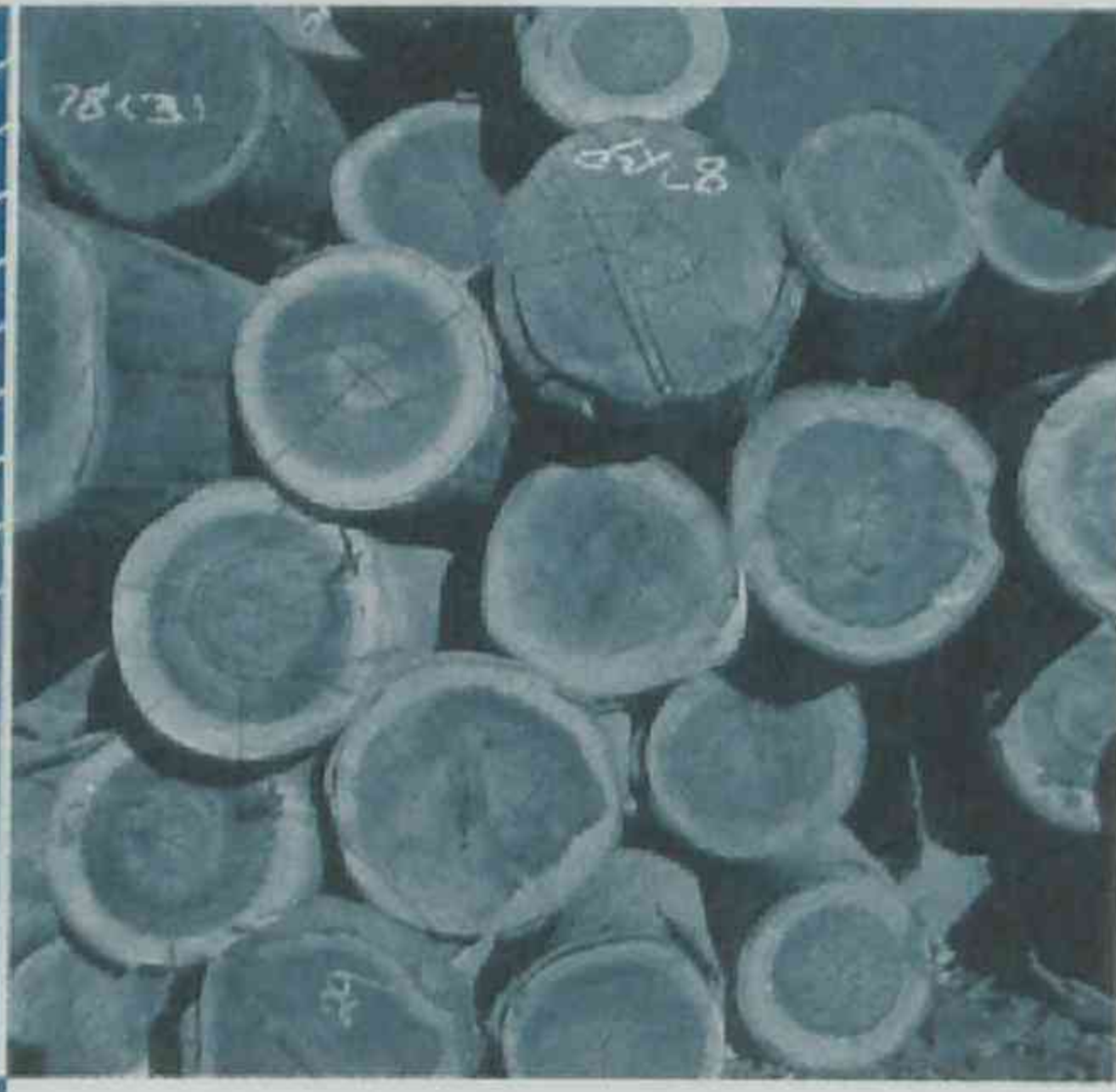
I believe that, together with the department's clear roadmap for the future, the dedication of our people to their work, and their relationships with our stakeholders, DPI&F will move forward to achieve our vision of profitable primary industries for Queensland.



Jim Varghese

**Director-General**

# ALIGNING FOR SUCCESS



In 2003-04, machinery-of-Government changes and the introduction of new State Government priorities prompted a major organisational review of DPI&F.

The machinery-of-Government changes that followed the election in February 2004 did not affect our department's administrative arrangements, other than resulting in the transfer of the Office of Rural Communities to a separate department. It did however, result in our name being changed from the Department of Primary Industries (DPI) to the Department of Primary Industries and Fisheries (DPI&F).

This report is prepared on the basis of DPI&F's current administrative arrangements. That is, it reflects the structure, operations and performance of our department as it existed at 30 June 2004.



Smart State Science: using knowledge to drive economic growth

## Our organisational review

The organisational review of DPI&F, known as '*Aligning for Success*', involved extensive consultation with State Government agencies, industry representative bodies and universities to examine critically DPI&F's role, our functions, structure, and ability to respond to national and global challenges and opportunities.

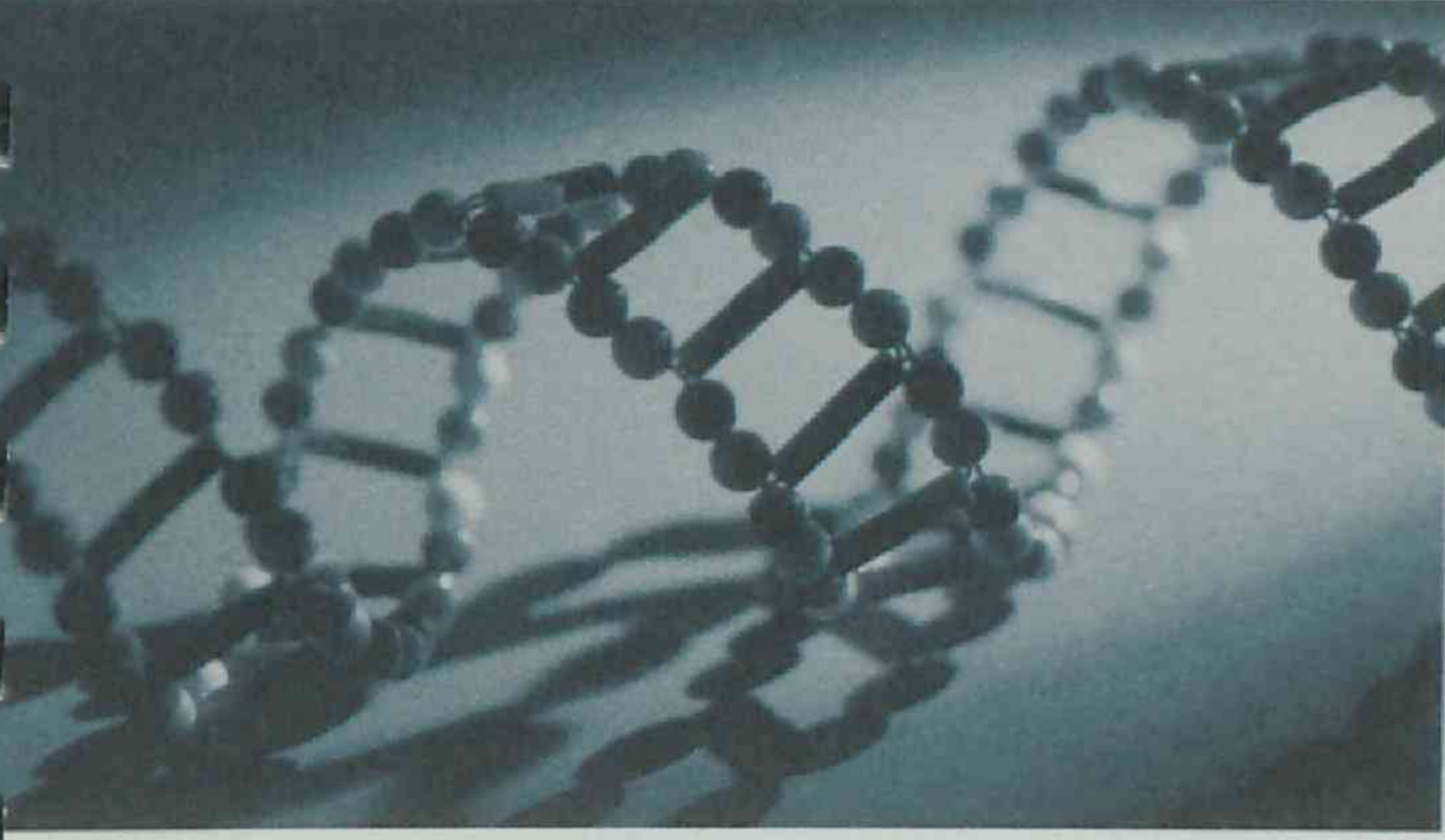
Findings from the review assisted us to:

- Re-affirm the purpose and positioning of DPI&F as an economic development agency.
- Adopt a new vision and mission to reflect our role better, and our contribution to the Government's outcomes.
- Restructure our output areas.
- Implement a transitional organisational structure.

## Our new output areas

DPI&F's new output areas, and their relationship with desired State Government outcomes, are outlined below.

New output area	State Government outcome
Industry Development	A strong, diversified economy
Biosecurity	A strong, diversified economy
Fisheries	Maintenance of our natural resource base
Forestry Commercial	A strong, diversified economy and maintenance of our natural resource base



### **INDUSTRY DEVELOPMENT**

This output area contributes to the State Government outcome 'A strong, diversified economy' by assisting Queensland's primary industries to diversify and grow through expanded market access, export and trade opportunities, increased value-adding, productivity growth and the development of future growth industries. The output area's services will build on the competitive strengths of Queensland's diverse regions and ensure that the state's natural resource base continues to support profitable primary industries through responsible use of the state's natural resources.

### **BIOSECURITY**

This output contributes to the State Government outcome 'A strong, diversified economy' by ensuring that domestic and international market confidence in Queensland's agricultural products is maintained at a high level. The output area's services will enhance access to interstate and overseas markets for Queensland's primary industries. It will ensure that public health and safety is maximised through prevention and early detection of, and responses to, pest and disease incursions in our state or chemical and contaminant residues in foods. The output area will also achieve acceptable standards for food safety, agricultural and veterinary chemical use, animal welfare and animal ethics, and will protect the Queensland community, industry and the environment from the potentially significant impacts of the red imported fire ant.

### **FISHERIES**

This output area contributes to the State Government outcome 'Maintenance of our natural resource base' by ensuring that we manage fisheries resources according to the principles of ecologically sustainable development and enable them to continue to support a sustainable commercial fishing industry and recreational fishing activities in the long term. The output area's services will also ensure that fisheries stocks and habitats are protected in a way that satisfies the interests of all Queenslanders.



Developing new technologies to grow Queensland's aquaculture industry

### **FORESTRY COMMERCIAL**

This output area contributes to the State Government outcome 'A strong, diversified economy' and 'Maintenance of our natural resource base' by seeking to maximise the market value of State-owned, commercial forestry assets within a sustainable development framework. The output area's services are delivered by DPI Forestry, a commercialised business unit of our department.

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## OUR VISION, MISSION AND VALUES

### Vision

- Profitable primary industries for Queensland.

### Mission

- Maximise the economic potential of Queensland's primary industries on a sustainable basis.

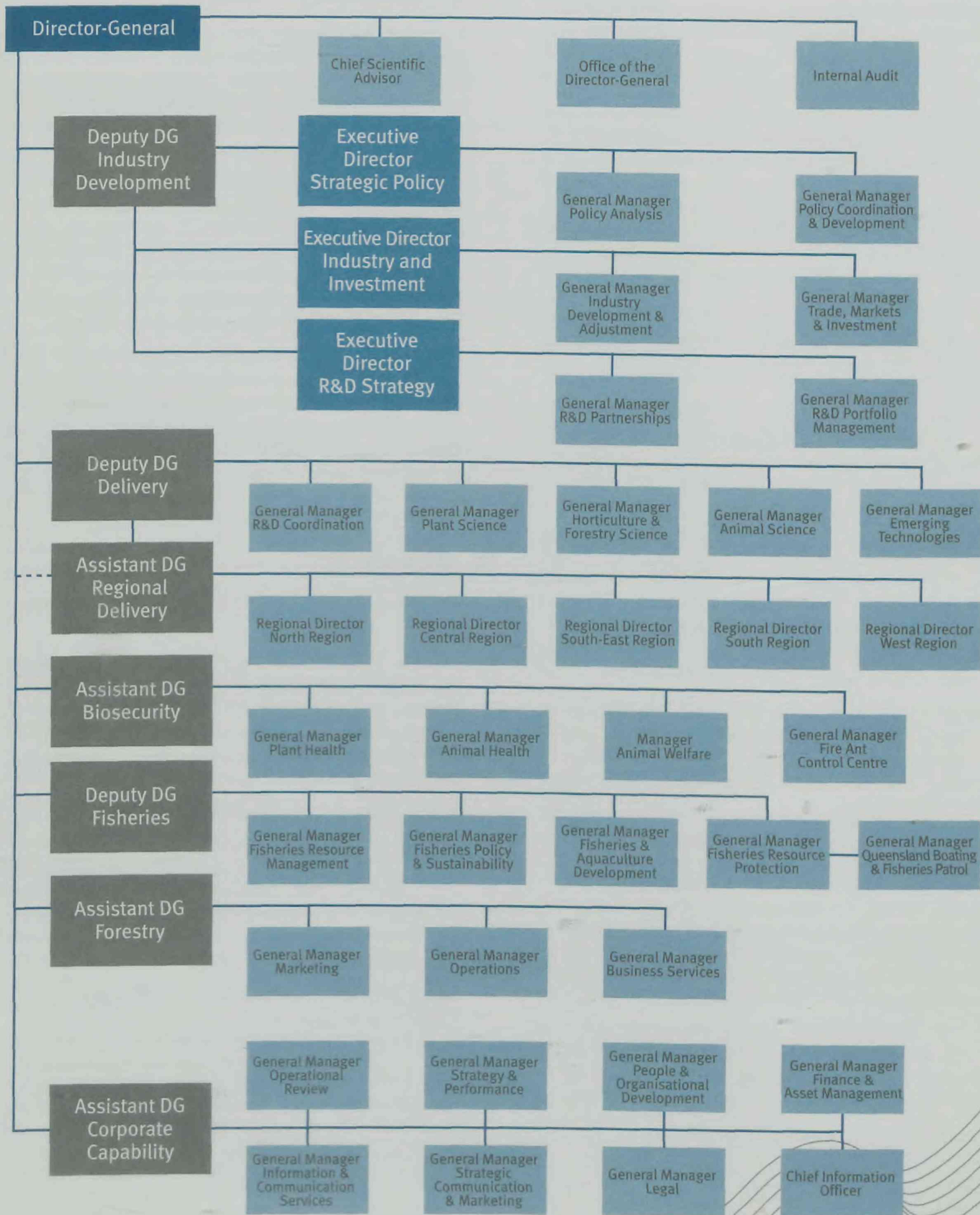
### Values

- We are committed to profitable primary industries for Queensland.
- We work together as one DPI&F.
- We demonstrate leadership and innovation.
- We build effective relationships with our stakeholders and each other.
- We deliver what we promise.



## Our transitional structure and leadership team

In 2003-04, DPI&F's Director-General began restructuring our department to reflect better our role as an economic development agency. Our transitional organisation structure and the profiles of the department's transitional leadership team are provided on the following pages.





## 1 JIM VARGHESE

### Director-General

BA (Hons), BD, DipEd, MBA, FCPA, FAIM, CPM, MAICD, MACE

Jim Varghese has more than 28 years' experience in the Australian public sector and is committed to service delivery and best practice management.

He is recognised as the creator of innovative leadership and management processes that were successfully implemented during his time as Director-General of three State Government departments: Main Roads, Education Queensland and the Department of Employment and Training. His process called '*Aligning for Success*' helps to align organisations' people, services and systems while his management philosophy, 'The Three Learning Frames', uses performance, relationships and alignment to help organisations and individuals achieve their maximum potential.

This approach transformed the Department of Main Roads into Australia's premier road agency in just three years, and enabled historic reforms of the delivery of education, employment and training in Queensland.

Apart from his Director-General roles, Jim has also been Deputy Director-General of the Department of Natural Resources and the Executive Director of DPI in Queensland, as well as the General Manager of Agricultural and Rural Affairs in Victoria.

## 2 PETER NEVILLE

### Deputy Director-General, Industry Development

BE

Peter has 38 years' experience in the Queensland Public Service and a strong background in the primary industries sector. Peter commenced work at DPI as a cadet marketing officer in 1966.

Peter has held a range of management, marketing and economic development roles including Deputy Chairman of the Queensland Fisheries Management Authority, Executive Director of the Policy and Legal Services Group, and Deputy Director-General of the Queensland Fisheries Service.

Peter is now responsible for the Industry Development business group. This group provides the coordinated strategic response for the department across all industry development issues. The group is central to linking Government priorities, industry needs and the department's strategic directions. Policy coordination and development, research and development strategy, trade and export expansion and industry adjustment are important elements of the group's responsibilities.

## 3 PROFESSOR BETH WOODS

### Executive Director, R&D Strategy, Industry Development

BAgrSc (Hon), DPhil (Oxon), MAICD

Professor Beth Woods first joined DPI in 1976 as an agricultural extension officer in north Queensland, involved in the dairy, broadacre cropping and potato industries. In the roles of Manager, Farming Systems and Acting General Manager, Horticulture, she undertook policy development and planned research and development (R&D) investment.

Beth was the inaugural Director of the Rural Extension Centre at The University of Queensland and became the Suncorp Metway Professor of Agribusiness at the University's Gatton Campus in 1997. She is particularly interested in the concept of supply chain management as a tool to improve innovation and competitiveness in agribusiness, and the rapid change occurring in the supply chains of developing countries in which Australia has major trade interests.

Beth has served on committees of the Grains R&D Corporation, the Policy Advisory Council of the Australian Centre for International Agricultural Research, the CSIRO Board, the Gatton College Council, the Rural Adjustment Scheme Advisory Council and the Queensland Planning Group for FarmBis. She was Chair of the Rural Industries Research and Development Corporation and the Australian Centre for International Agricultural Research. She recently chaired National Drought Policy Review Panel.

## 4 BRUCE TURNER

### Executive Director, Strategic Policy, Industry Development

BE

With more than 25 years' experience in public policy development and analysis, and particularly primary industries and natural resource management issues, Bruce Turner has worked for a number of State Government departments including State Development and Innovation, Natural Resources and Mines, and Premier and Cabinet.

Before joining the Queensland Public Service, Bruce worked for the Australian Department of Agriculture, Forestry and Fisheries for more than 12 years. He has also been a private sector consultant involved in providing agricultural policy advice and services, and has owned and operated a small business in south east Queensland.

## 5 SUE RYAN

### Executive Director, Industry and Investment, Industry Development

BBus

Sue Ryan is responsible for the Industry and Investment group which develops strategies and programs to guide industry development and adjustment, and to promote investment attraction, exports and trade and market opportunities. She is also a Director on the Queensland Rural Adjustment Authority Board.

Sue worked in the banking industry for 17 years before joining the Queensland Public Service in 1991. She has recently joined DPI&F from the Department of State Development and Innovation where she was responsible for various industry development programs.



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## 6 **RON BECK**

### Deputy Director-General, Delivery

MBA, BSc(Forestry) (Hons), BSc, DipCompSc

Ron Beck joined the Queensland Public Service as a forester straight after university. Over the next 14 years, he held professional positions within DPI Forestry in Brisbane and Maryborough, gaining experience in plantation resource assessment, forest modelling and management systems development, harvest yield prediction and scheduling, and operational field management.

He then moved into managerial positions for 11 years, taking responsibility for information technology, forest strategy and policy development, and marketing. In 1996, he was appointed DPI Forestry's Regional Manager (South East) where he managed extensive public plantation and native forest resources within south east Queensland.

Ron returned to Brisbane in 1998 to take up the position of Executive Director, Forestry, a position he held until recently when he took up the role of Deputy Director-General, Delivery.

## 7 **SANDRA BAXENDELL**

### Assistant Director-General, Regional Delivery

BVSc (Hons), PhD, MACVSc, GradCertAppSc (RurExt), GradCertPSectMgt, PGDAppSc, MRurSysMan

Initially appointed as a husbandry officer at DPI's Dairy Cattle Husbandry Branch, Sandra Baxendell left Queensland in 1987 to gain commercial experience in Western Australia's goat, sheep and cattle industries. She then joined Curtin University as a lecturer and was later Head of the School of Rural Technology.

Sandra re-joined DPI as a Sheep Industry Manager based in Toowoomba and was subsequently appointed Beef Industry Manager, Regional Manager Agricultural Production Group, and Director, Regional Services.

## 8 **KEVIN DUNN**

### Assistant Director-General, Biosecurity

BVSc (Hons)

With a background in both public and private sector working environments in Australia and overseas, Kevin Dunn currently oversees policy development and service delivery in the areas of animal health, plant health, agricultural and veterinary chemical control, animal welfare, and food safety policy. In this role, Kevin aims to ensure effective policy development for, and planning of, State Government and national biosecurity initiatives and programs.

Before joining DPI&F in 1992, Kevin worked with the Australian Government's Department of Primary Industries and Energy in animal biosecurity and export policy areas.

From 1988-91, he was based in Brussels as a Counsellor with the Australian Mission to the European Union. He participated in the Australian delegation to the GATT Uruguay Round which established the World Trade Organisation's Agreement on Sanitary and Phytosanitary Measures.

## 9 **JOHN POLLOCK**

### Deputy Director-General, Fisheries

MAGSc, BAgSc, QDA

Starting his professional career as a research scientist working on plant improvement projects for Queensland's sugar industry, John Pollock has more than 30 years' experience in industry science, management, and organisational change and development roles.

John first joined the public service to manage organisational effectiveness projects for a number of agencies. He later moved into policy development for DPI and the Queensland Departments of Premier and Cabinet, and Lands.

John has also conducted a range of projects for our Fisheries group and has been a director or member of many State and Australian statutory authorities.

## 10 **JOHN SKINNER**

### Assistant Director-General, Corporate Capability

MBus, GradCertMgt, BA, CMAHRI

With more than 30 years' experience working in the Australian public sector, John Skinner joined DPI&F in 1991 as General Manager, Human Resources. He assumed responsibility of our Corporate Services group (now Corporate Capability) in 1996.

In his current leadership role within Corporate Capability, John is responsible for the DPI&F's strategic planning and reporting, financial management, people and organisational development, strategic communication and marketing, information and communication services, legal policy and contracts, operational review and information management activities. These services help DPI&F to deliver on commitments to the State Government and Queensland communities.

Before he joined DPI&F, John was an Assistant Director in the Australian Public Service.

## 11 **GARRY HANNIGAN**

### Assistant Director-General, DPI Forestry

MPubAdmin, BA, LLB, GradDipBus(IR), DipPolSc, Barrister at Law

Before joining DPI&F in 2004, Garry Hannigan was the Department of Justice and Attorney-General's Executive Director (Legal and Corporate Services) for six years. In this role, he was responsible for this department's finances, information technology program, human resources management, capital works program, Crown Law and the Office of the Director of Public Prosecutions.

Garry was appointed to DPI&F as part of the State Government's Senior Executive Mobility Program. He aims to help DPI Forestry to achieve a smooth transition from the group's current structure to a Government Owned Corporation if this is determined to be feasible and desirable.

# OUR BUSINESS



Each year, Queensland's primary industries provide jobs for more than 90,000 Queenslanders, contribute around \$9 billion to the Australian economy and export about \$6 billion of food and fibre products. DPI&F is a key driver of the growth and sustainability of the primary industries sector.

DPI&F works to maximise the economic potential and sustainable development of primary industries, including businesses in the food, fibre, lifestyle, forestry and fisheries sectors. We do this by providing industry development, managing biosecurity and animal welfare risks, and providing fisheries and forestry management services to our stakeholders.

We have come a long way since 1887 when the former Queensland Department of Agriculture was created to provide advice on successful farming in Queensland conditions and managing livestock diseases.

As the needs of Queenslanders, our primary industries and consumers have changed, our department's profile and functions have expanded significantly. We now have an annual budget of approximately \$346 million and administrative responsibilities for, and functional responsibilities derived from, 27 Acts, subordinate regulations, policies and codes (see Appendix 5).

DPI&F also carries delegations for certain functions under other legislation, such as the *Environmental Protection Act 1994*, and is accountable for compliance with a range of legislation at state and national levels. We report to Parliament through the Minister for Primary Industries and Fisheries.

## How we work

DPI&F's six business groups, employing 3,649 people in around 152 locations in Queensland, deliver services to primary industries and manage our department's day-to-day operations.

The groups are profiled below. Each profile includes a small sample of 2003-04 operational performance data that is relevant to the group's activities.

No. 1

BRANDS REGISTER.

BRAND ALLOTTED CA1 1<sup>st</sup> May 1872

Applicant's Name *The Honorable Louis Hope*

Applicant's Address *Kilcoy*  
*via Tinna mail*

Ran or Farm where Brand is to be used *Kilcoy*

Date of publication in Gazette *10 September 1872*

Applicant's former Brand  
 { Horses *CA (CA conjoined) near shoulder*  
 Cattle *CS (horizontal S) + CA conjoined*

Amount of Registration Fee, £ *0 : 10 : 0*

*P. R. Brown* Registrar

Cobb and Co were the first to register a horse and cattle brand with the Government on 1 May 1872. The brand was one of 397 registered that year, compared with 25,835 brands registered with DPI&F in 2003-04

**INDUSTRY DEVELOPMENT GROUP**

Our Industry Development group establishes DPI&F's policies and priorities based on stakeholder research, industry analysis and an understanding of current issues facing primary industries. The group also develops strategies for research and development, industry development and promotes trade and investment in primary industries.

**2003-04 OPERATIONAL STATISTICS**

Statistic	2002-03	2003-04	% change
Number of Queensland primary producers who contacted DPI&F for farm finance counselling	1,034	825	-20.2
Amount of external funding secured for research and development (largely from industry research and development corporations and the Australian Government)	\$32.5 million	\$45.3 million	+39.4
Number of Cooperative Research Centres (CRCs) DPI&F was involved with during 2003-04	14	15	+7.1
Attendees at FarmBis-supported activities which improve primary producers' business and natural resource management skills	10,180	13,111	+28.8



Building leaders to strengthen business capabilities

**DELIVERY GROUP**

Our Delivery group implements DPI&F strategies throughout Queensland. This includes undertaking research and development, providing capacity building and business promotion services to businesses and industry groups, and assisting them to add value to their products. The group is also responsible for DPI&F's world leading research programs in areas including: plant science and farming systems, horticulture and forestry science, animal science, biotechnology, climate science, food science, and sustainable production systems.

**2003-04 OPERATIONAL STATISTICS**

Statistic	2002-03	2003-04	% change
Number of groups facilitated by DPI&F to promote innovation, business enhancement and rural development	65	67	+3.1
Payments made to Queensland primary producers under the State Drought Relief Assistance Scheme	\$7.6 million	\$12.4 million	+63.2
Number of applications paid under the Drought Relief Assistance Scheme	6,161	5,385	-12.6
Attendees at DPI&F's Building Rural Leaders program which builds capacity in rural industries	95	93	-2.1
Number of scientific research and development projects undertaken	>900	>900	Same



Reducing chemical use in cotton crops

continued...

**BIOSECURITY GROUP**

Our Biosecurity group manages risks to Queensland's primary industries associated with potentially harmful pests, diseases and chemicals. We manage programs that maintain animal health and welfare, plant health and food safety standards, and eradicate introduced animal or plant pests and diseases.

**2003-04 OPERATIONAL STATISTICS**

Statistic	2002-03	2003-04	% change
Number of serology tests conducted under the National Arbovirus Monitoring Program which provides information on diseases such as the bluetongue and akabane viruses	176	209	+18.8
Number of businesses accredited by DPI&F to certify their own produce through Interstate Certification Assurance (ICA) arrangements	1,124	802	-28.7
Number of brands registrations for horses, cattle, sheep and pigs	3,005	3,200	+6.5
Number of animal welfare incidents reported to DPI&F	1,234	1,069	-13.4
Number of formal actions required as a result of reported animal welfare incidents (eg seizure, prosecution)	60	53	-11.7
Doses of tick fever vaccine produced and sold by DPI&F (as the major producer of live tick fever vaccine in the world) to enable the live cattle industry to export internationally	931,875	767,070	-17.7



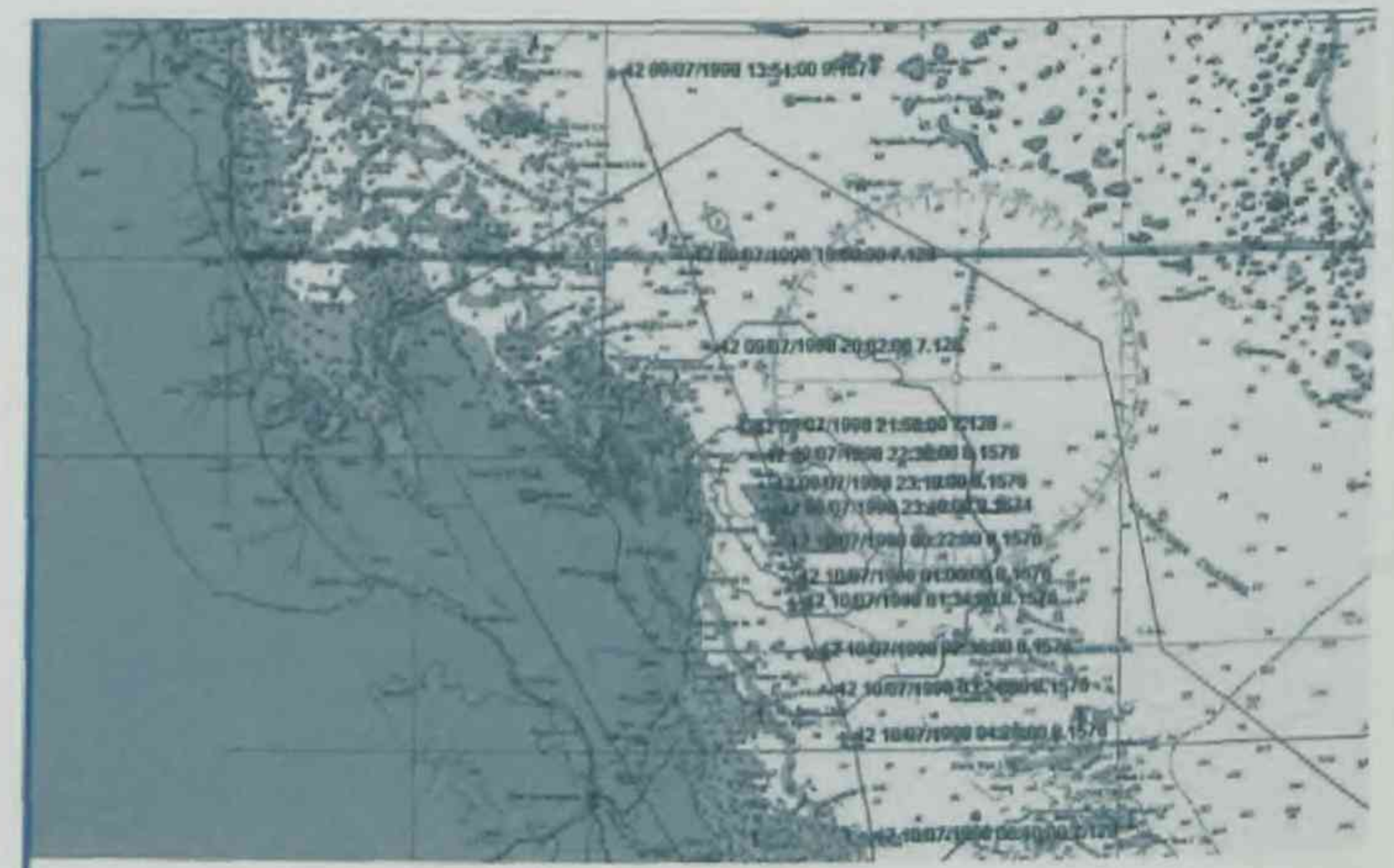
Cutting-edge diagnostics

**FISHERIES GROUP**

Our Fisheries group manages Queensland's fisheries resources according to ecologically sustainable development principles. Our aim is to secure the long-term viability of commercial and recreational fishing through conducting resource management and protection, fisheries and aquaculture development, and fisheries compliance activities.

**2003-04 OPERATIONAL STATISTICS**

Statistic	2002-03	2003-04	% change
Number of Queensland fisheries scientifically monitored	11	10	-9.1
Number of Queensland fisheries independently assessed as being managed according the sustainable development principles	10	25	+150.0
Percentage increase in the area of protected marine fish habitat in Queensland	2%	2%	Same
Number of stocked dams permits issued in Queensland	31,000	35,298	+13.9
Percentage of overall compliance with Queensland fisheries laws	92.5%	93.4%	+0.9



Promoting sustainable fishing using the Vessel Monitoring System (VMS) tool

**DPI FORESTRY**

DPI Forestry is our department's commercialised business unit which aims to produce and market log timber and other forest products sustainably from State-owned plantations and native forests. Responsible for approximately 84% of Queensland's domestic timber production, the unit is the principal supplier of log timber to Queensland's regionally-based timber processing industry.

**2003-04 OPERATIONAL STATISTICS**

Statistic	2002-03	2003-04	% change
Volume of State-owned plantation timbers harvested in Queensland	1.89 million m <sup>3</sup>	2.06 million m <sup>3</sup>	+9.0
Volume of State-owned native forest timbers harvested in Queensland	358,225 m <sup>3</sup>	350,651 m <sup>3</sup>	-2.1
Volume of plantation timbers harvested as a percentage of DPI Forestry's total timber production	84.1%	85.5%	+1.6
Total value of DPI Forestry's product sales	\$96.8 million	\$101.6 million	+5.0
DPI Forestry's profit (loss) from ordinary activities including revaluation of standing plantation timber	\$258.3 million	(\$48.8) million	-117.1
DPI Forestry's trading surplus after interest and tax, before timber revaluation	\$30.2 million	\$32.7 million	+8.4
Total area of State-owned plantation planted	6,332 hectares	4,900 hectares	-22.6



Expanding the state's hardwood plantations

**CORPORATE CAPABILITY GROUP**

Our Corporate Capability group oversees and delivers key DPI&F administrative and corporate governance functions. These include: financial management, human resources management, information management, strategic planning, corporate communication and marketing, performance reporting, legal, and knowledge management activities.

Information about the structure and governance of our department is provided on pages 50 to 59 of this report.

**2003-04 OPERATIONAL STATISTICS**

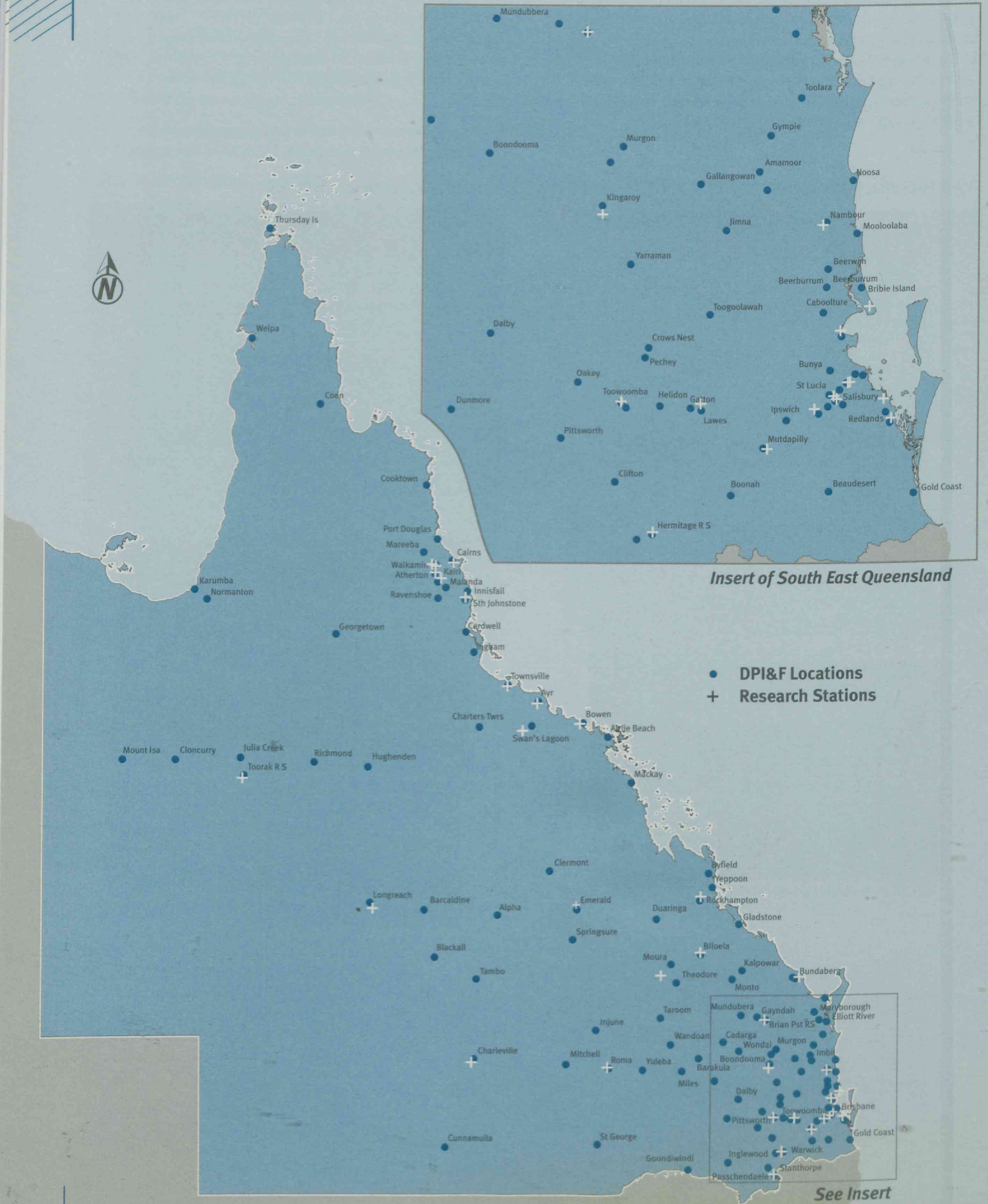
Statistic	2002-03	2003-04	% change
Number of DPI&F employees	3,928	3,649	-7.1
Value of workers' compensation claims (including DPI Forestry)	\$784,688	\$467,796	-40.4
Percentage of women in Senior Executive or Senior Officer positions as a proportion of all Senior Executive Service and Senior Officer level staff	20%	21%	+1
Number of calls and email requests handled by DPI&F's Call Centre	126,108	124,293	-1.4
Staff turnover excluding Fire Ant Control Centre staff	6.7%	6.8%	+0.1



We work together as one DPI&F

continued...

DPI&F is represented in approximately 152 locations including major cities, towns and research stations throughout Queensland.





## Our stakeholders

DPI&F works with many different stakeholders who influence the profitability of primary industries in Queensland. As shown in the matrix below, each main group of stakeholders has different needs and interests, and is likely to require different services from us.

Employees, suppliers and unions	Queensland Government	Primary industries enterprises
<ul style="list-style-type: none"> <li>• Industry development</li> <li>• Equitable, accessible service delivery</li> <li>• Policy development</li> <li>• DPI&amp;F financial performance</li> <li>• Reporting standards</li> <li>• Corporate governance</li> <li>• Rewarding working environment</li> </ul>	<ul style="list-style-type: none"> <li>• Industry development</li> <li>• Sustainable use of natural resources</li> <li>• Equitable, accessible service delivery</li> <li>• Policy development</li> <li>• DPI&amp;F financial performance</li> <li>• Reporting standards</li> <li>• Corporate governance</li> <li>• Deliver government priorities</li> <li>• Export enhancement</li> <li>• Animal and plant biosecurity and animal welfare</li> <li>• Fisheries resource management</li> </ul>	<ul style="list-style-type: none"> <li>• Industry development</li> <li>• Trade and business development</li> <li>• Product quality and safety</li> <li>• Animal and plant biosecurity and animal welfare</li> <li>• Sustainable use of natural resources</li> <li>• Equitable, accessible service delivery</li> <li>• Research and development outcomes</li> <li>• Information and advice</li> <li>• Policy development</li> </ul>
Industry associations	Customers	Environmental and scientific groups
<ul style="list-style-type: none"> <li>• Industry development</li> <li>• Product quality and safety</li> <li>• Animal and plant biosecurity and animal welfare</li> <li>• Sustainable use of natural resources</li> <li>• Equitable, accessible service delivery</li> <li>• Research and development outcomes</li> <li>• Information and advice</li> <li>• Policy development</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Sustainable use of natural resources</li> <li>• Equitable, accessible service delivery</li> <li>• Information and advice</li> <li>• Animal and plant biosecurity and animal welfare</li> <li>• Fisheries resource management</li> </ul>	<ul style="list-style-type: none"> <li>• Industry development</li> <li>• Product quality and safety</li> <li>• Animal and plant biosecurity and animal welfare</li> <li>• Sustainable use of natural resources</li> <li>• Policy development</li> <li>• DPI&amp;F financial performance</li> <li>• Reporting standards</li> <li>• Corporate governance</li> </ul>
Host communities	Local Government and statutory authorities	Research and development organisations
<ul style="list-style-type: none"> <li>• Industry development</li> <li>• Product quality and safety</li> <li>• Animal and plant biosecurity and animal welfare</li> <li>• Sustainable use of natural resources</li> <li>• Equitable, accessible service delivery</li> <li>• Information and advice</li> <li>• Reporting standards</li> </ul>	<ul style="list-style-type: none"> <li>• Industry development</li> <li>• Sustainable management of natural resources</li> <li>• Research and development outcomes</li> <li>• Policy development</li> <li>• Corporate governance</li> <li>• Animal and plant biosecurity and animal welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Animal and plant biosecurity and animal welfare</li> <li>• Research and development outcomes</li> <li>• Policy development</li> <li>• Research and development collaboration</li> </ul>

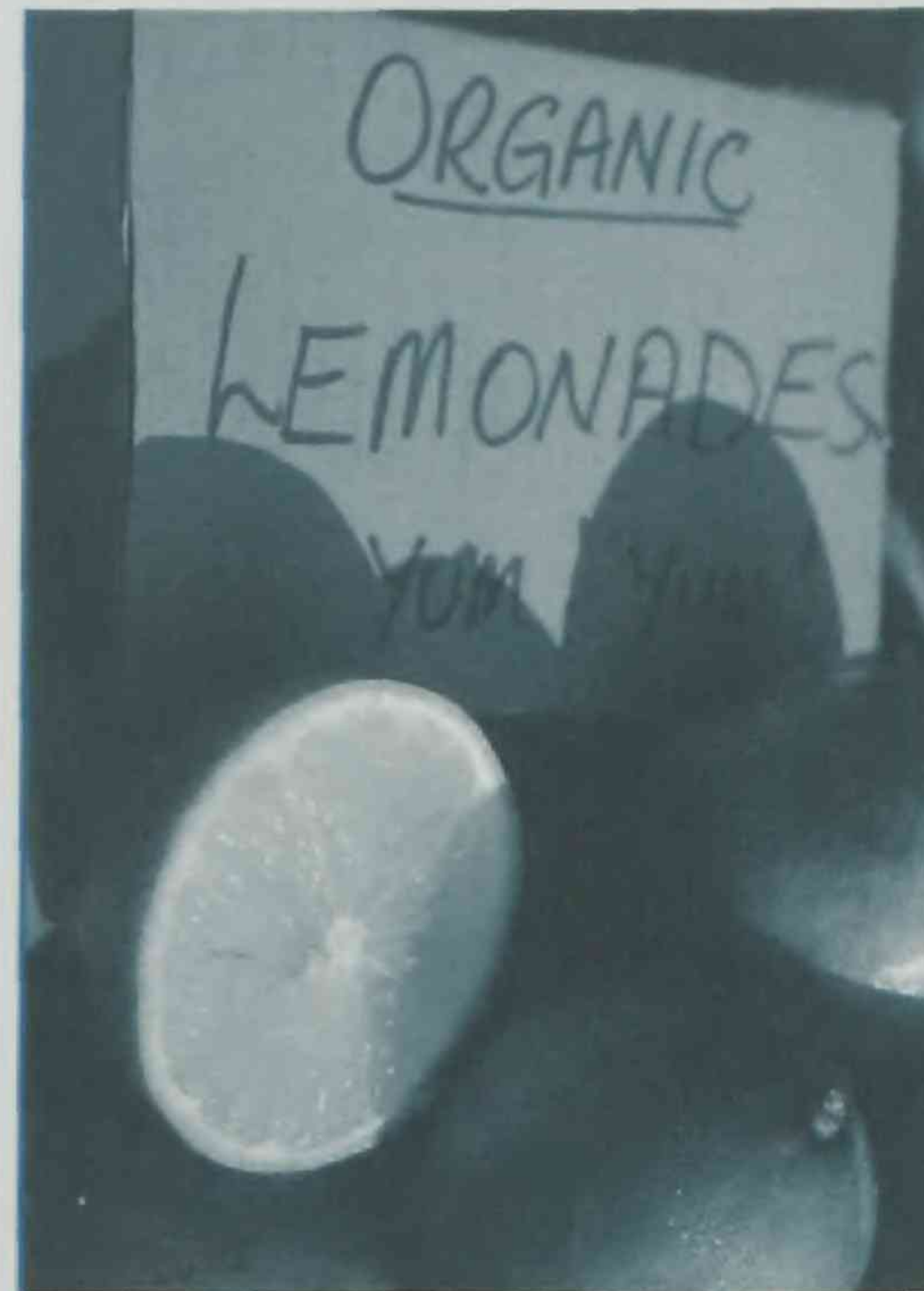
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**Industries we service**






Queensland's primary industries are constantly changing, driven by consumer demand for products that offer variety, safety and quality, and are produced sustainably.

DPI&F works with representatives of hundreds of primary industries each year to help them add value to their enterprises or investigate new opportunities. Industries range from the traditional, such as cereals and cotton production, to more unusual enterprises including eel farming.

The table below illustrates the main Queensland-based industries that we service. In each industry, DPI&F is involved at all stages of the product life cycle – growing, harvesting, storing, processing, packing, transporting, marketing, retailing, and reuse or disposal.



Meeting consumer demand for safe products

Animal farming industries	Field crops industries	Fisheries and aquaculture industries	Timber industries	Horticulture and fresh produce industries
food and fibre products	food and fibre products	food and lifestyle products	timber products	food and lifestyle products
				
<ul style="list-style-type: none"> <li>• Beef</li> <li>• Dairy</li> <li>• Goats</li> <li>• Pigs</li> <li>• Poultry</li> <li>• Sheep</li> <li>• Bees</li> <li>• Crocodiles</li> </ul>	<ul style="list-style-type: none"> <li>• Barley</li> <li>• Chickpeas</li> <li>• Cotton</li> <li>• Lucerne</li> <li>• Maize</li> <li>• Canola</li> <li>• Navybeans</li> <li>• Mungbeans</li> <li>• Oats</li> <li>• Pastures</li> <li>• Peanuts</li> <li>• Sorghum</li> <li>• Soybeans</li> <li>• Sugar</li> <li>• Sunflower</li> <li>• Wheat</li> </ul>	<ul style="list-style-type: none"> <li>• Aquaculture of crabs, crayfish, eels, fin fish, oysters, pearls and prawns</li> <li>• Commercial fishing including trawl, reef-line, inshore and crab fishing</li> <li>• Recreational saltwater and freshwater fishing</li> </ul>	<ul style="list-style-type: none"> <li>• Hardwood and softwood timber processing including producers of furniture, joinery, flooring and panelling</li> </ul>	<ul style="list-style-type: none"> <li>• Coffee</li> <li>• Bush foods</li> <li>• Tropical fruit</li> <li>• Herbs and spices</li> <li>• Mushrooms</li> <li>• Subtropical fruit and nuts</li> <li>• Olives</li> <li>• Ornamental plants and flowers</li> <li>• Tea</li> <li>• Turf</li> <li>• Vegetables</li> <li>• Landscape and nursery</li> </ul>

## Industry outlook

DPI&F's *Prospects for Queensland's Primary Industries Update for 2001-02 to 2003-04* indicates that the gross value of production of primary industries commodities remained at around \$9 billion in 2003-04.

## Future challenges

As a forward thinking agency, DPI&F gathers information on issues that affect our stakeholders and develops and implements policies and strategies to address them. Some of the major challenges facing Queensland's primary industries are:

- Growing community expectations that food and fibre products are produced in an environmentally friendly, animal welfare friendly, and safe way.
- Consumer demand for convenient, appealing, high quality products.
- Increased mobility of people and products. This increases the risk of animal and plant pests and diseases entering Queensland.
- Maintaining or growing the population of young people working in the primary industries sector throughout regional Queensland.
- Global climate change and variability which increases competition for water resources and requires more water-efficient animal and plant products.
- An increasing need to produce more food in less space due to population increases and encroachment on rural land.
- A need to increase international business competitiveness in the face of growing global markets.

These challenges motivate DPI&F and Queensland primary producers to find innovative ways to improve productivity, product value and industry profitability.



Expanding our forestry plantation at Byfield

"DPI&F works with representatives of hundreds of primary industries each year to help them add value to their enterprises or investigate new opportunities. Industries range from the traditional, such as cereals and cotton production, to more unusual enterprises including eel farming."

# 2003-04: PERFORMANCE SCORECARD

DPI&F: A leader	2003-04 Key objectives	Result
1	Expand DPI&F-assisted primary industries export trade to \$24 million.	✓
2	Improve the sustainable management of Queensland fisheries.	→
3	Strengthen primary industries research and development in Queensland in partnership with government, educational and industry bodies.	✓
4	Assist primary producers to apply improved business and natural resource management skills to their enterprises.	✓
DPI&F: A change agent	2003-04 Key objectives	Result
5	Provide education and maintain standards in animal welfare and ethics.	✓
6	Assist the sugar industry to manage change and improve its sustainability.	→
7	Commence a six-year project to double the area of State-owned hardwood plantation in south east Queensland to more than 10,000 hectares.	✓
8	Identify whole-of-Government priorities for managing the environmental impacts of agriculture.	✓
DPI&F: An effective broker	2003-04 Key objectives	Result
9	Contribute to the development of a national approach to drought management.	→
10	Work with Indigenous communities to identify sustainable primary industries enterprises.	✓
11	Create new markets and opportunities for primary industries.	✓
12	Deliver innovative products and services that improve primary producers' competitiveness.	✓
DPI&F: A solution provider	2003-04 Key objectives	Result
13	Eradicate red imported fire ant infestations in Queensland.	✓
14	Respond to Queensland's growing demand for timber products.	✓
15	Strengthen our protection against the threats of foot and mouth disease and bovine spongiform encephalopathy (mad cow disease).	→
16	Improve compliance with boating and fisheries legislation, and aquaculture licence conditions.	→

- ✓ 100% achieved
- Significant progress achieved

DPI&F contributed to the State Government's desired outcomes and Smart State vision for Queensland by delivering products and services that encouraged a strong, diversified economy and maintained our state's natural resource base. Our performance in 16 key areas is presented in scorecard format, below.

Achievements	Outlook for 2004-05
\$24.4 million was achieved as a result of DPI&F's trade development assistance. Fresh and value-added horticultural, seafood, grain, meat, timber, wild caught fish and native products were traded (see page 22).	DPI&F will finalise development of a <i>Food and Agribusiness Export Strategy</i> , which will enhance DPI&F trade development assistance. Market action plans will be developed for the key markets of China, India, South-East Asia, the United States of America and South America.
New legislation that ensures the sustainable management of coral reef fin fish and Spanish mackerel was passed. Our bi-annual community satisfaction survey showed that 55.4% of Queenslanders were confident or very confident that fisheries were well managed (similar to the 2001 rating of 54.9%) (see page 23).	Around \$2 million will be spent on a range of projects to improve the sustainability of our fisheries. This includes commencing a review of management arrangements for the inshore fin fish fishery.
We participated in eight applications to establish Cooperative Research Centres and began developing a <i>DPI&amp;F Research and Development Strategy</i> that is aligned with State Government priorities (see page 22).	\$30 million has been allocated to continue research into, and development and extension of, food and fibre production systems that minimise environmental impacts. A further \$19 million will be spent on innovation in cereal, grain, pulse and cotton production systems.
91% of participants who attended FarmBis-supported training last year incorporated new ideas into their farm practices in 2003-04. A further 58% noticed direct business benefits as a result of training (see page 23).	The FarmBis program ended on 30 June 2004. \$11 million has been allocated to be matched by the Australian Government for a new FarmBis program.
Achievements	Outlook for 2004-05
We established Australia's first Chair of Animal Welfare at The University of Queensland and the state's first Animal Welfare Advisory Committee. We also developed the Help an Animal Smile primary school education campaign, proclaimed legislation to ban the cosmetic tail docking of dogs in Queensland and contributed to new national and state standards for land transportation of livestock. DPI&F animal welfare inspectors investigated 1,069 incidents involving compromised animal welfare (see page 27).	DPI&F will continue to expand these and other animal welfare and ethics initiatives, spending about \$5.1 million in 2004-05. This will include a monitoring program to ensure the welfare of animals used for scientific purposes.
DPI&F planned a three-year FutureCane program to encourage sustainable cane farming. Legislative reforms were passed to facilitate industry restructuring and DPI&F worked with the sugar industry to transform the Bureau of Sugar Experiment Stations (BSES) into an industry-owned research and development company, BSES Ltd (see page 26).	DPI&F will lead the \$33 million State Government agenda for sugar industry reform and restructuring. We will also invest \$3.8 million through BSES Ltd to support research, development and extension and commit to the three-year, \$5.2 million FutureCane program. We will also continue to contribute to the Sugar Industry Innovation Fund.
Under the Government's <i>Future Directions Strategy</i> , a total of 755 hectares of hardwood was planted on public and private land in south east Queensland. We also secured 847 hectares of land for future plantations, 66% of which will be rented from private owners (see page 26).	We aim to plant a further 750 hectares of hardwood in 2004-05 towards our overall target of an additional 5,000 hectares by 2009.
We led a whole-of-Government initiative to develop an Agricultural Performance Framework in consultation with producer organisations and regional natural resource management groups (see page 28).	The Agricultural Performance Framework includes a range of sub-projects that will be undertaken in 2004-05.
Achievements	Outlook for 2004-05
We participated in a whole-of-Government review of national drought management policy and continued to provide drought relief assistance to primary producers (see page 21).	DPI&F will continue to provide drought assistance to primary producers and will help them improve their drought readiness.
DPI&F conducted a range of initiatives including guiding the establishment of Adai Cape York Seafood Pty Ltd and finalising grant agreements for their purchase of \$2.5 million worth of commercial fishing licences. A pilot beef cattle management training course for 19 Indigenous people commenced in the Burdekin region (see page 32).	Adai Cape York Seafood Pty Ltd will purchase \$2.5 million worth of commercial fishing licences and we will continue to assist other Indigenous communities to develop sustainable enterprises.
We facilitated \$16 million of new market opportunities for north Queensland agribusinesses as part of national and international trade missions (see page 22).	Trade development activities will be expanded to take advantage of free trade agreements with the United States of America and Thailand.
We used smart production techniques to help Bundaberg's sweet potato industry to expand, and canopy management research to help the avocado industry boost fruit quality. In other areas, we initiated regional food marketing campaigns and events, and developed Australia's first export calculation software to assess the feasibility of export enterprises (see page 27).	DPI&F plans to initiate smart production programs for macadamias, mangoes, lychees and persimmons, and will continue to promote regional products. In addition, \$9 million has been allocated to help the beef industry to increase productivity and product quality.
Achievements	Outlook for 2004-05
The \$107 million first stage of the Brisbane-based program has proved successful, with preliminary monitoring suggesting a 99% success rate in eradicating known fire ant infestations since they were first detected in February 2001 (see page 37).	We will commence the \$66 million second stage of the fire ant eradication program, due for completion in 2006-07.
We sold a record 2.4 million cubic metres of State-owned softwood and hardwood timber to Queensland's regional timber processing industry (up 7% on the previous year) and planted 4,900 hectares of plantation to provide future timber supplies (see page 39).	DPI&F expects to plant 6,843 hectares of plantation, the largest planting program for many years.
We established stock standstill and zone protocols, improved our disease diagnosis capability, enhanced state-wide disease surveillance systems, audited compliance with ruminant feeding bans and improved our staff's emergency response skills (see page 38).	Our \$20.3 million, four-year protection program will enter its third year.
Boating and fisheries legislation compliance was 93.4% (with 1,812 offences detected) against our target of 92.5%. Aquaculture licence compliance was 100% (with no breaches detected at 116 farms inspected) against our target of 95% (see page 23).	Targets will remain at 92.5% for boating and fisheries legislation compliance and 95% for aquaculture licence compliance.



Through innovative policies, technologies and services we are enabling Queensland's primary producers to maximise their economic potential on a sustainable basis.

## Leading policy and planning

### **FORESTRY REFORMS TO ENHANCE COMPETITIVENESS**

In line with our vision of profitable primary industries for Queensland, DPI&F started a reform of our forestry management services and assets.

Through inter-departmental committees formed by the State Government, we began investigating the benefits of establishing our commercial business unit, DPI Forestry, as a Government Owned Corporation under the *Government Owned Corporations Act 1993*. In particular, the investigations focused on the possibility of creating a Forestry Corporation to manage commercial timber production from the state's 193,000 hectares of plantations. This would enable our forestry management services to operate more competitively and maximise returns to Queensland.

In the coming year, the inter-departmental committees will finalise corporatisation investigations and identify ways to manage non-plantation aspects of DPI Forestry's operations (should corporatisation eventuate). The committees will also consult stakeholders affected by, or interested in, the corporatisation process and report back to the State Government by February 2005.

### **FOOD SAFETY REGULATIONS REVIEWED**

In collaboration with Safe Food Production Queensland and Queensland Health, we continued to contribute to the development of new food regulations in Queensland by participating in stakeholder forums that provide advice to the Australia New Zealand Food Regulation Ministerial Council on a range of food safety issues. Through these structures, we also provided technical input into a review of food standards developed by both Safe Food Production Queensland and Food Standards Australia and New Zealand.

Through DPI&F's involvement in Safe Food Production Queensland's Food Safety Advisory Committees, we analysed and provided advice on a food safety risk analysis of eggs and egg products, and had input into a preliminary risk assessment of seafood. A food safety scheme for eggs and egg products will be progressed in 2004-05.

As in previous years, we continued to manage risks associated with organochlorine residues in beef as part of the National Organochlorine Residue Minimisation program. Organochlorines, such as dieldrin and DDT, were banned in 1987 in Australia. However, unacceptably high levels of the residues can be present in some cattle due to environmental contamination.

To address this, DPI&F conducts risk assessments of cattle properties as well as cattle testing at the point of slaughter. During 2003-04, we investigated three affected properties using our odour detection dogs and developed residue management plans for the properties.

## Shaping the future

### **FISH HABITAT AND GREY NURSE SHARKS PROTECTED**

As the sustainability of Queensland's fisheries depends on adequate protection of fish habitats, DPI&F continued to expand the State's declared Fish Habitat Areas in 2003-04.

Fish habitats provide food, shelter and spawning and/or nursery sites for many commercially and recreationally-important fish species. Around 75% of these species depend on estuarine fish habitats at some stage of their life cycle.

This year, DPI&F added an extra 721,000 hectares of important estuarine and coastal fish habitats in the Annan River near Cooktown and the Elliot River near Bundaberg. There were also minor changes to the boundaries of several existing Fish Habitat Areas.

In the Moreton Bay Marine Park in south east Queensland, newly declared protection areas at Wolf Rock, Flat Rock, Henderson Rock and Cherub's Cave will reduce fishing impacts on grey nurse sharks. These areas are the most important aggregation sites in south east Queensland for this critically endangered species. Grey nurse sharks were once plentiful but were hunted almost to extinction in the

1960s due to their fierce appearance. It is now estimated that only 300 to 500 grey nurse sharks are left along the south Queensland and New South Wales coastlines.

DPI&F's new regulations include a ban on all forms of fishing at Wolf Rock and nearly all forms of fishing at the other three sites in Moreton Bay Marine Park. With the bans, Queensland now has the most comprehensive measures in Australia for protecting grey nurse sharks.

### **PREPARING FOR DROUGHT**

As discussed in last year's report, over recent years Queensland has suffered one of the worst droughts on record.

While conditions eased slightly in 2003-04, approximately 57% of the state remained drought declared under Exceptional Circumstances provisions (down from 65% last year). DPI&F established a dedicated drought unit to assist primary producers to apply for financial relief under the Australian Government's Exceptional Circumstances certification scheme. As a result, 3,394 Exceptional Circumstances certificates were issued to Queensland primary producers and more than \$57 million of drought relief assistance provided to families in need.

DPI&F and industry representatives continued the work of Local Drought Committees which assess local climate conditions and provide recommendations on the declaration or revocation of their region's drought status. These committees are unique to Queensland and have successfully enabled primary industries to participate in the State Government's drought response.

In other activities, DPI&F developed models to help the beef and sheep industries to test the economic impacts of major climate events such as floods or droughts. The models successfully identified effects on livestock numbers, slaughtering levels, the gross value of production and industry-wide returns.

Looking to the future, DPI&F has progressed initiatives that will help primary producers to prepare better for climate variability. The initiatives included planning an innovative climate risk management training course for primary producers. The course uses DPI&F's cutting-edge climate change research and effective learning techniques to provide participants with practical skills in analysing climate risks and opportunities, and developing management strategies to address risks affecting their enterprises. In the coming year, industry organisation AgForce, will deliver the training course to industry participants.



Improving productivity on a sustainable basis

Through the Queensland Food and Fibre Science and Innovation Council, DPI&F conducted an extensive analysis of the environmental, economic and social dimensions of drought and developed a paper on drought preparedness as a contribution to Queensland's participation in the National Review of Drought Policy.

## **Leading innovation**

### **DPI&F WHEAT VARIETIES LEAD EXPORTS**

In just five years, two wheat varieties developed by DPI&F – Kennedy and Baxter – have become the most commonly exported types from Port of Brisbane and Port of Newcastle. This makes them the most popular varieties used by producers in northern Australia.

The Kennedy and Baxter wheat varieties were released by DPI&F's wheat breeding program in 1998 and are well recognised as premium quality hard wheats suitable for a range of end products such as bread and noodles.

DPI&F launched three new wheat varieties this year which will be sold commercially by Pacific Seeds from 2004-05.

### **TOWARDS A TICK-FREE CATTLE INDUSTRY**

DPI&F maintained our involvement in cutting-edge research that aims to identify and apply genetic markers for tick resistance in cattle. Making cattle more tick resistant will mean that cattle production requires less chemical treatment, saving money and reducing environmental impacts. DPI&F and CSIRO are collaborating on this project and we hope to develop a test that leads to improved resistance to this pest in the state's cattle population.

In the meantime, DPI&F has led the introduction of a standard set of national cattle tick control guidelines. The guidelines are based on Queensland's successful internal controls and are expected to simplify processes and reduce costs associated with stock movement around the country. They have already enabled an extra 2,500 Queensland cattle producers in cattle tick protected areas to gain easier access to New South Wales markets.

Under the new guidelines, unnecessary handling and inspection of stock at border crossings will cease. This improves animal welfare, reduces downtime for livestock transporters and increases the value of Queensland stock to interstate purchasers.

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**FUNGUS-RESISTANT COTTON VARIETY RELEASED**

Our plant science research has sparked the development of a new cotton variety that is more resistant to the fungal disease, fusarium wilt.

First identified in 1993 in cotton crops growing on Queensland's Darling Downs, the disease has since been identified in all cotton growing regions in eastern Australia except Emerald, lower Namoi, Lachlan Valley and Tandou. It is a major constraint to sustainable cotton production with losses from the disease costing up to \$60 million annually. In 2000, when the disease was particularly severe, it caused an estimated \$56 million loss on the Darling Downs alone.

Based on DPI&F's research, CSIRO's cotton breeders released the Sicot F1 cotton variety in 2003-04. The variety increases cotton yields by at least 25% compared with the industry standard for cotton grown on fusarium wilt affected land.

**PUSH FOR NEW COOPERATIVE RESEARCH CENTRES**

During the year, DPI&F participated in eight applications to establish new Cooperative Research Centres (CRCs). If approved, the CRCs would study issues such as climate change risks and national plant biosecurity.

**Leading market expansion****STRATEGIES FOR FUNCTIONAL FOOD**

To enable primary producers to increase their market share, DPI&F and partners CSIRO, QUT, Griffith University and Queensland Health established a Functional Food Focus Team this year to examine the viability of producing foods that deliver health benefits beyond basic nutrition. These foods can assist with wellbeing, specific ailments or longevity, and include medicinal herbs and hybrid fruit and vegetable varieties.

As part of the project, we assessed the antioxidant properties of pineapples, blood plums and Asian vegetables, and secured funding for research into the development of tomatoes containing higher levels of lycopene (an antioxidant).

Results of our initial assessments are expected to lead to the commercial development of pineapples with up to three times the Vitamins A and C of traditional varieties (with fruit marketing company Favco) and plums with up to seven times the concentration of flavonoid compounds (antioxidants). Community consumption of Asian vegetables may also increase based on our confirmation of their high nutritional value. The project will continue in 2004-05.

**DPI&F EXCEEDS TRADE TARGET**

For the third consecutive year, DPI&F has exceeded our primary industries trade target of small to medium agribusiness exporters gaining entry into international markets.

Our trade development program directly influenced \$24.4 million of primary industries trade (against a target of \$24 million) and nine small to medium agribusinesses became exporters against a target of six.

To achieve these results, DPI&F coordinated trade missions, conducted market research, provided supply chain and new exporter development services, and helped enterprise owners to improve their business skills.

New opportunities were mainly realised in the United Kingdom, the Middle East, South America, Japan, Korea, Vietnam, Brunei, Malaysia and the Philippines while significant export outcomes were achieved for the grain, live cattle, dairy, horticulture, agribusiness services and natural products such as organic food and nutraceuticals.

One of the most important achievements of the year was the increase in dairy exports. DPI&F led a trade mission to Malaysia that resulted in immediate exports of dairy livestock supplements and potential delivery of genetics, pasture and livestock management services to Malaysia's dairy industry. We also launched our Export Calculator, a tool that assists potential and existing exporters to calculate the costs, risks and benefits of exporting. The tool is the first of its kind in Australia and has been well received by industry.

In 2004-05, we expect to progress export opportunities for emerging industries such as the fruit wine, food ingredients and lifestyle horticulture sectors.

**GROWING INTEREST IN INDUSTRIAL HEMP**

With international interest in Queensland-grown industrial hemp remaining high, the number of licences to grow the product doubled this year to 42. However, the dry growing season, the continuing development of hemp varieties suited to Queensland conditions by plant breeders, and the fact that growers are still assessing whether or not the industry will be profitable in the long term, had a major impact on reducing yields.

Hemp is grown for its strong fibre, which can be used to make many items traditionally produced from cotton, timber or petroleum. Trial processing of Queensland-grown hemp was successfully conducted in France, with the hemp being made into animal bedding and plastic pellets for producing bottle tops and shampoo bottles.

**AQUACULTURE INDUSTRY EXPANDS**

As part of our strategy to enhance the sustainability of Queensland's fisheries, DPI&F actively supported the development of local aquaculture enterprises this year. Highlights of our development program included:

- Research and development of aquaculture production methods that limit wastewater discharge to meet new environmental standards. These methods are mainly for the marine prawn and barramundi sectors. Researchers tested a variety of wastewater treatment technologies, ranging from autotrophic (plant-based) and heterotrophic (bacterial/animal-based) systems to mechanical devices and enhanced pond design, to enable economical, on-farm water treatment. While



appropriate treatment methods are often site-specific, the goal is to achieve zero wastewater discharge from aquaculture production systems, and ideally to profit through the sale of secondary crops used as nutrient sinks in the treatment process.

- Transfer of findings from DPI&F's redclaw aquaculture research to industry. The four-year research program identified new selective breeding techniques that offer a 25% increase in redclaw harvest weight and up to 38% more profitable operations. The redclaw industry aims to use the research for commercial activities in the next two years.
- Application of new technologies to assist with the production and transportation of sea scallops. This may boost Queensland's flagging sea scallop industry.
- A baseline study of the aquaculture potential of golden perch which showed that the species has good hatchery characteristics and strong market potential.
- Further moves towards environmentally benign aquaculture methods for the prawn and barramundi sectors. This included demonstration of zero discharge prawn production and design of effluent treatment facilities at barramundi farms.
- Negotiations with a soft shell crab producer to develop intensive nursery systems for crab species, such as blue swimmer crabs and three spot crabs, which are used to produce soft shell crabs.

## Helping industry to embrace sustainability

### **CORAL REEF FIN FISH AND SPANISH MACKEREL PROTECTED**

New legislation passed in September 2003 will ensure that harvesting of Queensland's coral reef fin fish and Spanish mackerel resources remains sustainable in the future.

The *Fisheries (Coral Reef Fin Fish) Management Plan 2003* and amendments to the *Fisheries Regulation 1995* restrict the number of these fish that can be taken by both commercial and recreational anglers. In particular, tighter licensing requirements and new commercial fishing quotas will reduce the number of commercial fishing boats using the reef fin fish fishery from 1,700 to around 400 vessels. The introduction of annual commercial catch quotas will reduce the commercial harvest of coral reef fin fish by about 30% and cap the commercial harvest of Spanish mackerel at current levels.

To monitor compliance with the new legislation and other controlled access or limited catch arrangements in Queensland, DPI&F established a quota management unit in 2003-04. The unit will monitor the coral reef fin fish and Spanish mackerel fisheries as well as the spanner crab, spotted mackerel, bech-de-mer (sea cucumber) and tailor fisheries, and fishing days in the east coast otter trawl fishery.

Monitoring of quota usage in the coral reef fin fish and Spanish mackerel fisheries will be accomplished using a new automated interactive voice response system, which is similar to a telephone banking facility. This system enables fishing licence holders to report their day's catch at any time of day or night. DPI&F believes that this is the most cost-effective way of obtaining information required to manage and track these fishing quotas.

### **FARMBIS SHARES SUSTAINABLE FARM PRACTICES**

More than 13,000 people participated in FarmBis-supported training in 2003-04. FarmBis is jointly funded by DPI&F and the Australian Government, and commenced in Queensland in 1999 to address the growing number of issues affecting Queensland's primary producers. These issues included the drought and the need for some industry sectors to embrace change to maintain their viability.

An independent survey of people who attended FarmBis in 2002-03 (by market research company Roy Morgan) showed that within a year of completing the training:

- 92% agreed that the course content had met their needs.
- 91% agreed that new skills or knowledge was gained and incorporated into their business practices.
- 58% agreed that their new skills had benefited their enterprise's profitability and productivity.
- 50% agreed that their new skills had benefited their enterprise's environmental sustainability.
- 60% indicated interest in further natural resource management learning.

## Outlook for 2004-05

In the coming year, DPI&F plans to:

- Provide leadership in the development of policy frameworks that support increased productivity within the primary industries sector. In particular, we will finalise the development of:
  - The *Primary Industries Future Directions Paper* in collaboration with the Department of Premier and Cabinet and other State agencies.
  - A *Food and Agribusiness Export Strategy* for the primary industries sector in collaboration with the Departments of the Premier and Cabinet, and State Development and Innovation.
  - A *Research and Development Strategy* that is aligned with Queensland's Smart State R&D priorities in collaboration with other agencies, universities, R&D organisations and industry groups.
- Contribute State funds of \$11 million, to be matched by the Australian Government for a new FarmBis program commencing in early 2005.
- Bring forward the corporatisation agenda for State-owned forestry operations.

continued...

## CASE STUDY

### Growing strong

Of anywhere in rural Queensland, Biloela has the secret to rapid, healthy growth.

Almost overnight, DPI&F's team of scientists working at our Tropical Crops and Forages Collection can create new life from a 50-year old seed that has spent years in -20°C temperatures.

DPI&F's Tropical Crops and Forages Collection in Biloela is one of six institutes in Australia that maintains plant genetic diversity through seed conservation. The facility houses about 35,000 varieties of seeds from around the world, including tropical field crops, forages (grasses) and legumes, non-grain crops and their wild relatives.

The seeds ensure that we can continue to eat the staple foods we take for granted and use plants for fibres and lifestyle products, no matter what happens to farmers' existing seeds or planted crops.

DPI&F Principal Scientist and Curator, Peter Lawrence, has worked at the Tropical Crops and Forages Collection since it was established in 1987. Before the facility existed, he says, it could be difficult to find particular seed samples when they were needed for research or agricultural development.

"We used to keep seeds in different facilities all over the country. If researchers contacted a facility looking for a particular specimen and it wasn't immediately locatable, staff found it hard to know where to look," Peter said.

"Now, all Australian States and Territories work together and we have a unified national database that is available via the web and is constantly updated with new information about our collections. It's practical and efficient."

"In 2004, an international treaty for plant genetic resources came into force that enables researchers to access and exchange plant material, such as plant genetic resources, with researchers from countries throughout the world. Australia plans to ratify the treaty in 2005. The treaty is particularly useful for countries whose local crop varieties have become extinct or countries that need more seeds than they currently have available."

"One significant international project that DPI&F helped with was developing East Timor's agricultural industry after the recent war," Peter said. "We were asked to find out which varieties of maize would grow best in their environment. I worked with a maize breeder in Australia to find the answers and sent seeds to East Timor where they are being used to reconstruct the local agricultural industry."

Seeds at the Tropical Crops and Forages Collection are dried and stored in laminated aluminium bags at -20°C. Kept this way, most will last for up to 100 years. All seeds are routinely monitored to check their germination potential and regenerated if necessary to harvest new seeds to store.



DPI&F can create new life from a 50-year old seed that has spent years in  $-20^{\circ}\text{C}$  temperatures.

# DPI&F: A CHANGE AGENT



As global markets change and consumers demand safer and more environmentally friendly products, we are finding smarter ways to improve the production, product value and profitability of our primary industries.

## Creating collaborative partnerships

### STATE PLANTATIONS NOW ON PRIVATE LAND

In collaboration with private landowners, DPI Forestry established 755 hectares of new hardwood timber plantations on public and private land in south east Queensland this year.

The planting was conducted under the State Government's six-year, \$30.1 million *Future Directions Strategy* which aims to double the area of our hardwood plantations in south east Queensland to more than 10,000 hectares by 2009. The planned 5,000 hectare expansion will strengthen the long-term viability of the region's hardwood timber processing beyond 2024 when harvesting of State-owned native forests in south east Queensland will cease.

Field days, advertising and word-of-mouth generated strong interest in our plantation expansion program and assisted us to acquire 847 hectares of land for future plantations. Of this land, 556 hectares was secured through long-term rental agreements with 19 private landowners. These landowners can continue using their land for cattle grazing while diversifying their income through our rental payments and payments for maintaining our plantations.

Also this year, DPI Forestry established a Forest Management Services and Investment program under the *Future Directions Strategy* to investigate opportunities for us to collaborate commercially in private sector plantation projects in the State. We have commenced negotiations with private investors interested in plantation growing for site rehabilitation, carbon sequestration, bio-fuels and bio-solids projects and timber production.

In 2004-05, DPI Forestry will spend \$5.8 million to continue implementing the *Future Directions Strategy*. This includes establishing a further 750 hectares of hardwood plantations in south east Queensland.

### SUGAR INDUSTRY REFORM

Sugar industry legislation was reformed this year to facilitate ongoing industry restructuring and to enable the sugar industry to meet market challenges and exploit new opportunities, particularly in the area of value-adding.

Also this year, we developed a three-year, \$5.2 million FutureCane program as part of the State Government's Sugar Change Management Package. FutureCane aims to achieve widespread adoption of sustainable sugar cane growing systems, resulting in more productive and sustainable farms through increased yields and profits; reduced costs, sedimentation, nutrient loss and compaction; and improved soil health. FutureCane commences in 2004-05 and will be delivered by DPI&F and BSES Ltd in Queensland's main cane growing areas.

DPI&F worked with the sugar industry this year to create an industry-owned research and development company, BSES Ltd. In addition to this already significant contribution, DPI&F also committed \$5.1 million to the Sugar Industry Innovation Fund.

### FARM MANAGEMENT SYSTEMS CONSIDERED

DPI&F led whole-of-Government negotiations with the Queensland Farmers' Federation this year regarding a *Memorandum of Understanding* to promote voluntary Farm Management Systems to Queensland's intensive agricultural sector.

Voluntary Farm Management Systems involve planning, managing, measuring and auditing farm practices. The broad adoption of Farm Management Systems has the potential to improve industry productivity and profitability, and reduce impacts on the environment.

We expect the *Memorandum of Understanding* to be in place by the end of the 2004 calendar year.

### INVESTIGATING NEW USES FOR TOBACCO

Following the decline of the tobacco industry in north Queensland due to growing consumer concerns about the health risks of smoking tobacco, DPI&F has worked with farmers and other groups to identify new industries for the region. Investigations have included finding alternative uses for tobacco and other alternative crops.

We chaired a steering committee during 2003-04 that examined new tobacco-based products. This included evaluation of consultants' studies on alternative, sustainable tobacco products including human and veterinary therapeutic proteins, vaccines, diagnostic proteins and industrial products.



To produce the protein-based products, a process called plant molecular farming or biopharming is used. When applied to tobacco, the tobacco plant becomes a 'biofactory' which produces recombinant proteins (proteins formed by the manipulation of genetic material) that are often too complex or expensive to manufacture by other means. Studies and consultants' reports suggest that using north Queensland's tobacco crop as a biofactory would be a high-risk, but potentially high-reward, opportunity that could provide primary producers with opportunities to enter lucrative global markets.

Currently, a Queensland biotechnology company is considering commencing a commercial enterprise based on tobacco (in 2005-06). Should this be based in north Queensland, it will have a significant economic impact on the region.

#### **PARTNERSHIP TO PROMOTE THE HORTICULTURE INDUSTRY**

A new partnership with the Queensland Fruit and Vegetable Growers' association (now known as GROWCOM) will enhance our ability to promote the state's diverse horticulture industry.

The partnership will involve mapping DPI&F's capabilities against the needs of GROWCOM member industries and developing action plans for areas such as research and development, trade strategies and policy development. Actions resulting from this dialogue will be implemented as joint projects, the first being research that supports the biological control of pests affecting citrus crops, Queensland's biggest fruit export industry.

In the future, DPI&F plans to form similar relationships with other primary industries groups to promote industry development.

#### **CATCHMENT CONSIDERS LIFECYCLE IMPACTS**

DPI&F continued to progress the \$3 million Burdekin Rangelands Reef Initiative this year. The initiative aims to encourage Burdekin catchment primary producers, communities and local governments to become involved in a whole-of-catchment approach to developing sustainable community initiatives that consider the economic, environmental and social impacts on upstream and downstream communities.

This has involved the development of 38 integrated grant projects that examine ways that the catchment could change its approach to agricultural, community and economic development as well as environment management (particularly concerning issues of water quality in agricultural areas).

In 2004-05, the Burdekin Rangelands Reef Initiative will be finalised and its outcomes evaluated. We expect that all grant projects will be completed by December 2004, at which time each of the projects will be assessed against their desired outcomes. The whole Burdekin Rangelands Reef Initiative program will also be evaluated against the priorities established at the inception of the program.

#### **COSMETIC TAIL DOCKING BANNED**

In line with the *Animal Care and Protection Act 2001*, including its aim to protect animals from unjustifiable, unnecessary or unreasonable pain, DPI&F examined the need to ban routine tail docking of dogs. The future control of this practice was provided for in the *Animal Care and Protection Bill*.

During the year, DPI&F consulted key state and national stakeholders such as industry groups, animal welfare organisations and other government departments about a possible ban. Based on all feedback, we decided that a ban was desirable and, fully supported by our Minister, maintained our stance on the issue during meetings with Australian and State counterparts. State Ministers confirmed a national ban on routine tail docking in October 2003.

Following the decision, DPI&F quickly enacted the ban (before the agreed national commencement date) and prepared online and printed information resources for dog owners, veterinarians and dog breeders. To date, there has been almost no protest about the ban from dog breeders, and only one detected breach of the ban.

#### **TEACHING INDIA TO FARM SEA BASS**

The Indian government has asked DPI&F and Queensland's barramundi farming industry to help boost the country's aquaculture development skills.

From 2004-05, we will provide Indian researchers, industry participants and government officers with training in broodstock husbandry and spawning to support the development of a sea bass (barramundi) aquaculture industry in India. Initially, the fish will be destined for local markets.

The training is another example of DPI&F's internationally recognised expertise in tropical aquaculture research and development.



continued...



Balancing the needs of all fishery users

## Working across Queensland

### COMMUNITY INFLUENCES FISHERY CHANGES

Changes to the *Fisheries Regulation 1995* have introduced new minimum legal sizes for blue swimmer crabs and teraglin jew, changes to the management of scallop replenishment areas, and enhancements to bycatch reduction devices used by the commercial trawling industry.

Other major changes included a ban on beam trawling in Baffle Creek in central Queensland, restrictions on commercial netting of tailor on Fraser Island and extension of the weekend ban on commercial net fishing in the Fitzroy River, north Queensland.

The changes resolve some long-standing conflicts about these issues, and were implemented after extensive community consultation on a *Regulatory Impact Statement* released in 2002-03. More than 1,600 formal responses were received from around Queensland, and were considered when developing the legislative amendments.

New management arrangements for coral reef fin fish and Spanish mackerel, and protection areas for critically endangered grey nurse sharks were also introduced in 2003-04 (see pages 20 and 23).

## Building on past success

### NATIONAL LIVESTOCK IDENTIFICATION SYSTEM PLANNED

Queensland has long been a leader in livestock identification and tracing systems. These systems help DPI&F and primary producers to respond quickly to suspected outbreaks of livestock disease and to maintain food safety standards.

Over the past couple of years, DPI&F has recognised the need for a national approach to livestock identification to meet changing international biosecurity standards. The Primary Industries Ministerial Council agreed to our approach in 2003-04, endorsing the development of a mandatory National Livestock Identification System (NLIS) for all livestock (initially beef and dairy cattle, and sheep).

The proposed NLIS will enable whole-of-life tracking of animals from the property of their birth to the abattoir or their port of export. It will build on existing livestock tracing systems with some enhancements such as the use of electronic ear tags for all cattle.

To implement the NLIS in our State, DPI&F established the Queensland NLIS Implementation Committee comprising industry and government representatives. The committee has already completed a detailed implementation plan that will commence in 2004-05.

The NLIS will be phased in between July 2005 and July 2007 and DPI&F is well positioned to take advantage of opportunities to access new international markets for our animal industries under the system.

### ONLINE ACCESS TO DAM FISHING PERMITS

DPI&F's successful Stocked Impoundment Permit Scheme was further improved this year. Permits issued under the scheme, which are required by anyone fishing at any of the 29 dams where recreational fisheries have been established through fish stocking programs, are now available online 24 hours a day at [www.smartservice.qld.gov.au/AQ](http://www.smartservice.qld.gov.au/AQ). They are also available by telephoning Smart Service Queensland during business hours or from small businesses operating near participating dams.

Surveys to determine the economic impact of stocked recreational fisheries were conducted for the Bjelke-Petersen, Boondooma and Fairburn Dams this year. The surveys showed that the value of each dam was around \$1.5 million annually.



## Translating science into practice

### **HORTICULTURAL DINOSAUR TO HIT THE WORLD MARKET**

A plant once thought to be extinct, the Wollemi pine, will be exclusively marketed under licence from Sydney's Royal Botanic Gardens and Domains Trust by a joint venture company comprising DPI Forestry and Birkdale Nursery from 2005. The joint venture aims to conserve the majestic pine by enabling it to be purchased and planted in parks and gardens around the world.

The Wollemi pine was first discovered in 1994 in a rugged gorge west of Sydney where only a small population of the trees remain. It is one of the world's oldest and rarest tree species, belonging to a 200 million-year-old plant family.

Since the tree was discovered, DPI&F has grown a large number of Wollemi pines, working with national and international scientific bodies to dramatically accelerate our rate of propagation. This has included successfully applying biotechnologies such as organogenesis (tissue culture).

DPI Forestry currently funds Wollemi pine propagation from our group's commercial surplus and has invested millions of dollars in the project. To date, the project has created 35 jobs and benefited south east Queensland contractors and suppliers. Once Wollemi pines are sold commercially, they are expected to generate millions of dollars in export revenue for Queensland. A portion of the sale of each Wollemi pine will also help fund the conservation of the Wollemi pine in the wild and protect other rare and endangered species.

### **CLIMATE RISK RESEARCH ADVANCES**

For more than a decade, DPI&F has assisted primary producers to apply advanced climate research to the management of their enterprises. In 2003-04, we refined our seasonal climate forecasting and crop simulation modelling tools to enhance delivery of relevant, timely information on risks associated with farm management options. These tools are believed to be the most advanced in the world and can be used to examine the environmental and economic impacts of using different farming systems to grow a range of crops in various climates and soils.

### **IMPROVED DEVICES TO PROTECT TURTLES**

Improved devices that prevent sea turtles from becoming caught in trawl nets have enabled Queensland prawn fishing businesses to access American (US) markets for the first time since 1996.

The US had banned imports of Queensland-caught wild prawns after concerns that sea turtles were an inadvertent bycatch of our fishing operations.

In 2003-04, DPI&F joined representatives of Queensland's east coast trawl fishing industry to refine the design of existing turtle excluder devices. These devices had been under review since 1999 and compulsory in all otter trawl nets since 2002. DPI&F arranged for a fishing gear technologist and US-based shrimp fisherman to visit Queensland to help with the design process.

As a result of our efforts, the US Department of State recently reopened the potentially lucrative US export market to Queensland prawns. US officials from the National Marine Fisheries Service will visit our fishery in future to monitor progress and advise us of any further development that is required to maintain US market access. As a result, we anticipate there may be further changes next year to regulations affecting the design and use of excluder devices in trawl nets.

### **RESEARCH ALLIANCE WITH JAMES COOK UNIVERSITY**

DPI&F and James Cook University have formed an alliance to facilitate joint research, teaching and industry training programs. These programs aim to improve primary producers' productivity, profitability and environmental sustainability.

One of the alliance's first projects is the establishment of a Rapid Assessment Unit at the University's Cairns campus. The unit plans to develop new methods of non-invasive food quality and safety testing, revolutionising the way that fresh produce is graded and marketed. Early trials have indicated that the HyperVision system, a technology that uses near infrared spectroscopy (a non-invasive, non-destructive method of using optical light to determine chemical composition of food) could be used by many primary industries to test their produce.

We may form a joint venture with Bret-Tech (Optical Measuring Systems and Produce Sorters International) in 2004-05 to develop the product further.

## Outlook for 2004-05

In the coming year, DPI&F plans to:

- Conduct research into sustainable futures for primary industries and manage change for those industries undergoing transition.
- Participate in the implementation of the National Livestock Identification System.
- Assist enterprises to adopt innovation and smart science that will add value, customise and diversify products and services to meet market needs.
- Anticipate and respond to impacts arising from the external environment and emerging industry issues.
- Work with the sugar industry to secure long-term, viable industries based on sugar and other crops.



continued...

## CASE STUDY

### **Eye in the sky nets seafood poachers**

From an office in central Brisbane, DPI&F knows if any one of the state's 500 licensed commercial trawler vessels is operating in 'no-go' zones or other restricted areas in almost 530,000 km<sup>2</sup> of ocean.

The technology that helps us achieve this – day or night – is a satellite-based tracking system first activated in 1998 in response to a rash of scallop poachers in our east coast trawl fishery.

This fishery, the state's largest, employs more than 2,000 people and generates about \$200 million annually for Queensland. It runs between Cape York and the New South Wales border, with about 70% of all commercial trawling conducted inside the Great Barrier Reef Marine Park.

DPI&F General Manager of Fisheries Resource Protection, Dan Currey, said that at least 150 areas in the east coast trawl fishery were closed to fishing and it was these areas that the department's Vessel Monitoring System (VMS) particularly aimed to protect.

"While most commercial trawling operations support our sustainable management of fisheries resources, it is the small number of operators who don't see a problem with raiding protected areas that we need to stop," Dan said.

All commercial trawl fishing vessels that operate along Queensland's coast are fitted with a \$5,000 unit containing a Global Positioning System and other instruments. The unit sends information via satellite to DPI&F's office in Brisbane and it is then relayed to Boating and Fisheries Patrol Bases across the state. The information can be accessed at any time.

"The beauty of VMS is that evidence is gathered automatically 24 hours a day, the system is not affected by weather and it cannot be evaded," Dan said.

Since VMS began, DPI&F has investigated hundreds of possible breaches of licence conditions and has successfully prosecuted 171 people. Fines have ranged from \$100 to \$10,000.

"Some of these offences were as serious as poaching scallops from designated replenishment zones, while others have involved failing to activate on-board VMS equipment."

As technology improves, VMS and associated equipment will provide even greater protection of our important fisheries resources so that they will continue to be enjoyed by future generations. The technology will, in future, also provide greater flexibility to fishers.

While VMS was originally designed as a compliance tool, it now provides fisheries managers with a much wider range of options for promoting sustainable fishing. For example, VMS data and fisheries catch information can be combined to create models that may highlight better ways to manage fisheries.





**DPI&F's satellite tracking system provides fisheries managers with a much wider range of options for promoting sustainable fishing.**

# DPI&F: AN EFFECTIVE BROKER



Productive relationships inside and outside our organisation help us to work more efficiently, provide services across Queensland and respond to primary producers' needs.

## Asking the hard questions

### DPI&F PREPARES FOR FISHERIES AUDITS

Under the Australian Government's *Environment Protection and Biodiversity Conservation Act 1992*, all Australian and State-managed fisheries that support export activities must be assessed as being ecologically sustainable by 1 December 2004.

To meet this requirement, which is also consistent with the objectives of *Queensland's Fisheries Act 1994*, DPI&F's Fisheries Assessment and Monitoring Unit continued to develop reports on our state's export-oriented fisheries. These reports are submitted to the Australian Minister for the Environment and Heritage for sustainability accreditation.

In 2003-04, we prepared 25 reports and are on track to meet the December 2004 deadline. While the conditions that will be attached to export permits are still being negotiated (and significant financial implications are likely) we anticipate that export approval will not be withdrawn for any Queensland commercial fishery.

### DPI&F RESPONDS TO REEF ZONING PLAN

During 2003, the Australian Government developed a new *Zoning Plan* for the Great Barrier Reef Marine Park so that it can implement its Representative Areas Program for biodiversity conservation.

Since then, the State Government has provided a whole-of-Government response to the plan, coordinated by the Department of Premier and Cabinet through the Great Barrier Reef Inter-Departmental Committee. As part of the response, DPI&F addressed the implications of proposed new zoning on fishing and aquaculture activities, associated secondary industries and coastal communities.

We conducted detailed analyses of fisheries production and gross value of production from areas that are proposed to be closed to fishing, and performed an effective brokering role to ensure that Queensland's response adequately addressed the potential impacts on the seafood industry and rural communities.

## Balancing diverse needs

### PLANTING BEGINS ON INDIGENOUS COMMUNITY FARMS

Since early 2002, DPI&F has worked with Indigenous communities in St George and Dirranbandi in south west Queensland to plan and establish primary industries enterprises on local landholdings. This year, we provided advice on the inaugural planting of vegetables and citrus crops on two properties and helped with soil preparation for a native flower farm.

These enterprises offer training, employment and social development opportunities for local Indigenous people and DPI&F is conducting similar projects in other parts of Queensland (see the case study on page 34).

Also this year, we continued to support primary industries and leadership training for Indigenous community members. This included coordinating pilot Beef Cattle Management training at Burdekin Agricultural College for 19 leaders of the Hope Vale Aboriginal Community. The course covered all aspects of beef cattle production and management, and was rated highly by all participants who plan to use their new skills to manage cattle on properties controlled by the Hope Vale Aboriginal Community.

### SUPPORT FOR YOUNG PEOPLE IN RURAL INDUSTRIES

DPI&F established the *Young People in Rural Industries Liaison Group* this year to support young people working in rural industries.

The informal group, represented by ten young people, prepared a discussion paper on rural youth issues in 2003-04 and is developing a *Young People in Rural Industries Strategy* for endorsement by DPI&F in the coming year. The strategy aims to identify ways that youth can contribute to profitable and sustainable rural industries in Queensland.

### REGIONAL WOMEN EXHIBIT PRODUCTS

We coordinated the first Enterprising Women in Rural Industries Trade Show this year which assisted 25 women who have established niche food and fibre businesses in regional areas to form relationships with each other and with retailers, chefs, trade representatives, business advisors and government officers.

In a separate initiative, DPI&F awarded our annual Elaine Brough Bursary to Pamela Woodrow for her efforts in raising community awareness of the value of kangaroo meat as a healthy part of Queenslanders' diets.

## Facilitating stakeholder partnerships

### A NEW LEASE ON LIFE FOR TARA

DPI&F led a whole-of-Government project to support the rural town of Tara to build a stronger, more productive community.

Tara, 250 km west of Toowoomba in south west Queensland, is a small but dynamic community with substantial, long-standing social issues associated with changing living patterns and conditions.

As these issues cannot be managed by any one group or government department, DPI&F facilitated workshops for State Government departments, local government, and community service providers to develop an action plan for change in Tara. Our input of 16 days of assistance led to \$2.6 million of investment in Tara, including \$570,000 of funding for the town's Sustainable Living Centre and \$380,000 for a Special Education Unit.

DPI&F's involvement, and that of the Tara Community Action Team and Department of Communities, was recognised at the national Participate 2004 Conference.

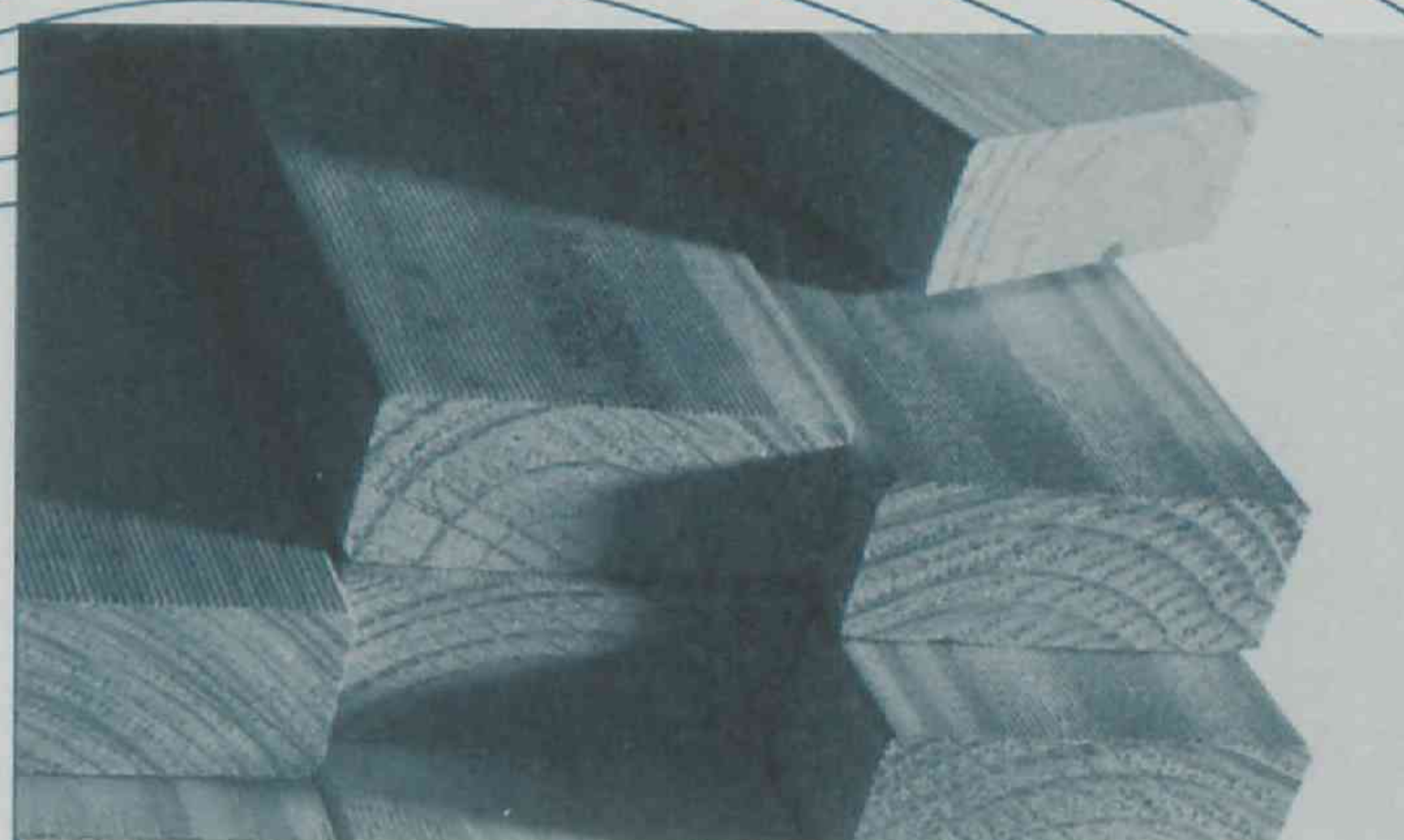
### PARTNERSHIP TO MONITOR FISH HABITATS

A partnership between DPI&F, Queensland's port authorities and the CRC Reef Research Centre is successfully protecting important fisheries habitats.

The group oversees a Cairns-based project that identifies, maps and monitors fisheries habitats such as seagrass meadows, mangroves, and reefs located in Queensland's sheltered coastal ports or major shipping lanes. In 2003-04, habitats were monitored in the Ports of Cairns, Gladstone, Mourilyan, Weipa, Karumba, Thursday Island and Skardon River and in shipping lanes in the Torres Strait and Great Barrier Reef. These habitats are potentially at risk from port activities, such as dredging and development of new facilities, and shipping accidents that can cause fuel and oil spills.

Port authorities use our mapping and monitoring information to prepare port development and maintenance programs that minimise impacts on fish habitats. The information is also used to identify any changes in the habitats' conditions over time.

DPI&F aims to expand the group's activities in 2004-05 to include mapping and monitoring of several new ports.



Brokering effective commercial partnerships

## BOOST FOR NORTH QUEENSLAND TIMBER INDUSTRY

DPI&F moved to revitalise north Queensland's timber industry this year, conducting a national and international search for a commercial partner to process 12,000 hectares of State-owned softwood plantation in the region.

An exhaustive 12-month process, which included consideration of nine proposals from local, national and international companies, resulted in the selection of Pentarch Forest Products. This Australian-based company is expected to purchase three million cubic metres of plantation log timber over 15 years.

The arrangement represents the first major, long-term sale from DPI Forestry's plantation softwood resources near Ingham, Cardwell, Atherton and Proserpine. The sale will support more than 90 existing sawmilling jobs in the region and create additional employment in harvesting, haulage, log export, value-adding and plantation establishment activities.

DPI Forestry will enter into 'heads of agreement' negotiations with Pentarch Forest Products to formalise a log supply agreement.

## Outlook for 2004-05

In the coming year, DPI&F plans to:

- Coordinate our research efforts, such as our efforts in the area of biotechnology, with those of other State Government agencies, universities and research organisations.
- Facilitate enterprise access to sources of skills development, knowledge and recognised training.
- Expand Queensland's plantation estate under public and private ownership in conjunction with other State agencies.
- Achieve continuous improvement in management arrangements for Queensland fisheries resources and habitats through appropriate planning processes and delivery mechanisms.

continued...

## CASE STUDY

### **Cherbourg cultivates new enterprises**

With help from DPI&F, Indigenous people in Cherbourg now own and operate an organic market garden that complements existing primary industries enterprises in the region.

Cherbourg is a self-managed Aboriginal community near Murgon in south east Queensland, recognised as having successfully established Queensland's first emu farming operation in 1989.

Over the past two years, DPI&F has worked with the Cherbourg Community Council, Traditional Owners, local Elders, community members and other government agencies to conduct discussions and land management planning workshops to identify further viable land-based enterprises for Cherbourg.

DPI&F Senior Extension Officer, Dave Brown, said that the workshop series aimed to transfer knowledge to community members in areas such as strategic planning, business analysis, communication skills, teamwork skills, marketing, natural resource management and organic growing systems.

"Apart from building local skills, we also encouraged all interested members of the Cherbourg community to voice their aspirations for the future of their region," Dave said.

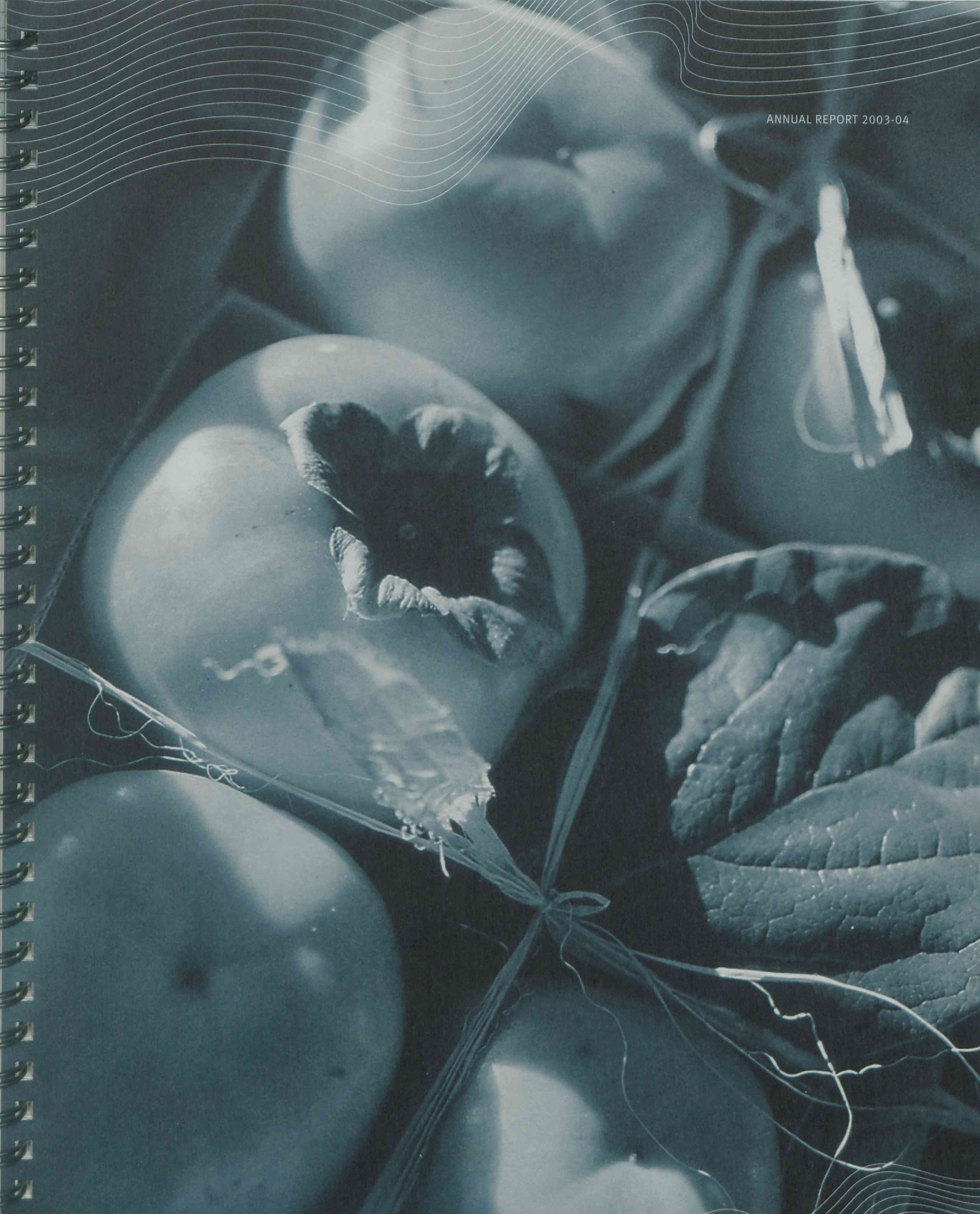
"Based on the discussions, and supporting information on land use options and natural resource management issues in the Cherbourg area, the community decided to establish the Cherbourg Organic Market Garden Enterprise Team in early 2003."

"The Team's vision was to create a vegetable production enterprise, with all produce grown according to organic principles and distributed throughout the community with the long-term goal of developing a profitable enterprise."

Just 12 months after the Team was formed, the market garden enterprise provided work for 13 people and had expanded from its original site to encompass fertile land along a local creek. Three of the Team's workers were full-time and had successfully completed Certificate II Horticultural Traineeships at Wide Bay TAFE.

"Since the market garden enterprise began, DPI&F has provided a mentoring role to members of the Team and offered technical advice on agricultural issues. We were also instrumental in helping the Team to obtain a \$20,000 grant from the Cherbourg Community Council to fund the recent expansion of the enterprise."

"This project, and others like it throughout Queensland, are exciting for DPI&F. It is very satisfying to help communities improve their skills and confidence in managing their futures."



**DPI&F: Working with the Indigenous people in Cherbourg to establish the organic market garden enterprise.**

# DPI&F: A SOLUTION PROVIDER



Whether we're facing the outbreak of an exotic disease or we need to enhance the commercial appeal of a primary industries product, our people work smart to find the right solutions.

## Remaining a source of expert knowledge

### FISH MOVEMENT TECHNOLOGIES IMPROVED

We remained at the forefront of fishway technology in 2003-04, with DPI&F's advice sought for fishway projects in New South Wales, Victoria, South Australia, Western Australia and around Queensland. Fishways are devices that help native fish to cross barriers constructed in waterways such as dams and weirs.

Breakthrough projects this year included the design of Australia's first fish lift at Burnett Dam, a 30m high structure that will allow fish to pass over the dam wall, and a separate fish lock to allow downstream passage of fish. A computerised fish lock was also designed for the Clare Weir on the Burdekin River. This lock, developed in association with SunWater, will provide thousands of fish with ongoing access to an additional 60km of the Burdekin.

Also this year, DPI&F conducted fish tagging, radio tracking and hydroacoustic studies of fish behaviour in and around fishways to help us to further refine our fishway designs.

### RESEARCH TO INCREASE MILK PROTEIN

A project designed to help Queensland dairy farmers increase the amount of protein in milk commenced this year. Seasonal fluctuations in milk protein are a major problem for the dairy industry as low protein levels reduce the value of milk sold to dairy product manufacturers.

Over the past 12 months, DPI&F has collaborated with The University of Queensland, CSIRO and the Western Australian Department of Agriculture to develop training packages, decision support tools and practical strategies for dairy farmers to increase milk protein.

We have begun assessing the impact of these initiatives on milk protein levels and expect results in 2004-05. At that time, we should also have developed a model that can predict the economic performance of different dairy farming systems in different regions. The model may help Queensland dairy farmers to adopt new farming systems that set them apart in the competitive, deregulated national dairy market.

### SOLUTION FOR DROUGHT-AFFECTED GRASS

DPI&F studies conducted this year have shown that drought-affected Mitchell grass, a native grass species used for grazing in south west and central Queensland, is unlikely to be reactivated by flood events. Unfortunately, this means slower drought recovery for graziers as Mitchell grass will need to be regrown from seed and require adequate rainfall to survive.

To share our findings on Mitchell grass and discuss climate and pasture growing trends and forecasts with graziers, DPI&F held a series of information exchange sessions at Augathella, Blackall, Jundah, Ilfracombe, Hughenden, Julia Creek and Morella during 2003-04.

### DPI&F HELPS WITH STATEWIDE FORESTS PROCESS

Our department has provided expert input to the Statewide Forests Process, a whole-of-Government strategic regional forest planning process that is currently considering sustainable forest management and timber supply options for State-owned forests in the Western Hardwood Region (an area to the west and north of south east Queensland).

This includes considering the development of alternative plantation timber resources, increased utilisation of harvested timber and value-added processing.

DPI&F is contributing to the process by providing timber resource data and evaluating future timber supply options. We are also working with the Department of State Development and Innovation and industry stakeholders to address future grazing and beekeeping operations in forests covered by the Statewide Forests Process.

## Tailoring research and development to industry needs

### NEW APPLICATIONS FOR TURF SCIENCE

Working with industry and research partners, DPI&F is growing a reputation as a developer of some of the world's most advanced sports playing surfaces.

This year, DPI&F's Horticulture and Science Unit and partner, Jimboomba Turf Group, became the first group in the world to export specially developed warm season turf varieties, Sealsle2000 and Sealsle1. These turf grasses were exported to the United Arab Emirates where they will be used for sports playing surfaces, including golf courses.

Sealsle2000 and Sealsle1 are specially designed to tolerate poor quality soil and water conditions including saline, wastewater and low water applications, and were propagated at DPI&F's Redlands Technology Park in south east Queensland. Redlands Technology Park holds one of the most comprehensive warm season turf collections in the world, with more than 120 varieties of 25 species on site.

Also as part of our turf grass focus, DPI&F and partners Brisbane Lions, AFL Queensland and Horticulture Australia Limited have commenced a \$3.1 million, four-year turf grass research project. The project aims to reduce injuries and improve game quality for the 400,000 registered AFL players using 1,000 amateur fields around the state.

Initially, the project will involve DPI&F scientists testing existing sporting grounds for hardness, grip, water efficiency and soil profile. At the same time, AFL players and coaches will be consulted about the positive and negative aspects of various playing surfaces. All research and feedback will be used to determine the best conditions for playing surfaces, and to identify practical, cost-effective ways for local clubs to achieve and maintain those conditions.

### TREE CLONES DEVELOPED FOR MARKET

Continuing DPI Forestry's tree improvement program, our researchers identified improved tree 'clones' that capture important tree features that are commercially valuable to the timber processing industry in terms of production efficiency and product quality.

DPI Forestry already uses cloned trees for our annual planting programs in south east and central Queensland, with our slash pine/Caribbean pine hybrid used extensively for cloning due to its excellent growth habits, straight trunk and high quality timber.

This year, we developed a new cloned hybrid breeding strategy, known as *Q-Pine*, to be implemented in

2004-05. The strategy will ultimately see our breeding program improve tree characteristics through use of an elite population of hybrids rather than current breeding programs for slash and Caribbean pines.

Trials of a range of biotechnologies including organogenesis (tissue culture), cool storage, cryopreservation and somatic embryogenesis continued. Encouraging initial results may help us to increase the speed and efficiency of our exotic pine propagation techniques.



Tree cloning – providing higher quality timber for the marketplace

## Delivering solutions that work

### 99% OF FIRE ANT INFESTATIONS ELIMINATED

In one of DPI&F's most successful pest management programs ever, we achieved a 99% success rate in eradicating known red imported fire ant infestations in south east Queensland. A survey showed that of more than 300 former fire ant nest sites, only two active infestations remained, and these have since been treated.

Based on our success, DPI&F has been working with scientists in the United States of America, New Zealand and Taiwan to assist them to eradicate fire ants in their countries (see the case study on page 40).

continued...

**RESEARCH SAVES PEANUT INDUSTRY**

A six-year industry, Australian Government and DPI&F project to reduce the incidence of aflatoxin, a naturally occurring toxin in peanuts, has reaffirmed the long-term viability of commercial peanut farming in south east Queensland's Burnett region.

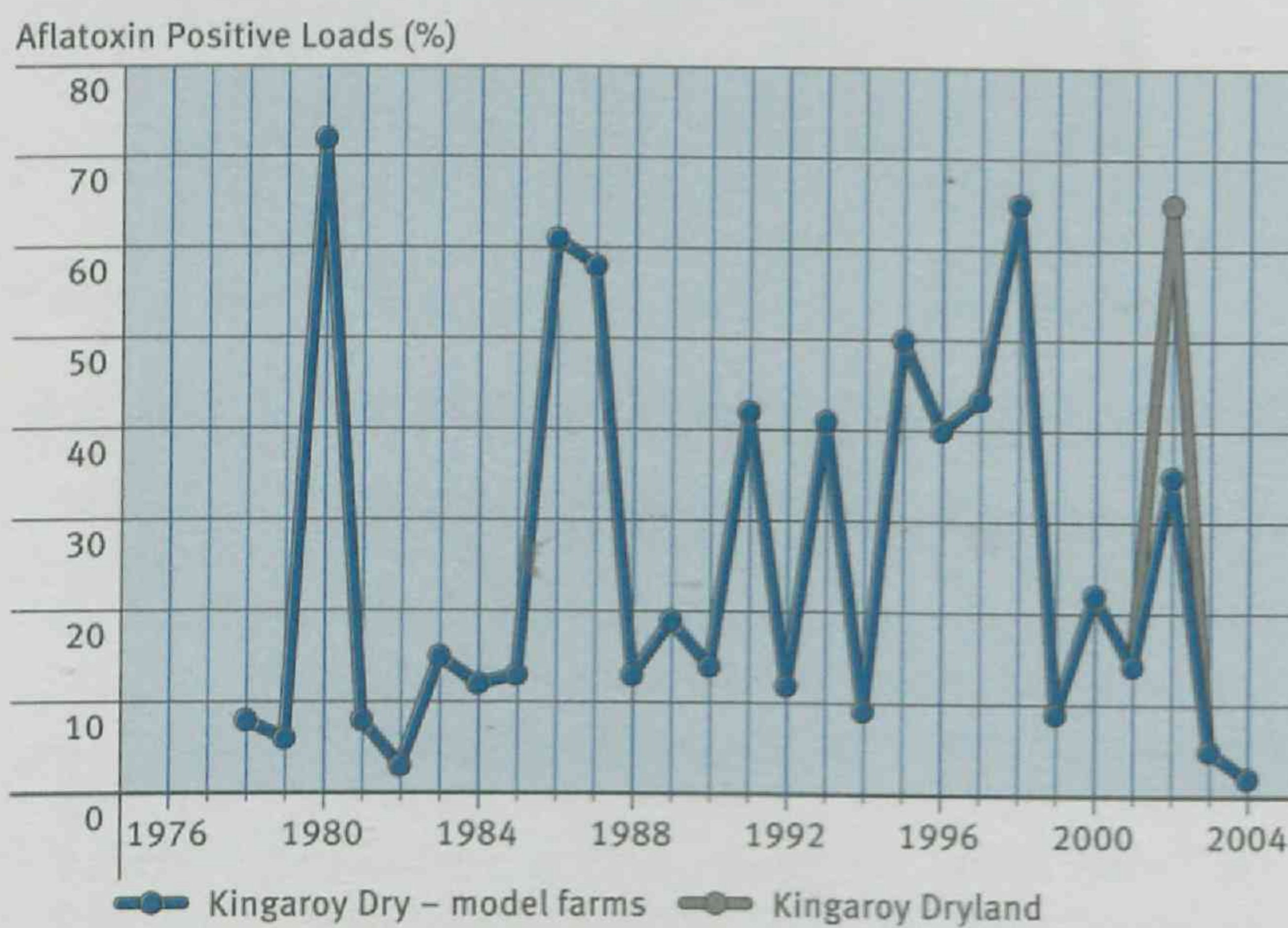
Aflatoxin is produced by a soil fungus and can develop in peanuts around harvest time. The toxin, which has been linked to liver cancer and cirrhosis in humans, had threatened to decimate Australia's commercial peanut industry in 1998.

To reduce aflatoxin levels, our project team used a combination of farming methods shown to reduce aflatoxin contamination, peanut varieties that have aflatoxin tolerance, and an extensive industry awareness and training program. The team's solutions included innovations such as the use of remote sensing technologies that can identify crop infection in the field, and an online aflatoxin decision support system that provides growers with access to information on the best time to harvest crops to avoid aflatoxin and how to maximise product yield and quality.

Our team's efforts have achieved a 50% reduction in aflatoxin levels over five years and enabled peanut farmers to better plan their futures.

**Kingaroy – Aflatoxin Positive Loads (%)**

Year ended 30 June



Despite drought conditions over the past six years which can increase aflatoxin contamination, adoption of DPI&F and Australian Government-designed aflatoxin minimisation practices have significantly reduced aflatoxin levels in peanuts. The grey line (Kingaroy Dryland) for the 2002 peanut crop indicates the average aflatoxin levels in all peanut deliveries, while the solid line is the average for 'model' farmers involved in the aflatoxin minimisation program.

**QUEENSLAND BETTER PREPARED FOR ANIMAL DISEASES**

With diseases such as bovine spongiform encephalopathy (BSE or mad cow disease) and foot and mouth disease (FMD) devastating economies around the world, DPI&F has further strengthened our biosecurity measures.

According to the Productivity Commission, an outbreak of FMD could cost around \$12.8 billion to the Australian livestock industry and \$5.7 billion in lost exports and domestic market revenue. The effects of an outbreak could last up to ten years.

DPI&F has responded to these threats with a range of prevention, surveillance and response initiatives. In the area of prevention, we boosted our education and compliance activities associated with Queensland's swill feeding ban and ruminant feed ban and we developed a vaccination program to prevent Newcastle disease in poultry.

DPI&F improved our surveillance systems to ensure that diseases can be identified quickly, particularly in remote areas, and eradicated before they spread. We also educated producers to report any signs of disease to us.

To enhance our response capability, we convened the FMD Cross-Government Committee to address issues including rapid deployment of resources, livestock movement controls, and the prompt and safe destruction and disposal of large numbers of susceptible livestock. The committee confirmed that responses to major disease threats will require collaboration from many government agencies and industries.

DPI&F conducted emergency response training exercises throughout the year to maintain our expertise in managing animal and plant pest and disease outbreaks and contributed seven biosecurity response personnel to a recently formed national rapid response team. We also further developed our laboratory facilities to enable the processing of large numbers of samples in the event of a disease-related emergency.

As well as these initiatives, DPI&F established an emerging disease research unit and participated in the creation of a new Australian Biosecurity Cooperative Research Centre for Emerging Infectious Diseases based in Brisbane. In conjunction with the centre, we have initiated a study into the challenges of gaining reliable disease surveillance data from Queensland's vast northern and western regions.

**Providing industry with a competitive edge**

**BIOSECURITY FACILITIES UPGRADED**

An upgrade of DPI&F's facilities in Townsville will significantly boost the state's biosecurity capability. The upgrade, which commenced this year, features construction of a new foot and mouth disease testing laboratory, and refurbishment of existing disease and virus analysis laboratories and administration offices.



The upgrade will enable DPI&F scientists and technical staff to almost triple their testing of samples – a major boost to Queensland's ability to identify and respond quickly to disease outbreaks. Security systems will also be significantly upgraded to improve standards of occupational hygiene and disease organism containment.

### **INCREASED TIMBER SUPPLIES TO INDUSTRY**

DPI Forestry continued to support the development of Queensland's softwood timber processing industry this year, increasing supplies of plantation log timber to regional customers.

Our sales of plantation sawlog, pulpwood and round timber reached a record 2.06 million cubic metres (up 8.9% compared with the previous year). Since 2000-01, DPI Forestry has increased our sales of plantation exotic pine sawlog by 80% to a record 1.13 million cubic metres. These high sales have provided a major boost to the timber processing industry, particularly during a time of strong market demand for timber products.

We were able to provide high volumes of exotic pine timber by increasing our production and enabling pulpwood purchasers to source more of their fibre requirements from sawmilling by-products and harvesting residues rather than directly from forests (as plantation thinnings). This arrangement, approved by the State Government in 2000 under its revised *Exotic Pine Allocation Policy*, has allowed greater volumes of final-crop sawlog to be sold to other timber processors.

### **FISHERIES LEGISLATION EXPANDS COMPETITION**

To meet National Competition Policy (NCP) requirements, the *Fisheries Act 1994* was amended this year to provide temporary transfer of fishery entitlements, including fishing quotas, between commercial fishers. This provides flexibility in fishing operations by allowing a fisher to temporarily lease their entitlement to another party but return to their fishing activity at a later date.

Also this year, the *Fisheries Regulation 1995* and several fisheries management plans were updated to remove the requirement for fishers to hold a minimum amount of fishing quota.

While minimum amounts of quota were initially designed to stabilise participation in fisheries, such legislative provisions have been removed as they inhibit the free trading of quota and are, therefore, anti-competitive.

Guidelines have been developed and implemented to provide gatekeeper arrangements which should ensure that all future fisheries legislative amendments are NCP-compliant.



Forest products – made to measure

### **COMPETITIVE SALE SYSTEM FOR NATIVE FOREST TIMBER**

DPI Forestry implemented a competitive sale system for all significant sales of native forest, non-sawlog timber during 2003-04. The main timber products affected were hardwood poles and girders.

In the past, pole and girder timbers were sold to a pool of purchasers under non-competitive sale arrangements. This approach was considered inconsistent with contemporary resource allocation and sale policies, and the spirit of the *Trade Practices Act 1974*.

During the year, DPI Forestry advertised two rounds of sales under the new competitive system and finalised sale contracts with the successful proponents. There will be an ongoing program of short-term sales of both poles and girders to supplement the initial quantities sold.

### **Outlook for 2004-05**

In the coming year, DPI&F plans to:

- Continue R&D and management arrangements to develop practical business solutions tailored to market needs, and trade opportunities.
- Develop and use the state's science base to increase productivity, sustainability and competitiveness, and to promote the long-term profitability of established food and fibre industries.
- Invest in R&D and management arrangements to develop solutions that will assist enterprises to minimise the impacts of drought and to adjust to long-term climate change.
- Support the Statewide Forests Process in the move towards sustainable forest management and industry development in collaboration with other State Government agencies.
- Assist industry to manage economically important, endemic pests and diseases.

continued...

## CASE STUDY

### Leading the charge against fire ants

In just three years, Queensland has become the world leader in fire ant eradication.

Since first finding evidence of fire ants in our state in February 2001, DPI&F has not only succeeded in eliminating 99% of known infestations of this exotic pest, we have surpassed the expectations of fire ant experts in countries including the United States of America.

Fire ants, or more correctly known as red imported fire ants or *Solenopsis invicta*, are a serious pest that pose the greatest ecological threat to Australia since the introduction of the rabbit and cane toad. The small, reddish-brown ants are unremarkable apart from their aggressive behaviour and painful sting.

General Manager of DPI&F's Fire Ant Control Centre, Keith McCubbin, said that DPI&F's environmentally friendly baiting program had eliminated virtually all known fire ant infestations on about 72,000 hectares of affected land in Queensland.

"While we are still treating some areas, most of our activities are now surveillance-based," Keith said. "A key reason for getting to this stage so quickly was our launch of a major community awareness program just six months after first identifying the fire ant problem."

"It would have been impossible to successfully carry out the program without the community's support. If we had tried to go it alone, we would have faced a situation similar to that in the southern United States of America where fire ants have dramatically affected the environment, agriculture and America's outdoor lifestyle. The United States of America has been battling fire ants since the 1920s."

Surveys conducted in 2003-04 showed that 99.5% of Brisbane residents and 90% of Townsville residents were aware of the state's fire ant problem. This high level of awareness often translated into action, with 74% of Brisbane people and 42% in Townsville checking their properties for fire ants.

DPI&F estimates that if nothing had been done to manage fire ants in this country, the infestation would have cost Australia at least \$8.9 billion over the next 25 years in lost agricultural production and environmental damage. At only a fraction of this cost, Australia has allocated \$175.4 million over six years (until 2006-07) to eradicate fire ants. Some of this funding supports the work of DPI&F's Brisbane-based Fire Ant Control Centre which now employs 400 staff.

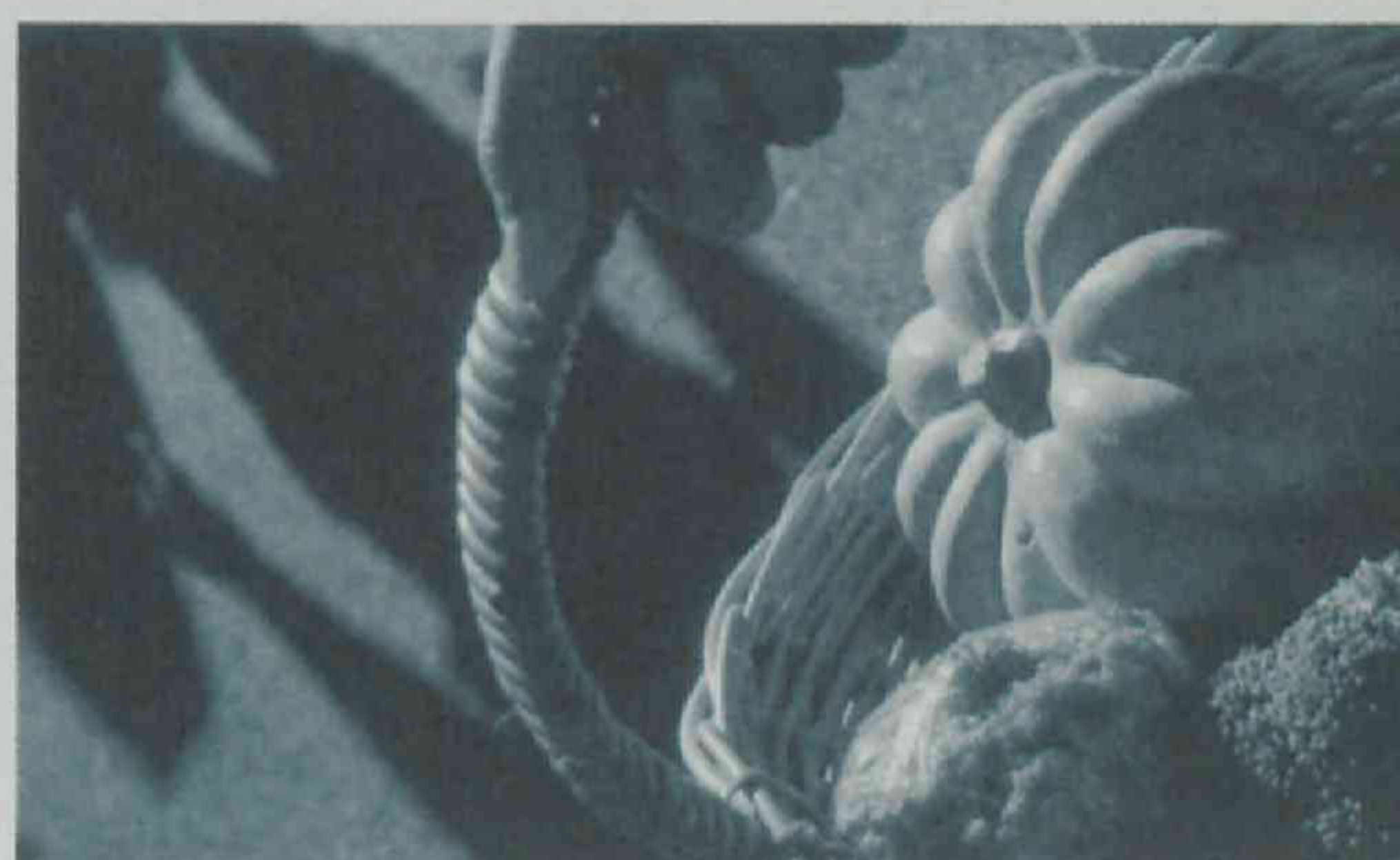
"Australian, State and Territory Governments have banded together to get rid of these ants and we are confident that we will be able to declare 100% eradication in the next few years."

"Apart from this win, the fire ant problem has sparked the development of a range of smart eradication and surveillance technologies. For instance, DPI&F and our research partners are using satellite imagery and computer modelling to predict the types of land preferred by fire ants and the corresponding areas where they could spread," Keith said.



The Fire Ant (*Solenopsis invicta*)  
– a serious pest.

# COMMUNITY ENGAGEMENT



Many DPI&F programs are designed to assist Queensland communities and we undertake regular engagement and consultation activities to ensure that our programs are consistent with community goals.

## Consultation supports plantation planning

DPI Forestry conducted extensive community consultation in 2003-04 as part of the development of a *Plantation Management Plan* for 6,350 hectares of land we purchased near Yeppoon in central Queensland.

The land, adjacent to existing plantations at Byfield State Forest, will allow DPI&F to expand timber production in the region and attract private sector investment in a sustainable, plantation-based wood processing facility in the longer term. This, in turn, will provide ongoing employment opportunities for the local community.

Based on community feedback, including comments provided at an on-site community field day as well as technical investigations, we will establish approximately 3,700 hectares of softwood plantation on the new land. Remnant and regrowth native vegetation will be retained on the balance of the site to conserve endangered and important flora and fauna.

Planting will provide increased employment opportunities for contractors and DPI Forestry's permanent workforce in the region.

### STAKEHOLDERS ADVISE ON FISHERIES MANAGEMENT

DPI&F continued to expand stakeholder participation in fisheries management activities this year. We involved commercial and recreational fishing bodies, community, environmental and Indigenous groups, and groups with custodial responsibilities in activities such as:

- Continued operation of seven Management Advisory Committees which provide input into major fisheries management issues. The committees represent different types of fisheries, such as crab fisheries or reef fin fish fisheries, and meet up to four times a year.

- Community meetings in regional areas to seek advice on recreational and commercial fishing, dam restocking and other fisheries management issues. Fish stocking workshops were held at Sarina and Blackwater and regional fisheries forums were held at Kingaroy, Noosa, Weipa, Gladstone, Hervey Bay, Mackay, Mooloolaba, Brisbane and Townsville.
- Hosting of 12 Kids Fishing Clinics around Queensland to promote sustainable fishing practices among young people and highlight the social and recreational values of fishing. A total of 600 children attended these events.
- Consultation on two *Regulatory Impact Statements* released this year concerning the introduction of the *Fisheries (Coral Reef Fin Fish) Management Plan 2003* and amendments to the *Fisheries Regulation 1995* which introduced grey nurse shark protection areas. Stakeholders provided more than 1,800 individual or group responses on proposed changes to these fisheries management arrangements.
- Distribution of the DPI&F quarterly newsletter *Fish* to more than 4,500 people per edition, operation of the electronic information service, *Fish Flash*; and distribution of more than 300,000 recreational fishing brochures to community members. Changes to fisheries management arrangements were also communicated in media reports throughout the state.

### SOCIAL DATA COLLECTED ON MURRAY-DARLING REGION

Working with the Western Downs Solutions Group (a producer and community action group) and the Queensland Murray-Darling Basin Committee, DPI&F facilitated the collection of social data that will underpin primary industries planning in the Murray-Darling region.

This data, collected by the Bureau of Rural Sciences, includes information on social trends, landholder understanding and adoption of salinity and water quality management practices, landholder responses to DPI&F policy options, and the extent of differences in responses to issues between regional communities.



To date, the data has been used to develop the Queensland Murray-Darling Basin Committee's natural resource management regional investment strategy and to assist the Brigalow Jimbour Floodplains Group to develop new land care and economic development programs.

### **COMMUNITIES ON GUARD AGAINST INVASIONS**

Complementing DPI&F's surveys for any unwanted pests and diseases in remote areas of Far North Queensland, we engaged local communities to support our Northwatch program in 2003-04.

Northwatch is a DPI&F biosecurity initiative established in 1998 to enhance our preparedness for, and response to, exotic pest and disease incursions. DPI&F invests around \$750,000 annually in Northwatch (including investment in the Coen Information and Inspection Centre).

Under the program, DPI&F's plant and animal biosecurity officers, the Australian Quarantine and Inspection Service and Indigenous plant biosecurity officers conduct annual 'early warning' surveys and inspections in both remote and urban areas.

In addition, local Indigenous and other community members donate their time to spotting any unusual symptoms that might indicate the introduction of an exotic pest or disease to Queensland. The main pests and diseases that community members look for are: exotic fruit fly, mango and sugarcane pests and diseases, screw worm fly, swine fever, and foot and mouth disease.

### **DETECTOR DOGS RAISE PROFILE OF ANIMAL WELFARE**

DPI&F's multi-skilled detector dog team was expanded this year to deliver diverse biosecurity and public awareness programs around Queensland. Two new Labradors—Breeze and Floyd—joined Norm and Jake to conduct 108 assessments of properties potentially affected by pesticide residues.

The team was also used to support DPI&F's animal welfare projects, such as the Help an Animal Smile primary school education program, and visited a range of pet expos, agricultural shows, schools and community events to promote animal welfare messages.

The dogs even jetted overseas to participate in the International Veterinary Behaviour Conference and a meeting of the Waikato Pesticides Awareness Committee in New Zealand.



Expanding the detector dog team to deliver biosecurity and public awareness programs around Queensland

### **DPI&F SCIENTISTS MENTOR STUDENTS**

For the third year running, four DPI&F scientists and two Department of Natural Resources and Mines staff volunteered their time to provide Toowoomba State High School students with a taste of life inside our departments.

The award-winning mentoring program, called Work Shadow a Scientist, began in 1999 and aims to demonstrate to students the range of employment opportunities available in our industries, the practical application of science and maths in our workplaces, and the differences that scientists can make to sustainable development.

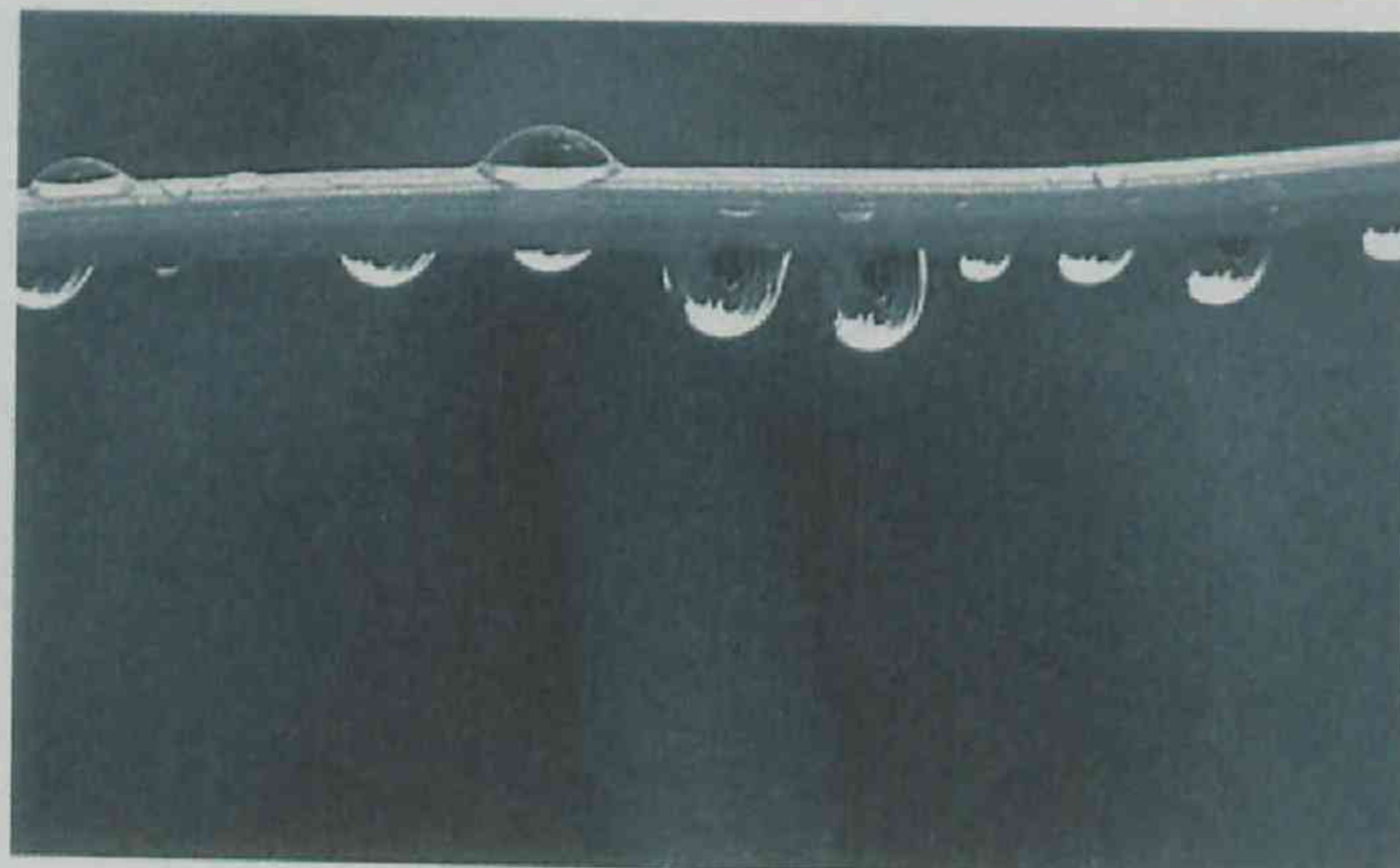
### **Outlook for 2004-05**

In the coming year, DPI&F plans to:

- Provide regionally-based R&D and business development extension services that will build food and agribusiness enterprise managers' capacity to improve enterprise productivity, growth and diversification.
- Deliver regional services aimed at increasing the uptake of innovation, technology and practices that help enterprises to respond to external impacts and maximise their profitability.
- Promote animal welfare and animal ethics to all community members.
- Provide regionally-based extension and business development services that assist primary producers to adopt management practices that meet changing community expectations regarding resource use.



# ENVIRONMENTAL MANAGEMENT



With sustainable development at the heart of many DPI&F policies, we are always looking for new ways to minimise environmental impacts on Queensland.

## **FORESTRY MANAGEMENT SYSTEM IMPROVED**

DPI Forestry is further improving the *Environmental Management System* (EMS) that we use to manage all State-owned forests in an environmentally responsible way.

While our EMS is already independently certified to AS/NZS ISO 14001 standard, we are progressively incorporating sustainable forest management requirements, such as those specified in Forest Stewardship Council (FSC) principles and the *Australian Forestry Standard* (AFS) criteria, into our system.

In consultation with the timber industry, represented by Timber Queensland, DPI Forestry is also moving to have our EMS formally certified against either the FSC principles or AFS criteria. Work commenced in 2003-04 to identify any necessary improvements to achieve this.

DPI Forestry's operations were subject to a range of environmental management audits in 2003-04 including one external and three internal audits against the requirements of AS/NZS ISO 14001, and 36 audits of our native forest harvesting activities by the Environmental Protection Agency against the *Code of Practice for Native Forest Timber Production 2002*. All corrective actions identified by the audits have been addressed or will be finalised in the coming year.

## **REDUCING IMPACTS OF AGRICULTURAL AND VETERINARY CHEMICALS**

DPI&F continued to lead the development of a national approach to responsible agricultural and veterinary chemical use in 2003-04, spending \$3.6 million on activities including the development of protection plans for major marine and freshwater environments.

We were involved in the development of the (Great Barrier) *Reef Water Quality Protection Plan*, endorsed by the Australian Prime Minister and the Queensland Premier, and the *Murray-Darling Basin Plan*, both of which aim to identify impacts on water quality, and water quality improvement strategies.

The plans set out a range of actions to reduce the impact of primary production practices, including the use of agricultural and veterinary chemicals, on water quality in inland and coastal areas, and to reverse the decline that has occurred over the last 200 years.

Under the plans, DPI&F will conduct a \$6.53 million agricultural and veterinary chemical management program next year including risk analysis, regulatory compliance, monitoring, research and development, and stakeholder communication activities. A key feature of the program will be extensive consultation with primary producers to develop farm management practices that foster responsible chemical use.

## **PEST TREATMENT ASSESSED**

As part of DPI&F's successful red imported fire ant eradication program (see page 37), we worked with Griffith University, the University of New England and the Queensland University of Technology to assess the impact of our eradication measures on native flora and fauna in the treatment area.

The ant baits used in our treatment program were the most environmentally benign available, and have had little impact on native fauna to date. Monitoring of waterways in the treatment area also demonstrated that chemical residues linked to our treatment program did not exceed guidelines stipulated by the Australian Pesticides and Veterinary Medicines Authority.

Importantly, if DPI&F had not conducted a fire ant eradication program in south east Queensland over the past two years, many native vertebrate and invertebrate species would have been displaced or endangered. Some species may even have become locally extinct.

### **DPI&F'S WASTE MANAGEMENT PROCESSES TO BE REDESIGNED**

Demonstrating our commitment to protecting the environment for a sustainable future, DPI&F continued to promote and apply ecologically sustainable practices that make the most efficient use of natural resources, and minimise waste.

Following this year's structural changes at DPI&F (see page 7), we have decided to redevelop our strategic waste management plan to provide for improved reporting processes and new tools and training that will allow us to benchmark our waste management practices and identify waste reduction initiatives. This will be conducted in 2004-05.

### **WATER QUALITY MAINTAINED**

We expanded our network of water quality monitoring stations at State-owned forestry plantations this year to measure the impact of our harvesting and replanting operations on the surrounding environment. The new stations were constructed at plantations near Cardwell in north Queensland, Byfield in central Queensland and near Gympie in south east Queensland.

The accumulated results of water quality monitoring and associated studies conducted in recent years (mostly in south east Queensland) indicate that our plantation management practices are having little, or no impact on downstream water quality in areas where we operate; particularly in terms of nutrient and sediment indicators. DPI&F is continuing to develop, support and implement policy and projects that improve water quality and our management of this precious resource.

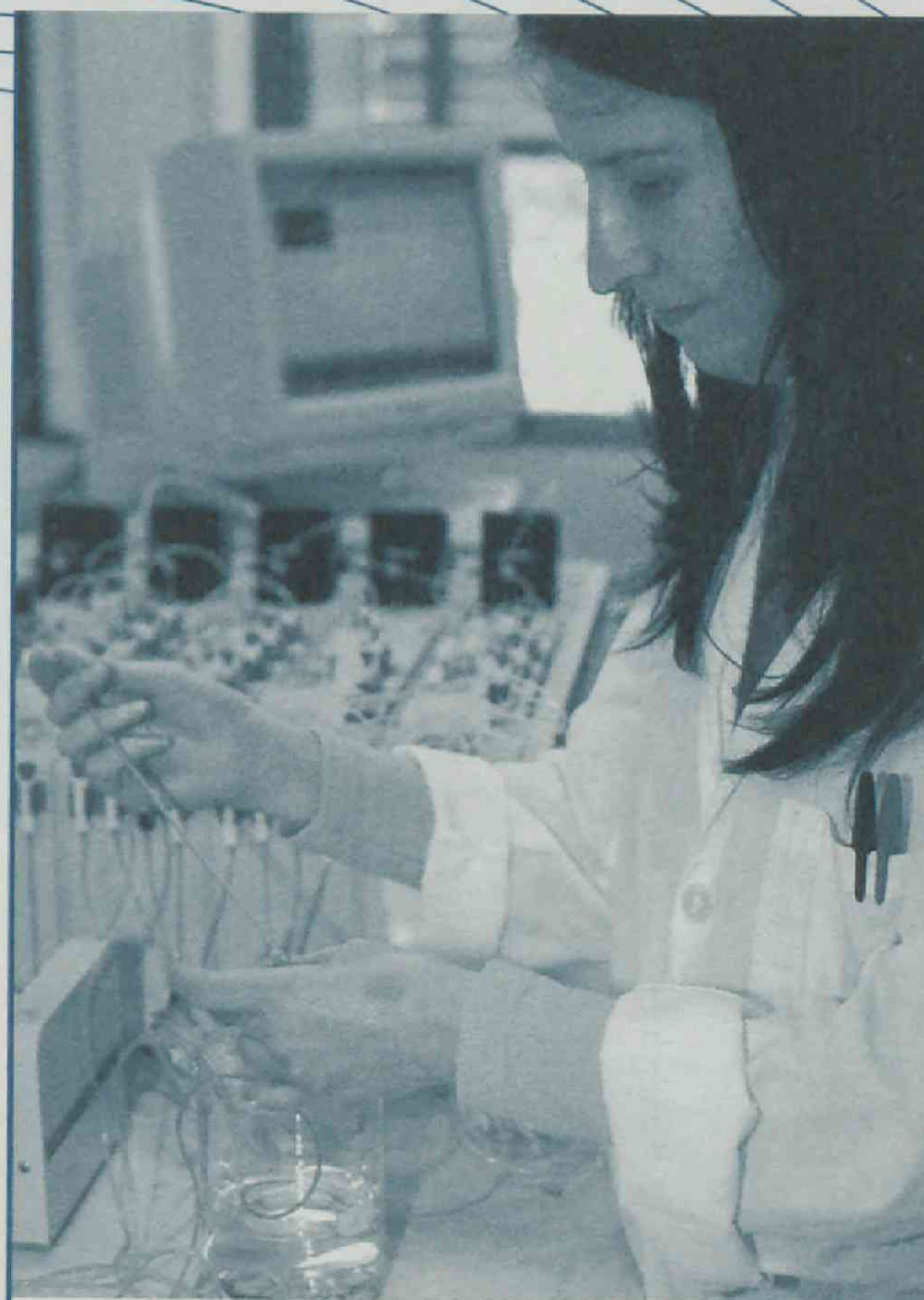
### **RESEARCH SHOWS FUTURE FOR WASTE**

DPI&F continued to play a leading role in Australian research into the reuse of biosolids (solids from sewage) this year.

Based on the large amount of data we have gathered, DPI&F's scientists believe that biosolids could be widely used as a nutrient source for many types of crops without compromising food safety standards. Reusing biosolids also offers significant environmental benefits and opportunities for more sustainable farming practices.

DPI&F's research will contribute to the future development of national, risk-based guidelines for biosolids reuse. Guidelines may also be considered for the use of wastes from intensive animal industries, and organic wastes.

There is strong interest in biosolids reuse from primary producers, local governments and water authorities.



Innovative solutions for a sustainable future

However, widespread adoption of biosolids reuse will depend on the capacity of commercial waste contractors to provide biosolids reuse services, and the constraints of existing legislative and contractual arrangements between local health and environmental authorities, and the Environmental Protection Agency.

### **Outlook for 2004-05**

In the coming year, DPI&F plans to:

- Collaborate with other agencies, industries and communities to minimise adverse environmental impacts of primary industries. This will be conducted through initiatives such as the *Reef Water Quality Protection Plan*, the *National Action Plan on Salinity and Water Quality* and the National Heritage Trust.
- Continue to manage our fisheries to allow for profitable development and long-term sustainability.
- Provide policy leadership to ensure that the state's primary industries are sustainable.
- Invest in R&D and management arrangements to minimise the on and off-farm impacts of production, harvesting and processing practices.
- Develop DPI&F's new waste management reporting framework.

# OUR PEOPLE



As one of the State Government's major employers, our department allocates significant resources to providing our people with rewarding, equitable, safe and productive workplaces.

## Few changes to staff profile

DPI&F's six business groups employ 3,649 full-time equivalent staff in approximately 152 locations including major cities, towns and research stations throughout Queensland. Of all staff, apart from those employed at DPI&F's Fire Ant Control Centre:

- 79.1% hold permanent tenure with our department.
- 78.5% are employed in regional Queensland.
- 32.6% are female.
- 25.3% are in the professional officer employment stream.
- 4.3% are from non-English speaking backgrounds.

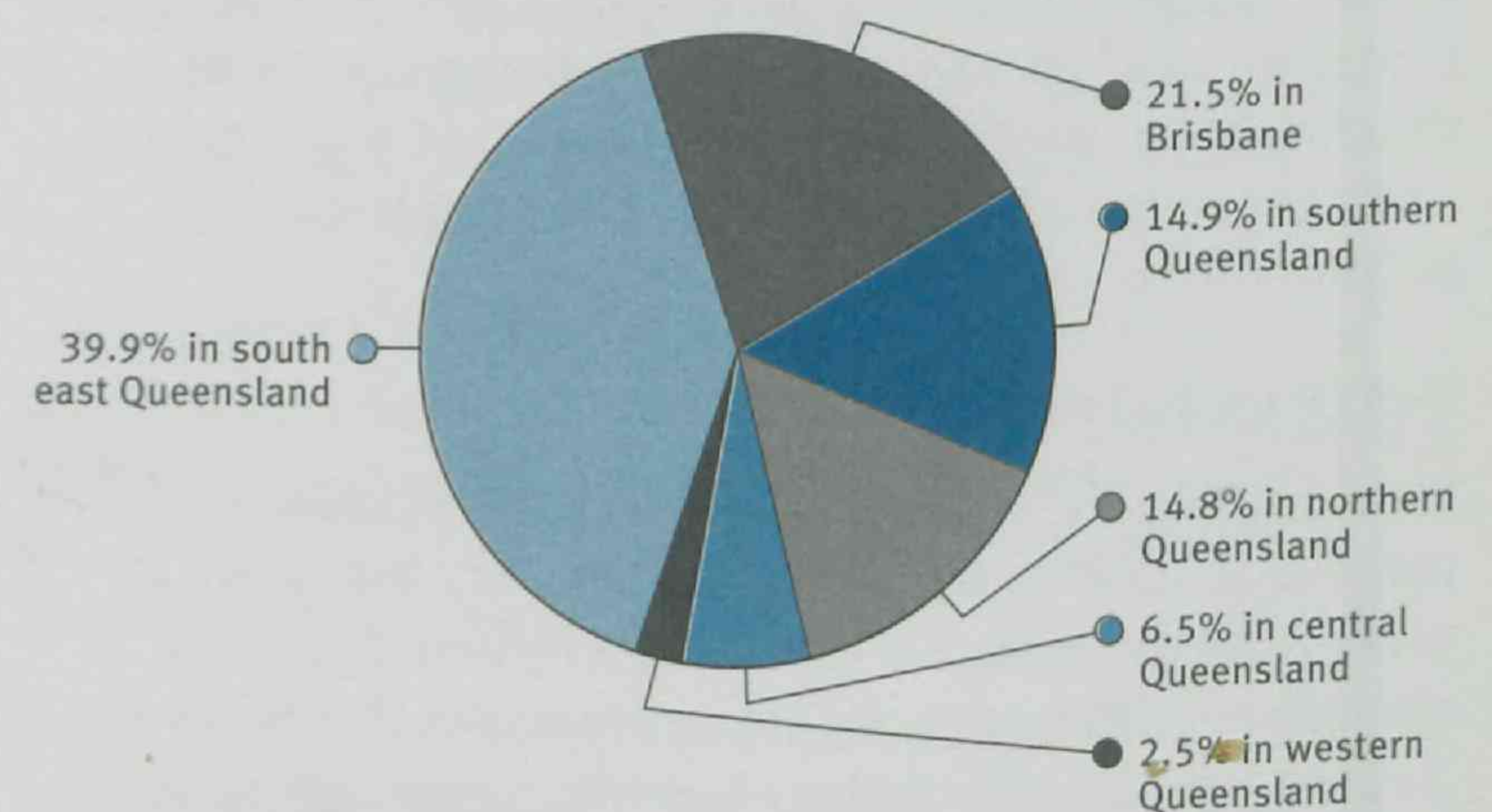
Over the past three years, the proportion of male to female staff has remained steady as has the work location and employment status of our staff.

## FULL-TIME EQUIVALENT STAFF BY CLASSIFICATION

Classification streams	2001-02	2002-03	2003-04
Administrative staff	831.28	831.74	813.86
Professional staff (pre-requisite qualification needed)	857.18	802.52	815.48
Technical staff (pre-requisite qualification needed)	654.75	691.83	661.93
Other, including DPI Forestry and trainee, catering, and accommodation staff	832.02	784.71	693.39
Operational staff	607.94	757.79	606.03
Senior Executive Service and Senior Officer level staff	51.40	59.60	58.80
<b>Total</b>	<b>3,834.57</b>	<b>3,928.19</b>	<b>3,649.49</b>

## Location of DPI&F Staff 2003-04

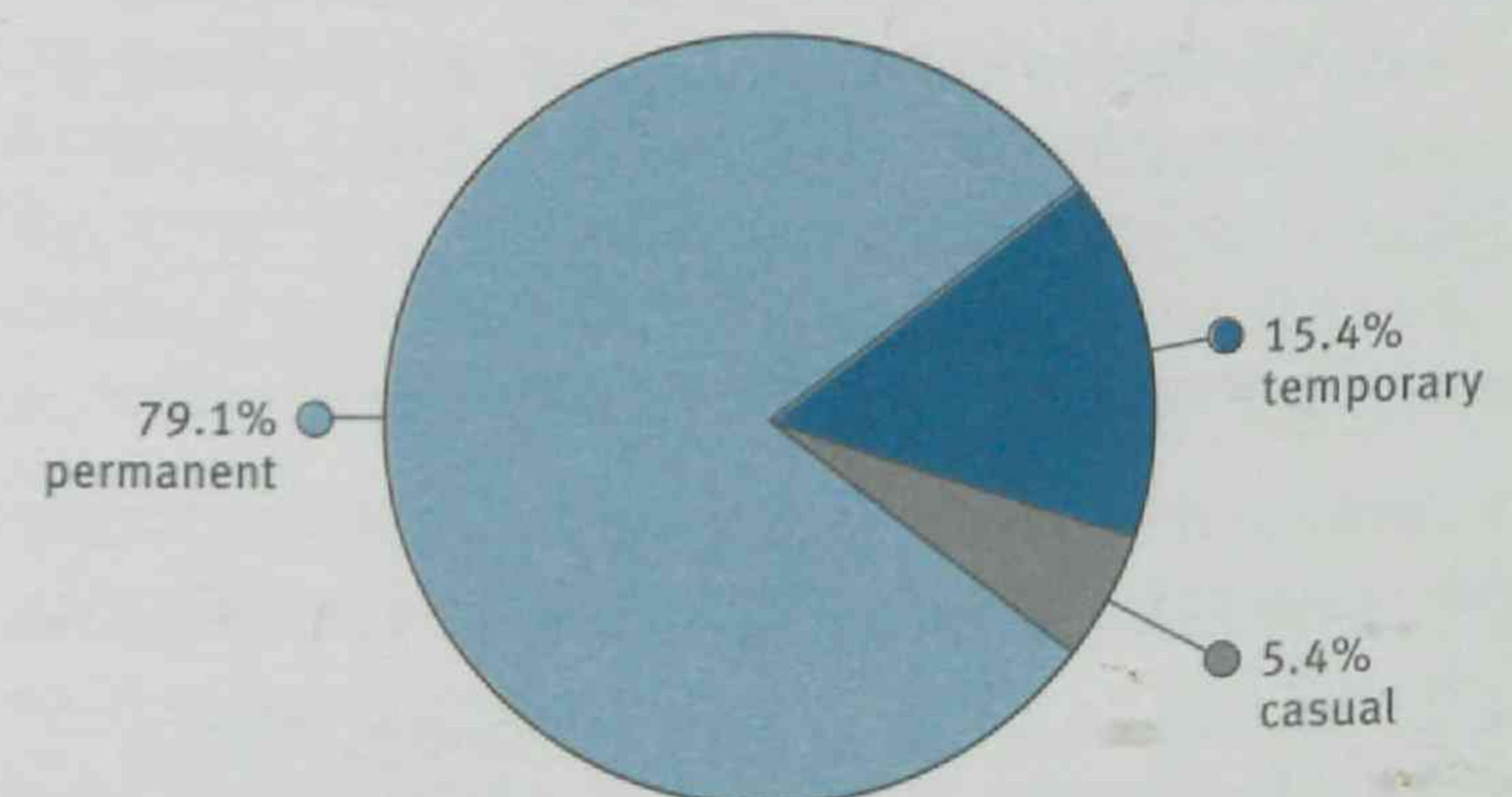
Year ended 30 June



Excludes staff employed at DPI&F's Fire Ant Control Centre. Location names reflect DPI&F's operating boundaries.

## DPI&F Staff by Status 2003-04

Year ended 30 June



Excludes staff employed at DPI&F's Fire Ant Control Centre.



## Staff retention rates steady

In 2003-04, the turnover rate of DPI&F's permanent staff was 6.8% while the turnover rate of permanent staff in Queensland's Public Service was 6.1%. This compares with turnover rates of 6.7% and 8.0% respectively the previous year. Four staff members elected to take Voluntary Early Retirement packages at a cost of \$411,191 to DPI&F.

## Equal employment opportunities maintained

### WOMEN'S INITIATIVES

Of all people employed in middle management positions (AO6 to AO8 levels or equivalent) at DPI&F this year, 21% or 172 were women. In addition, of all available Senior Executive Service and Senior Officer positions, 21% were women (or 11 in Senior Officer and four in Senior Executive Service positions). This was a marginal increase of 1% compared with 2002-03.

Our department produced and distributed a staff publication called *Balancing Work and Lifestyle* developed by the Women's Advisory Group and the *Wellbeing at Work* strategy. The publication is designed to raise awareness of DPI&F policies and programs (such as purchased leave, telecommuting, carers' facilities, special responsibility leave and part-time employment) that help our people achieve a balance between work and lifestyle. The Women's Advisory Group also continued to manage DPI&F's women's Intranet site and surveyed women in our department about issues impacting on their work, career aspirations and the balance between work and lifestyle.

### EMPLOYMENT AND CAREER DEVELOPMENT FOR ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE

Representation of Aboriginal and Torres Strait Islander employees fell slightly this year, from 1.69% of all staff in 2002-03 to 1.02%. The change occurred as DPI&F successfully assisted some Indigenous staff members to complete temporary contracts, secure full-time employment in other government agencies or private enterprise, or take up full-time study.

We launched our *Partnership Commitment for Aboriginal and Torres Strait Islander People* during 2003-04 to map our department's responsibilities towards reconciliation, and ways that we can help achieve this. DPI&F also completed an employment and career development plan for Aboriginal and Torres Strait Islander people detailing employment and career development strategies that will increase the competency levels of, and career prospects for, Indigenous staff. The plan also promotes the benefits of cultural diversity within our workforce.

### MULTICULTURAL ACTIVITIES

As more than 4% of DPI&F's staff are from non-English speaking backgrounds, we initiate or participate in a range of cultural awareness and development programs each year. In 2003-04, our department continued to participate in the State Government's Migrant Work Experience Program which provides work experience and skills development opportunities to migrant staff.

In addition, 157 DPI&F staff attended cultural awareness workshops conducted throughout Queensland. These events promoted cultural understanding and diversity in the workplace.

### Spending on training increases

Every DPI&F staff member is required to prepare a performance and development plan with their supervisor to plan training activities that best suit their needs. In 2003-04, DPI&F spent approximately \$7.3 million, or 3.3% of our salary budget, meeting the needs outlined in these plans (compared with 2.8% last year).

The increase in spending was mainly due to our introduction of an online learning management system called LearnWorX that assisted us to manage training course enrolments and data more effectively, and to deliver essential training courses online.

In total, 6,629 enrolments were registered for training courses through LearnWorX. Of these, 80% of enrolled staff completed their online courses and 82% of enrolled staff completed workshop-based courses.

We developed five new courses in-house this year and released them through LearnWorX. They were: Code of Conduct, Internet and Email Usage, Corporate Card and Basic Purchasing, Purchasing Level 1 and Indigenous Cultural Heritage.

A total of 2,830 staff completed the mandatory online Code of Conduct course and 126 staff completed the CD ROM version of the course. The Code of Conduct course was particularly important as DPI&F released our revised staff *Code of Conduct* in October 2003.



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In addition, we introduced four commercially available online courses, continued staff access to a range of online courses previously released, and coordinated 16 different workshop-based courses in topics ranging from workplace health and safety to indigenous cultural awareness.

A total of 36 staff completed leadership development programs including the Experiential Leadership Development Program, Foundations of Effectiveness and the online Leadership Labyrinth course. We developed a Facilitative Leadership Program in-house and will implement it in 2004-05.

Enterprise bargaining training continued for A02-A04 and O02-O06 level employees.



Building the knowledge and skills base of our people using the online learning management system – LearnWorX

### Workplace health and safety costs decrease

Our *Wellbeing at Work* strategy, which entered its second year of operation in 2003-04, included several initiatives to improve organisational health and safety. These were: training courses for over 260 managers and supervisors on creating safe and supportive work environments; rehabilitation training workshops for rehabilitation coordinators; development of a three-year *Workplace Health and Safety and Injury Management Plan*; preparation of early intervention and injury management models for physical and psychological injuries; and delivery of health awareness programs to staff.

Our compensation statutory claims costs decreased significantly compared with 2002-03. DPI&F experienced a 29% reduction in claims costs while our commercial business unit, DPI Forestry, reported a 60% reduction.

Our Fire Ant Control Centre, which employs around 16% of all DPI&F staff, accounted for a high 41% of all total statutory claims costs. While this was a reduction from 2002-03, we have allocated several full-time resources to improving the Fire Ant Control Centre's safety performance in future.

As in previous years, DPI&F's and DPI Forestry's workers' compensation (WorkCover) premium rates were almost twice the primary industries rate. This, coupled with several long-term, complex claims, made it difficult for DPI&F to reduce our premium this year, or for 2004-05.

In 2004-05, DPI&F plans to restructure our workplace health and safety programs and resources to improve our department's overall safety performance.

#### STATUTORY CLAIMS COSTS COMPARISON

DPI&F	2001-02	2002-03	2003-04
Statutory claims costs	\$775,211	\$509,189	\$358,298
DPI Forestry			
Statutory claims costs	\$327,199	\$275,499	\$109,498

#### WORKCOVER PREMIUM COSTS

Year	Premium rate (per \$100 of wages)	Overall premium DPI&F	Overall premium DPI Forestry
2001-02	DPI&F 0.726	\$1,315,068	
	DPI Forestry 2.742		\$1,050,607
2002-03	DPI&F 0.730	\$1,385,648	
	DPI Forestry 2.742		\$1,046,693
2003-04	DPI&F 0.626	\$897,678	
	DPI Forestry 2.722		\$952,596
2004-05 (forecast)	DPI&F 0.658	\$1,318,777	
	DPI Forestry 2.670		\$1,071,440

## Staff recognised for performance

Under DPI&F's Progression Scheme, 25 staff in our Technical Employment Stream were recognised for their outstanding performance and were helped to progress within our department.

In addition, the 2003 DPI&F Client Service Awards recognised individual staff and work teams for a range of innovative, client-focused programs and services.

## Current industrial relations agreements

The *State Government Departments' Certified Agreement 2003* (Core Agreement) covers all DPI&F staff except those employed by DPI Forestry. The Core Agreement is for the period 1 May 2003 to 31 July 2006 and provides a pay rise of 3.8% or \$25 per week (whichever is greater) on 1 June 2003, 1 July 2004 and 1 August 2005.

Some clauses of the *Department of Primary Industries, Fisheries and Forestry Certified Agreement 1997* still apply to our operations. These clauses include: Revised Working Hours Arrangements, DPI&F Progression Scheme, DPI&F Rural Area Incentive Scheme and Revised Performance Planning and Review Process.

Operational field staff employed at DPI&F's Fire Ant Control Centre are covered by both the *DPI Fire Ant Control Centre Certified Agreement 2003* (FACC CA) and the Core Agreement. The FACC CA is for the period 1 May 2003 to 30 June 2006. Pay rates and pay increases for operational field staff at the Fire Ant Control Centre are covered by the Core Agreement, however the FACC CA provides an additional \$20 per week Fire Ant Eradication Allowance and 50% weekend shift allowances.

Staff employed at the Queensland Boating and Fisheries Patrol are covered by both the *Department of Primary Industries Queensland Boating and Fisheries Patrol Terms and Conditions Certified Agreement 2002* (QBFP CA) and the Core Agreement. The QBFP CA is for the period 1 November 2002 to 31 October 2005. Pay rates and pay increases for Queensland Boating and Fisheries Patrol staff are covered by the Core Agreement, however the QBFP CA provides weekend shift allowances, an Offshore Surveillance Allowance, 38-hour week shift arrangements and provisions for movement from the department's Operational Employment Stream to the Technical Employment Stream.



Raising awareness in the community to combat fire ants

Staff employed at DPI Forestry are covered by the *DPI Forestry Certified Agreement 2002*. This agreement covers the period 1 November 2002 to 31 October 2005. It provides a pay rise of 3.5% or \$23 per week (whichever is greater) on 1 November 2002, 1 November 2003 and 1 November 2004. It also provides a \$150 bonus per full-time employee every six months from 1 January 2003 and an additional \$20 per week Fire Fighting Allowance to accredited staff from 1 August to 31 January each year.

## Outlook for 2004-05

In the coming year, DPI&F plans to:

- Build the desired 'One DPI&F' integrated operating culture which focuses on the delivery of strategic outcomes.
- Implement the Achievement Planning process for all staff to align individual performance with departmental priorities.
- Continue to build facilitative leadership capability.
- Promote and recognise innovation within DPI&F.



# CORPORATE GOVERNANCE

DPI&F's governance systems guide our day-to-day operations, ensuring that all of our activities are carefully planned, efficiently executed and rigorously monitored.

## Our governance framework

At DPI&F, our governance framework is designed to help us deliver efficient, effective services to diverse stakeholders (see page 15) in an accountable way. It also meets the Queensland Audit Office's definition of governance as "the way in which an organisation is controlled and governed in order to achieve its objectives".

This year, changes to our governance framework included:

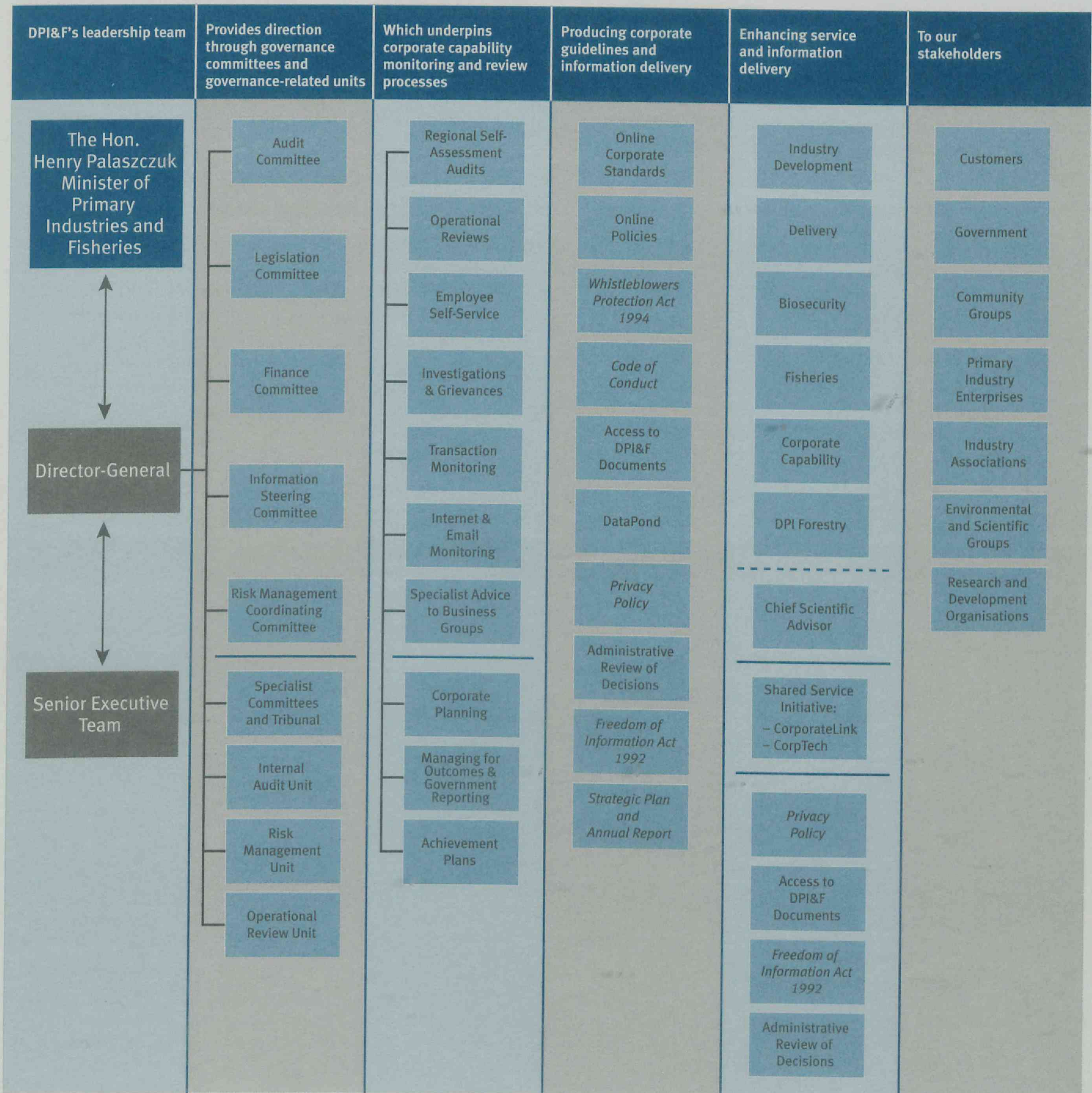
- Introducing a new risk management framework that aims to integrate risk management with all other departmental management responsibilities (see page 55).
- Modifying the structure of our Senior Executive Team to reflect changes made as part of the 'Aligning for Success' organisational review process (see page 7).
- Transferring the role performed by the Information Steering Committee to the newly formed position of Chief Information Officer.
- Renewing our focus on corporate governance by strengthening the Corporate Capability monitoring and review process.

DPI&F's governance framework for 2003-2004 featured:

- **Leadership of DPI&F**
  - Director-General as the 'accountable officer'.
  - Senior Executive Team.
- **Governance committees and governance-related units**
  - Audit Committee, Legislation Committee, Finance Committee, Information Steering Committee, Risk Management Committee.
  - Specialist committees.
  - Governance-related units: Internal Audit Unit, Corporate Risk Unit, Operational Review Unit.
- **Corporate capability monitoring and review processes**
  - Monitoring and review processes conducted by the Corporate Capability group and business administration staff.
  - Corporate planning and reporting.
  - Managing for outcomes.
- **Information for staff**
  - Policies and processes.
  - *Privacy Policy*.
  - Access to documents under the *Freedom of Information Act 1992*.
  - FOI statistics.
  - *Whistleblowers Protection Act 1994*.
  - Review of administrative decisions.
- **Service and information delivery**
  - Six business groups and the Chief Scientific Advisor.
  - Shared Service Initiative with services provided by CorporateLink and CorpTech.
  - *Privacy Policy*.
  - Access to documents under the *Freedom of Information Act 1992*.
  - FOI statistics.
  - Review of administrative decisions.

The governance framework diagram below shows how DPI&F's governance-related business groups and units, and our key stakeholders, work together to deliver efficient corporate governance processes.

### DPI&F's Governance framework



continued...

**Leadership of DPI&F**

Our Director-General is responsible for the overall management of DPI&F, and reports on our activities and performance to the Minister for Primary Industries and Fisheries. Each year, the Director-General enters into a performance contract, known as an *Achievement Plan*, with the Premier and the Minister for Primary Industries and Fisheries. This plan identifies outcomes and deliverables that must be achieved and ways that the Director-General will deliver on State Government priorities and outcomes.

Our Director-General is supported by DPI&F's Senior Executive Team (SET). SET members are qualified, experienced personnel who share a passion for maximising the economic potential of Queensland's primary industries on a sustainable basis. Their qualifications and experience, as well as our Director-General's, are outlined on pages 8 and 9.

SET meets weekly to discuss strategic issues. The outcomes of each meeting are made available to staff via DPI&F's Intranet site, *OurNet*. Up until 31 March 2004, SET met every six weeks with each meeting consisting of two parts: Strategic Service Delivery Issues and a Governance Session. Each Governance Session was attended by two external representatives: Jenny Parker of Ernst & Young and Roger McComiskie of PricewaterhouseCoopers. As part of a review of our governance framework, the role performed by the Governance Session will become part of the role of the Corporate Governance Board in 2004-05.



“DPI&F is committed to a strong financial management culture.”

Jenny Parker  
Ernst & Young

**Governance committees and governance-related units**

DPI&F operates a number of governance committees that generate advice and recommendations to the Director-General on governance issues. As at 30 June 2004, the committees were: Audit Committee, Legislation Committee, Finance Committee, Information Steering Committee, Risk Management Coordinating Committee and a range of specialist committees.

Details of the purpose, membership and activities of DPI&F's main governance committees are provided below.

**AUDIT COMMITTEE**

Meetings	Purpose	Membership	Key outcomes 2003-04
The Audit Committee met eight times during the year.	The committee assists the Director-General to fulfil the role of accountable officer by advising on the adequacy of internal controls, significant issues facing the department and overseeing and evaluating the quality of audits conducted by the Internal Audit Unit. It also reviews reports generated by the Queensland Audit Office and internal auditors, and ensures lines of communication are open between the Director-General, internal and external auditors and CorporateLink (DPI&F's shared services provider).  Secretariat support to the Committee was provided by the Manager, Internal Audit.	This year, committee members were: <ul style="list-style-type: none"> <li>Deputy Director-General, Delivery.</li> <li>Assistant Director-General, Corporate Capability.</li> <li>Assistant Director-General, Regional Delivery.</li> <li>an independent external member, Russell Cole, Partner of PKF Australia.</li> </ul> In addition to these committee members, the following representatives were invited to attend every Audit Committee meeting: <ul style="list-style-type: none"> <li>Director of Audit and an Audit Principal of the Queensland Audit Office.</li> <li>General Manager Finance and Asset Management, and the Director of Mary Street Operations at CorporateLink.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed and approved the annual Internal Audit Plan.</li> <li>Reviewed and endorsed the external auditor's Client Service Plan.</li> <li>Reviewed and endorsed the DPI&amp;F and DPI Forestry accounts prior to the Director-General signing them.</li> <li>Reviewed and commented on the KPMG Audit report of the GST Prudential Regulator and Queensland Treasury. Reviewed and endorsed the GST compliance certificate to the Queensland Treasurer.</li> <li>Reviewed reports from both internal and external auditors to ensure all matters were addressed by management.</li> <li>Supported and reviewed DPI&amp;F's use of Regional Assessments.</li> <li>Reviewed Auditor-General reports made to Parliament that identified departmental risks.</li> <li>Reviewed the performance of the Internal Audit Unit.</li> </ul>

**LEGISLATION COMMITTEE**

Meetings	Purpose	Membership	Key outcomes 2003-04
The committee met quarterly, or as required.	The committee operates under terms of reference that meet the Queensland Audit Office's <i>Self-Assessment Program for Departments</i> . This includes ensuring the smooth flow of the Minister's legislation program, encouraging departmental legislative compliance, and identifying any operational changes that may be required as a result of the implementation of new legislation.	This year, committee members were: <ul style="list-style-type: none"> <li>sourced from DPI&amp;F business groups that have significant legislative workloads.</li> <li>General Manager, Legal.</li> </ul> Membership is currently being reviewed to ensure that the committee reflects DPI&F's new structure. Senior representation from each of our business groups is expected.	<ul style="list-style-type: none"> <li>Coordinated completion of the department's legislative compliance program, with all necessary manuals and training completed.</li> <li>Advanced the development of a Trade Practices Compliance Program with a first draft of the program manual completed.</li> <li>Guided the passage of three primary pieces of legislation and three pieces of subordinate legislation.</li> <li>Recommended departmental prosecution and regulatory policies to the Director-General.</li> </ul>

\* Renamed the Regulatory Policy Committee as at 1 July 2004

**FINANCE COMMITTEE**

Meetings	Purpose	Membership	Key outcomes 2003-04
The committee met monthly or as required.	The committee provides advice to the Director-General on complex financial matters that impact on DPI&F's budget and service delivery, along with the financial operations of statutory bodies within the Minister's portfolio. The committee's focus is on strategic business planning and financial management.	This year, committee members were: <ul style="list-style-type: none"> <li>Director-General (Chair).</li> <li>Manager, Corporate Management Accountant (Secretary).</li> <li>Internal Senior Executive Team members.</li> <li>General Manager Finance and Asset Management.</li> </ul>	<ul style="list-style-type: none"> <li>Coordinated the financial realignment of departmental outputs to reaffirm DPI&amp;F's new vision.</li> <li>Identified areas of financial concern and developed business risk prevention strategies.</li> <li>Monitored DPI&amp;F's financial and budgetary performance.</li> <li>Recommended reallocation of resources to meet government priorities.</li> </ul>

**INFORMATION STEERING COMMITTEE**

Meetings	Purpose	Membership	Key outcomes 2003-04
The committee met quarterly, or as required.	The committee aims to ensure that information management and technology, and the deployment of technology and information security, is consistent with DPI&F's corporate direction.  The function performed by this committee will be part of the role of the Chief Information Officer in 2004-05.	This year, committee members were: <ul style="list-style-type: none"> <li>Senior Executive Team members or their representatives.</li> <li>*General Manager, Information Strategy and Systems.</li> <li>*Director, Regional Services (South region).</li> </ul>	<ul style="list-style-type: none"> <li>Endorsed the <i>Information Strategic Plan</i>.</li> <li>Established a framework to manage the department's Internet and email activities.</li> <li>Endorsed our migration to the Windows XP operating system.</li> <li>Reviewed new initiatives and proposals from DPI&amp;F business groups.</li> <li>Assessed whole-of-Government initiatives and their impacts on DPI&amp;F.</li> </ul>

\* Based on previous structure

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## RISK MANAGEMENT COORDINATING COMMITTEE

Meetings	Purpose	Membership	Key outcomes 2003-04
The committee met six times during the year.	<p>The committee provides oversight of the department's risk management system and assists the Senior Executive Team with timely advice on risk mitigation issues.</p> <p>In 2004-05, this committee will be replaced by a new Risk Management Corporate Governance Framework that will embed the accountability for risk throughout all levels of the department. This framework will be advocated by the Corporate Governance Board.</p>	<p>This year committee members were:</p> <ul style="list-style-type: none"> <li>• Assistant Director-General, Biosecurity.</li> <li>• Assistant Director -General, Corporate Capability.</li> <li>• General Manager Finance and Asset Management.</li> <li>• Principal Policy Officer, Biosecurity.</li> <li>• Operations Manager, Fire Ant Control Centre.</li> <li>• *Director, Predictive Precision Systems.</li> <li>• *Facilities Manager, AFFS.</li> <li>• *Executive Director, RIBS.</li> <li>• *Manager, Fisheries.</li> <li>• *General Manager, Information Strategy and Systems.</li> <li>• *DRS South region.</li> <li>• Executive Officer, Forestry.</li> <li>• *General Manager, Policy Analysis and Industry Development.</li> <li>• Manager, Workplace Health and Safety, CorporateLink.</li> <li>• Manager, Corporate Risk Unit.</li> </ul>	<ul style="list-style-type: none"> <li>• Endorsed the Government's anti-terrorism plans.</li> <li>• Developed new terms of reference for committee performance.</li> <li>• Developed a Risk Management Corporate Governance Framework with Senior Executive Team endorsement.</li> <li>• Held workshops to facilitate an effective risk management culture within DPI&amp;F.</li> <li>• Oversighted, monitored and endorsed the Government Agency Preparedness process.</li> <li>• Oversighted the actions of the Workplace Health and Safety Action Committee.</li> <li>• Increased business group understanding of how to identify and monitor corporate risk by using the Corporate Threat Register.</li> <li>• Revised the Risk Management Corporate Governance Framework to accommodate the proposed Corporate Governance Board.</li> <li>• Added value to the development of the department's new risk management tools and policies.</li> </ul>

\* Based on previous structure

## SPECIALIST COMMITTEES

Specialist committees provide advice to the Director-General and Senior Management Team on specific areas of departmental business, and also act as a forum for shared learning and staff encouragement. Examples of these committees include the:

- Animal Ethics Committees which monitor the efficacy of DPI&F's animal ethics and use of animals for scientific purposes in accordance with the requirements of the *Animal Care and Protection Act 2001* and the *Australian Code of Practice for the Care and Use of Animals*.
- Firearms Steering Committee which recommends and monitors the implementation of DPI&F policies and procedures under the *Weapons Act 1990*.
- Institutional Biosafety Committee which is required under the national *Gene Technology Act 2000*. The committee reviews all departmental applications involving work with genetically modified organisms.

## FISHERIES TRIBUNAL

The Fisheries Tribunal, established under the *Fisheries Act 1994* hears appeals lodged by persons whose interests are adversely affected by an order, direction, requirement or other decision taken by DPI&F under the Act and are dissatisfied with the decision.

In 2003-04, the tribunal met 11 times and heard 35 appeals on decisions taken under the Act regarding access to the coral reef fin fish and Spanish mackerel fisheries.

## GOVERNANCE-RELATED UNITS

### INTERNAL AUDIT UNIT

DPI&F's Internal Audit Unit, which is supported by a range of monitoring and review activities undertaken by our Corporate Capability business group (see page 55) provides independent, authoritative advice and an overview of the department's activities. While the unit comprises staff from a diverse range of backgrounds, all auditors have at least degree qualifications and most are qualified Certified Practising Accountants.



This year, our Internal Audit Unit conducted 39 research and development audits, reviewed the DPI&F financial statements and DPI Forestry financial statements, and reviewed or audited whole-of-department issues, local sites and computer systems.

Our Audit Committee endorsed the performance of DPI&F's Internal Audit Unit while an internal customer survey provided high ratings (more than 4.1 out of a possible five points) for all audit and customer service-related performance measures for the unit.

### **CORPORATE RISK UNIT**

DPI&F's Corporate Risk Unit provides strategic risk management advice and coordinates risk management and control processes within our department. Traditionally, the work performed by this unit has been closely linked to activities of our Risk Management and Coordination Committee.

However, during 2003-04, we adopted a new risk management framework that aims to integrate risk management with all other departmental management responsibilities. As a result, our Risk Management Coordinating Committee will be replaced by a new Risk Management Corporate Governance Framework (effective from 1 July 2004). This new framework will:

- Be based on executive-level achievement plans.
- Embed risk management accountability into the roles of staff throughout the department.
- Be supported by standard reporting procedures and business area coordinators.
- Be overseen by the Corporate Governance Board.

Apart from our role in developing the Risk Management Corporate Governance Framework, the Corporate Risk Unit conducted the following key activities in 2003-04:

- Held four workshops to further develop the department's risk management culture. The workshops addressed Government Agency Preparedness and counter-terrorism strategies, business continuity planning, executive ownership of workplace health and safety, and the operation of our new Risk Management Corporate Governance Framework.
- Used our *Corporate Threat Register* and processes to maintain and improve DPI&F business groups' understanding of their role in identifying and monitoring corporate risks.
- Used established risk management and workplace health and safety management networks to develop new risk management tools and policies.
- Managed a range of general risk issues.

In 2004-05, the Corporate Risk Unit will work with DPI&F business groups to foster ownership and understanding of the risk management framework. The unit will also work with our Internal Audit Unit to integrate fraud risk identification and control processes with our Risk Management Corporate Governance Framework.

### **OPERATIONAL REVIEW UNIT**

Our Operational Review Unit provides advice on effective governance and operational performance issues, and seeks advice from our Internal Audit Unit to develop policies to address audit issues. The Operational Review Unit also conducts investigations into sensitive disciplinary matters and matters involving external parties.

### **EXTERNAL AUDIT, MONITORING AND REVIEW**

As DPI&F's external auditor, the Queensland Audit Office (QAO) conducts an annual program of audits of DPI&F's financial operations and reports to Parliament on its findings. QAO also audits DPI&F's and DPI Forestry's financial statements and provides the independent audit reports that appear in this Annual Report.

## **Corporate Capability monitoring and review processes**

DPI&F's Corporate Capability group underpins the day-to-day operations of the department, directing and managing administrative and governance systems and processes across all other functional areas, while providing timely, high quality support advice to the SET.

### **MONITORING AND REVIEW PROCESSES**

DPI&F's Corporate Risk Unit and Operational Review Unit are part of our Corporate Capability business group. Other Corporate Capability units undertake and deliver important monitoring and review activities among other corporate functions and responsibilities. These monitoring and review activities are delivered in conjunction with our Internal Audit Unit:

- Regional self-assessment audits.
- Operational reviews.
- Whistleblower support and management.
- Employee self-service systems.
- Investigation and grievance management services.
- Regular monitoring of transactions for validity and compliance.
- Internet and email usage monitoring and information services.
- Specialist advice to DPI&F Business Groups.
- Evaluation of the Risk Management Corporate Governance Framework.

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The Managers of Business Administration in each DPI&F region undertake regional site assessment audits in conjunction with our Internal Audit Unit. These audits cover all aspects of administration and provide guidance on controls that should be in place, and ways to test if the controls are appropriate.

Employee self-service systems, such as facilities for submitting and approving leave entitlements, are provided online at DPI&F. This enables fast, efficient monitoring and review of system information and rapid assessment of compliance with departmental requirements.

DPI&F's **Legal Unit** is the department's in-house legal team, providing services and advice at a corporate level and also to individual business groups. The Legal Unit assists in the development and enforcement of legislation, and manages the department's contractual and administrative law obligations. Key monitoring and review activities include providing professional services in the areas of whistleblower support, Freedom of Information, privacy legislation compliance, judicial review administration, and legal advice on disciplinary and governance matters.

Our **People and Organisational Development Unit** provides strategic human resources and organisational development advice to DPI&F managers. The unit also develops corporate policies and strategies to support organisational and cultural change management, workforce planning, capability development and people management. Key monitoring and review activities include:

- Monitoring completion rates for online induction, and *Code of Conduct*, Internet and email use training.
- Reporting and monitoring grievances, performance management and disciplinary investigations.
- Providing advice to business groups on people management, grievance and disciplinary matters, including case management services.
- Liaising with the Crime and Misconduct Commission.
- Training and development of DPI&F's internal disciplinary investigators.
- Quarterly reporting on DPI&F's workforce profile, excessive leave balances and staff turnover.

In addition, all DPI&F staff are required to develop an Achievement Plan with their manager. Achievement plans provide a framework for improved understanding by each staff member and his or her manager of how they can work together to contribute to DPI&F's achievements and delivering services to stakeholders. Risk management forms part of our executives' Achievement Plans.

Our **Strategy and Performance Unit** provides advice, processes and systems to support the Senior Executive Team, and their subordinate management teams, to implement the department's Performance Management Framework. The unit also facilitates development of the department's Strategic Plan, developing improved performance measurement and evaluation practices, and manages departmental reporting to our Minister, and the Departments of Treasury, and Premier and Cabinet.

In 2003-04, DPI&F increased the separation between our information management policy-making and operational activities. The newly created **Office of the Chief Information Officer** will take charge of the department's information policy agenda next year, and has already prepared a draft *Information Policy Framework*. This, together with the completion of the department's *Information Standards Risk Assessment and Action Plan*, will further strengthen our governance processes.

DPI&F's **Information and Communication Services Unit** provides operational knowledge management and information services and systems that maximise DPI&F's capacity to deliver knowledge and information services and products to clients and staff. Services include provision of information technology systems and support, web strategies, and operation of the DPI&F Call Centre. Key monitoring and review activities include monitoring and reporting on Internet and email use within the department, and network data backup, storage and retention services.

DPI&F's **Finance and Asset Management Unit** prepares the department's financial statements; ensures compliance with departmental and whole-of-Government accounting legislation, policies and guidelines; and provides financial information to assist in the effective management of the department. The unit is also responsible for managing corporate risk through the Corporate Risk Unit (see page 55) and has overall responsibility for the department's assets.

Our **Strategic Communication and Marketing Unit** develops and implements strategic communication and marketing strategies for the department, including media management, crisis communication, communication planning, events management, sponsorship and marketing. Key monitoring and review activities include development of our sponsorship policy, evaluation and assessment of sponsorships and introduction of an issues and major initiatives management protocol.

#### **CORPORATE PLANNING AND REPORTING**

DPI&F's corporate planning processes help us to identify our stakeholders' needs, whether we are meeting those needs, and ways in which we can improve our corporate performance. Our annual corporate planning processes include:

- Consultation with our internal and external stakeholders to identify strategic priorities for DPI&F.
- Development or revision of our Strategic Plan which is a formal document that presents our department's vision, mission, values, business strategies and high-level performance indicators.
- Preparation of Business Group Plans which identify links to our Strategic Plan and ways that our corporate priorities can be achieved.
- Alignment of programs and project plans to business plans.

Our Director-General presents DPI&F's Strategic Plan and Annual Report to the Minister for Primary Industries and Fisheries for endorsement and lodgement with Cabinet and Parliament. Our Annual Report presents an assessment of DPI&F's achievements against the performance measures established in our *Strategic Plan 2003-08*.

### MANAGING FOR OUTCOMES

In 2003-04, DPI&F directed our resources and activities to achieving two State Government priorities that directly apply to our business. These priorities are: 'More jobs for Queensland - skills and innovation - the Smart State' and 'Valuing the environment'.

Government priority	Our contribution
More jobs for Queensland - skills and innovation - the Smart State	DPI&F's Industry Development, Biosecurity and Forestry outputs contributed to a strong, diversified economy.  This was demonstrated through growth in gross state product, employment growth and uptake of new research and development; protection of, and increased trade opportunities for, food and fibre markets; and development of new and more competitive rural businesses which add value to primary commodities. DPI Forestry supplies 85% of the domestically-grown log timber used each year by Queensland's timber processing industry. This industry contributes more than \$500 million annually to the state's economy, and supports the equivalent of 10,000 full-time jobs, many of which are in regional areas.
Valuing the environment	Our Forestry and Fisheries outputs contributed to the maintenance of Queensland's natural resource base by conducting research and development activities that enhanced the environmental sustainability of production systems, and ensured the sustainable use of Queensland's fisheries resources on behalf of the Queensland community.  DPI Forestry remained committed to ensuring that State-owned forests were managed as a renewable resource for future generations. To this end, we maintained high standards of environmental integrity in all forest production activities by implementing our Environmental Management System which is independently certified to AS/NZS ISO 14001 standard.

### Information for staff

In addition to the Strategic Plan and Annual Report, there are a number of other policies and processes readily available to our staff and stakeholders which include:

#### POLICIES AND PROCESSES

DPI&F provided the following key information to our staff in 2003-04:

- **Corporate Standards and Procedures:** This includes standards, policies and delegations in the areas of human resources, ethical behaviour, finance (incorporating the *Financial Management Practices Handbook* and associated procedures), information technology, procurement, administration and other functions. Our Corporate Standards and Procedures were available to all staff online or in hard copy.
- **Code of Conduct:** This provides standards of conduct for all public officials which are consistent with the ethics obligations in the *Public Sector Ethics Act 1994*. The *Code of Conduct* was revised and released in October 2003 and received positive support from staff, managers and the Integrity Commissioner. The *Code of Conduct* clearly spells out ethics principles and obligations for staff and guides staff through an ethical decision-making process using practical, real-life examples.

To support widespread awareness of our *Code of Conduct*, the department developed and implemented a mandatory online *Code of Conduct* training program which was successfully completed by almost 3,000 staff during the year. The training program has been incorporated in the new DPI&F induction program for new staff, to be released in September 2004. Electronic versions of the *Code of Conduct* are available to all staff. We continue to use our *Code of Conduct* as a guide to client service and good management practice.

- **Online policies and guides:** DPI&F's intranet sites, such as HR Online, provide managers and staff with easy-to-read, current information on departmental processes, policies and procedures. Importantly, the systems highlight any changes to policies.
- **DataPond:** This is the department's strategic portal and data warehouse which was rolled out this year. It provides managers with greater capacity for the early identification and analysis of potential problem areas.

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**PRIVACY POLICY**

A privacy scheme for the Queensland public sector was introduced in late 2001 with State Government endorsement of *Information Standard 42*. This standard establishes a framework for the responsible collection and management of personal information in the Queensland public sector.

Our Privacy Compliance Program includes:

- A commitment to comply with Queensland's privacy scheme (IS42).
- Regular compliance training for all staff.
- Monitoring of the program by our Privacy Officer.

In 2003-04, one complaint relating to the *Information Standard 42* was received by our Privacy Officer. One complaint was also received the previous year.

**ACCESS TO DOCUMENTS HELD BY DPI&F**

Under the *Freedom of Information Act 1992* (FOI Act), members of the community have a legally enforceable right to access documents held by DPI&F. Documents must be disclosed on request, unless there are justifiable grounds for exempting the documents from disclosure.

Fees and charges apply to all FOI applications apart from personal affairs applications, and each application is administered in accordance with the FOI Act.

**FOI STATISTICS**

	2002-03	2003-04
Personal applications	5	6
Non-personal applications	68	87
Applications for amendment of personal affairs information	0	1
Total applications received	73	94
Number of applications withdrawn or transferred	30	13
Number of documents access granted in full	6,447	7,441
Number of documents access refused in full	715	1,325
Number of documents access granted in part	1,005	747
Total number of documents considered	8,167	9,513
Internal reviews made	7	1
External reviews made	1	2

**WHISTLEBLOWERS PROTECTION ACT 1994**

DPI&F's policy for protecting whistleblowers details the support and protection to be given to whistleblowers, and acts as a guide for making and handling public interest disclosures. Our staff are aware of their entitlements under this policy. In 2003-04, two public interest disclosures were reported under the *Whistleblowers Protection Act 1994*.

**REVIEW OF ADMINISTRATIVE DECISIONS**

Under the *Judicial Review Act 1991*, aggrieved persons have two fundamental legal rights:

- The right to seek a statement of reasons for certain administrative decisions.
- The right to apply for a statutory order of review.

Any member of the community who is aggrieved by an administrative decision made by a DPI&F officer may be entitled to seek an informal departmental review of that decision, or seek reasons for the decision under the *Judicial Review Act 1991*, or complain to the Ombudsman about the decision.

One application for a statutory order of review in relation to a DPI&F activity was made to the Supreme Court in 2003-04.

**Service and information delivery****BUSINESS GROUPS**

DPI&F comprises six business groups, including the commercialised DPI Forestry, to provide services to stakeholders throughout Queensland. An organisation chart for our department is provided on page 7.

**SHARED SERVICE INITIATIVE**

The Shared Service Initiative (SSI) is a whole-of-Government approach to corporate services delivery which aims to provide high quality, cost-effective corporate services to State Government departments. Shared service providers and CorpTech were established on 1 July 2003 through the consolidation of corporate service functions from departments and existing shared service providers.

Before this time, DPI&F transferred some corporate services functions including finance, human resources (including payroll) and corporate systems support to a shared services partnership with the Department of Natural Resources and Mines. Under the SSI initiative, these functions then transferred to CorporateLink and CorpTech. The Department of Natural Resources and Mines hosts CorporateLink as a separate entity, and will report on its activities in its 2003-04 Annual Report.

**OUTLOOK FOR 2004-05**

In 2004-05, DPI&F will continue to build on the improved focus on corporate governance encouraged by the *'Aligning for Success'* process. This continuous improvement will be guided by the development of a set of broad DPI&F governance principles, including:

- **Planning:** Corporate objectives, strategies and operational plans must meet the needs of stakeholders.
- **Structure:** Organisational structures and delegations must match responsibilities.
- **Behaviour:** Our Code of Conduct must address fraud prevention, client service and the creation of a continuous improvement culture.
- **Accountability:** Internal and external reporting must be clear and timely.
- **Information:** Information provided to governance bodies should enable them to perform their functions, and information given to staff should show them how their role is linked to DPI&F's objectives.
- **Risk management and control:** We must aid the scoping and acceptance of unrealised opportunities and protect DPI&F from unacceptable costs or losses that may affect our operations.

The main areas of continuous improvement will be through:

- Forming the DPI&F Corporate Governance Board with a focus on providing an informative view of future directions, trends and analysis of primary industries, and overseeing DPI&F's risk management framework. The board will include external representatives.
- Building the department's capacity through implementation of our revised risk management framework.
- Developing and implementing a fraud prevention policy using our risk management framework to assist business groups to identify and manage fraud-related risks. The policy will be in accordance with guidelines developed by the Crime and Misconduct Commission.
- Implementing our risk management framework and the fraud prevention strategy, with the Audit Committee.
- Appointing an independent, external chairperson to the Audit Committee to improve its capacity to provide impartial advice to the Director-General.
- Finalising a review of all DPI&F policies to ensure consistency with DPI&F's new direction.

# FINANCIAL OVERVIEW

This financial overview provides a summary of DPI&F's financial performance and financial position, together with commentary on the significant movements that occurred during the year for the DPI&F Parent Entity. Details included in this overview reference the comprehensive financial statements found later in this Annual Report.

A separate overview of DPI Forestry's financial performance is provided on page 68.

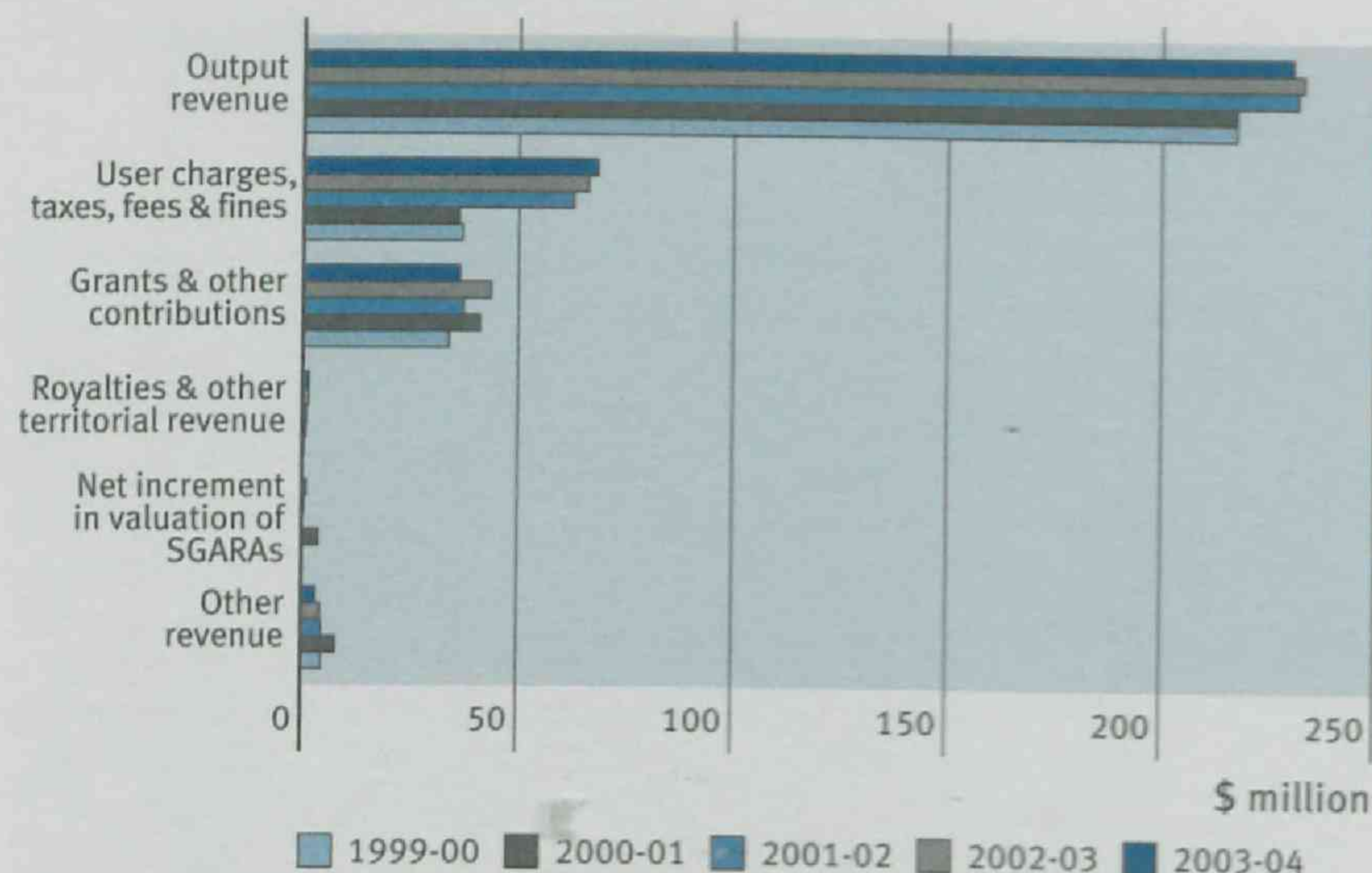
## Statement of financial performance

This statement shows expenses and revenue and the results of operations for the financial year. During the 2003-04 financial year, DPI&F earned revenue of \$341 million, with associated expenses of \$341 million. This resulted in DPI&F reporting a break-even operating result for 2003-04.

### REVENUES

DPI&F operates primarily through funds appropriated by Parliament. Other major revenue sources include: charges for goods and services, taxes, fees and fines, and grants and contributions from external research bodies.

**DPI&F (Parent Entity)  
Operating Revenue from 1999-00 to 2003-04**  
Year ended 30 June



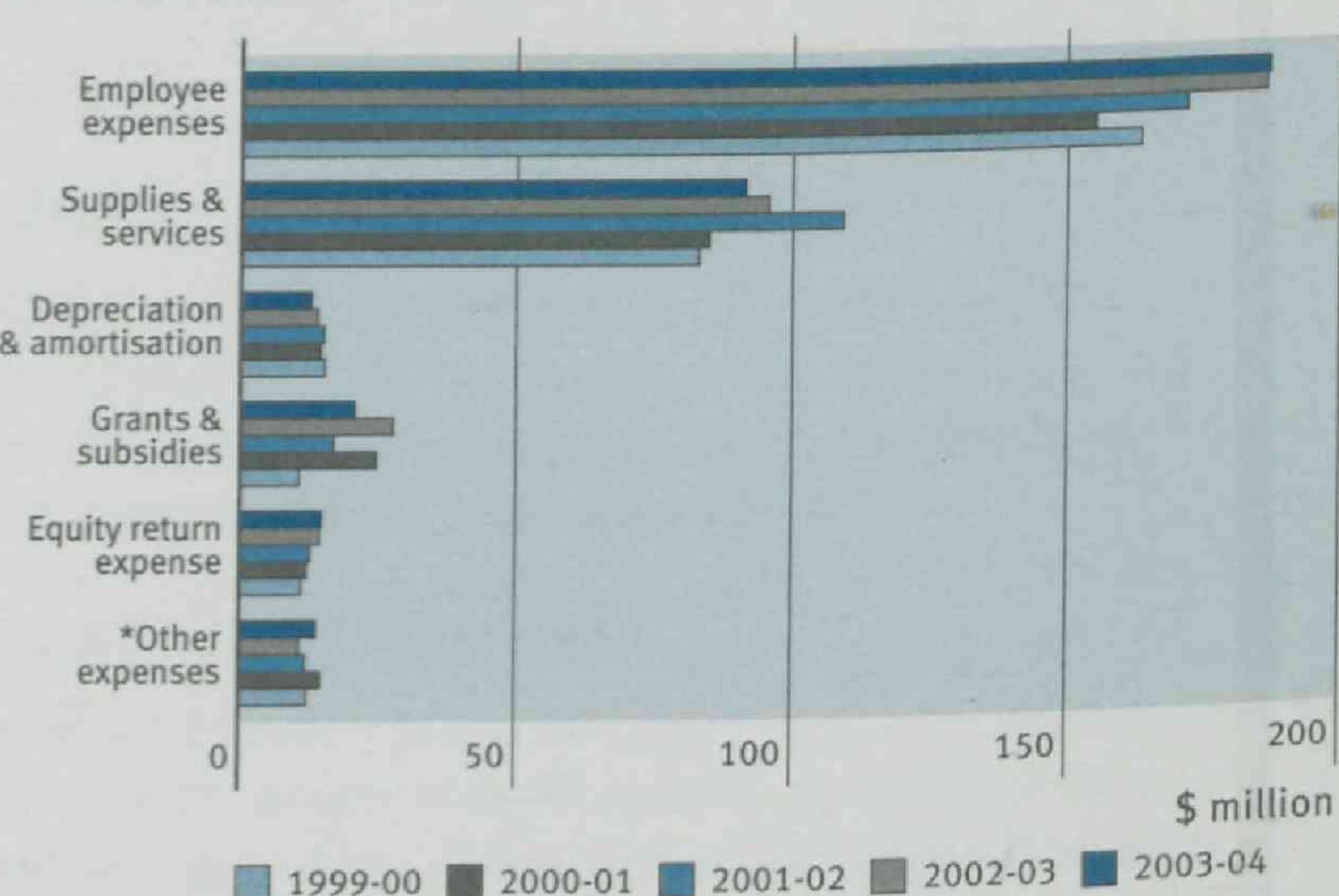
The significant increase in user charges, taxes, fees and fines in the chart (above) from 2001-02 through to 2003-04 largely relates to the fire ant eradication program, which is scheduled to continue until 2006-07.

### EXPENSES

Operating expenses were \$341 million, a decrease of \$8.3 million on the previous year. A major contributor to this decrease was a reduction in grants payments under the Tuberculosis Freedom Assurance Program due to a lower number of incidents in 2003-04 compared with 2002-03. In addition, a reduction in supplies and services expenses of \$4.2 million was due to a variety of factors including a decline in contract services expenses for DPI Forestry with the conclusion of the South East Queensland Forests Agreement at 30 June 2003.

DPI&F's expenses over the last five financial years by expense category are shown in the chart below.

**DPI&F (Parent Entity)  
Operating Expenses from 1999-00 to 2003-04**  
Year ended 30 June



\* Other expenses includes borrowing costs, 1999-00: \$82,000; 2000-01: \$11,000; 2001-02: \$6,000; 2002-03: \$3,000; 2003-04: \$3,000

A portion of the increase in employee, and supplies and services expense categories from 2001-02 through to 2003-04 in the chart (above) relates to the fire ant eradication program.

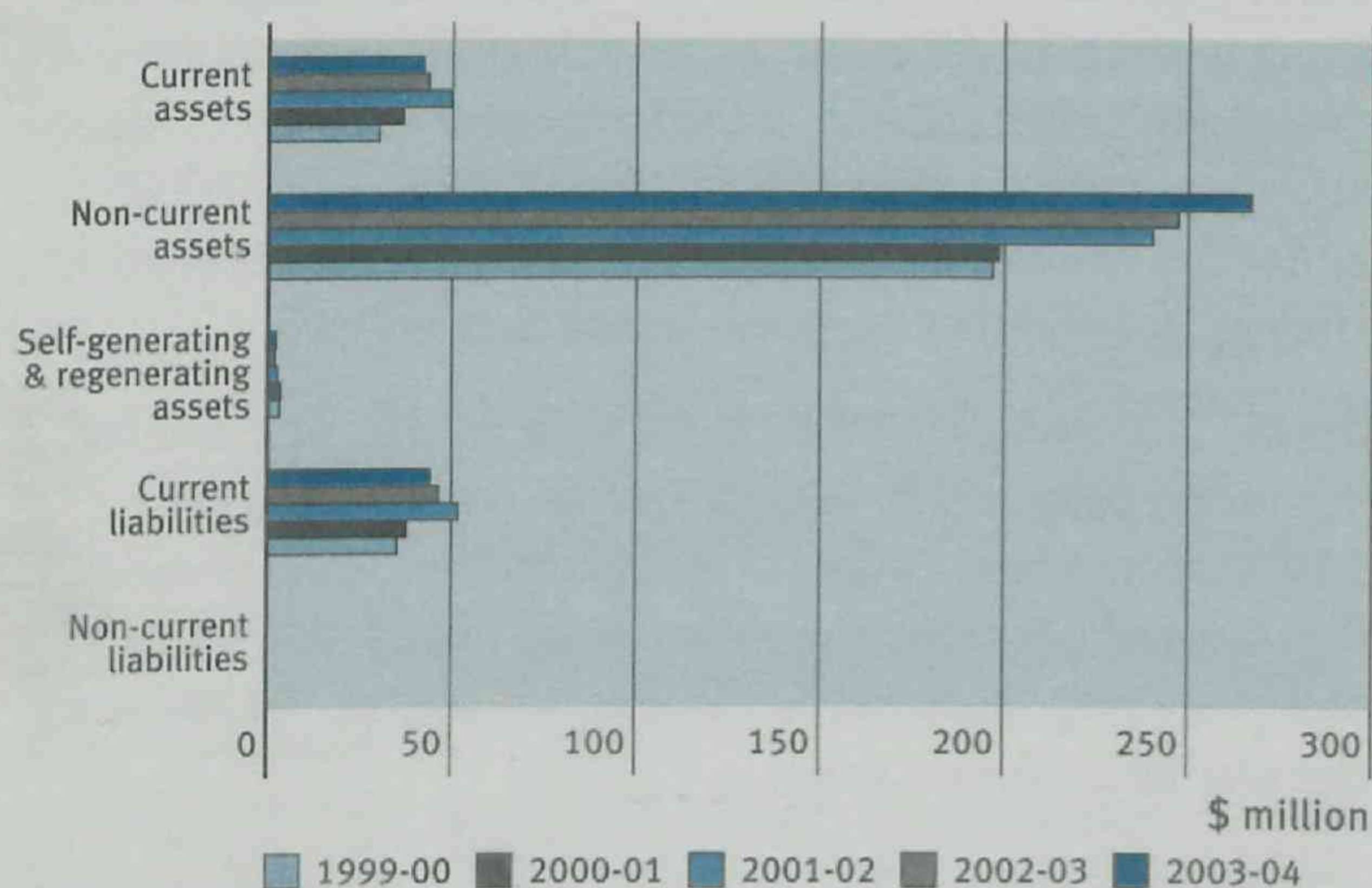
### STATEMENT OF FINANCIAL POSITION

This statement provides information concerning assets, liabilities and the Government's equity at the end of the financial year. DPI&F's strong financial position is illustrated by the fact that our liabilities represent less than 15% of total assets.

The value of property, plant and equipment at 30 June 2004 was \$263.6 million, an increase of \$20.4 million or 8.3% compared with the previous year. This increase was due to a number of factors including the completion of capital works projects at Airlie Beach, Port Douglas and Mareeba, expenditure on the acquisition of new and replacement plant and equipment, and an asset valuation increment applied to land, buildings and access roads to reflect movements in market value.

The strength of DPI&F's financial position over the last five financial years is shown in the chart below.

**DPI&F (Parent Entity)**  
**Statement of Financial Position from 1999-00 to 2003-04**  
 Year ended 30 June



### STATEMENT OF CASH FLOWS

This statement provides information concerning sources and uses of cash during the financial year and available cash at the end of the financial year.

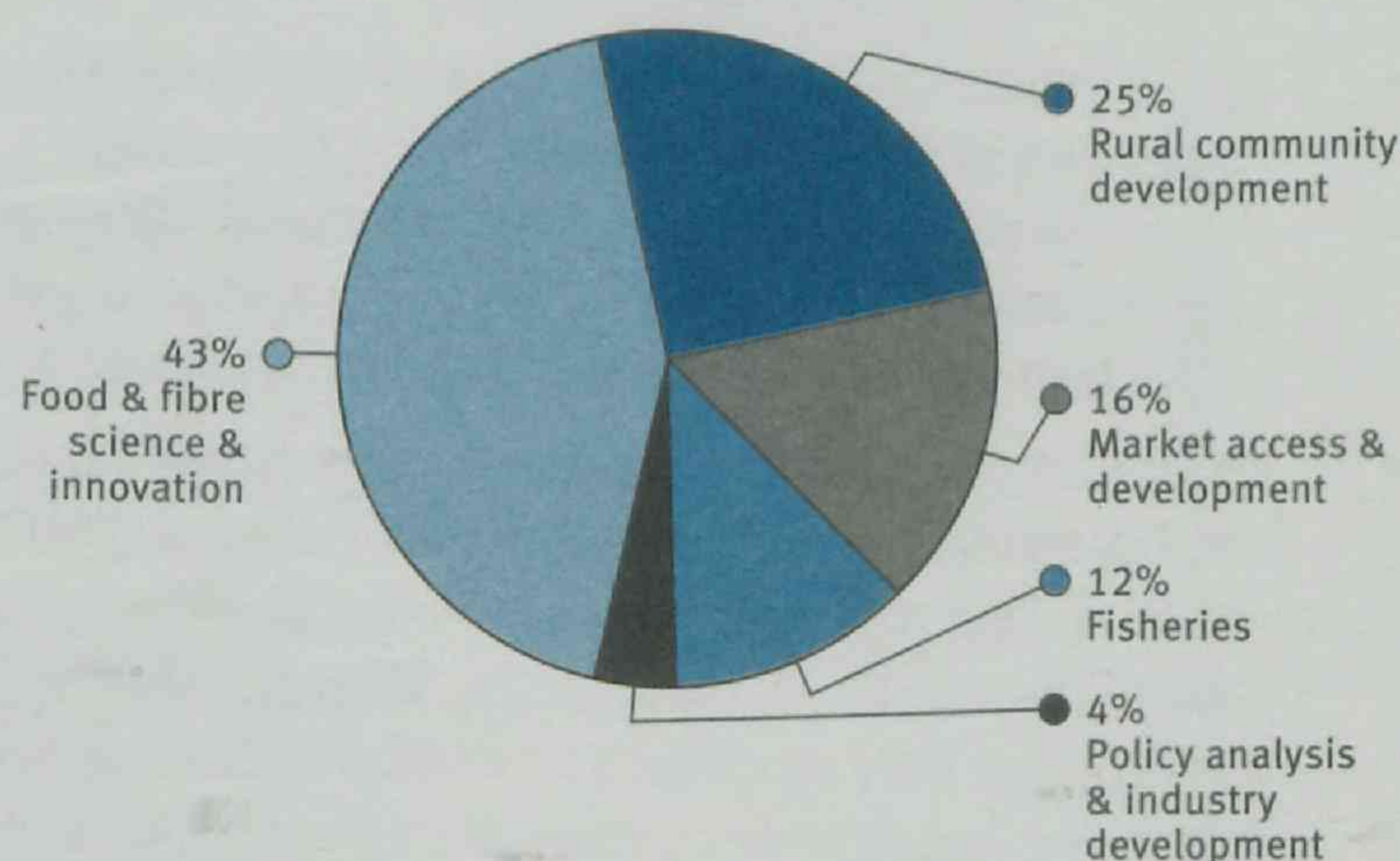
An indicator of DPI&F's strong financial position is the increase in cash at bank over the financial year from \$3.5 million to \$23.4 million. The main variation in cash flow performance relates to lower cash outflows being expended in investing activities mainly relating to payments for property, plant and equipment. These were slightly lower than the previous year.

### STATEMENT OF FINANCIAL PERFORMANCE BY OUTPUTS

The services provided by DPI&F are organised into six output areas relating to controlled activities, plus revenue and expenses associated with administered items where DPI&F acts as an agent for the State Government.

DPI&F's 2003-04 expenses of \$341 million were applied to the following output areas as shown in the pie chart below.

**DPI&F (Parent Entity)**  
**Expenses by Output 2003-04**  
 Year ended 30 June



New output areas have been introduced for 2004-05 to reflect better DPI&F's activities against Government priorities. The revised outputs also complement DPI&F's new business direction in which to maximise the economic potential of Queensland primary industries on a sustainable basis.

continued...

**Future outlook**

As part of DPI&F's commitment to managing our assets and finances in a cost-effective manner, DPI&F will lift the profile of financial management within the organisation. A holistic approach will be adopted to improve DPI&F's capacity to accurately forecast and manage revenue and expenses. In addition, DPI&F will continue to develop our Financial Management Improvement Program and explore new avenues for funding through collaboration with industry, community and other State Government agencies.

Next year will also see improved alignment of our structures, people and systems to sharpen our business focus and improve outcomes. In particular, we will build on our ability to analyse markets and trends to target our products, services and funding to achieve quality outcomes in accordance with whole-of-Government priorities and departmental priorities.

In 2004-05, DPI&F's operating budget is \$335.6 million. This will be used to deliver on Government priorities and to provide opportunities for profitable primary industries within Queensland. The following budget highlights reflect our economic focus and provide an overview of major areas of investment for DPI&F in 2004-05:

- \$5.2 million over the next three years for the FutureCane program to achieve more productive and sustainable cane farms.
- \$7.8 million over the next four years for activities under for the *Sustainable Agriculture Strategic Investment Plan* which supports the *National Action Plan for Salinity and Water Quality*.
- \$35.5 million to protect Queensland's national and international reputation for managing biosecurity threats, such as animal and plant pests and diseases. This includes \$4.4 million for planning and preparation of the National Livestock Identification System in 2005.
- Continuation of the fire ant eradication campaign and the Tuberculosis Freedom Assurance Program (TFAP) in cattle. This will be at a reduced cost, due to our success with these campaigns. In 2004-05, the fire ant program only requires \$31 million (reflecting the combined in-principle contributions from all Australian governments). The reduction for TFAP relates mainly to the purchase and sale of stock as part of the program. TFAP is not a State Government-funded program and staff numbers are not affected.

DPI&F's capital expenditure program for 2004-05 is \$24.4 million, which is primarily focused on the continuing development of research facilities, and addressing existing and emerging plant and equipment needs. Major capital works projects for 2004-05 currently include:

- The new Queensland Boating and Fisheries Patrol complex at Rosslyn Bay and new Fisheries infrastructure.
- The development of new facilities at the Bribie Island Aquaculture Research Centre.

- A new facility at Redlands which will be used to conduct research into lifestyle horticulture.
- A new sorghum processing facility at Biloela.
- The acquisition of diagnostic equipment and development of information systems to enhance disease diagnosis and testing capability in laboratories. This will provide for enhanced preparedness against foot and mouth disease.

**DPI FORESTRY FINANCIAL OVERVIEW**

DPI Forestry's trading surplus (after interest, tax and before plantation asset revaluation) for 2003-04 was a record \$32.7 million, 8.4% higher than the previous year. This strong result reflected record forest product sales of \$101.6 million, up 5% on the previous year's record, as well as continuing productivity improvements and lower than expected expenditure on plantation establishment activity due to difficult weather conditions. The dividend payable to the State in 2004-05 based on this result was \$16.1 million, 9.4% higher than the previous year.

When changes in the value of State-owned plantations are factored in, DPI Forestry's profit from ordinary activities after income tax equivalents for 2003-04 was a deficit of \$48.8 million. This was against a targeted surplus for the year of \$43.3 million.

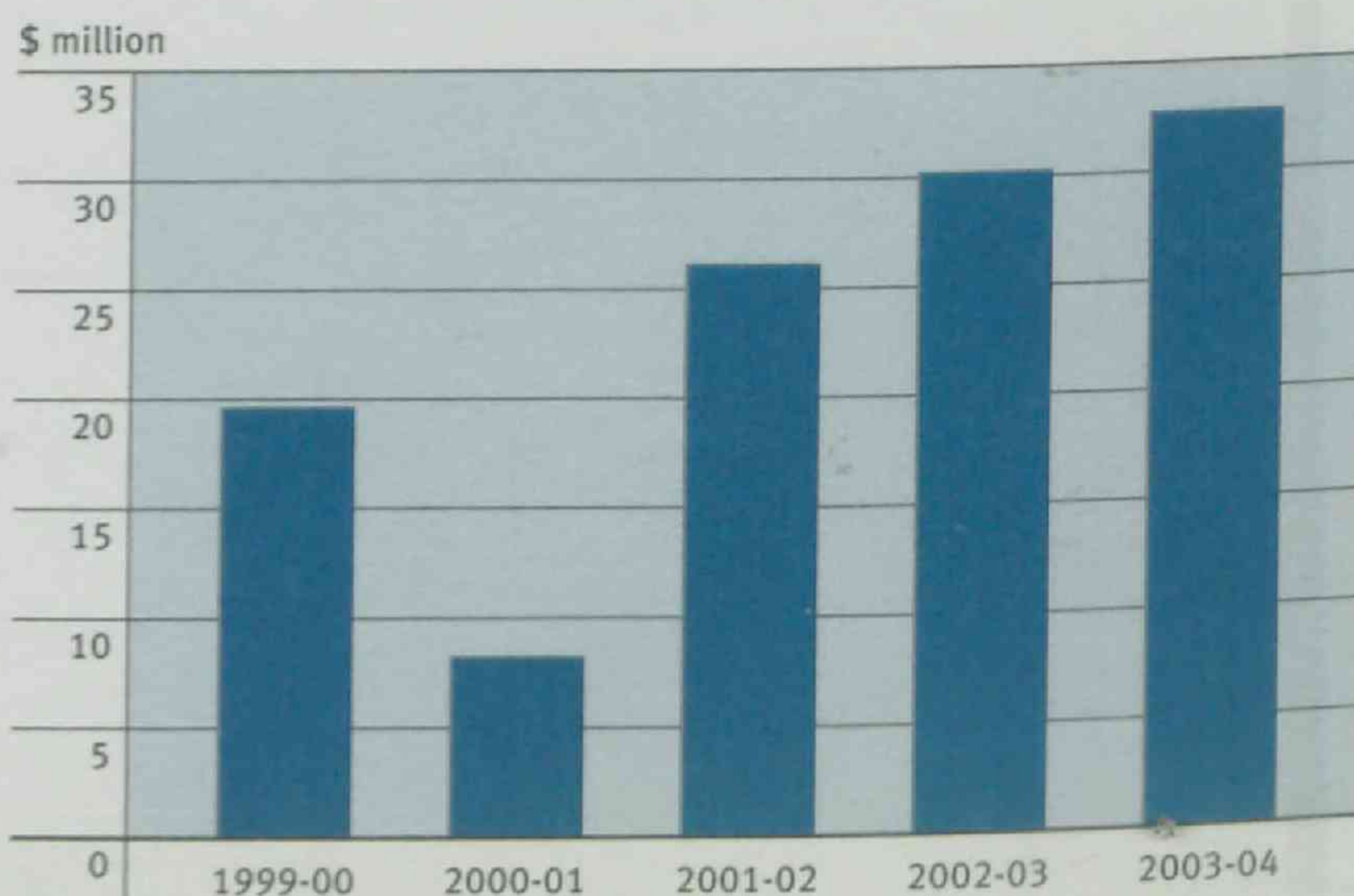
This deficit results from a reduction in the value of State-owned plantation assets which are currently valued at \$1.156 billion. DPI Forestry's plantation assets are valued using a 'net present value' asset-valuation methodology and the unrealised reduction in the value of these assets mainly reflects the application of increased market interest rates under the valuation methodology, as well as a market-driven change in the prices for some timber products.

During 2004-05, DPI Forestry expects market demand for key forest products to remain strong. A net surplus of \$54.1 million (after interest and plantation asset revaluation) is projected based on the expectation of another year of strong trading performance and an increasing valuation for the plantation forest asset.

**DPI Forestry Trading Surplus from 1999-00 to 2003-04**

(after interest and tax and before plantation asset revaluation)

Year ended 30 June





# Financial statements for the year ended 30 June 2004

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**Statement of Financial Performance  
for the year ended 30 June 2004**

	Notes*	DPI&F Consolidated		DPI&F Parent entity	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Revenues from ordinary activities</b>					
Output revenue	4	230,604	233,195	230,604	233,195
User charges, taxes, fees and fines	5	67,516	64,190	68,369	66,184
Grants and other contributions	6	36,621	43,769	36,318	43,654
Royalties and other territorial revenue	7	19,806	19,185	1,457	1,412
Net increment in valuation of SGARAs	8	2,522	334,695	1,010	476
Other revenue	9	7,019	7,098	3,237	4,369
<b>Total revenues from ordinary activities</b>		<b>364,088</b>	<b>702,132</b>	<b>340,995</b>	<b>349,290</b>
<b>Expenses from ordinary activities excluding borrowing costs</b>					
Employee expenses	10	224,017	222,723	187,058	186,432
Supplies and services	11	114,947	115,917	91,436	95,638
Depreciation and amortisation	12	16,533	17,362	12,904	14,037
Grants and subsidies	13	21,178	27,855	20,765	27,727
Equity return expense	14	14,899	14,507	14,899	14,507
Other expenses	15	16,636	13,723	13,930	10,946
<b>Total expenses from ordinary activities excluding borrowing costs</b>		<b>408,210</b>	<b>412,087</b>	<b>340,992</b>	<b>349,287</b>
Borrowing costs	16	4,710	4,697	3	3
<b>Surplus/(deficit) from ordinary activities before income tax expense/revenue</b>		<b>(48,832)</b>	<b>285,348</b>	<b>-</b>	<b>-</b>
Income tax equivalents expense relating to ordinary activities	40	-	-	-	-
<b>Net surplus/(deficit)</b>	31	<b>(48,832)</b>	<b>285,348</b>	<b>-</b>	<b>-</b>
<b>Non-owner transaction changes in equity</b>					
Valuation increment:					
Asset revaluation reserve	30	28,025	7,208	22,055	6,524
Increase/(decrease) in retained surplus on:					
Adoption of AASB 1028	30	-	(516)	-	(516)
Net amount of each revenue, expense, valuation or other adjustment not disclosed above, recognised as a direct adjustment to equity	30	(32)	(370)	(32)	(370)
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>		<b>27,993</b>	<b>6,322</b>	<b>22,023</b>	<b>5,638</b>
<b>Total change in equity, other than those resulting from transactions with owners as owners</b>	30	<b>(20,839)</b>	<b>291,670</b>	<b>22,023</b>	<b>5,638</b>

\*The accompanying Notes on Pages 71 to 112 form an integral part of the Financial Statements

**Statement of Financial Position  
as at 30 June 2004**

	Notes*	DPI&F Consolidated		DPI&F Parent entity	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Current assets</b>					
Cash assets	17	76,210	59,046	23,405	19,860
Receivables	18	27,939	32,728	15,337	19,126
Inventories	20	5,018	5,156	2,426	2,560
Prepayments	21	1,062	2,144	837	1,936
<b>Total current assets</b>		<b>110,229</b>	<b>99,074</b>	<b>42,005</b>	<b>43,482</b>
<b>Non-current assets</b>					
Receivables	18	63	95	-	-
Other financial assets	19	115	102	115	102
Inventories	20	26	25	26	25
Prepayments	21	55	26	55	26
Property, plant and equipment	22	331,754	300,408	263,584	243,191
Intangible assets	23	3,578	3,961	3,235	3,901
<b>Total non-current assets</b>		<b>335,591</b>	<b>304,617</b>	<b>267,015</b>	<b>247,245</b>
<b>Self-generating and regenerating assets</b>					
Plantation growing timber	25	1,155,908	1,237,440	-	-
Livestock	25	2,308	1,963	2,308	1,963
<b>Total self-generating and regenerating assets</b>		<b>1,158,216</b>	<b>1,239,403</b>	<b>2,308</b>	<b>1,963</b>
<b>Total assets</b>		<b>1,604,036</b>	<b>1,643,094</b>	<b>311,328</b>	<b>292,690</b>
<b>Current liabilities</b>					
Payables	26	12,903	15,671	9,478	12,063
Interest-bearing liabilities	27	13	12	13	12
Provisions	28	38,249	36,211	18,681	18,178
Other current liabilities	29	15,773	16,233	15,682	16,157
<b>Total current liabilities</b>		<b>66,938</b>	<b>68,127</b>	<b>44,054</b>	<b>46,410</b>
<b>Non-current liabilities</b>					
Interest-bearing liabilities	27	76,420	76,433	-	13
<b>Total non-current liabilities</b>		<b>76,420</b>	<b>76,433</b>	<b>-</b>	<b>13</b>
<b>Total liabilities</b>		<b>143,358</b>	<b>144,560</b>	<b>44,054</b>	<b>46,423</b>
<b>Net assets</b>		<b>1,460,678</b>	<b>1,498,534</b>	<b>267,274</b>	<b>246,267</b>
<b>Equity</b>					
Contributed equity	30	42,734	43,686	41,395	42,411
Retained surplus	30	1,046,714	1,030,154	157,592	157,621
Reserves:					
Asset revaluation reserve	30	81,308	53,256	66,823	44,787
SGARA's unrealised revenue reserve	30	289,922	371,438	1,464	1,448
<b>Total equity</b>		<b>1,460,678</b>	<b>1,498,534</b>	<b>267,274</b>	<b>246,267</b>

\*The accompanying Notes on Pages 71 to 112 form an integral part of the Financial Statements.

**Statement of Cash Flows  
for the year ended 30 June 2004**

	Notes*	DPI&F Consolidated		DPI&F Parent entity	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Cash flows from operating activities</b>					
Inflows:					
Output receipts		231,531	238,081	231,531	238,081
User charges		183,704	171,822	71,005	66,400
Grants and other contributions		37,947	42,886	37,644	42,771
Dividends		3	3	3	3
Interest receipts		1,924	2,345	16	881
GST input tax credits from ATO		4,172	5,838	3,892	5,838
Other		10,053	13,557	9,465	12,543
Outflows:					
Employee expenses		(222,246)	(220,899)	(185,581)	(184,868)
Supplies and services		(132,481)	(138,859)	(104,535)	(115,201)
Grants and subsidies		(21,176)	(27,855)	(20,765)	(27,727)
Borrowing costs		(4,708)	(4,696)	(3)	(3)
Equity return expense		(14,900)	(14,529)	(14,900)	(14,529)
GST remitted to ATO		(7,041)	(7,095)	-	-
Other		(15,459)	(13,640)	(12,902)	(10,930)
<b>Net cash provided by operating activities</b>	<b>31</b>	<b>51,323</b>	<b>46,959</b>	<b>14,870</b>	<b>13,259</b>
<b>Cash flows from investing activities</b>					
Inflows:					
Proceeds from sale of property, plant and equipment		2,043	1,181	847	696
Loans and advances redeemed		-	42	-	42
Investments redeemed		-	-	-	-
Outflows:					
Payments for property, plant and equipment		(20,623)	(21,880)	(11,388)	(13,586)
Payments for intangibles		(793)	(1,182)	(793)	(1,182)
Loans and advances made		(21)	-	(21)	-
<b>Net cash used in investing activities</b>		<b>(19,394)</b>	<b>(21,839)</b>	<b>(11,355)</b>	<b>(14,030)</b>
<b>Cash flows from financing activities</b>					
Inflows:					
Equity injections		-	6,520	-	6,520
Transfers from other government departments		42	-	42	-
Outflows:					
Finance lease payments (excluding interest component)		(12)	(11)	(12)	(11)
Dividends paid	28	(14,795)	(20,978)	-	-
Equity withdrawal		-	(6,500)	-	(6,500)
<b>Net cash provided by/(used in) financing activities</b>		<b>(14,765)</b>	<b>(20,969)</b>	<b>30</b>	<b>9</b>
<b>Net increase/(decrease) in cash held</b>		<b>17,164</b>	<b>4,151</b>	<b>3,545</b>	<b>(762)</b>
<b>Cash at the beginning of the financial year</b>		<b>59,046</b>	<b>54,895</b>	<b>19,860</b>	<b>20,622</b>
<b>Cash at the end of the financial year</b>	<b>17</b>	<b>76,210</b>	<b>59,046</b>	<b>23,405</b>	<b>19,860</b>
<b>Non-cash financing and investing activities</b>	<b>32</b>				

\*The accompanying Notes on Pages 71 to 112 form an integral part of the Financial Statements.

Statement of Financial Performance by Outputs - Controlled  
for the year ended 30 June 2004

	Food and fibre science and innovation		Rural community development		Fisheries		Market access and development		Policy analysis and industry development		Forestry commercial		Inter-Output eliminations		Total	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Revenues from ordinary activities</b>																
Output revenue	97,238	98,749	41,842	44,469	32,789	31,072	45,490	39,771	13,245	19,134	-	-	-	-	230,604	233,195
User charges, taxes, fees and fines	11,206	12,274	42,240	37,863	7,891	6,902	6,982	9,012	50	133	1,700	5,841	(2,553)	(7,835)	67,516	64,190
Grants and other contributions	33,592	34,770	400	939	286	1,557	1,710	5,896	330	492	324	113	(21)	2	36,621	43,769
Royalties and other territorial revenue	1,450	1,406	-	-	7	6	-	-	-	-	18,600	17,773	(251)	-	19,806	19,185
Net increment in valuation of SGARAs	994	360	-	-	-	-	16	116	-	-	1,512	334,219	-	-	2,522	334,695
Other revenue	2,047	2,615	538	1,082	258	82	279	349	115	241	3,823	2,769	(41)	(40)	7,019	7,098
<b>Total revenues from ordinary activities</b>	<b>146,527</b>	<b>150,174</b>	<b>85,020</b>	<b>84,353</b>	<b>41,231</b>	<b>39,619</b>	<b>54,477</b>	<b>55,144</b>	<b>13,740</b>	<b>20,000</b>	<b>25,959</b>	<b>360,715</b>	<b>(2,866)</b>	<b>(7,873)</b>	<b>364,088</b>	<b>702,132</b>
<b>Expenses from ordinary activities excluding borrowing costs</b>																
Employee expenses	88,479	90,970	40,646	39,974	22,693	21,952	29,824	28,236	5,416	5,300	36,960	36,359	(1)	(68)	224,017	222,723
Supplies and services	38,548	37,763	26,966	26,146	12,289	11,886	11,063	12,748	2,570	7,095	26,368	28,084	(2,857)	(7,805)	114,947	115,917
Depreciation and amortisation	7,973	8,569	1,437	1,868	1,654	1,734	1,749	1,703	91	163	3,629	3,325	-	-	16,533	17,362
Grants and subsidies	1,443	1,729	10,446	11,194	1,123	1,922	3,921	8,689	3,832	4,193	413	128	-	-	21,178	27,855
Equity return expense	6,175	5,971	2,626	2,753	2,107	1,947	3,061	2,561	930	1,275	-	-	-	-	14,899	14,507
Other expenses	4,862	5,185	1,957	2,119	1,405	1,239	5,141	1,638	565	775	2,714	2,767	(8)	-	16,636	13,723
<b>Total expenses from ordinary activities excluding borrowing costs</b>	<b>147,480</b>	<b>150,187</b>	<b>84,078</b>	<b>84,054</b>	<b>41,271</b>	<b>40,680</b>	<b>54,759</b>	<b>55,575</b>	<b>13,404</b>	<b>18,801</b>	<b>70,084</b>	<b>70,663</b>	<b>(2,866)</b>	<b>(7,873)</b>	<b>408,210</b>	<b>412,087</b>
Borrowing costs	3	3	-	-	-	-	-	-	-	-	4,707	4,694	-	-	4,710	4,697
<b>Surplus/(deficit) from ordinary activities before income tax expense/revenue</b>	<b>(956)</b>	<b>(16)</b>	<b>942</b>	<b>299</b>	<b>(40)</b>	<b>(1,061)</b>	<b>(282)</b>	<b>(431)</b>	<b>336</b>	<b>1,199</b>	<b>(48,832)</b>	<b>285,358</b>	<b>0</b>	<b>-</b>	<b>(48,832)</b>	<b>285,348</b>
Income tax equivalents expense relating to ordinary activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net surplus/(deficit)</b>	<b>(956)</b>	<b>(16)</b>	<b>942</b>	<b>299</b>	<b>(40)</b>	<b>(1,061)</b>	<b>(282)</b>	<b>(431)</b>	<b>336</b>	<b>1,199</b>	<b>(48,832)</b>	<b>285,358</b>	<b>0</b>	<b>-</b>	<b>(48,832)</b>	<b>285,348</b>
Valuation increment:																
Asset revaluation reserve	9,603	2,903	3,799	1,166	2,955	798	4,432	1,105	1,266	552	5,970	684	-	-	28,025	7,208
Increase/(decrease) in retained surplus on:																
Adoption of AASB 1028	-	(277)	-	(81)	-	(59)	-	(83)	-	(16)	-	-	-	-	-	(516)
Net amount of each revenue, expense, valuation recognised as a direct adjustment to equity	(18)	(371)	-	1	(14)	(2)	-	1	-	1	-	-	-	-	(32)	(370)
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>	<b>9,585</b>	<b>2,255</b>	<b>3,799</b>	<b>1,086</b>	<b>2,941</b>	<b>737</b>	<b>4,432</b>	<b>1,023</b>	<b>1,266</b>	<b>537</b>	<b>5,970</b>	<b>684</b>	<b>-</b>	<b>-</b>	<b>27,993</b>	<b>6,322</b>
<b>Total change in equity, other than those resulting from transactions with owners as owners</b>	<b>8,629</b>	<b>2,239</b>	<b>4,741</b>	<b>1,385</b>	<b>2,901</b>	<b>(324)</b>	<b>4,150</b>	<b>592</b>	<b>1,602</b>	<b>1,736</b>	<b>(42,862)</b>	<b>286,042</b>	<b>0</b>	<b>-</b>	<b>(20,839)</b>	<b>291,670</b>
<b>Allocation of revenues and expenses from ordinary activities to corporate services (disclosure only):</b>																
Revenues from ordinary activities	28,734	29,860	14,088	14,048	8,545	7,885	10,609	9,844	2,538	3,913	-	-	-	-	64,514	65,550
Expenses from ordinary activities	29,236	30,999	14,302	14,572	8,717	8,256	10,858	10,332	2,614	4,156	-	-	-	-	65,727	68,315

\*The accompanying Notes on Pages 71 to 112 form an integral part of the Financial Statements.

**Statement of Financial Performance - DPI Forestry  
for the year ended 30 June 2004**

	2004 \$'000	2003 \$'000
<b>Revenues from ordinary activities</b>		
Net increment in valuation of plantation timber	1,512	334,219
Forest product sales - non-plantation timber	14,295	13,500
Specialised forest industry services	421	4,439
Quarry materials	4,017	3,960
Other revenue	5,547	4,558
<b>Total revenues from ordinary activities</b>	<b>25,792</b>	<b>360,676</b>
<b>Expenses from ordinary activities excluding borrowing costs expense</b>		
Employee expenses	36,960	36,359
Contracted forestry, professional, technical and other services	14,178	15,637
Depreciation and amortisation	3,629	3,325
Hire of plant and equipment	2,304	2,441
Motor vehicle expenses	3,263	3,184
Occupancy costs	1,948	2,022
Forest maintenance expenses	2,439	2,944
Materials	2,314	2,111
Other operating expenses	2,882	2,611
<b>Total expenses from ordinary activities excluding borrowing costs expense</b>	<b>69,917</b>	<b>70,634</b>
Borrowing costs expense	4,707	4,694
<b>Profit/(loss) from ordinary activities before income tax equivalents</b>	<b>(48,832)</b>	<b>285,348</b>
Income tax equivalents relating to ordinary activities	-	-
<b>Profit/(loss) from ordinary activities after income tax equivalents</b>	<b>(48,832)</b>	<b>285,348</b>
Valuation increment:		
Asset revaluation reserve	5,970	684
<b>Total valuation adjustments recognised directly in equity</b>	<b>5,970</b>	<b>684</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b>(42,862)</b>	<b>286,032</b>

**Statement of Financial Position - DPI Forestry  
for the year ended 30 June 2004**

	2004 \$'000	2003 \$'000
<b>Current assets</b>		
Cash assets	52,805	39,186
Receivables	13,766	14,387
Inventories	2,592	2,595
<b>Total current assets</b>	<u>69,163</u>	<u>56,168</u>
<b>Non-current assets</b>		
Receivables	63	95
Property, plant and equipment	68,170	57,217
Intangibles	343	61
<b>Total non-current assets</b>	<u>68,576</u>	<u>57,373</u>
<b>Self-generating and regenerating assets</b>		
Plantation growing timber	1,155,908	1,237,440
<b>Total assets</b>	<u>1,293,647</u>	<u>1,350,981</u>
<b>Current liabilities</b>		
Payables	4,455	4,261
Provisions	19,368	18,033
<b>Total current liabilities</b>	<u>23,823</u>	<u>22,294</u>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	76,420	76,420
<b>Total non-current liabilities</b>	<u>76,420</u>	<u>76,420</u>
<b>Total liabilities</b>	<u>100,243</u>	<u>98,714</u>
<b>Net assets</b>	<u>1,193,404</u>	<u>1,252,267</u>
<b>Equity</b>		
Capital	844,367	844,303
Retained surpluses	46,094	29,505
Reserves:		
Asset revaluation	14,485	8,469
Plantation growing timber unrealised revenue	288,458	369,990
<b>Total equity</b>	<u>1,193,404</u>	<u>1,252,267</u>

**Statement of Cash Flows - DPI Forestry  
for the year ended 30 June 2004**

	2004 \$'000	2003 \$'000
<b>Cash flows from operating activities</b>		
Inflows:		
Receipts from customers	115,414	114,605
Interest received	1,908	1,464
Grants and subsidies received	324	113
Outflows:		
Payments to suppliers and employees	(69,314)	(70,566)
Borrowing costs	(4,705)	(4,693)
Grants and subsidies paid	(413)	(128)
GST remitted to ATO	(6,761)	(7,095)
<b>Net cash provided by/(used in) operating activities</b>	<b>36,453</b>	<b>33,700</b>
<b>Cash flows from investing activities</b>		
Inflows:		
Proceeds from sale of property, plant and equipment	1,196	486
Outflows:		
Payments for property, plant and equipment	(9,235)	(8,294)
<b>Net cash provided by/(used in) investing activities</b>	<b>(8,039)</b>	<b>(7,808)</b>
<b>Cash flows from financing activities</b>		
Outflows:		
Dividends paid	(14,795)	(20,979)
<b>Net cash provided by/(used in) financing activities</b>	<b>(14,795)</b>	<b>(20,979)</b>
<b>Net increase/(decrease) in cash held</b>	<b>13,619</b>	<b>4,913</b>
<b>Cash at the beginning of the financial year</b>	<b>39,186</b>	<b>34,273</b>
<b>Cash at the end of the financial year</b>	<b>52,805</b>	<b>39,186</b>



## Notes to, and forming part of, the financial statements (continued) for the year ended 30 June 2004

### 1. Objectives of the department

The Department of Primary Industries & Fisheries (DPI&F) provides many unique services and products that contribute to the capacity for growth and prosperity in food and fibre sectors and rural communities. These services and products are delivered with an emphasis on triple bottom line outcomes that promote smart food and fibre systems and products, ecologically sustainable use of natural resources and capable rural communities. DPI&F is driving growth and building the capacity for innovative food and fibre industries and confident communities in the rural sector.

To achieve this vision, the department is:

- facilitating the development of food and fibre chains, as an aid to increase value-adding and export opportunities;
- building Queensland's reputation to deliver environmentally friendly, ethically produced and safe food and fibre;
- using research, development and extension to align food and fibre production, processing and marketing with consumer and community expectations;
- promoting harmony between food and fibre industries and natural ecosystems;
- maximising the market value of Queensland's commercial forestry assets within a sustainable development framework; and
- increasing the capability and confidence of rural communities to take up opportunities.

The department is predominantly funded for the Outputs it delivers by parliamentary appropriations. It also provides the following services on a fee for service basis: sale of artificial breeding products, inspections, testing, contract research and development, advisory and consultancy services covering activities of primary industries, fisheries and forestry.

In response to the opportunities and challenges facing primary industries, the Department of Primary Industries and Fisheries has undertaken a major review. From 1 July 2004 the department, in its role as an economic development agency focused on a new vision of profitable primary industries for Queensland, has identified four key outputs being industry development, biosecurity, fisheries and forestry commercial, through which it will deliver its vision and mission.

### 2. Summary of significant accounting policies

The significant accounting policies, which have been adopted in the preparation of the general purpose departmental financial statements, are:

#### 2.1 Basis of accounting

The financial statements are a general purpose financial report and have been prepared in accordance with the *Financial Administration and Audit Act 1977*, the *Financial Management Standard 1997*, applicable Australian Accounting Standards, in particular Australian Accounting Standard (AAS) 29 "*Financial Reporting by Government Departments*", Statements of Accounting Concepts, Urgent Issues Group (UIG) Abstracts, the Queensland Treasurer's *Financial Reporting Requirements for Queensland Government Agencies for the year ending 30 June 2004* and other prescribed reporting requirements.

Except where otherwise stated, the financial statements have been prepared in accordance with the historical cost convention. The accounting policies adopted are generally consistent with those of the previous year.

The accrual basis of accounting has been adopted for both controlled transactions and balances, and those administered on a whole-of-Government basis.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**2. Summary of significant accounting policies (continued)**

**2.2 The reporting entity**

The financial statements include all assets, liabilities, equities, revenues and expenses of the department, including DPI Forestry. In accordance with the Cabinet Decision Number 4637 dated 15 May 1995, the DPI Forest Service was restructured to operate as a commercial business group (DPI Forestry) of the department from 1 July 1995.

In July 2004 it was announced that State Cabinet had nominated DPI Forestry as a candidate Government Owned Corporation under the *Government Owned Corporations Act 1993*. At the same time it was announced that a Committee of senior officers from the Department of Primary Industries and Fisheries and other relevant departments had been appointed to undertake a comprehensive investigation of the proposal, including wide-ranging consultation with all stakeholders. A final decision on corporatisation will not be made until Cabinet receives the Committee's report which is due in February 2005.

A decision to corporatise may impact on the value of assets subject to realisation, plus the timing and quantum of payments in the settlement of liabilities. As at the date of publishing this report the financial impact of the proposed corporatisation is unknown.

In order to provide enhanced disclosure, the department has adopted the principles outlined in AASB 1024 "*Consolidated Accounts*". This approach is considered appropriate as it reflects the relationship between the department's core business activities and those of its commercial business group, DPI Forestry. In this context, the core activities of the department are indicated in these financial statements as the DPI&F parent entity, while consolidated results provide information in relation to the whole of the department, including DPI Forestry.

In the process of reporting on the department as a single economic entity, all transactions and balances between the DPI&F parent entity and DPI Forestry have been eliminated in full. Except where otherwise stated, DPI Forestry and the remainder of the department employed consistent accounting policies in the preparation and presentation of these financial statements.

The Outputs undertaken by the department are disclosed in Note 3.

**2.2.1 Transactions and balances administered on a whole-of-Government basis**

The department administers, but does not control, certain resources on a whole-of-Government basis. It is responsible and accountable for the transactions involving such administered items, but does not have the discretion to deploy these resources for the achievement of the department's objectives. Transactions and balances relating to administered resources are not recognised as departmental revenues, expenses, equities, assets or liabilities, but are disclosed separately in Note 35.

**2.2.2 Trust and agency transactions and balances**

The department administers certain transactions and balances, representing security, tender and other deposits and other Agency collections, in a trust or fiduciary capacity, as identified in Notes 36 and 43.

As the department performs only a custodial role in respect of these transactions and balances, they are not recognised as departmental revenues, expenses, equities, assets or liabilities, and are disclosed in the financial statements by way of note only. Applicable audit arrangements are also disclosed.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**2. Summary of significant accounting policies (continued)**

**2.3 Grants, benefits and other contributions**

Grants, donations, gifts and other non-reciprocal contributions and benefits are recognised as revenues in the year in which the department obtains control over the assets comprising the contributions. Control is normally obtained upon the receipt of these assets.

Where non-reciprocal contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, they are reported as unearned revenue. (Refer Note 29.) Where grants are received that are reciprocal in nature, revenues are accrued over the term of the funding arrangements.

Contributions of assets are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if they had not been donated.

**2.4 User charges, taxes, fees and fines**

User charges and fees controlled by the department are recognised as revenues when invoices for the related services are issued. The department controls these revenues, where they can be deployed for the achievement of the departmental objectives.

Taxes, fees and fines collected but not controlled by the department, are not recognised as departmental revenues. They are reported as revenues administered on a whole-of-Government basis, and are disclosed separately in Note 35.

**2.5 Output revenue/administered item revenue**

Appropriation payments to the department are recognised as revenue when received or when a receivable is raised.

Amounts appropriated to the department for transfer to other entities in accordance with legislation or other requirements, are not controlled by the department, and such amounts are reported as administered transactions.

**2.6 Cash assets**

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash assets include cash on hand comprising petty cash, postage and change imprest balances, cash at bank, cash and cheques receipted but not banked, and similar financial assets, which are readily convertible to cash, and are used in the day-to-day cash management function of the department.

**2.7 Receivables**

Trade debtors are recognised at the nominal amount due to the department at the time of sale of goods or service delivery. The settlement term for trade debtors is generally thirty (30) days from the invoice date. Cash deposits or other financial guarantees secure all DPI Forestry's trade debtors.

Loans and advances are recognised at their face values. Terms usually range from seven (7) days to a maximum of one (1) year, with interest charged at rates that are set out in terms of the specific schemes of financial assistance. Security is not normally obtained.

Other debtors generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. Terms usually range from seven (7) days to a maximum of six (6) months, where no interest is charged and no security is obtained.

The collectability of receivables is periodically assessed with adequate provision being made for doubtful debts. All known bad debts have been written off at 30 June. Receivables are reported net of any doubtful debts.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**2. Summary of significant accounting policies (continued)**

**2.8 Financial assets**

Financial assets are brought to account at the lower of cost and net recoverable amount. Interest and dividend revenues are recognised when received. Financial assets are also disclosed at their fair values in Note 37.

**2.9 Inventories**

Inventories are valued at the lower of cost and net realisable value, except for sundry crops, saleable semen, and saleable vaccine, which are valued at net realisable value. Net realisable value is determined on the basis of the department's normal selling pattern.

DPI&F assigns costs of inventories based on the First-In-First-Out (FIFO) method, and DPI Forestry on a weighted average basis. These costs include expenditure incurred in acquiring the inventories and bringing them to their existing condition.

The carrying amounts of inventories are disclosed in Note 20.

**2.10 Self-generating and regenerating assets**

Under AASB 1037 "*Self-Generating and Regenerating Assets*" (SGARAs), such assets are defined as non-human living assets, such as plantation growing timber, native forest timber and livestock, which are accounted for in DPI&F accounts. The department adopted Net Market Value (NMV) for the valuation of livestock. NMV is the amount that could be expected to be received from the disposal of an asset in an active and liquid market, after deducting the costs expected to be incurred in realising the proceeds of such a disposal.

As there is no observable active and liquid market for DPI Forestry's forest assets, DPI Forestry has, in accordance with the relevant provisions of AASB 1037, adopted the Net Present Value (NPV) methodology of valuation as the most appropriate alternative for estimating the NMV of its SGARAs.

**2.10.1 Plantation growing timber**

DPI Forestry's plantation growing timber resources comprise principally exotic and native pine species, distributed along the eastern seaboard of Queensland, with the majority located in South East Queensland.

All current stands of plantation growing timber have been included in the valuation, with the exception of:

- plantings of minor species, small and fragmented plantation areas and areas subject to experimental treatments, which, as previous marketing experience suggests, are likely to be unmerchantable, or have a value, which is considered to be unreliable; and
- hardwood plantations of merchantable and unmerchantable age, which are immaterial to the valuation.

**2.10.2 Livestock**

Livestock is valued at Net Market Value (NMV). Livestock held by the department meets the definition of SGARAs. Although, DPI&F SGARAs are not held primarily for profit, but rather for research, the management of the department believes that the application of AASB 1037 is appropriate.

**2.10.3 Native forests**

DPI Forestry's asset in State-owned native forests is its right to harvest forest products from certain forest areas on a sustained yield basis in accordance with section 33 (1) of the *Forestry Act 1959*.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**2. Summary of significant accounting policies (continued)**

**2.10 Self-generating and regenerating assets (continued)**

**2.10.3 Native Forests (continued)**

**Restrictions on native forest operations**

As a consequence of the signing of the South East Queensland Forest Agreement (SEQFA), DPI Forestry has secured access to a defined quantity of wood from native forests in South East Queensland (SEQ) for a period of 25 years expiring on 31 December 2024. All harvesting of native forests in SEQ will cease after this date.

Current cash flows associated with these native forest products have been examined, and on the basis of this information, the net value of DPI Forestry's access rights are considered to be immaterial at this point in time. Accordingly, the value of access rights to native forest products has not been recognised in the Statement of Financial Position. This position will be re-assessed annually, but is not expected to change.

Reliability of volumes and prices for cypress forest resources extends only for five years. Accordingly, this limited resource information would restrict the reliability of any asset valuation undertaken.

**2.10.4 Other self-generating and regenerating assets**

The SGARAs represented by tree seed orchards, tree hedges and nursery seedlings have been assessed and, on the basis that these assets are not material in the context of financial reporting by the department, they have not been recognised. This position will be re-assessed annually, but is not expected to change.

**2.10.5 Valuation of SGARAs**

**The NPV methodology**

NPV is calculated as the net of the future cash inflows and outflows associated with forest production activities discounted back to current values at the specified Weighted Average Cost of Capital (WACC).

*Under the NPV methodology, valuation changes arise mainly from changes in:*

- timber volume associated with growth, and also changes to the overall estate, as a result of annual planting and harvesting activity;
- timber prices;
- forest production costs; and
- the WACC rate used in the discounted cash flow calculation.

*Assumptions underpinning the NPV calculation are:*

- Forest valuations are based on the expected volumes of merchantable timber that will be realised from existing stands, given current management strategies and stand recovery rates.
- Only the current crop is valued. The cash flow analysis is based on the anticipated timing of the harvest of existing stands, which has been derived from harvest plans developed for the entire estate.
- Volume increments are determined both by periodic re-measurement of samples of plantations and by modelling growth from the date of the most recent measurement to the date of harvest.
- Prices used in the NPV calculation are based on current selling prices at balance date, unless market intelligence indicates that such prices are not indicative of future trends.
- The estimated cost of growing the existing stand until maturity is taken to account in determining the net cash flows.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**2. Summary of significant accounting policies (continued)**

**2.10 Self-generating and regenerating assets (continued)**

**2.10.5 Valuation of SGARAs (continued)**

- Costs used in the NPV analysis are three-year rolling average actual costs for individual plantation operations, and inflation adjusted to the current period. Three-year averages also eliminate significant annual variations caused by things such as variable climatic, topographic and/or silvicultural factors, for example, high rainfall years increase the weed spectrums to be controlled. It is also assumed that the current three-year rolling average costs are the best indicator of future costs.
- Notional costs, particularly imputed land usage charges relating to State-owned plantation land, which DPI Forestry currently accesses at no charge, have not been included in the calculation.
- All costs incurred in developing and managing the trees in forests are recognised as cash outflows in the NPV calculation, except for capital items, e.g. buildings, major roads, heavy plant, which are deemed to have a life independent of the plantation. Usage of these assets is recognised through the application of an annual capital usage charge, which is treated as a cash outflow for the purposes of the plantation valuation.
- The discount rate used is based on the WACC formula in conjunction with the Capital Asset Pricing Model. The discount rate is expressed in real terms, before income tax, and has been set with reference to benchmarked forestry industry risk margins relative to overall market risk margins. The use of "real" discount rates effectively assumes that both prices and costs will rise over time in line with inflation and allows for all prices and costs to be expressed in current dollar terms.

**Source of valuation of plantation growing timber**

The Net Market Valuation, (based on NPV), of the plantation growing timber, has been prepared by appropriately qualified staff employed by DPI Forestry, using advanced modelling techniques and methods. A computerised plantation decision support system underpins the NPV calculations utilised for the forest valuation.

An independent expert, Dr. Jerry Leech, Dip. For., M.Sc., Ph.D. reviewed the modelling components of the system used for plantation valuation in 1997 and 2002. Dr. Leech found the system, including the growth and yield modelling components, to be "robust, complete, coherent and consistent, and in line with best practice". Appropriately qualified DPI Forestry personnel extensively test results derived from the system on an on-going basis.

**2.11 Reserving policy for unrealised revenue**

A Reserve Account has been established to recognise the change in NMV for livestock and NPV for Forestry assets, where amounts of Unrealised Revenue are brought to account through the Statement of Financial Performance.

DPI&F and DPI Forestry revalue their SGARAs annually, and recognise the change in NMV and NPV respectively as revenue or expense in the Statement of Financial Performance, in accordance with the treatment required by AASB 1037. Unrealised revenues are transferred to the SGARAs unrealised revenue reserve until the revenue is realised (through sales) and becomes available for distribution. The reserve is adjusted annually for the net movement in unrealised revenue and the realisation of prior periods' revenue through current year sales.

**2.12 Quarries**

DPI Forestry obtains royalties from quarry operators for the extraction of quarry materials located on Crown Land and identified Freehold Land. Revenues are brought to account when received and any expenditure when incurred. The extent of quarry resources has not been quantified and accordingly, a value for these assets has not been included in the accounts.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**2. Summary of significant accounting policies (continued)**

**2.13 Acquisition of assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled and/or administered by the department, unless these have been received as a result of a Machinery-of-Government restructure. In the latter case, the assets are recognised at their gross carrying amount in the books of the transferor immediately prior to the transfer, together with any accumulated depreciation offset.

Assets acquired at no cost, or for nominal consideration, are recognised at their fair value at the date of acquisition, in accordance with AASB 1015 "Acquisitions of Assets".

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.

**2.14 Recognition of property, plant and equipment**

All DPI&F items of property, plant and equipment, (excluding computer equipment and intangible assets), with a cost, or other value, of \$2,000 or greater, are recognised in the year of acquisition. The asset recognition threshold for computer equipment is \$1,000. DPI Forestry applies an asset recognition threshold of \$1,000 to all property, plant and equipment, (excluding intangible assets). All other items with a cost, or other value, less than the respective asset recognition thresholds, are expensed in the year of acquisition.

Items, or components, which form an integral part of an asset, are recognised as a single asset, (functional asset unit). The recognition threshold is applied to the aggregate cost, or other value, of each functional asset unit. Capital works in progress represent costs incurred in respect of assets under construction.

**2.15 Land**

DPI Forestry carries out its forestry establishment, management and marketing operations principally on Crown Land allocated for forest production purposes by the Department of Natural Resources, Mines and Energy (DNRM&E) or the Environmental Protection Agency (EPA). While these agencies retain control over this land, DPI Forestry is granted access free of charge to carry out its operations, in accordance with the *Forestry Act 1959*. Only land controlled by DPI Forestry has been brought to account in the Statement of Financial Position. This land includes specified Freehold and Crown Land parcels held for operational purposes.

**2.16 Leasehold improvements**

DPI&F leasehold improvements with a cost, or other value, of \$2,000 or greater, are recognised in the financial statements. DPI Forestry applies an asset recognition threshold of \$1,000. All other leasehold improvement items with a cost, or other value less than the asset recognition threshold, are expensed in the year of acquisition.

**2.17 Intangible assets**

All intangible assets with a cost, or other value, greater than \$50,000 are recognised in the financial statements. Items with a lesser value are expensed. Each intangible asset is amortised over its estimated useful life.

Management reviews the carrying values of intangible assets recognised in the financial statements annually, to determine whether those values are still appropriate.

The department records intangible assets at gross value, less amortisation, and for that purpose recognises the gross value as the lower of historical cost, and either gross replacement cost (for items valued predominantly for their income stream), or the capitalised value of any identifiable net future income stream.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**2. Summary of significant accounting policies (continued)**

**2.18 Depreciation and amortisation of intangible assets, property, plant and equipment**

Property, plant and equipment items, (other than land), are depreciated at rates based on their estimated useful lives, using the straight line method, so as to write off the cost, or other value, of each depreciable asset, less its residual value, progressively over its estimated useful life. Capital work-in-progress is not depreciated until the resultant asset reaches its service delivery capacity and is ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly. Asset enhancement expenditure, (\$2,000 or more in case of property plant and equipment, and \$5,000 or more in case of intangible assets), that increases the originally assessed capacity or service potential of an asset, is capitalised and the carrying value of the enhanced asset is depreciated over its remaining useful life.

The depreciable amount of improvements to, or on, a leasehold property is allocated progressively over the estimated useful lives of the improvements, or the unexpired period of the lease, whichever is shorter.

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

Plant and equipment under finance lease arrangements are 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.

For each class of depreciable assets, the following average estimated useful lives were applied:

<b>Asset class</b>	<b>Average estimated useful life in years</b>
Land improvements	25
Buildings	29
Access roads	37
Plant and equipment:	
- Computer equipment	3
- Motor vehicles	6
- Scientific equipment	12
- Other equipment	8
Leasehold improvements	11
Intangible assets:	
- Software	6

**2.19 Revaluation of non-current physical assets**

**2.19.1 Revaluation methodology**

Land, buildings and infrastructure assets are measured at fair value, in accordance with AASB 1041 "Revaluation of Non-Current Assets" and Queensland Treasury's *Non-Current Asset Accounting Guidelines for the Queensland Public Sector*. All other non-current assets, principally plant and equipment and intangible assets, are recorded at cost.

Non-current physical assets measured at fair value are comprehensively revalued at least once every five years, with interim valuations, using appropriate indices, being otherwise performed on an annual basis, where there has been a material variation in the index.

Only those assets, the total value of which is material, compared to the value of the class of assets to which they belong, are comprehensively revalued. Separately identified components of assets are measured on the same basis as the assets to which they relate.



**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**2. Summary of significant accounting policies (continued)**

**2.20 Leases**

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

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at an amount equal to the present value of the minimum lease payments. The liability is recognised at the same amount. Lease payments are allocated between the principal component of the lease liability and the interest expense.

Operating lease payments are representative of the pattern of benefits derived from the leased assets, and accordingly, are charged to the Statement of Financial Performance in the periods in which they are incurred.

Disclosure of finance lease and non-cancellable operating lease commitments, GST inclusive, is made in Note 33.

**2.21 Library materials**

Purchases of Library materials are expensed as incurred.

**2.22 Insurance**

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

The department also pays insurance premiums to WorkCover Queensland in respect of its obligations for employee compensations.

In addition, in certain research activity circumstances, where insurance of such activities is required by legislation, or where an agreement for provision of such specific services exists, insurance premiums are paid to specific insurance providers, with a prior approval requested from, and granted by, the Queensland Treasurer, in accordance with his Policy "*Guidelines on Risk Management and Insurance*".

**2.23 Payables**

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

**2.24 Interest-bearing liabilities**

**2.24.1 Borrowings**

Loans payable are recognised in the Statement of Financial Position at book value of the outstanding principal, with interest expense recognised as it accrues. Such liabilities are also disclosed at their net fair value/market value in Note 37 (c).

**2.24.2 Borrowing costs**

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets. Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- finance lease charges;
- ancillary administration charges; and
- loan guarantee charges.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**2. Summary of significant accounting policies (continued)**

**2.25 Dividends payable**

Dividends payable are recognised when declared by DPI Forestry, and are payable to the Queensland Government.

The dividends payable are declared at a negotiated percentage (currently 50%) of the DPI Forestry's profit from ordinary activities after income tax equivalents and after adjustments for plantation timber valuation increments (net of sales) and adjustment for a QFleet dividend allowance.

**2.26 Employee benefits**

Employee entitlements relate to amounts expected to be paid to employees for accrued recreation leave as well as accrued salaries and wages. In addition, associated on-costs and outstanding employer contributions to employee superannuation schemes have also been recorded in the Statement of Financial Position.

**2.26.1 Wages and salaries, annual leave and sick leave**

Wages, salaries and annual leave due but unpaid at reporting date are recognised in the Statement of Financial Position at the remuneration rates expected to apply at the time of settlement and include related on-costs such as payroll tax, workcover premiums, long service leave levies and employer superannuation contributions.

The pattern of sick leave taken is expected to be stable in the future, and as sick leave entitlements do not vest with employees, no provision has been made for these entitlements. Sick leave is charged as an expense in the period in which it is taken.

**2.26.2 Long service leave**

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the department to cover this expense.

Amounts paid to employees for long service leave are claimed from the scheme as a reimbursement, as and when long service leave is taken. A provision for long service leave has not been made in the departmental accounts, as the liability for long service leave is being held on a whole-of-Government basis by the scheme and reported on by the Government in the financial report pursuant to AAS 31 "Financial Reporting by Governments".

**2.26.3 Superannuation**

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the Queensland State Actuary, and are expensed as incurred.

No liability is recognised for accruing superannuation benefits in these financial statements, as this liability is being held on a whole-of-Government basis, and reported in the whole-of-Government financial report prepared pursuant to AAS 31.

**2.27 Taxation**

The department's activities are exempt from all forms of Commonwealth taxation, except for Fringe Benefits Tax and Goods and Services Tax (GST). As such, input tax credits receivable and GST payable, from / to the Australian Tax Office, have been accrued and recognised.

DPI Forestry, as a commercial business group of the department, is subject to payment of income tax equivalents, in accordance with the requirements of the *National Tax Equivalents Regime*.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**2. Summary of significant accounting policies (continued)**

**2.27 Taxation (continued)**

Pursuant to AASB 1020 "Income Taxes", income tax equivalents expense is calculated on the profit from ordinary activities in the Statement of Financial Performance after adjusting for permanent differences between taxable and accounting income.

The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the Statement of Financial Position as future income tax equivalents benefits, or a provision for deferred income tax equivalents. Future income tax equivalents benefits are not brought to account, unless realisation of the benefits is virtually certain. No liability has been brought to account as a provision for deferred income tax equivalents. An excess of future income tax equivalents benefits currently wholly offsets such liability. Details of DPI Forestry's tax position are disclosed in Note 40.

**2.28 Resources received free of charge or for nominal value**

Contribution of resources received free of charge, or for nominal value, which the department would otherwise have purchased, if they had not been donated, are recognised at their fair value as equal amounts of revenues and expenses or assets, as appropriate, but only where they can be reliably measured.

**2.29 Allocation of overheads to departmental controlled outputs**

The department allocates corporate services overhead items to its controlled outputs in the Statement of Financial Performance by Outputs.

The revenues and expenses of the department's corporate services are allocated to Outputs on a cost recovery basis.

**2.30 Interests in joint ventures**

DPI Forestry currently has a financial interest and is involved in a number of joint venture arrangements, which involve the production of SGARAs and predominantly relate to research and development activities and the establishment of commercially viable timber plantations on private land.

Contributions by DPI Forestry towards SGARAs are expensed as incurred, in compliance with DPI Forestry's SGARA asset accounting policy. The assets embodied in DPI Forestry's share of the joint venture outputs have been assessed and, on the basis that these assets are not material, have not been recognised in the Statement of Financial Position. This position will be reassessed annually.

DPI Forestry's interests in joint ventures are disclosed in Note 41.

**2.31 Research and development**

Research and development costs are expensed in the period in which they were incurred. Such costs will only be deferred to the extent that future benefits are expected, beyond any reasonable doubt, to equal or exceed those costs, any previously deferred costs, and any future costs necessary to give rise to the future benefits.

**2.32 Financial reporting by segments**

The department, including its commercial business group, DPI Forestry, operates principally in Primary Industries within the State of Queensland only.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**2. Summary of significant accounting policies (continued)**

**2.33 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 accounted for as adjustments to "contributed equity", in accordance with UIG Abstract 38 "Contributions by Owners Made to Wholly Owned Public Sector Entities".

Appropriations for equity adjustments are similarly designated.

**2.34 Rounding**

Amounts included in the financial statements have been rounded to the nearest one thousand dollars, or where that amount is \$500 or less, to zero.

**2.35 Comparative information**

Certain amounts relating to the prior year have been restated, where necessary, in order to provide a valid comparison consistent with the current reporting period's disclosures.

**2.36 Adoption of International Financial Reporting Standards**

The Financial Reporting Council has determined that all entities preparing general purpose financial statements will apply the Australian Equivalents to International Reporting Standards (IFRSs) for reporting periods beginning on or after 1 January 2005.

The department has established an IFRS Steering Committee and working group to assist in the implementation of the new reporting requirements. All pending Australian Equivalents to IFRSs are being progressively reviewed for possible implications on policies, procedures, systems and financial impacts arising from such changes.

To date, the department has identified the following key differences in accounting policies, which will arise from the adoption of Australian Equivalents to IFRSs:

- Inventory will change to include inventories distributed free of charge or for nominal consideration. The valuation of these inventories will be the lower of cost and current replacement cost under standard AASB 102 "Inventories". This may lead to an increase in the valuation shown for inventories.
- The introduction of AASB 136 "Impairment of Assets" will require an annual impairment test to be performed on all non-current physical and intangible assets. This may result in a write-down of the value of plant and equipment and intangible assets.
- As DPI Forestry has been identified as a for-profit entity, under AASB 116 "Property, Plant and Equipment", DPI Forestry will be required to recognise asset valuation adjustments for non-current physical assets in the Asset Revaluation Reserve and Statement of Financial Performance. These will be determined on an individual asset basis rather than by netting all adjustments for the asset class as was previously the case.
- Under AASB112 "Income Taxes", DPI Forestry will be required to use a balance sheet liability method that focuses on the tax effects of transactions and other events that affect amounts recognised in either the Statement of Financial Position or a tax-based balance sheet. The most significant impact will be the recognition of a deferred tax liability in relation to the assets revaluation reserve. Previously, the capital gains tax effects of asset revaluations were not recognised. It is not expected that there will be any further material impact as a result of adoption of this standard.

The dollar values of the above changes cannot be reliably estimated at the date of this report.

Policy decisions made at a whole-of-Government level in relation to the limiting of options in the Australian Equivalents to IFRSs may have additional impacts on financial reports prepared using these standards.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**2. Summary of significant accounting policies (continued)**

**2.37 Implementation of the shared service initiative**

Implementation of the shared service initiative commenced on 1 July 2003. Under this initiative, shared service providers (SSP's) were established to provide a standard suite of corporate services to client departments and in some agreed instances provide additional out of scope service. Standard software application support and infrastructure for all corporate service applications for the five large-scale SSP's (as well as other agreed non-standard services) is provided by Corp Tech.

The SSP for this department is CorporateLink for which the Department of Natural Resources, Mines and Energy is the host agency. The host agency for Corp Tech is Queensland Treasury.

On 1 July 2003 intangible assets with a written down value of \$0.889 million were transferred to Corp Tech. No liabilities or staff were transferred to Corp Tech.

For CorporateLink, the department was not required to transfer any assets, liabilities or staff for the implementation of the shared service initiative.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**3. Outputs/Major Activities of the department**

DPI&F makes a significant contribution to all five whole-of-Government priorities and their associated Outcomes through the provision of specific departmental Outputs. The identity and purpose of each Output undertaken by the department during the reporting period is summarised as follows:

**3.1 Food and fibre science and innovation**

This Output focuses on the delivery of innovative and commercially relevant research, development and extension solutions to Queensland's food and fibre sectors. These solutions assist Queensland businesses to deliver higher value, safe, customised products that match consumer demands as well as community expectations for ethical and environmentally sustainable production.

**3.2 Market access and development**

The market access and development Output contributes to the competitiveness of Queensland's food and fibre industries through increased trade outcomes for global and domestic markets. It focuses on ensuring animal and plant health requirements and animal welfare standards are met, as well as developing new market opportunities through product research and trade facilitation.

**3.3 Rural community development**

This Output encompasses work undertaken to help build the future capacity of rural communities. This includes ensuring access to Government services and information that enhances the ability of rural communities to make effective business decisions.

**3.4 Fisheries**

The Fisheries Output promotes the sustainable development of Queensland's commercial and recreational fishing industries. A significant component of this Output is focused on the protection of the natural resources on which these industries depend.

**3.5 Policy analysis and industry development**

This Output provides strategic analysis and advice on whole-of-Government and departmental policy issues. These policy issues include natural resources management, industry adjustment, rural communities and a diversity of industry development-related issues.

**3.6 Forestry commercial**

This Output is a commercial business group (DPI Forestry) of the department, where its activities aim to manage and market State-owned plantation and native forest timber resources, quarry material resources, and other forestry related services in a sustainable manner to earn commercial returns while observing the State Government's environmental policies.

Effective from 1 July 2003, The Queensland Government Agent Program was transferred to the Department of Innovation and Information Economy, Sport and Recreation Queensland as a consequence of a Machinery-of-Government change. As a result of this change assets (comprising property, plant and equipment to the value of \$0.039 million and intangible assets to the value of \$0.082 million) and liabilities (provision for annual leave valued at \$0.040 million) were transferred to the Department of Innovation and Information Economy, Sport and Recreation Queensland. The decrease in net assets of \$0.081 million has been accounted for as a decrease in contributed equity as disclosed in Note 30. Appropriation revenue of \$2.620 million was transferred to the Department of Innovation and Information Economy, Sport and Recreation Queensland.

Also effective 1 July 2003 was the implementation of the shared service initiative and the asset transfer required is disclosed in Note 2.37.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**3. Outputs/Major Activities of the department (continued)**

Effective from 12 February 2004, The Office of Rural Communities was transferred from the department to the Department of Communities as a consequence of a Machinery-of-Government change. As a result of this change, assets (property, plant and equipment to the value of \$0.050 million) and liabilities (provision for annual leave valued at \$0.083 million) were transferred to the Department of Communities. The increase in net assets of \$0.033 million has been accounted for as an increase in contributed equity as disclosed in Note 30. Appropriation revenue of \$0.991 million was transferred to the Department of Communities.

From 1 July 2004 the department, in its role as an economic development agency focused on a new vision of profitable primary industries for Queensland, has identified four key outputs - industry development, biosecurity, fisheries and forestry commercial - through which it will deliver its vision and mission.

Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>4. Reconciliation of Payments from Consolidated Fund</b>				
<b>Reconciliation of payments from consolidated fund to output revenue recognised in the Statement of Financial Performance</b>				
Budgeted output appropriation	230,314	236,022	230,314	236,022
Add: Transfers from other headings	4,828	2,059	4,828	2,059
Less: Transfers to other departments	(3,611)	-	(3,611)	-
<b>Total output receipts</b>	<b>231,531</b>	<b>238,081</b>	<b>231,531</b>	<b>238,081</b>
Less: Opening balance of output revenue receivable	(3,722)	(8,608)	(3,722)	(8,608)
Add: Closing balance of output revenue receivable	2,795	3,722	2,795	3,722
<b>Output revenue recognised in the Statement of Financial Performance</b>	<b>230,604</b>	<b>233,195</b>	<b>230,604</b>	<b>233,195</b>
<b>Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity (Note 30)</b>				
Budgeted equity adjustment appropriation (1)	5,358	4,108	5,358	4,108
Transfers from/to other headings	(5,358)	(2,953)	(5,358)	(2,953)
Less: Lapsed equity adjustment appropriation	-	(1,135)	-	(1,135)
<b>Equity adjustment recognised in contributed equity</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>20</b>
 (1) For 2002-2003 budgeted equity adjustment of \$4.108 million is represented by an amount of \$10.608 million of equity injections and an amount of (\$6.500) million of equity withdrawals (refer Note 30).				
<b>5. User charges, taxes, fees and fines</b>				
Fee for service	55,673	49,865	55,095	52,337
Contract services - DPI Forestry	-	-	2,317	757
Sale of goods	6,249	8,530	5,848	7,811
Taxes, fees and fines	5,594	5,795	5,109	5,279
<b>Total user charges, taxes, fees and fines</b>	<b>67,516</b>	<b>64,190</b>	<b>68,369</b>	<b>66,184</b>



**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>6. Grants and other contributions</b>				
Grants (1)	4,535	7,707	4,251	7,575
Industry contributions (2)	31,325	34,873	31,306	34,890
Goods and services received below fair value	761	1,189	761	1,189
<b>Total grants and other contributions</b>	<b>36,621</b>	<b>43,769</b>	<b>36,318</b>	<b>43,654</b>
Refer to Note 13 for disclosure of amount paid to recipients of grants and contributions.				
(1) Included in revenue from grants is \$2.099 million (\$2.202 million in 2002-03) from the Commonwealth Government to fund specific activities chiefly of the Australian Centre for International Agricultural Research Projects (ACIAR);				
(2) Included in industry contributions is revenue from the Grain Research Development Corporation and Horticulture Australia Ltd.				
<b>7. Royalties and other territorial revenue</b>				
Sales:				
Quarry materials	4,017	3,960	-	-
Native forest timber	13,262	12,553	-	-
Seeds and seedlings	1,008	947	-	-
Other	1,519	1,725	1,457	1,412
<b>Total royalties and other territorial revenue</b>	<b>19,806</b>	<b>19,185</b>	<b>1,457</b>	<b>1,412</b>
<b>8. Net increment in valuation of self-generating and regenerating assets</b>				
Livestock	1010	476	1,010	476
Plantation timber (1)	1,512	334,219	-	-
<b>Total net increment in valuation of SGARAs</b>	<b>2,522</b>	<b>334,695</b>	<b>1,010</b>	<b>476</b>
(1) During 2003-04 several of the key determinants of plantation revenue (defined as the gross increment in plantation asset value) varied sufficiently to deliver a reversal of the significant increase in unrealised revenue experienced in the 2002-03 financial year.				
The following factors contributed to the large unrealised plantation asset valuation decrement under the current net present value methodology:				
· A substantial increase (1.07%) in the weighted average cost of capital (WACC) during the year accounted for a decrease in asset values in the order of \$152 million – refer Note 25 for sensitivity information.				
· The offsetting increases can be attributed to a range of factors including increased market demand for certain forest resources resulting in both increased product prices for some products and re-scheduling of harvesting to deal with the demand.				
<b>9. Other revenue</b>				
Interest	2,173	2,198	16	645
Gain on sale of property, plant and equipment	1,541	1,080	766	609
Rental income	983	383	775	185
Other	2,322	3,437	1,680	2,930
<b>Total other revenue</b>	<b>7,019</b>	<b>7,098</b>	<b>3,237</b>	<b>4,369</b>

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>10. Employee expenses</b>				
Wages and salaries	186,835	185,702	156,405	155,927
Employer superannuation contributions	21,893	20,961	18,624	17,870
Long service leave levy	2,801	2,717	2,345	2,277
Workers' compensation	1,673	2,331	806	1,253
Other	10,815	11,012	8,878	9,105
<b>Total employee expenses</b>	<b>224,017</b>	<b>222,723</b>	<b>187,058</b>	<b>186,432</b>

**Chief Executive remuneration**

The following salary band relates to the Chief Executive of the department:

Level	Superannuable salary (\$ per annum)	
	Min. \$	Max. \$
CEO3	201,498	218,682

In addition to this base superannuable salary, the Chief Executive is also eligible for a bonus, based on an assessment by the Premier and Minister for Trade. The total of such bonuses paid to the Chief Executives of all departments is published in the Annual Report of the Office of Public Service Merit and Equity.

The superannuable salary does not include industry and like allowances, leave loading and fringe benefits such as private use of a motor vehicle and employer superannuation contributions.

**Number of employees**

The number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.

	3,647	3,928	2,955	3,170
<b>11. Supplies and services</b>				
Consultants and contractors	22,201	21,742	11,295	9,634
Contract services - DPI Forestry	-	-	207	3,795
Motor vehicle expenses	14,307	14,944	11,047	11,768
Materials	16,888	16,845	14,964	15,089
Travel	7,283	7,885	6,413	7,139
Building services, repairs and maintenance	8,439	7,864	8,439	7,868
Electricity and telephone	6,745	6,938	6,141	6,362
Computer expenses	4,175	4,565	3,867	4,313
Forest maintenance	2,820	3,279	-	-
Primary production costs	2,473	2,324	2,473	2,328
Legal expenses	1,385	756	645	651
Service delivery costs	13,129	12,518	13,176	12,523
Services received free of charge	758	1,189	758	1,189
Portable and attractive items	698	766	699	766
Freight, postage and printing	2,539	3,029	2,542	3,029
Other	11,107	11,273	8,770	9,184
<b>Total supplies and services</b>	<b>114,947</b>	<b>115,917</b>	<b>91,436</b>	<b>95,638</b>

**12. Depreciation and amortisation**

Depreciation and amortisation expenses for the financial year were incurred in respect of:

Land improvements	793	767	677	640
Buildings	4,250	3,910	3,656	3,378
Access roads	472	460	93	91
Plant and equipment (1)	9,507	10,292	7,051	8,074
Intangibles	506	985	488	971
Leasehold improvements	1,005	948	939	883
<b>Total depreciation and amortisation expenses</b>	<b>16,533</b>	<b>17,362</b>	<b>12,904</b>	<b>14,037</b>

(1) Included above is amortisation of plant and equipment under finance lease of \$0.011 million (\$0.011 million in 2002-03).

(2) The increase in depreciation and amortisation expense as a result of indexation of depreciable assets during the reporting period was nil because indexation was effected on 30 June 2004 (Nil in 2002-03).

**Notes to, and forming part of, the financial statements (continued)**  
**for the year ended 30 June 2004**

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>13. Grants and subsidies</b>				
<b>Recurrent</b>				
Agaware	-	29	-	29
Animal welfare organisations	1,191	682	1,191	682
Australian Centre for International Agricultural Research Projects	914	1,080	914	1,080
Banana Industry Protection Board	-	159	-	159
Bureau of Sugar Experiment Stations (BSES)	2,850	3,800	2,850	3,800
Burdekin Rangelands Reef Initiative	667	659	667	659
Cape York Trawl buy-back	-	314	-	314
Commonwealth Government bodies and authorities (Incl CSIRO)	-	1	-	1
Cooperative Research Centres (CRC)	481	433	481	433
Drought Relief Freight Subsidy	9,524	8,809	9,524	8,809
Farm and rural financial counsellors' subsidies	210	172	210	172
Fish stocking associations and societies	159	631	159	631
Fisheries Research & Development Corporation	515	628	515	628
Grain Research & Development Corporation	-	2	-	2
Murray Darling Basin Commission	219	178	219	178
Horticultural Research and Development	97	24	97	24
Private Forestry Development Committees	257	-	257	-
Queensland Government Departments	48	36	48	36
Queensland Government Agent Program (QGAP)	-	1,363	-	1,363
Queensland Farmers' Federation	-	43	-	43
Queensland Commercial Fisherman's Organisation	-	4	-	4
Queensland Rural Adjustment Authority (QRAA)	211	-	211	-
QLD Turf Producers Association	20	31	20	31
Safe Food Production Queensland (SFPQ)	2,110	1,922	2,110	1,922
Sunfish (Qld) Inc.	194	131	194	131
St Vincents Community Services	-	42	-	42
Town, city and shire councils	10	171	10	171
Transmissible Spongiform Encephalopathy (TSE) Incentives	100	33	100	33
Tuberculosis Freedom Assistance Program (TFAP)	706	5,773	706	5,773
Universities in other States	75	112	50	106
Universities in Queensland	383	335	117	231
Other	237	255	115	237
<b>Total recurrent</b>	<b>21,178</b>	<b>27,852</b>	<b>20,765</b>	<b>27,724</b>
<b>Capital</b>				
Town, city and shire councils	-	-	-	-
Other	-	3	-	3
<b>Total capital</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>Total grants and subsidies</b>	<b>21,178</b>	<b>27,855</b>	<b>20,765</b>	<b>27,727</b>

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

	DPI&F Consolidated		DPI&F Parent entity	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
<b>14. Equity return expense</b>				
An equity return rate of 6 percent has been set by the Queensland Government for 2003-04. This represents the opportunity cost of capital invested in the net assets of the department. The return is calculated on a pro-rata daily basis using the opening net asset position of the department for each quarter, plus or minus equity injections or withdrawals.				
	<b>14,899</b>	<b>14,507</b>	<b>14,899</b>	<b>14,507</b>
<b>15. Other expenses</b>				
Operating leases	10,880	10,298	8,576	7,857
Audit fees (Queensland Audit Office)	287	271	165	160
Licence fees and permits	175	224	132	172
Loss on sale or disposal of property, plant and equipment	436	304	269	265
Doubtful debts	3,144	157	3,141	163
Sponsorships	463	476	463	476
Donations and gifts	20	33	18	33
Insurance premiums - QGIF	471	369	411	317
Insurance premiums - Other	158	136	158	136
Miscellaneous expenses	544	1,145	539	1,123
Losses:				
Public money	37	64	37	54
Public property (1)	12	8	12	8
Special payments:				
Extra-contractual	9	238	9	182
<b>Total other expenses</b>	<b>16,636</b>	<b>13,723</b>	<b>13,930</b>	<b>10,946</b>
(1) Certain losses of public property are insured by the Queensland Government Insurance Fund (QGIF).				
<b>16. Borrowing costs</b>				
Interest	4,707	4,694	-	-
Finance charges relating to finance leases	3	3	3	3
<b>Total borrowing costs expense</b>	<b>4,710</b>	<b>4,697</b>	<b>3</b>	<b>3</b>
No borrowing costs were recognised during the period as part of the carrying amount of any qualifying assets.				

**Notes to, and forming part of, the financial statements (continued)**  
**for the year ended 30 June 2004**

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>17. Cash assets</b>				
Cash on hand	110	1,015	84	989
Cash at bank	76,100	58,031	23,321	18,871
<b>Total cash assets (1)</b>	<b>76,210</b>	<b>59,046</b>	<b>23,405</b>	<b>19,860</b>
 (1) For 2003-04 DPI&F did not participate in the Cash Management Incentive Regime. DPI Forestry did participate in the Cash Management Incentive Regime and earned interest at rates between 3.90% and 4.51% (for 2002-03 rates were between 3.77% and 4.12%)				
<b>18. Receivables</b>				
<b>Current</b>				
Revenue receivable from Treasury	2,795	3,722	2,795	3,722
Trade debtors	23,946	23,561	13,731	12,164
Less: Provision for doubtful debts	(3,394)	(349)	(3,391)	(349)
	<b>20,552</b>	<b>23,212</b>	<b>10,340</b>	<b>11,815</b>
Loans and advances	120	99	120	99
Less: Provision for doubtful debts	-	-	-	-
	<b>120</b>	<b>99</b>	<b>120</b>	<b>99</b>
Freehold selection debtors (1)	29	98	-	-
Less: Provision for doubtful debts	-	-	-	-
	<b>29</b>	<b>98</b>	<b>-</b>	<b>-</b>
GST Input tax credits receivable	2,341	2,235	1,620	1,694
GST payable	(1,828)	(1,961)	(887)	(1,137)
Net GST receivable	<b>513</b>	<b>274</b>	<b>733</b>	<b>557</b>
Long service leave reimbursements	543	527	393	426
Interest receivable	635	386	-	-
Other debtors	2,752	4,410	956	2,507
	<b>3,930</b>	<b>5,323</b>	<b>1,349</b>	<b>2,933</b>
<b>Total current receivables</b>	<b>27,939</b>	<b>32,728</b>	<b>15,337</b>	<b>19,126</b>
<b>Non-current</b>				
Freehold selection debtors (1)	63	95	-	-
<b>Total non-current receivables</b>	<b>63</b>	<b>95</b>	<b>-</b>	<b>-</b>

(1) Freehold selection debtors arise where Crown Land under lease is converted to Freehold. Debtors represent the value of unpaid instalments due on the timber component of the property sold. These debtors are managed by the Department of Natural Resources, Mines and Energy.

Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004

	DPI&F Consolidated		DPI&F Parent entity	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
<b>19. Other financial assets</b>				
<b>Non-current</b>				
Shares and units (1)	115	102	115	102
<b>Total</b>	<b>115</b>	<b>102</b>	<b>115</b>	<b>102</b>
The fair value of other financial assets is:				
Shares and units (see Note 37)	121	108	121	108
<b>Total</b>	<b>121</b>	<b>108</b>	<b>121</b>	<b>108</b>
(1) Financial assets comprise equity in primary producer cooperatives.				
<b>20. Inventories</b>				
<b>Current inventories</b>				
Inventory held for sale:				
Finished goods	1,649	1,556	667	435
Work in progress	2	2	-	-
Inventory not held for sale:				
Raw materials and stores	3,367	3,598	1,759	2,125
<b>Total current inventories</b>	<b>5,018</b>	<b>5,156</b>	<b>2,426</b>	<b>2,560</b>
<b>Non-current inventories</b>				
Inventory held for sale:				
Finished goods	26	25	26	25
<b>Total non-current inventories</b>	<b>26</b>	<b>25</b>	<b>26</b>	<b>25</b>
<b>Aggregate carrying amount of inventories:</b>				
Current	5,018	5,156	2,426	2,560
Non-current	26	25	26	25
<b>Total inventories</b>	<b>5,044</b>	<b>5,181</b>	<b>2,452</b>	<b>2,585</b>
<b>21. Prepayments</b>				
<b>Current</b>				
Prepayments	1,062	2,144	837	1,936
<b>Total current prepayments</b>	<b>1,062</b>	<b>2,144</b>	<b>837</b>	<b>1,936</b>
<b>Non-current</b>				
Prepayments	55	26	55	26
<b>Total non-current prepayments</b>	<b>55</b>	<b>26</b>	<b>55</b>	<b>26</b>
<b>Total prepayments</b>	<b>1,117</b>	<b>2,170</b>	<b>892</b>	<b>1,962</b>

**Notes to, and forming part of, the financial statements (continued)**  
**for the year ended 30 June 2004**

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>22. Property, plant and equipment</b>				
<b>22.1 Land (1) (2)</b>				
At independent valuation 2002	98,925	84,153	80,399	70,251
<b>Total Land</b>	<b>98,925</b>	<b>84,153</b>	<b>80,399</b>	<b>70,251</b>
(1) Refer Note 2.15.				
(2) Only land controlled by the department has been brought to account.				
<b>22.2 Land improvements</b>				
At cost	18,829	17,969	15,028	14,211
Accumulated depreciation	(6,350)	(5,583)	(5,030)	(4,369)
<b>Total land improvements - net book value</b>	<b>12,479</b>	<b>12,386</b>	<b>9,998</b>	<b>9,842</b>
<b>22.3 Buildings</b>				
At cost (deemed fair value)	756	13,362	756	13,362
At independent valuation 2002	237,390	201,479	208,583	175,171
Accumulated depreciation	(90,983)	(79,076)	(75,485)	(65,304)
<b>Total buildings - net book value</b>	<b>147,163</b>	<b>135,765</b>	<b>133,854</b>	<b>123,229</b>
<b>22.4 Access roads</b>				
At independent valuation 2002	24,323	22,554	5,407	4,969
Accumulated depreciation	(8,865)	(7,798)	(2,468)	(2,209)
<b>Total access roads - net book value</b>	<b>15,458</b>	<b>14,756</b>	<b>2,939</b>	<b>2,760</b>
<b>22.5 Computer equipment</b>				
At cost	21,740	23,293	19,798	21,325
Accumulated depreciation	(14,968)	(15,615)	(13,774)	(14,276)
<b>Total computer equipment - net book value</b>	<b>6,772</b>	<b>7,678</b>	<b>6,024</b>	<b>7,049</b>
<b>22.6 Plant and equipment</b>				
At cost	92,876	90,688	64,676	62,820
Accumulated depreciation	(52,962)	(52,222)	(39,784)	(38,978)
<b>Total plant and equipment - net book value</b>	<b>39,914</b>	<b>38,466</b>	<b>24,892</b>	<b>23,842</b>
<b>22.7 Leased plant and equipment</b>				
At cost	64	64	64	64
Accumulated amortisation	(58)	(47)	(58)	(47)
<b>Total leased plant and equipment - net book value</b>	<b>6</b>	<b>17</b>	<b>6</b>	<b>17</b>
<b>22.8 Leasehold improvements</b>				
At cost	8,468	7,230	7,820	6,582
Accumulated amortisation	(3,879)	(2,881)	(3,611)	(2,678)
<b>Total leasehold improvements - net book value</b>	<b>4,589</b>	<b>4,349</b>	<b>4,209</b>	<b>3,904</b>
<b>22.9 Capital works in progress</b>				
At cost	6,448	2,838	1,263	2,297
<b>Total property, plant and equipment - net book value</b>	<b>331,754</b>	<b>300,408</b>	<b>263,584</b>	<b>243,191</b>
<b>Property, plant and equipment</b>				
At cost	149,181	155,444	109,405	120,661
At independent valuation 2002	360,638	308,186	294,389	250,391
Accumulated depreciation and amortisation	(178,065)	(163,222)	(140,210)	(127,861)
<b>Total property, plant and equipment - net book value</b>	<b>331,754</b>	<b>300,408</b>	<b>263,584</b>	<b>243,191</b>

Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004

22. Property, plant and equipment (continued)

22.10 Valuation of property, plant and equipment

Property, plant and equipment have been valued in accordance with AASB 1041 "Revaluation of non-current assets" and Queensland Treasury's Non-Current Asset Accounting Guidelines for the Queensland Public Sector (May 2001).

22.10.1 Land, buildings, and access roads

Land, buildings and access roads were comprehensively revalued as at 1 July 2001 based on current market values by the following independent expert valuers using "fair value" principles:  
Australian Valuation Office

R N Mullins, F.V.L.E. (Val.) LL.B., A. Roberts, AAPI, J. Forson, AAPI, M. West, AAPI, I. Collingwood, AAPI

22.10.2 Plant and equipment

Plant and equipment, land improvements, and leasehold improvements are valued at cost in accordance with AASB 1041 "Deeming" the carrying amount of the non-current assets comprising the class at the date of first applying this standard to be their cost".  
Asset classes and useful lives were revised as at 1 July 2001 by the following independent expert valuers:

Australian Valuation Office

R N Mullins, F.V.L.E. (Val.) LL.B., A. Roberts, AAPI, J. Forson, AAPI, M. West, AAPI, I. Collingwood, AAPI.

22.11 Property, plant and equipment movement reconciliation

	Land		Land improvements		Leasehold improvements		Buildings		Plant and equipment		Leased plant and equipment		Access Roads		Capital Works In Progress		Total	
	DPI&F Consolidated 2004	DPI&F Parent entity 2004	DPI&F Consolidated 2004	DPI&F Parent entity 2004	DPI&F Consolidated 2004	DPI&F Parent entity 2004	DPI&F Consolidated 2004	DPI&F Parent entity 2004	DPI&F Consolidated 2004	DPI&F Parent entity 2004	DPI&F Consolidated 2004	DPI&F Parent entity 2004	DPI&F Consolidated 2004	DPI&F Parent entity 2004	DPI&F Consolidated 2004	DPI&F Parent entity 2004	DPI&F Consolidated 2004	
Carrying amount at 1 July 2003	84,153	70,251	12,386	9,842	4,349	3,904	135,765	123,229	46,144	30,891	17	17	14,756	2,760	2,838	2,297	300,408	243,191
Acquisitions	480	-	61	46	5	5	162	65	8,023	6,228	-	-	-	-	11,665	5,047	20,396	11,391
Disposals	(11)	(8)	(57)	(43)	-	-	(218)	(99)	(804)	(344)	-	-	-	-	-	-	(1,090)	(494)
Donations made	-	-	-	-	-	-	-	-	(32)	(32)	-	-	-	-	-	-	(32)	(32)
Capitalisation of assets expensed in prior periods	-	-	20	20	-	-	10	10	21	21	-	-	-	-	-	-	51	51
Transfers between classes	17	17	863	811	1,239	1,239	2,820	2,601	2,973	1,333	-	-	143	80	(8,055)	(6,081)	-	-
External Transfers	-	-	-	-	-	-	(13)	(13)	(142)	(142)	-	-	-	-	-	-	-	-
Revaluation increments/(decrements) (Note 30)	14,286	10,139	(795)	(678)	(1,004)	(939)	12,885	11,716	(9,499)	(7,041)	(11)	(11)	1,031	192	-	-	28,202	22,047
Depreciation/amortisation	-	-	-	-	-	-	(4,247)	(3,655)	-	-	-	-	(472)	(93)	-	-	(16,028)	(12,417)
Prior Period adjustments	-	-	-	-	-	-	-	-	2	2	-	-	-	-	-	-	2	2
Carrying amount at 30 June 2004	98,925	80,399	12,478	9,998	4,589	4,209	147,164	133,854	46,686	30,916	6	6	15,458	2,939	6,448	1,263	331,754	263,584

22.12 Fully Depreciated Assets

The strategic management of fully depreciated assets has been addressed in the department's Asset Strategic Plan 2004-09. Heavy plant (gross cost \$4.6million), motor vehicles (gross cost \$1.9million), computer equipment (gross cost \$6.0million) and scientific equipment (gross cost \$7.0million) account for approximately eighty-four percent of the gross cost of the fully depreciated assets still in use. Disposal and replacement of these items will be addressed during the period of the Asset Strategic Plan 2004-09.



Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>23. Intangible assets</b>				
<b>23.1 Computer software</b>				
At cost	3,353	8,521	2,714	8,183
Accumulated amortisation	(2,032)	(6,212)	(1,736)	(5,934)
<b>Total computer software - net book value</b>	<b>1,321</b>	<b>2,309</b>	<b>978</b>	<b>2,249</b>
<b>23.2 Capital works in progress</b>				
At cost	2,257	1,652	2,257	1,652
<b>Total intangible assets - net book value</b>	<b>3,578</b>	<b>3,961</b>	<b>3,235</b>	<b>3,901</b>
<b>24. Restricted assets</b>				
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 partially restricted, by legislation or other externally imposed requirements. These include:				
<b>24.1 Current restricted assets</b>				
Cash at bank	10,291	10,039	10,291	10,039
Receivables	4,588	5,228	4,588	5,228
<b>Total current restricted assets</b>	<b>14,879</b>	<b>15,267</b>	<b>14,879</b>	<b>15,267</b>
(These funds are restricted for use in specified research areas.)				
<b>24.2 Property, plant and equipment</b>				
At cost	5,712	7,074	5,712	7,074
At independent valuation	865	864	865	864
Accumulated depreciation	(4,763)	(5,372)	(4,763)	(5,372)
<b>Total property, plant and equipment - net book value</b>	<b>1,814</b>	<b>2,566</b>	<b>1,814</b>	<b>2,566</b>
(The control over these assets is restricted. The assets may only be used for specific purposes of the projects funded by the external funding bodies.)				
<b>Total restricted assets</b>	<b>16,693</b>	<b>17,833</b>	<b>16,693</b>	<b>17,833</b>
<b>25. Self-generating and regenerating assets</b>				
<b>Livestock</b>	<b>2,308</b>	<b>1,963</b>	<b>2,308</b>	<b>1,963</b>
<b>Plantation growing timber</b>				
Balance at beginning of financial year	1,237,440	982,252	-	-
Valuation increment/(decrement) net of plantation timber sales (1)	(81,532)	255,188	-	-
<b>Balance at end of financial year</b>	<b>1,155,908</b>	<b>1,237,440</b>	<b>-</b>	<b>-</b>
<b>Total self-generating and regenerating assets</b>	<b>1,158,216</b>	<b>1,239,403</b>	<b>2,308</b>	<b>1,963</b>

(1) Sensitivity of Net Market Valuation of Plantations to changes in significant assumptions used in the valuation modelling process.

	Change	Effect on Net Market Value	Effect on Net Market Value
		2004 \$'000	2003 \$'000
Discount rate	1%	-113,970	-142,688
	-1%	137,052	175,184
Expected future sales values	5%	68,154	72,818
	-5%	-68,154	-72,818
Expected future costs	5%	-10,358	-10,946
	-5%	10,358	10,946

Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>26. Payables</b>				
<b>Current</b>				
Trade creditors	3,869	6,131	3,535	5,267
Accrued salaries and wages	2,127	1,476	1,630	1,068
Accrued interest and other costs of finance	-	1,457	-	-
Long service leave levy payable	712	593	597	593
Fringe benefits tax payable	195	206	162	173
Accrued telephone expenses	480	453	447	421
Accrued superannuation payable	264	93	215	70
Accrued audit fees	141	178	69	87
Accrued payroll tax	754	125	627	-
Corporate card	1,542	1,273	1,200	957
Grants	301	2,660	301	2,660
Other	2,518	1,026	695	767
<b>Total payables</b>	<b>12,903</b>	<b>15,671</b>	<b>9,478</b>	<b>12,063</b>
<b>27. Interest-bearing liabilities</b>				
<b>Current</b>				
Lease liability (1)	13	12	13	12
<b>Total current interest-bearing liabilities</b>	<b>13</b>	<b>12</b>	<b>13</b>	<b>12</b>
<b>Non-current</b>				
Lease liability (1)	-	13	-	13
Queensland Treasury Corporation borrowings (2)	76,420	76,420	-	-
<b>Total non-current interest-bearing liabilities</b>	<b>76,420</b>	<b>76,433</b>	<b>-</b>	<b>13</b>
<b>Total interest-bearing liabilities</b>	<b>76,433</b>	<b>76,445</b>	<b>13</b>	<b>25</b>

(1) Amounts are exclusive of GST. (Refer Note 33.)

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. No assets have been pledged as security for any liability.

(2) No part of this loan has been reported as "current" as the loan is presently operating on an "interest only basis". The Treasurer has approved the continuation of "interest only" terms for a further year concluding on 30 June 2005. As a consequence the period of the loan has been extended a further year. The interest rate is 5.73%. The market value represents the value of the debt if DPI Forestry repaid the debt at 30 June 2004. As DPI Forestry intends to hold the loan for its term, no provision has been made in these accounts for the margin between book and market value. Refer Note 16 for information relating to borrowing costs associated with this loan.

The market value of the loan at 30 June 2004 is \$85.279 million (\$88.864 million at 30 June 2003). (Refer Note 37 (a) (ii) and 37 (b)).

**Notes to, and forming part of, the financial statements (continued)**  
**for the year ended 30 June 2004**

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>28. Provisions</b>				
<b>Current</b>				
Annual leave	22,184	21,416	18,881	18,178
Provision for dividend (1)	16,065	14,795	-	-
<b>Total provisions</b>	<b>38,249</b>	<b>36,211</b>	<b>18,881</b>	<b>18,178</b>
<b>Aggregate employee entitlements</b>				
<b>Current</b>				
Annual leave	22,184	21,416	18,881	18,178
Accrued salaries and wages (2)	2,127	1,476	1,630	1,068
<b>Total aggregate employee entitlements</b>	<b>24,311</b>	<b>22,892</b>	<b>20,511</b>	<b>19,246</b>

(1) The dividend of \$16.065 million (\$14.795 million in 2002-2003) provided for, in respect of DPI Forestry, is payable to the Queensland Government. See Note 44.

	2004	2003
<b>Movement in dividend provision</b>		
Balance at beginning of the financial year	14,795	10,979
Additional provision recognised	16,065	14,795
Reduction in provision as a result of payments	(14,795)	(10,979)
<b>Balance at end of the financial year</b>	<b>16,065</b>	<b>14,795</b>

(2) Accrued salaries and wages, including employer contributions for superannuation payable, are disclosed in the financial statements as payables (refer Note 26).

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>29. Other current liabilities</b>				
Unearned revenue (1)	15,770	16,233	15,679	16,157
Unclaimed monies	3	-	3	-
<b>Total other current liabilities</b>	<b>15,773</b>	<b>16,233</b>	<b>15,682</b>	<b>16,157</b>

(1) Unearned revenue represents funds provided by external funding bodies, where goods or services have not been provided as at reporting date.

Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>30. Changes in equity</b>				
<b>Contributed equity</b>				
Balance at beginning of financial year	43,686	43,596	42,411	42,340
Equity injections	-	6,520	-	6,520
Equity withdrawals	-	(6,500)	-	(6,500)
Net leave liabilities transferred/assumed to/from other departments	69	96	69	77
Net assets transferred/assumed to/from other departments	(1,021)	(26)	(1,085)	(26)
<b>Balance at end of financial year</b>	<b>42,734</b>	<b>43,686</b>	<b>41,395</b>	<b>42,411</b>
<b>Retained surplus</b>				
Balance at beginning of financial year	1,030,154	1,025,001	157,621	157,835
Opening balance adjustments:				
Assets not previously recognised	-	6	-	6
Unearned revenue not previously recognised	(21)	(300)	(21)	(300)
Other	(11)	(76)	(11)	(76)
Net surplus/(deficit)	(48,832)	285,348	-	-
Dividend payable	(16,065)	(14,795)	-	-
Additional dividend paid	-	(10,000)	-	-
Adjustment on adoption of AASB 1028	-	(516)	-	(516)
Transfer between reserves:				
Asset revaluation reserve	(27)	(40)	19	(42)
Livestock unrealised revenue reserve	(16)	714	(16)	714
Plantation growing timber unrealised revenue reserve	81,532	(255,188)	-	-
<b>Balance at end of financial year</b>	<b>1,046,714</b>	<b>1,030,154</b>	<b>157,592</b>	<b>157,621</b>
<b>Asset revaluation reserve</b>				
Balance at beginning of financial year	53,256	46,008	44,787	38,221
Transfer to retained surplus:				
Asset revaluation reserve	27	40	(19)	42
Increment/(decrement) on revaluation of:				
Land	14,102	-	10,139	-
Access roads	1,031	-	192	-
Buildings	12,892	7,216	11,724	6,532
Plant and equipment	-	(8)	-	(8)
<b>Balance at end of financial year</b>	<b>81,308</b>	<b>53,256</b>	<b>66,823</b>	<b>44,787</b>
<b>SGARA's unrealised revenue reserve</b>				
Balance at beginning of financial year	371,438	116,964	1,448	2,162
Transfer (to)/from retained surplus for:				
Livestock unrealised revenue	16	(714)	16	(714)
Plantation growing timber unrealised revenue	(81,532)	255,188	-	-
<b>Balance at end of financial year</b>	<b>289,922</b>	<b>371,438</b>	<b>1,464</b>	<b>1,448</b>
<b>Total equity</b>	<b>1,460,678</b>	<b>1,498,534</b>	<b>267,274</b>	<b>246,267</b>
<b>Total equity at beginning of financial year</b>	<b>1,498,534</b>	<b>1,231,569</b>	<b>246,267</b>	<b>240,558</b>
Changes in equity recognised in the Statement of Financial Performance	(20,839)	291,670	22,023	5,638
Transactions with owners as owners:				
Equity injection	-	6,520	-	6,520
Equity withdrawal	-	(6,500)	-	(6,500)
Non-reciprocal transfer of assets and liabilities	(952)	70	(1,016)	51
Dividends	(16,065)	(14,795)	-	-
Additional dividends paid	-	(10,000)	-	-
<b>Total equity at end of financial year</b>	<b>1,460,678</b>	<b>1,498,534</b>	<b>267,274</b>	<b>246,267</b>
<b>Closing balance of asset revaluation reserve by class</b>				
Land	44,182	30,071	40,219	30,071
Land improvements	109	109	109	109
Access roads	7,707	6,676	975	783
Buildings and building improvements	28,687	15,756	24,897	13,180
Plant and equipment	623	644	623	644
<b>Total asset revaluation reserve</b>	<b>81,308</b>	<b>53,256</b>	<b>66,823</b>	<b>44,787</b>

**Notes to, and forming part of, the financial statements (continued)**  
**for the year ended 30 June 2004**

	DPI&F Consolidated		DPI&F Parent entity	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
<b>31. Reconciliation of net surplus/(deficit) to net cash provided by operating activities</b>				
Net surplus/(deficit)	(48,832)	285,348	-	-
<b>Non-cash items:</b>				
Depreciation and amortisation	16,533	17,362	12,904	14,037
SGARA's unrealised (revenue)/expense	80,522	(255,664)	(1,010)	(476)
Decrement on revaluation of non-current assets	(185)	-	-	-
Loss on sale or disposal of property, plant and equipment	269	265	269	265
Gain on sale or disposal of property, plant and equipment	(1,366)	(1,035)	(766)	(609)
Loss on sale or devaluation of investments	-	26	-	26
Prior period adjustment	133	(894)	133	(894)
Loss of public property	-	(5)	-	(5)
Stocktake losses	3	-	3	-
Liabilities assumed/transferred	67	77	67	77
Capitalisation of assets expensed in prior periods	(51)	(174)	(51)	(174)
<b>Change in assets and liabilities</b>				
(Increase)/decrease in receivables	4,684	4,213	4,019	3,381
(Increase)/decrease in inventories	137	(465)	133	(646)
(Increase)/decrease in livestock	666	1,093	666	1,093
(Increase)/decrease in other assets	1,058	(382)	1,071	(388)
Increase/(decrease) in creditors	(3,052)	(5,237)	(3,294)	(5,064)
Increase/(decrease) in employee entitlements	1,473	2,206	1,414	2,066
Increase/(decrease) in other liabilities	(497)	40	(512)	15
(Increase)/decrease in GST input tax credits receivable	(50)	96	74	356
Increase/(decrease) in GST payable	(189)	89	(250)	199
	<b>100,155</b>	<b>(238,389)</b>	<b>14,870</b>	<b>13,259</b>
<b>Net cash provided by operating activities</b>	<b>51,323</b>	<b>46,959</b>	<b>14,870</b>	<b>13,259</b>

**32. Non-cash financing and investing activities**

Assets donated by the department and recognised as expenses are set out in Note 22.11.

Assets and liabilities received or transferred by the department as a result of Machinery-of-Government changes are set out in Note 3.

Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>33. Commitments for expenditure</b>				
<b>(a) Finance lease liabilities</b>				
Lease liabilities recognised in the Statement of Financial Position:				
Current	13	12	13	12
Non-current	-	13	-	13
<b>Total finance lease liabilities (refer Note 27)</b>	<b>13</b>	<b>25</b>	<b>13</b>	<b>25</b>
Commitments under finance leases at reporting date are inclusive of anticipated GST and are payable as follows:				
Not later than one year	15	16	15	16
Later than one year and not later than five years	-	15	-	15
<b>Total commitments</b>	<b>15</b>	<b>31</b>	<b>15</b>	<b>31</b>
Less: Future finance charges	1	3	1	3
Less: Anticipated input tax credits	1	3	1	3
<b>Total finance lease liabilities</b>	<b>13</b>	<b>25</b>	<b>13</b>	<b>25</b>
The department has a total of two (2) assets (photocopiers) under finance lease arrangements. (Refer Note 37 (a) (ii) for terms of leases.)				
<b>(b) Non-cancellable operating lease commitments</b>				
Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:				
Not later than one year	497	38	497	38
Later than one year and not later than five years	473	111	473	111
Later than five years	70	80	70	80
<b>Total commitment non-cancellable operating leases</b>	<b>1,040</b>	<b>229</b>	<b>1,040</b>	<b>229</b>
The department has a total of eight (8) non-cancellable operating leases principally relating to land, buildings and laboratories.				
<b>(c) Expenditure commitments</b>				
Material expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:				
Buildings	392	1,019	392	1,019
Land improvements	39	-	39	-
Plant and equipment	1,514	875	436	612
Intangibles	54	-	54	-
Supplies and services	5,433	5,723	5,433	5,723
Land rental agreements	3,436	-	-	-
<b>Total inclusive of GST</b>	<b>10,868</b>	<b>7,617</b>	<b>6,354</b>	<b>7,354</b>
Not later than one year	4,581	3,210	3,356	2,947
Later than one year and not later than five years	6,287	4,407	2,998	4,407
Later than five years	-	-	-	-
<b>Total inclusive of GST</b>	<b>10,868</b>	<b>7,617</b>	<b>6,354</b>	<b>7,354</b>

**Notes to, and forming part of, the financial statements (continued)**  
**for the year ended 30 June 2004**

	DPI&F Consolidated		DPI&F Parent entity	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
<b>33. Commitments for expenditure (continued)</b>				
<b>(d) Grants and subsidies commitments</b>				
Commitments in relation to grants and subsidies are inclusive of anticipated GST, and are payable as follows:				
Bureau of Sugar Experiment Stations (1)	9,405	12,540	9,405	12,540
Royal Society for the Prevention of Cruelty to Animals	1,100	2,000	1,100	2,000
Safe Food Production	1,980	1,800	1,980	1,800
Australian Centre for International Agricultural Research Projects	628	915	628	915
Other	631	822	631	822
<b>Total inclusive of GST</b>	<b>13,744</b>	<b>18,077</b>	<b>13,744</b>	<b>18,077</b>

Commitments in relation to grants and subsidies at the reporting date are payable as follows:

Not later than one year	9,429	7,329	9,429	7,329
Later than one year and not later than five years	4,315	10,748	4,315	10,748
Later than five years	-	-	-	-
<b>Total inclusive of GST</b>	<b>13,744</b>	<b>18,077</b>	<b>13,744</b>	<b>18,077</b>

(1) Pursuant to a Cabinet decision made in December 1991, the department provides funding to the Bureau of Sugar Experiment Stations. The figure above represents the final instalment for 2003-04 and two years funding for this item, inclusive of GST.

**34. Contingent liabilities and contingent assets**

**(a) Contingent liabilities**

**(i) Litigation in progress**

The jurisdiction of all contingent liability matters as at 30 June 2004 is as follows:

	No. of cases	No. of cases	No. of cases	No. of cases
Supreme Court	5	5	2	2
District Court	4	5	3	3
Magistrate Court	-	1	-	1
Other	7	4	6	4
<b>Total</b>	<b>16</b>	<b>15</b>	<b>11</b>	<b>10</b>

The department's legal advisors and management believe it would be misleading to estimate the final amounts payable, if any, in respect of the litigation filed in the courts.

The department has insurance cover with the QGIF. The costs associated with any successful claims against DPI may, depending on the circumstances, be met by the insurer, subject to a \$10,000 excess per claim.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**34. Contingent liabilities and contingent assets (continued)**

**(a) Contingent liabilities (continued)**

**(ii) Workers' compensation claims**

Claims relating to employees for personal injuries suffered during the course of their employment are dealt with by WorkCover. Damages and costs arising from workers' compensation claims will also be met by WorkCover, and therefore do not represent a contingent liability for the department.

DPI Forestry was self-insured for workers' compensation prior to 1 July 1995. There are no outstanding damages actions relating to this period. Claims made by employees for injuries sustained on or after 1 July 1995 in the course of carrying out their employment duties are fully covered by insurance through WorkCover Queensland.

**(iii) Native title claims over departmental land**

At 30 June 2004, Native Title Claims have been made on a total of 60 departmental land properties, covering a total area of 311,233 hectares situated across Queensland. The land has a carrying value of \$48 million.

The National Native Title Tribunal has not determined the claims. At reporting date it is not possible to make an estimate of any probable outcome of these claims, or any financial effect. Irrespective of the outcome, it is likely that the land will still be used for departmental purposes.

**(iv) Financial guarantees and undertakings**

The department has not provided any financial guarantees and undertakings during the reporting period.

**(b) Contingent asset**

DPI Forestry is currently engaged in the prosecution of a civil claim (on behalf of the State of Queensland) to recover substantial losses resulting from a fire in the Beerburrum State Forest plantations in November 1994. The State's claim has been lodged with the Supreme Court of Queensland and due process is under way. There have been no admissions of liability made by any parties nor has any firm date been identified for final resolution of the matter through mediation or the courts. Given the current state of progress in the case it is considered impractical to make an estimate of the potential financial effect arising in the future.



Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>35. Administered transactions and balances</b>				
<b>Administered revenues</b>				
Administered item revenue	9,802	6,970	9,802	6,970
User charges, taxes, fees and fines	1,139	868	1,139	868
Other	5	537	5	537
<b>Total administered revenues</b>	<b>10,946</b>	<b>8,375</b>	<b>10,946</b>	<b>8,375</b>
<b>Administered expenses</b>				
Grants and subsidies	9,802	6,970	9,802	6,970
<b>Total administered expenses before transfer of administered revenue to Government</b>	<b>9,802</b>	<b>6,970</b>	<b>9,802</b>	<b>6,970</b>
<b>Net surplus before transfers to Government</b>	<b>1,144</b>	<b>1,405</b>	<b>1,144</b>	<b>1,405</b>
<b>Transfers to Government</b>	<b>1,144</b>	<b>1,405</b>	<b>1,144</b>	<b>1,405</b>
<b>Net surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administered current assets</b>				
Cash	141	1,070	141	1,070
Receivables	62	89	62	89
<b>Total administered current assets</b>	<b>203</b>	<b>1,159</b>	<b>203</b>	<b>1,159</b>
<b>Administered non-current assets</b>				
Receivables	38,220	28,220	38,220	28,220
<b>Total administered non-current assets</b>	<b>38,220</b>	<b>28,220</b>	<b>38,220</b>	<b>28,220</b>
<b>Total administered assets</b>	<b>38,423</b>	<b>29,379</b>	<b>38,423</b>	<b>29,379</b>
<b>Administered current liabilities</b>				
Payables	137	1,093	137	1,093
<b>Total administered current liabilities</b>	<b>137</b>	<b>1,093</b>	<b>137</b>	<b>1,093</b>
<b>Total administered non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total administered liabilities</b>	<b>137</b>	<b>1,093</b>	<b>137</b>	<b>1,093</b>
<b>Net administered assets</b>	<b>38,286</b>	<b>28,286</b>	<b>38,286</b>	<b>28,286</b>
<b>Administered equity</b>				
Contributed equity	38,220	28,220	38,220	28,220
Retained surplus	66	66	66	66
<b>Total administered equity</b>	<b>38,286</b>	<b>28,286</b>	<b>38,286</b>	<b>28,286</b>

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>35. Administered transactions and balances (continued)</b>				
<b>Cash flows from operating activities</b>				
Inflows:				
Administered item receipts	9,818	7,179	9,818	7,179
User charges, taxes, fees and fines	1,150	516	1,150	516
Other	5	872	5	872
Outflows:				
Grants and other contributions	(10,536)	(6,363)	(10,536)	(6,363)
Transfers to Government	(1,366)	(1,110)	(1,366)	(1,110)
<b>Net cash provided by/(used in) operating activities</b>	<b>(929)</b>	<b>1,094</b>	<b>(929)</b>	<b>1,094</b>
<b>Cash flows from investing activities</b>				
Outflows:				
Loans and advances made	(10,000)	(12,000)	(10,000)	(12,000)
<b>Net cash used in investing activities</b>	<b>(10,000)</b>	<b>(12,000)</b>	<b>(10,000)</b>	<b>(12,000)</b>
<b>Cash flows from financing activities</b>				
Inflows:				
Equity injections	10,000	12,000	10,000	12,000
Equity withdrawals	-	-	-	-
<b>Net cash provided by financing activities</b>	<b>10,000</b>	<b>12,000</b>	<b>10,000</b>	<b>12,000</b>
<b>Net increase/(decrease) in cash held</b>	<b>(929)</b>	<b>1,094</b>	<b>(929)</b>	<b>1,094</b>
<b>Cash at the beginning of the financial year</b>	<b>1,070</b>	<b>(24)</b>	<b>1,070</b>	<b>(24)</b>
<b>Cash at the end of the financial year</b>	<b>141</b>	<b>1,070</b>	<b>141</b>	<b>1,070</b>

Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004

35. Administered transactions and balances (continued)

Administered outputs

	Food and fibre science and innovation		Rural community development		Fisheries		Market access and development		Policy analysis and industry development		Forestry commercial		Inter-output eliminations		Total	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Administered revenues</b>																
Administered item revenue	-	-	9,802	6,970	-	-	-	-	-	-	-	-	-	-	9,802	6,970
User charges, taxes, fees and fines	205	157	-	2	2	2	894	661	38	43	-	-	-	-	1,139	868
Other	5	125	-	-	-	-	383	29	-	29	-	-	-	-	5	537
<b>Total administered revenues</b>	<b>210</b>	<b>282</b>	<b>9,802</b>	<b>6,972</b>	<b>2</b>	<b>2</b>	<b>894</b>	<b>1,044</b>	<b>38</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,946</b>	<b>8,375</b>
<b>Administered expenses</b>																
Grants and subsidies	-	-	9,802	6,970	-	-	-	-	-	-	-	-	-	-	9,802	6,970
<b>Total administered expenses</b>	<b>-</b>	<b>-</b>	<b>9,802</b>	<b>6,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,802</b>	<b>6,970</b>
<b>Net surplus before transfers to Government</b>	<b>210</b>	<b>282</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>894</b>	<b>1,044</b>	<b>38</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,144</b>	<b>1,405</b>
Transfers to Government	210	282	-	2	2	2	894	1,044	38	72	-	-	-	-	1,144	1,405
<b>Net surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**36. Trust transactions and balances (1)**

The department performs a custodial role in respect of security deposits, seized fishing catches and secretarial duties. These transactions and balances are neither controlled nor administered by the department and, accordingly, are not recognised separately in the financial statements. They are however, disclosed in this note for the information of users.

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Trust expenses and revenues</b>				
<b>Expenses</b>				
Supplies and services	59	101	59	101
Grants and other contributions	-	85	-	85
Other expenses	23	3	23	3
<b>Total expenses</b>	<b>82</b>	<b>189</b>	<b>82</b>	<b>189</b>
<b>Revenues</b>				
User charges	3	1	3	1
Grants and other contributions	-	6	-	6
Other revenue	-	64	-	64
<b>Total revenues</b>	<b>3</b>	<b>71</b>	<b>3</b>	<b>71</b>
<b>Trust assets and liabilities</b>				
<b>Current assets</b>				
Monies held in trust	837	939	36	115
<b>Total current assets</b>	<b>837</b>	<b>939</b>	<b>36</b>	<b>115</b>
<b>Total assets</b>	<b>837</b>	<b>939</b>	<b>36</b>	<b>115</b>
<b>Current liabilities</b>				
Trust balances payable	837	929	36	105
<b>Total current liabilities</b>	<b>837</b>	<b>929</b>	<b>36</b>	<b>105</b>
<b>Non-current liabilities</b>				
Trust balances payable	-	10	-	10
<b>Total non-current liabilities</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>
<b>Total liabilities</b>	<b>837</b>	<b>939</b>	<b>36</b>	<b>115</b>

(1) The Queensland Auditor-General performed the audit of the department's systems which record Trust transactions for 2003-04.

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**37. Financial instruments**

**(a) Terms, conditions and accounting policies**

**(i) Financial assets**

Recognised financial instruments	Notes	Accounting policies	Terms and conditions
Cash	17	Cash includes cash on hand, cash at bank and deposits at call. Interest is included in other revenue.	For 2003-04 DPI&F did not participate in the Cash Management Incentive Regime. Cash deposited with the Queensland Treasury Corporation by DPI Forestry earned interest at rates between 3.9% and 4.51% (2002-03 3.9%)
Receivables - Trade debtors	18	Trade receivables are carried at nominal amounts due, less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Trade sales require payment within 30 days from end of month in which a sale is invoiced. All DPI Forestry trade debtors are secured by cash deposit or other financial guarantee.
Receivables - Seed Scheme Loans	18	Amounts for the Seed Scheme Loans are carried at nominal amounts due, less any provision for doubtful debts. Interest is taken up as income on an accrual basis.	Seed Scheme Loans are payable from the proceeds of crops when harvested.
Receivables (other than trade debtors)	18	Amounts (other than trade debtors) are carried at nominal amounts, less any provision for doubtful debts.	Net 30 days, except Freehold Selection Debtors which are generally of a longer nature.
Unlisted shares and units	19	Shares and units are brought to account at the lower of cost and net recoverable amount. Dividend income is recognised when received.	

**(ii) Financial liabilities**

Recognised financial instruments	Notes	Accounting policies	Terms and conditions
Payables	26	Liabilities are recognised for amounts to be paid in the future for goods and services received.	Trade creditors are normally settled on 7, 14 or 30 day terms.
Borrowings	27	Loans are carried at book value. Interest is charged as an expense as it accrues.	All borrowings are with the Queensland Treasury Corporation (QTC). The DPI Forestry borrowings with the QTC have been converted to "interest only" until 30 June 2005. The loan then reverts to Principal and Interest, repayable quarterly with the final instalment due 10 October 2012.
Dividend payable	28	Dividends payable are recognised when declared by DPI Forestry.	Dividends payable are declared at a negotiated percentage (currently 50%) of DPI Forestry's profit from ordinary activities after income tax equivalents, and after adjustment for plantation timber valuation increments (net of sales). Adjustment for a QFleet dividend allowance is also made. Dividends are payable to the Queensland Government (refer Note 28(1)).
Finance lease liability	27, 33	The finance lease liabilities are accounted for in compliance with AASB 1008 "Leases". Interest is charged as an expense as it accrues.	As at balance date, DPI&F's finance leases have an average lease term of one year. The average interest rate implicit in the leases is 13.09%.

Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004

37. Financial instruments (continued)  
(b) Interest rate risk

The department's exposure to interest rate risk and the effective interest rates of financial assets and liabilities are shown in the following table.

Financial instruments	Fixed rate maturing						Non-interest bearing		Weighted average rate			
	Floating rate		1 year or less		Greater than 5 years		Bearing		Fixed		Floating	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 %	2003 %	2004 %	2003 %
<b>Financial assets</b>												
Cash	52,779	39,160	-	-	-	-	23,431	19,886	-	-	4.21	3.89
Receivables - Trade debtors	-	-	-	-	-	-	20,552	23,638	-	-	-	-
Receivables - Other than trade debtors	-	-	-	-	-	-	7,450	9,185	-	-	-	-
Shares and units	-	-	-	-	-	-	115	102	-	-	-	-
<b>Total</b>	<b>52,779</b>	<b>39,160</b>	-	-	-	-	<b>51,548</b>	<b>52,811</b>	<b>104,327</b>	<b>91,971</b>	-	-
<b>Financial liabilities</b>												
Payables	-	-	-	-	-	-	12,903	15,671	12,903	15,671	-	-
Borrowings - Queensland Treasury Corporation	-	-	37,590	28,027	38,830	48,393	-	-	76,420	76,420	5.73	5.52*
Dividends payable	-	-	-	-	-	-	16,065	14,795	16,065	14,795	-	-
Finance lease liability	-	-	13	-	-	13	-	-	13	25	-	-
<b>Total</b>	-	-	<b>13</b>	<b>12</b>	<b>37,590</b>	<b>28,040</b>	<b>28,968</b>	<b>30,466</b>	<b>105,401</b>	<b>106,911</b>	-	-

\* This rate represents the book rate applicable to an "interest only" borrowing. The loan reverts to principal and interest on 1 July 2005, when an approximate book rate of 7.0% will apply. The floating interest rate represents the most recently administered market rate applicable to the instrument at 30 June 2003. The fixed rate represents the weighted average market interest rate.

**Notes to, and forming part of, the financial statements (continued)**  
**for the year ended 30 June 2004**

**37. Financial instruments (continued)**

**(c) Net fair values**

The carrying amounts and estimated net fair values of financial assets and financial liabilities held at balance date are given below.

	Total carrying amount		Net fair value	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Financial instruments</b>				
<b>Financial assets</b>				
Cash (1)	76,210	59,046	76,210	59,046
Receivables - Trade debtors (1)	20,552	23,638	20,552	23,638
Receivables - Other than trade debtors (1)	7,450	9,185	7,450	9,185
Shares and units (2)	115	102	121	108
<b>Total</b>	<b>104,327</b>	<b>91,971</b>	<b>104,333</b>	<b>91,977</b>
<b>Financial liabilities</b>				
Payables (1)	12,903	15,671	12,903	15,671
Borrowings - Queensland Treasury Corporation (3)	76,420	76,420	85,279	88,865
Dividends payable (1)	16,065	14,795	16,065	14,795
Finance lease liability (1)	13	25	13	25
<b>Total</b>	<b>105,401</b>	<b>106,911</b>	<b>114,260</b>	<b>119,356</b>

(1) The net fair value approximates the carrying amount.

(2) The net fair value is the market value of the shares.

(3) Based on advice provided by the Queensland Treasury and the Queensland Treasury Corporation, the net fair value of borrowings is the market value of the loans.

**(d) Credit risk exposure**

DPI&F's maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets net of any provisions for doubtful debts as indicated in the Statement of Financial Position.

No significant credit risks have been identified.

Credit risk in trade debtors is managed in the following ways:

Payment within 30 days from end of month in which a sale is invoiced.

DPI Forestry trade debtors are secured by cash deposits or other financial guarantees.

Reviewing trade debtors and identifying amounts which are doubtful.

Writing off bad debts as they are incurred.

Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004

38. Indicative physical quantities of SGARAs and net valuation increment recognised as revenue

	2004 '000 Number	2004 '000 Hectares	2004 '000 Volume M3	2004 \$'000 Net change in NMV	2003 '000 Number	2003 '000 Hectares	2003 '000 Volume M3	2003 \$'000 Net change in NMV
Livestock	15	-	-	1,010	19	-	-	476
Plantation - Native pine	-	42	22,776	(17,260)	-	42	22,665	77,721
- Exotic pine	-	128	49,583	18,772	-	128	52,471	256,498
<b>Total</b>	<b>15</b>	<b>170</b>	<b>72,359</b>	<b>2,522</b>	<b>19</b>	<b>170</b>	<b>75,136</b>	<b>334,695</b>

39. Financing facilities

During the 2003-04 financial year, the credit facility with the Queensland Treasury Corporation to the value of \$3.000 million was deemed unnecessary and not renewed.

40. Tax equivalents

The commercialised business unit of DPI&F, DPI Forestry, is subject to the National Tax Equivalents Regime

	2004 \$'000	2003 \$'000
<b>Operating result of the commercialised business unit subject to national tax equivalents regime</b>	(48,832)	285,348
Prima facie tax equivalent expense calculated at 30% (30% in 2002-03)	(14,650)	85,604
Tax effect of permanent and other differences:		
Acquired timber felled - Queensland Income Tax Equivalents Ruling 95/4	(12,650)	(15,595)
Revaluation of growing timber	24,459	(76,556)
Entertainment - Non-deductible	-	-
Depreciation - Non-deductible	(774)	64
Other	7	3
<b>Income tax equivalent expense/(benefit) adjusted for permanent differences</b>	<b>(3,608)</b>	<b>(6,480)</b>
Current year tax losses and timing differences not brought to account (1)	3,608	6,480
<b>Total tax equivalent expense/(benefit)</b>	<b>-</b>	<b>-</b>

(1) A future tax equivalent benefit related to carry forward losses has not been brought to account as an asset, as realisation of the benefit cannot be regarded as being virtually certain. These carry forward losses encompass the effect of the above permanent and timing differences. Accumulated future tax equivalent benefits attributable to tax losses carried forward as at 30 June 2004 amount to \$67.632 million (calculated at the approximate tax rate of 30%).

These benefits will only be obtained if :

- DPI Forestry derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- DPI Forestry continues to comply with the conditions for deductibility imposed by the law; and
- No changes in tax legislation adversely affect DPI Forestry in realising the benefit from the deductions for the losses.



**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**41. Interest in joint ventures**

DPI&F and DPI Forestry hold an interest in a number of joint ventures (refer Note 2.30). These currently fall into the following categories, namely :

**41.1 Joint venture operations**

Inputs to these joint ventures are recorded and accumulated over the life of the venture with the outputs being shared in proportion to the investment. Investments in these ventures are currently classified by the output as follows:

**Private forestry plantations ventures:**

These are designed to establish commercially viable timber plantations on private and Crown land. Contributions to these joint ventures in 2003-04 totalled \$0.193 million (\$0.485 million in 2002-03).

No output was derived from these joint ventures during the year 2003-04 financial year (Nil in 2002-03).

**Seed orchard venture:**

This was established to produce and sell improved tree seeds from an orchard established for that purpose. Contributions to this joint venture in 2003-2004 totalled \$0.008 million (\$0.008 million in 2002-03).

No output was derived from this joint venture during the year 2003-04 financial year (Nil in 2002-03).

Total contributions to joint venture operations at 30 June 2004 amounted to \$5.008 million (\$4.808 million at 30 June 2003). Total funding of \$3.494 million has been provided by the State towards Hardwood Plantation Joint Ventures to 30 June 2003. No further funding has since been provided.

**41.2 Joint venture entity**

A joint venture company (Wollemi Australia Pty Ltd) was established on 28 May 2001 to manage the propagation and worldwide marketing of the Wollemi pine under licence from the Royal Botanic Gardens in Sydney. The State of Queensland has a 50% interest in this company (1 share at \$1), which will conduct its business primarily via sub-licensing arrangements. As at 30 June 2004 this company has not commenced trading.

**42. Controlled entities**

In August 2001, DPI Forestry formed, with the approval of the Treasurer, QFOR Pty Ltd., and acquired a 100% interest (10 shares at \$1) in the company. The company was formed as a suitable corporate vehicle from which to conduct certain commercial joint ventures, particularly the Wollemi joint venture (see Note 41.2).

As investment to date has been minor and the company has not yet commenced trading, the entity is considered immaterial for reporting purposes and has not been consolidated into DPI Forestry's financial statements.

The Auditor-General of Queensland has been appointed as the company's auditor.

The Veterinary Surgeons Board of Queensland is a part of the department and all transactions and balances are included in the departmental balances. The revenue for the year amounted to \$0.240 million (\$0.225 million in 2002-03), and the expenses for the year amounted to \$0.205 million (\$0.185 million in 2002-03).

**Notes to, and forming part of, the financial statements (continued)  
for the year ended 30 June 2004**

**43. Agency transactions**

The department acts as an agent in the collection and distribution of charges and levies for various public sector agencies and others.

Fees of \$0.027 million (\$0.019 million in 2002-03) received by the department for providing services are recognised in user charges.

	DPI&F Consolidated		DPI&F Parent entity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Balance at beginning of financial year	-	-	-	-
Collections during reporting period	778	739	735	638
Employee deduction collections (1)	13,291	12,361	11,277	10,469
<b>Total collections during reporting period</b>	<b>14,069</b>	<b>13,100</b>	<b>12,012</b>	<b>11,107</b>
Distributions to principals during reporting period	778	739	735	638
Employee deduction collections (1)	13,290	12,361	11,276	10,469
<b>Distributions to principals during reporting period</b>	<b>14,068</b>	<b>13,100</b>	<b>12,011</b>	<b>11,107</b>
<b>Balance at end of financial year</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>

(1) Where employees have authorised the department to make deductions from their wages and salaries for on-payment to third parties, these transactions are treated as agency transactions

**44. Dividends**

The dividend of \$16.065 million (\$14.795 million in 2002-03) provided for is payable to the Queensland Government (refer note 2.25).

During 2002-03 financial year an additional dividend amounting to \$10 million was declared and paid out of retained surpluses.

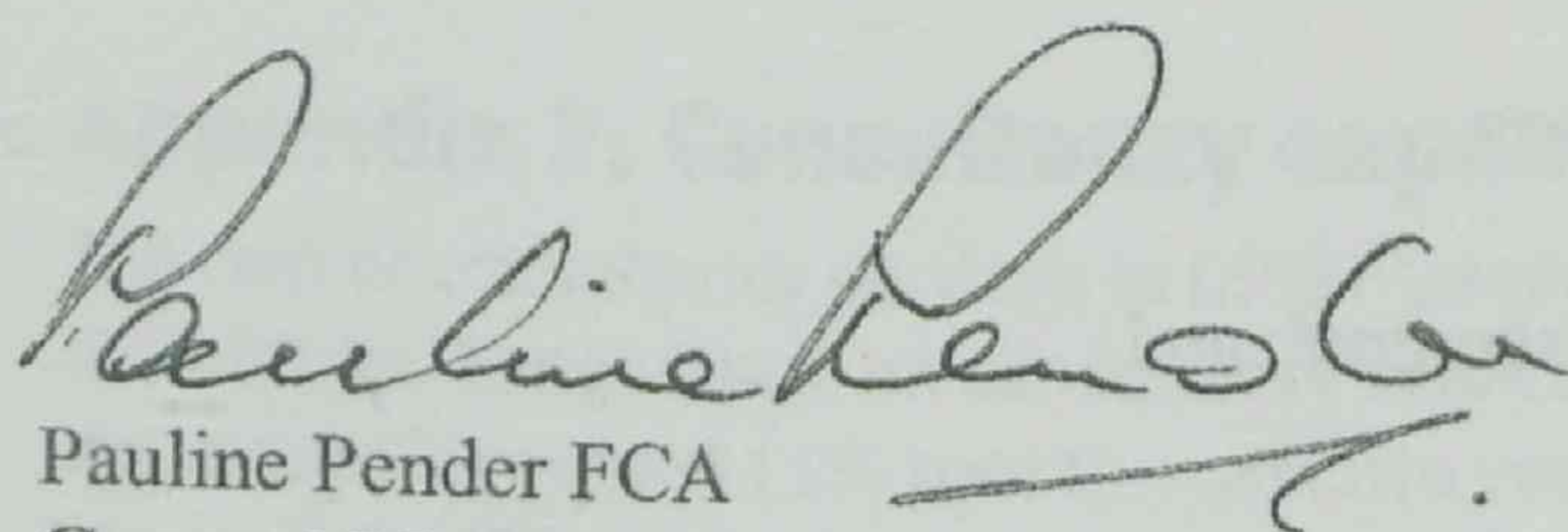
Department of Primary Industries and Fisheries

### Certificate of the Department of Primary Industries and Fisheries

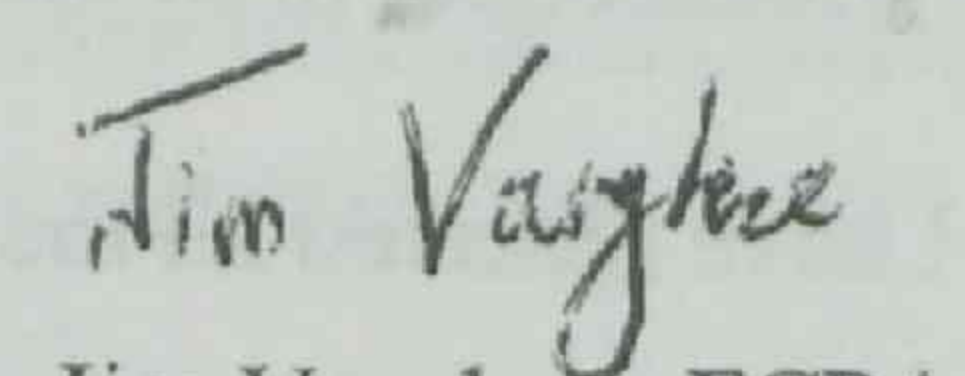
These general purpose financial statements have been prepared pursuant to section 40(1) of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirements.

In accordance with Section 40(3) of the Act we certify that –

- (a) the statements together with other information and notes to and forming part thereof are in the form required by the Treasurer and are in agreement with the accounts of the Department of Primary Industries and Fisheries; and
- (b) in our opinion -
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Primary Industries and Fisheries for the financial year ended 30 June 2004 and of the financial position of the department at the end of that year.

  
 Pauline Pender FCA  
 General Manager  
 (Finance and Asset Management)

24 September 2004

  
 Jim Varghese FCPA  
 Director-General

24 September 2004

## INDEPENDENT AUDIT REPORT

To the Accountable Officer of the Department of Primary Industries and Fisheries

### Scope

#### *The financial statements*

The financial statements comprise the consolidated financial statements of the Department of Primary Industries and Fisheries (reflecting the Department's core business activities and its commercialised business unit, DPI Forestry) and also include the financial statements of the Department of Primary Industries and Fisheries (parent entity) reflecting the Department's core business activities. The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance by Outputs – Controlled, Notes to and forming part of the financial statements and certificates given by the Accountable Officer and officer responsible for the financial administration of the Department, for the year ended 30 June 2004.

#### *Accountable Officer's responsibility*

The Accountable Officer is responsible for the preparation and true and fair presentation of the financial statements, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

#### *Audit approach*

As required by law, an independent audit was conducted in accordance with *QAO Auditing Standards* to enable me to provide an independent opinion whether in all material respects the financial statements present fairly, in accordance with the prescribed requirements, including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland

#### *Audit procedures included -*

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial statements,
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Accountable Officer,
- obtaining written confirmation regarding the material representations made in conjunction with the audit, and
- reviewing the overall presentation of information in the financial statements.

### Independence

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament.

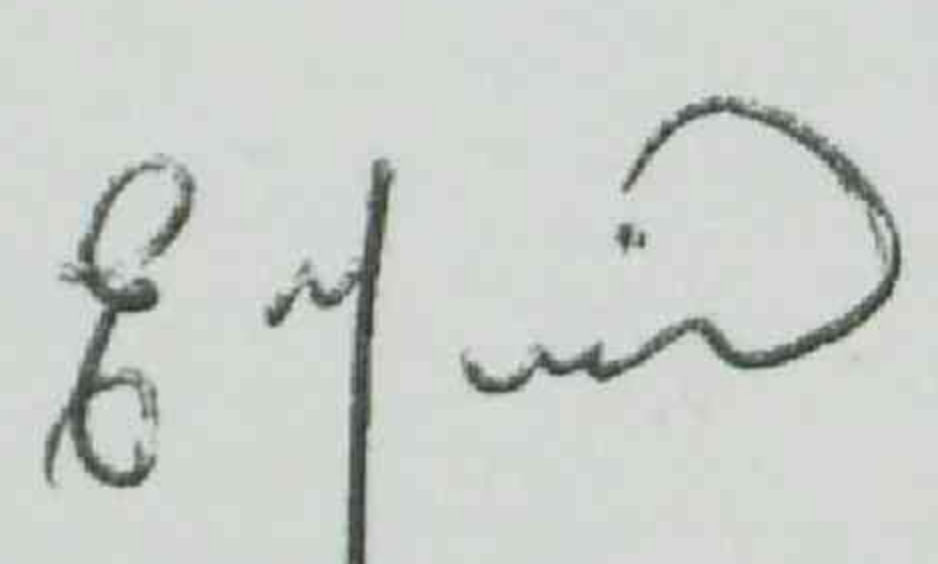
The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

### Audit Opinion

In accordance with section 40 of the *Financial Administration and Audit Act 1977* -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the Statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Department of Primary Industries and Fisheries (consolidated) and the parent entity for the financial year 1 July 2003 to 30 June 2004 and of the financial position as at the end of that year.

  
E A MUIR, FCPA  
Assistant Auditor-General  
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office  
Brisbane

## Appendix 1: Statutory bodies

The following statutory bodies were associated with DPI&F in 2003-04:

Body <sup>1</sup>	Body corporate, corporation or instrumentality	Constituting Act	Annual reporting arrangements
Cane Protection and Productivity Boards (5) <sup>2</sup>	Bodies corporate	<i>Sugar Industry Act 1999</i>	Annual Report to Parliament
Chicken Meat Industry Committee	Instrumentality	<i>Chicken Meat Industry Committee Act 1976</i>	Annual Report to Parliament
Grain Research Foundation	Body corporate	<i>Grain Research Foundation Act 1976</i>	Annual Report to Parliament
Queensland Rural Adjustment Authority	Body corporate	<i>Rural Adjustment Authority Act 1994</i>	Annual Report to Parliament
Safe Food Production Queensland	Body corporate	<i>Food Production (Safety) Act 2000</i>	Annual Report to Parliament
Sugar Authority	Body corporate	<i>Sugar Industry Act 1999</i>	Annual Report to Parliament

<sup>1</sup> As defined by the *Financial Administration and Audit Act 1977*.

<sup>2</sup> Numbers in brackets represent the number of individual statutory bodies in a particular class.

Note: As at 1 July 2004, the remaining five Cane Protection and Productivity Boards had been dissolved and replaced by non-statutory entities.

## Appendix 2: Consultancy expenditure

The cost of consultancy services to DPI&F totalled \$740,921 in 2003-04. Expenditure on consultancy services has decreased by almost 15% over the past two years, based on average annual expenditure.

Expenditure category	Total for 2002-03	Total for 2003-04
Management	\$111,000	\$104,552
Human resources management	\$69,000	\$13,435
Information technology	\$243,000	\$127,879
Communications	\$224,000	\$165,751
Finance and accounting	-	\$75,370
Professional and technical	\$251,000	\$253,934
<b>Total</b>	<b>\$898,000</b>	<b>\$740,921</b>

## Appendix 3: Cost of boards, committees and tribunals

DPI&F paid meeting costs for 22 industry boards, committees and tribunals during 2003-04.

The total value of meeting costs was \$298,260.17, including \$103,852.67 for the Fisheries Tribunal. The bodies were:

- Lifestyle and Amenity Horticulture Industry Development Council
- Industrial Hemp Advisory Council
- Queensland Food and Fibre Science and Innovation Council
- FarmBis
- Queensland Rural Ministerial Advisory Committee – Vision for Change
- Young People in Rural Industries Liaison Group
- Queensland Rural Adjustment Authority
- Reef Fisheries Management Advisory Committee (MAC)
- Crab Fisheries MAC
- Trawl Fisheries MAC
- Harvest Fisheries MAC
- Gulf of Carpentaria Fisheries MAC
- Inshore Fin Fish Fisheries MAC
- Freshwater Fisheries MAC
- Fishing Industry Development Council
- Queensland Biosecurity Advisory Council
- Banana Industry Protection Board
- Agricultural Chemicals Distribution Control Board
- Veterinary Surgeons Board of Queensland
- Veterinary Surgeons Tribunal of Queensland
- Bee Industry Consultative Committee
- Fisheries Tribunal.

## Appendix 4: DPI&F publications

DPI&F produces a range of industry and consumer publications each year. A list of available titles is provided at our online store at [www.dpi.qld.gov.au/shop](http://www.dpi.qld.gov.au/shop) or from one of the locations around Queensland listed on the inside back cover.

continued...

**Appendix 5: Acts, regulations and plans**

Each State Government Minister has a duty to administer legislation under their respective portfolio that is relevant to their ministerial responsibilities. This appendix presents all legislation under the Minister for Primary Industries and Fisheries' portfolio at the end of 2003-04.

**ACTS**

- *Agricultural and Veterinary Chemicals (Queensland) Act 1994*
- *Agricultural Chemicals Distribution Control Act 1966*
- *Agricultural Standards Act 1994*
- *Animal Care and Protection Act 2001*
- *Apiaries Act 1982*
- *Banana Industry Protection Act 1989*
- *Biological Control Act 1987 under the Rural Lands Protection Act 1985*
- *Brands Act 1915*
- *Chemical Usage (Agricultural and Veterinary) Control Act 1988*
- *Chicken Meat Industry Committee Act 1976*
- *Diseases in Timber Act 1975*
- *Drugs Misuse Act 1986 (namely the part of the Act, Part 5B, administered by the Minister for Primary Industries and Fisheries)*
- *Exotic Diseases in Animals Act 1981*
- *Fisheries Act 1994*
- *Food Production (Safety) Act 2000*
- *Forestry Act 1959 (as it relates to the responsibilities of the Minister for Primary Industries and Fisheries)*
- *Grain Industry (Restructuring) Act 1991*
- *Grain Research Foundation Act 1976*
- *Plant Protection Act 1989*
- *Primary Industry Bodies Reform Act 1999*
- *Rural Adjustment Authority Act 1994*
- *Sawmills Licensing Act 1936*
- *Stock Act 1915*
- *Sugar Industry Act 1999*
- *Timber Utilisation and Marketing Act 1987*
- *Torres Strait Fisheries Act 1984*
- *Veterinary Surgeons Act 1936*

**REGULATIONS**

- *Agricultural Chemicals Distribution Control Regulation 1998*
- *Agricultural Standards Regulation 1997*
- *Animal Care and Protection Regulation 2002*
- *Apiaries Regulation 1998*
- *Banana Industry Protection Regulation 2000*

- *Brands Regulation 1998*
- *Chemical Usage (Agricultural and Veterinary) Control Regulation 1999*
- *Chicken Meat Industry Committee Regulation 2001*
- *Diseases in Timber Regulation 1997*
- *Drugs Misuse Regulation 1987 (as it relates to DPI&F)*
- *Exotic Diseases in Animals Regulation 1998*
- *Fisheries Regulation 1995*
- *Food Production (Safety) Regulation 2002*
- *Forestry Regulation 1998*
- *Forestry (State Forests) Regulation 1987*
- *Grain Industry Regulation 1994*
- *Plant Protection Regulation 2002*
- *Rural Adjustment Authority Regulation 2000*
- *Sawmills Licensing Regulation 1965*
- *Stock Identification Regulation 1985 (previously called Identification of Stock Regulation 1985)*
- *Stock Regulation 1988*
- *Sugar Industry Regulation 1999*
- *Timber Utilisation and Marketing Regulation 1998*
- *Veterinary Surgeons Regulation 2002*

**PLANS**

- *Fisheries (East Coast Trawl) Management Plan 1999*
- *Fisheries (Freshwater) Management Plan 1999*
- *Fisheries (Gulf of Carpentaria Inshore Fin Fish) Management Plan 1999*
- *Fisheries (Spanner Crab) Management Plan 1999*
- *Fisheries (Coral Reef Fin Fish) Management Plan 2003*

**ACTS REPEALED IN 2003-04**

- *Primary Industries and Other Legislation Amendment Act 2003*
- *Sugar Industry and Other Legislation Amendment Act 2003*
- *Sugar Industry Reform Act 2004*

**LEGISLATION ENACTED IN 2003-04****PRIMARY INDUSTRIES AND OTHER LEGISLATION AMENDMENT ACT 2003**

Date of assent: 6 November 2003

Date of commencement: Parts 2, 3, 4, 6, 7, 9, 10 and the Schedule commenced on assent;

Sections 14 to 15, 26 to 30, 35, 40 and 42 of Part 5 commenced on assent; Section 44 of Part 5 to the extent it inserts new division 4, subdivision 5 commenced on assent; Section 45(2) of Part 5 to the extent it inserts definitions "executive officer" and "transfer" commenced on assent; and the remaining provisions commence on a day to be fixed by proclamation.

The Act amended the following Acts administered by the Minister for Primary Industries and Fisheries:

- *Animal Care and Protection Act 2001.*
- *Chicken Meat Industry Committee Act 1976.*
- *Exotic Diseases in Animals Act 1981.*
- *Fisheries Act 1994.*
- *Food Production (Safety) Act 2000.*
- *Grain Industry (Restructuring) Act 1991.*
- *Plant Protection Act 1989.*
- *Stock Act 1915.*

The Act also amended:

- *Integrated Planning Act 1997.*
- *Police Powers and Responsibilities Act 2000.*

The primary objectives of the Act were to:

- Make minor amendments to the *Animal Care and Protection Act 2001*, *Chicken Meat Industry Committee Act 1976*, *Grain Industry (Restructuring) Act 1991*, *Police Powers and Responsibilities Act 2000* and the *Stock Act 1915*.
- Amend the *Exotic Diseases in Animals Act 1981* to reduce current restrictions associated with licensing requirements for movements into, within and out of restricted areas, and to improve processes for compensation claims after the destruction of either an animal or property, or the death of an animal.
- Amend the *Fisheries Act 1994* and the *Integrated Planning Act 1997* to continue the roll-in of existing development approvals under Queensland Acts into the single, co-ordinated Integrated Development and Approval System (the fisheries development amendments).
- Amend the *Fisheries Act 1994* to make miscellaneous changes that are considered necessary or desirable (other fisheries amendments) to the enforcement of the administration and *Fisheries Act 1994*.
- Amend the *Food Production (Safety) Act 2000* to clarify the meaning and intention of particular provisions and to enable an expertise-based, decision-making board of directors to be constituted which will have the normal powers of a board under statutory authority legislation, especially with regard to corporate governance.
- Amend the *Plant Protection Act 1989* to provide a timeframe for aggrieved persons to seek review of an administrative decision, and to make other minor amendments.

### **SUGAR INDUSTRY AND OTHER LEGISLATION AMENDMENT ACT 2003**

Date of assent: 27 August 2003

Date of commencement: Sections 3, 7 to 15, 17, 19 to 21 and 26(3), the Schedule, other than items 1 to 3, 13 and 14 commenced on assent; Section 22 commenced by proclamation on 29 August 2003; Sections 4, 5, 23 to 25 and 26(1); Part 4 and the Schedule, amendments 1, 2 and 13 commenced 1 September 2003.

The Act amended the *Sugar Industry Act 1999* to:

- Transfer the functions of the Bureau of Sugar Experiment Stations (BSES) to a private industry-owned company limited by guarantee.
- Transfer assets and liabilities of BSES to the new entity.
- Remove control of sugar variety issues from the *Sugar Industry Act 1999* and control these under the *Plant Protection Act 1989*.
- Enable Cane Protection and Productivity Boards to dissolve by 30 June 2004.

### **SUGAR INDUSTRY REFORM ACT 2004**

Date of assent: 6 May 2004

Date of commencement: Sections 3, 27 to 29 and 36(1) and (5) commenced on assent; Sections 9 to 18, 24 and 36(3), (6) and (9) commenced on 1 July 2004; the remaining provisions, other than Sections 7 and 36(4) and (8), commence on 1 January 2005; Sections 7 and 36(4) and (8) commence on 1 January 2006.

The *Reform Act 2004* amended the *Sugar Industry Act 1999* in order to implement the sugar industry and State Government's commitment to comprehensive reform. This will ensure the long-term future of the sugar industry.

The main amendments made by the Reform Act are the:

- Removal of the Cane Production Areas from the Act from 1 January 2005.
- Removal of the Statutory Bargaining System from 1 January 2005.
- Creation of supply contracts.
- Phased change from compulsory arbitration.
- Provision for exemption from vesting of sugar.

continued...

### Appendix 6: Overseas travel

During 2003-04, DPI&F maintained a strong international profile, with 104 staff undertaking 144 overseas trips at a total cost of \$724,807. A significant proportion of this cost (\$616,342 or 85%) was provided totally or partially from external funds and was associated with 132 of the trips (91.7% of the total number). Only 12 trips were wholly funded by DPI&F consolidated revenue.

Our travel helped to maintain domestic and international market confidence in Queensland's agricultural products, and enabled us to promote DPI&F's contribution to the Smart State agenda.

Our staff's research, innovation and technology capability was enhanced by first-hand experience in overseas research and development programs (R&D), and relationships with international partners. This experience ensured that any global advances in R&D can be readily applied in Queensland

without unnecessary duplication of effort. In addition, it provided the Queensland scientists with first-hand experience of pests and diseases that may pose a future risk to our industries.

Overseas travel enhanced DPI&F's trade and market development capability and resulted in:

- Significant trade outcomes for food and fibre exporters in the United Kingdom, the Middle East, Japan, Korea, Vietnam, Brunei and the Philippines.
- Doubling of our target commitment (under the State Government's trade strategy Export Solutions) for the entry of new small to medium agribusiness exporters into international markets.
- Establishing new markets for Queensland food ingredients and agribusiness services and technologies in Malaysia and South America.
- Signing of five lucrative distributorships with importers of natural products in the United Kingdom. This has a potential revenue of \$3 to \$6 million next year.

### Overseas travel substantially funded by DPI&F

Name of officer and position	Destination	Reason for travel	DPI&F cost	Contribution from other agencies or sources	
				Amount	Source
R Ada, Principal Rural Development Officer	Japan and South Korea	Promote Queensland food products particularly beef, in the rapidly expanding Korean market and conduct high-level government and industry meetings relating to trade opportunities for Queensland in South Korea and Japan.	\$10,449.52	-	
N Standfast, Senior Project Officer	New Zealand	Attend the ANZCCART and ANZSLAS joint conference in New Zealand and gather information for implementing a monitoring and reporting system for users of animals for scientific purposes in Queensland.	\$2,676.33	-	
P Neville, Deputy Director General	Papua New Guinea	Participate in fisheries management negotiations about access by Papua New Guinea to Torres Strait fisheries under the Torres Strait Treaty.	\$2,970.85	-	
G Abawi, Program Leader	South Korea	Participate in a bilateral exchange of scientists between DPI&F and Gyeonggi-do Agricultural Research and Extension Services, South Korea to develop a mutual exchange of agricultural information.	\$5,771.49	-	
J Baker, Chief Scientist	China, Japan and Thailand	Attend the International Marine Biotechnology Conference in Japan and present lectures at Chulalongkorn University, Thailand and at universities and institutes at Guangzhou, China.	\$7,633.34	-	



**Overseas travel substantially funded by DPI&F (continued)**

Name of officer and position	Destination	Reason for travel	DPI&F cost	Contribution from other agencies or sources	
				Amount	Source
R Kaus, Principal Project Officer	Vietnam	In conjunction with the Department of State Development and Innovation facilitate an Agribusiness Trade Mission to Hanoi and Ho Chi Minh City.	\$3,309.51	\$2,737.40	(Mission Revenue)
A McCarrol, Senior Trade & Business Officer	Japan	Conduct a trade mission to identify commercial trade opportunities for a range of Queensland-produced conventional and organic value-added grain products.	\$5,990.68	\$1,000.00	(Kialla Pure Foods)
W Lee, Senior Trade & Business Officer	United Arab Emirates, Egypt and Libya	Conduct a delegation to Egypt, Libya and the United Arab Emirates as part of the Global Beef Export Development Project to facilitate food chain relationships, develop new business and support local communities' capacity to create new business activities.	\$10,205.68	-	
W Dalton, Senior Project Officer	Philippines, Vietnam and Brunei	Increase the quantity and value of Queensland's beef and dairy exports, including co-products and services, and to promote Queensland's reputation for delivering environmentally friendly and ethically produced safe food, particularly meat/beef and livestock.	\$5,736.66	-	
W Knibb, Principal Biologist	United States of America	Give presentations as part of a bi-national program on tropical and subtropical aquaculture.	\$3,410.86	-	
M Wiecek, Technician Officer	New Zealand	Assess the technical feasibility of DPI&F producing a vaccine for control of toxoplasmosis in sheep.	\$3,527.73	-	
B Goulding, Trade & Business Officer	Malaysia	Identify new export opportunities for Queensland's dairy sectors in Malaysia.	\$5,022.92	\$1,537.74	(Queensland Dairy Product & Services Cos.)
J Miller, Extension Officer	Malaysia	As above.	\$2,448.94	-	
M Dunning, Principal Fisheries Scientist	Canada	Participated in the 4th World Fisheries Congress 'Reconciling Fisheries with Conservation to ensure continued fishery accreditation.	\$5,708.05	-	
K Dunn, Executive Director	New Zealand	Attend the scheduled meeting of PISC Animal Health Committee. The meeting allowed input into national coordination of animal health/biosecurity programs and standards to best serve the interests of Queensland.	\$3,287.48	-	
M Gronold, Trade & Business Officer	Argentina and Brazil	Assess new business opportunities for Queensland agribusiness companies to export equipment, technologies and services to the Brazilian and Argentinean beef and dairy sectors.	\$9,100.00	\$5,050.00	(Mission Participants)
P Whittle, Principal Scientist	Italy and United States of America	Attend the 10th International Workshop on Fire Blight Disease of Apples and Pears.	\$9,890.00	\$1,000.00	(Queensland Fruit and Vegetable Growers)
		<b>TOTALS</b>	<b>\$97,140.04</b>	<b>\$11,325.14</b>	

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**Overseas travel substantially funded by external sources**

Name of officer and position	Destination	Reason for travel	DPI&F cost	Contribution from other agencies or sources	
				Amount	Source
S Lawson, Scientist Entomology	Japan	Examine the susceptibility of the main plantation Pinus species grown in Queensland by DPI Forestry to the exotic pine wilt nematode <i>Bursaphelenchus xylophilus</i> .	-	\$9,792.32	(Australian Academy of Science), (DPI&F Tech Advice), (Japan Society for Promotion of Science)
G Wright, Principal Agronomist	United States of America	Attend the American Peanut Research and Education Society conference held in Clearwater, Florida and present two scientific papers on DPI&F peanut breeding and aflatoxin research programs.	-	\$7,253.33	(GRDC)
S Campbell, Senior Research Scientist	Papua New Guinea	Develop and implement a Global Seagrass Monitoring Network.	-	\$3,699.62	(CRC Reef)
L McKenzie, Senior Research Scientist	Papua New Guinea and Fiji	As above.	-	\$7,437.43	(CRC Reef)
B Tucker, Senior Trade Development Officer	New Zealand and Fiji	Overseas Study Tour component of the Australian Rural Leadership Scholarship program.	-	\$5,600.00	(Australian Rural Leadership Foundation)
D Cobon, Principal Scientist	South Africa	Attend the VIth International Rangelands Congress in Durban, South Africa covering a range of themes of direct relevance to sustainable and productive rangeland management.	-	\$6,084.81	(CSIRO)
S Bray, Scientist	South Africa	As above.	-	\$6,804.03	(AW Howard Trust and MLA), (Personal Funds), (Weedy Sporobolus)
R Coles, Senior Research Scientist	Papua New Guinea	Develop and implement a Global Seagrass Monitoring Network.	-	\$2,845.12	(CRCs)
K Knight, Research Scientist	United States of America	Attend the Annual Meeting of the Society for Invertebrate Pathology in Burlington, Vermont and visit the US Department of Agriculture biopesticide research at Cornell University, Ithaca, New York.	-	\$7,462.72	(GRDC)
H Meinke, Principal Scientist	Italy and Switzerland	Respond to Food and Agricultural Organisation request to design and publish a strategy based on the Queensland approach of applying predictive systems approaches to improve climatic risk management in farming systems.	\$211.00	\$10,789.00	(FAO and World Meteorological Organisation)
A Cooke, District Experimentalist	Vietnam	Conduct plant disease survey work and assist young Vietnamese pathologists with survey techniques.	-	\$4,544.70	(ACIAR)
R Shivas, Senior Plant Pathologist	Vietnam and Thailand	Deliver training to plant pathologists in Vietnam and Thailand.	-	\$3,343.11	(ACIAR/AFFA)
B Burren, Research Scientist	Vietnam	Enhance animal production by raising the capacity and capability of Vietnam's Nutritional Agricultural Laboratories. This included conducting final audits, assessments of skills, updating of the Laboratory Information Management System and developing the Feeds Information Database.	-	\$4,737.16	(AusAID)
P Martin, Senior Chemist	Vietnam	As above.	-	\$4,383.76	(AusAID)
K Reichmann, Principal Research Scientist	Vietnam	As above.	-	\$4,893.46	(AusAID)

Name of officer and position	Destination	Reason for travel	DPI&F cost	Contribution from other agencies or sources	
				Amount	Source
B Pinese, Senior Entomologist	Papua New Guinea	Conduct field and laboratory trials on the biology, damage levels and control of the red banded mango caterpillar in Papua New Guinea and Australia.	-	\$2,565.55	(ACIAR)
H Field, Principal Veterinary Epidemiologist	China	Design studies for the WHO to investigate the possible animal reservoirs of the SARS virus, the mechanisms of transmission of the virus in nature, and how the virus is transmitted from animals to humans.	-	\$9,700.00	(World Health Organisation)
A DeVos, Manager Tick Fever Research	Zimbabwe and South Africa	Evaluate a new tick fever vaccine strain for the protection of the live cattle export trade.	-	\$4,949.34	(ACIAR)
W Jorgensen, Principal Research Scientist	United States of America	Study methods of growing tick cells infected with Anaplasma and transfer the technology to Queensland.	-	\$6,106.89	(ACIAR)
MI Rimmer, Principal Fisheries Biologist	New Caledonia	Support the continued development of sustainable aquaculture in the Pacific Islands region and in northern Australia.	-	\$2,429.45	(ACIAR)
K Robson, Technician	Vanuatu	Undertake training, technology transfer and establishment and design of nursery and field experiments using clones and cuttings.	-	\$3,792.95	(AusAID)
Y Diczbalis, Senior Research Scientist	Thailand	Attend the 2nd International Symposium of Lychee, Longan, Rambutan and other Sapindaceae plants, and present three papers on Australian lychee research.	-	\$3,393.48	(Horticulture Australia Ltd, Rural Industry Research Development Corporation)
S Krosch, Technical Officer	Papua New Guinea	Install an aflatoxin analysing facility in Papua New Guinea.	-	\$4,332.54	(ACIAR)
M Christopher, Senior Research Scientist	Italy	Attend the 10th International Wheat Genetic Symposium in Paestum, Italy.	-	\$7,621.87	(Grain Research Et Development Council)
G Mills, Principal Development Extension Officer	Papua New Guinea	Assist with the generation of information on peanut production, storage, utilisation, marketing systems and aflatoxin contamination in Papua New Guinea.	-	\$3,930.00	(ACIAR)
S Fuller, Senior Technical Officer	Papua New Guinea	Establish methodology for the chemical and sensory assessment of Rio flavour in coffee at Papua New Guinea Coffee.	-	\$4,434.39	(Coffee Industry Corps)
C Vanderwoude, Principal Scientist	New Zealand	Attend a technical workshop hosted by the Invasive Species Unit to develop a plan to prevent red imported fire ants from establishing in the Pacific region.	\$125.00	\$1,953.67	(Other State Government and Australian Government Contributions)
N Rachaputi, Principal Crop Physiologist	Papua New Guinea	Enable collaborative research in Papua New Guinea with regard to improving yield and economic viability of peanut production.	-	\$3,046.68	(ACIAR)
D Hamilton, Principal Scientific Officer	Singapore and Switzerland	Attend the Joint Meeting of the FAO Panel of Experts on Pesticide Residues in Food and the Environment as well as WHO Expert Group on Pesticide Residues that sets standards for allowable pesticide residue levels in food in international trade.	-	\$14,080.00	(Food and Agriculture Organisation)
J Chapman, Director	New Zealand	Develop a biotechnology project to develop gene markers for tropical/subtropical fruit breeding projects using genomics databases.	-	\$2,545.30	(Horticulture Australia)

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**Overseas travel substantially funded by external sources (continued)**

Name of officer and position	Destination	Reason for travel	DPI&F cost	Contribution from other agencies or sources	
				Amount	Source
P Young, Director	New Zealand	Develop a biotechnology project to develop gene markers for tropical/subtropical fruit breeding projects using genomics databases.	-	\$2,591.26	(Horticulture Australia)
R Stone, Director	South Korea	Determine the gaps in agricultural information on issues such as crop phenology, crop moisture status and drought indices, and to improve agro-meteorological analysis for agriculture world-wide.	\$305.00	\$4,602.05	(United Nations)
A Collins, Fisheries Technician	United States of America	Assess the farm development, environmental sustainability and economic performance of inland prawn farming in the United States of America.	-	\$8,000.00	(Department of Agriculture, Fisheries & Forestry Australia)
W Johnston, Manager (Economic Services)	Fiji	Assist in the development of aquaculture in the Pacific by providing economic decision-making tools and training to assess traditional cropping against new ventures such as freshwater shrimping, seaweed farming, pearling and tilapia fishing.	-	\$2,167.25	(AusAID)
H Martin, Plant Pathologist	South Korea	Further develop collaborative research into pest control management as stipulated in the Memorandum of Understanding between Gyeonggi-do Agricultural Research and Extension Services and DPI&F.	-	\$6,718.70	(Fee for Service)
D Foster, Extension Specialist	Thailand	Develop best practice extension processes to ensure that there is, by 2005, a commonly agreed protocol for the dissemination of learning and information processes associated with the management of shrimp disease programs.	-	\$3,250.15	(ACIAR)
J Miller, Extension Officer	Vietnam	Provide the Vietnamese dairy industry with practical, hands-on knowledge and skills to enable it to develop a viable tropical dairy industry.	-	\$3,055.46	(Crawford Fund)
S Newett, Extension Horticulturist	South Africa and Spain	Lead a technical tour for 40 Australian and New Zealand avocado growers, focusing on clonal propagation, canopy management, market chain and avocado export issues, establishment of networks and attending the Fifth World Avocado Congress.	-	\$10,000.00	(Horticulture Australia)
J Baker, Chief Scientist	Czech Republic	Attend the Millennium Assessment Planning Meeting held in Prague, to advise and contribute to coastal zone management, natural resources management, reef management, waste and sustainability issues.	\$155.50	\$3,399.00	(Millennium Assessment)
N Rachaputi, Principal Crop Physiologist	India	Inspect collaborative trials being conducted in India on the selection of peanut varieties with low aflatoxin risk.	-	\$4,161.57	(ACIAR)
G Wright, Principal Agronomist	India	As above.	-	\$4,630.21	(ACIAR)
H Field, Principal Veterinary Epidemiologist	Malaysia	Review the progress of collaborative henipavirus research in Malaysia. The research objective was to assess the risk of introduction of Nipah and Nipah-like viruses to Australia via wildlife hosts.	-	\$1,956.67	(US National Institute of Health)
D Hamilton, Principal Scientific Advisor	South Korea	Present a paper on acute risk assessment for pesticide residues in food to an International Workshop on Pesticides sponsored by the International Union of Pure and Applied Chemistry and the Korean Society of Pesticide Science.	\$350.43	\$1,340.63	(Personal contribution by officer. International Union of Pure and Applied Chemistry)
H Bond, Senior Consultant	Philippines	Fulfil project leadership responsibilities and provide specialist process support to the Leyte Improvement and Innovation Network to conduct a Farmer Improvement and Innovation Forum.	-	\$3,801.68	(ACIAR)

Name of officer and position	Destination	Reason for travel	DPI&F cost	Contribution from other agencies or sources	
				Amount	Source
R Clark, Principal Consultant	Philippines	Fulfil project leadership responsibilities and provide specialist process support to the Leyte Improvement and Innovation Network to conduct a Farmer Improvement and Innovation Forum.	-	\$3,710.95	(ACIAR)
G Kong, Senior Plant Pathologist	United States of America	Collect seed from species of wild sunflower not currently available from seedbanks. Following quarantine entry, collected seed will be used in the sunflower research program at DPI&F laboratories to develop new sources of resistance to disease.	-	\$5,337.47	(GRDC), (USDA)
S McLennan, Principal Scientist	United States of America and Mexico	Improve predictability of cattle production in the tropics based on diet quality attributes, and present papers at the International Symposium for the Nutrition of Herbivores in Mexico.	-	\$9,854.37	(Meat & Livestock Association)
N Vock, Senior Extension Horticulturist	China	Improve the implementation of IPM in brassica vegetables through an information toolkit based on Chinese farmers' needs.	-	\$2,682.23	(ACIAR)
B Walsh, Entomologist	China	As above.	-	\$2,449.42	(ACIAR)
W Doherty, Parasitologist	Italy	Attend and present at the 3rd OIE International Symposium on bluetongue and related viruses.	-	\$4,090.63	(Animal Health Australia)
P Hofman, Senior Principal Horticulturist	New Zealand and United States of America	Attend an International Avocado Conference to discuss specific topics of concern in post-harvest quality and supply chain management and participate in a collaborative project in New Zealand to develop an avocado oil industry in Queensland.	\$884.61	\$4,593.00	(Californian Avocado Commission)
P Collins, Senior Entomologist	China and Vietnam	Undertake a formal review of the Vietnamese and Chinese aspects of a collaborative project aimed at integrating effective phosphine fumigation practices into grain storage systems in China, Vietnam and Australia.	-	\$4,732.96	(ACIAR)
A Pattison, Nematologist	Costa Rica	Attend the inaugural international symposium on the banana root system held in San Jose. Topics included the functioning of the banana root system, the inter-relation between roots, other micro-organisms and pests, and present root management alternatives.	-	\$3,659.72	(Horticulture Australia/ Queensland Fruit and Vegetable Growers)
M Griffiths, Entomologist	Thailand and Vietnam	Extend and integrate project results relating to the growth of high-value timber species within the Meliaceae family. Domestication of these commercially important species is currently constrained by the impacts of the shoot boring moth.	-	\$3,684.66	(ACIAR)
G Mclean, Senior Research Scientist	United States of America	Undertake training of scientists in crop modelling and data management software.	-	\$5,612.93	(The University of Queensland)
L Taylor, Veterinary Officer	Chile	Present papers at the 10th International Society for Veterinary Epidemiology and Economics Symposium in Vina del mar.	-	\$4,415.23	(Meat and Livestock Australia)
A Klieve, Principal Scientist	China	Attend the 3rd International Methane and Nitrous Oxide Mitigation Conference with a view to assisting in the development of an Australian program for mitigating methane.	-	\$3,980.60	(Australian Greenhouse Office)
M Ramsden, Forest Health Surveillance Officer	Vanuatu and Fiji and Tonga.	Provide training to Pacific collaborators on the development of forest health surveillance systems for Pacific countries and Australia.	-	\$6,606.15	(ACIAR)

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**Overseas travel substantially funded by external sources (continued)**

Name of officer and position	Destination	Reason for travel	DPI&F cost	Contribution from other agencies or sources	
				Amount	Source
J McDonald, Forest Health Surveillance Technician	Samoa and Fiji	Provide training to Pacific collaborators on the development of forest health surveillance systems for Pacific countries and Australia.	-	\$3,987.24	(ACIAR)
F Wylie, Principal Research Scientist	Fiji, Vanuatu, Samoa and Tonga	Assist in the development of forest health surveillance systems for Pacific countries and Australia.	-	\$6,234.34	(ACIAR)
M Smith, Research Scientist	India	Establish nursery germplasm experiments aimed at diagnosing and addressing citrus production constraints in <i>Sikkim</i> , with application to the Queensland mandarin industry.	-	\$3,697.45	(ACIAR)
J Molloy, Senior Scientist Immunochemistry	Philippines	Ensure market access for Queensland's live export cattle to the Philippines through ongoing research into cattle ticks and tick fever.	-	\$2,537.19	(ACIAR)
A Borrell, Principal Research Scientist	Cambodia	Speak on the marriage of gene discovery and agronomy to combat drought in Asia at an international conference in Cambodia.	-	\$3,622.91	(Grain Research & Development Council)
N Vock, Senior Extension Horticulturist	Philippines	Enhance the development of Landcare systems in the southern Philippines, and inspect appropriate sites for Landcare expansion and complementary research in Bohol, Cebu and Leyte.	-	\$4,326.23	(ACIAR)
R Jordan, Senior Physiologist	Vietnam	Supply and commission a DPI&F-designed heat treatment unit to a Vietnam collaborating organisation. The project involves developing both quarantine disinfestation treatment for fruit flies using heat and low-cost application technology.	-	\$5,659.81	(ACIAR)
H Meinke, Program Leader	Japan and Vietnam	Present a paper at the Asian International Conference on Total Disaster Risk Management in Japan, and travel to Vietnam to conduct the annual Asia Pacific Network for Global Change Research meeting.	-	\$6,880.55	(Asia Pacific Network and Asian Disaster Reduction)
D Beasley, Plant Pathologist	Malaysia	Attend a two-day Pest List Workshop in Kuala Lumpur. One of the main objectives of the workshop was to develop guidelines for selecting software for managing pest data.	-	\$2,532.37	(Department of Agriculture, Fisheries & Forestry Australia)
R Shivas, Senior Plant Pathologist	Malaysia	As above.	-	\$1,921.66	(Department of Agriculture, Fisheries & Forestry Australia)
P DeVoil, Senior Scientist	Vietnam and India	Support simulation activities, model development and participate in the annual Asia Pacific Network for Global Change Research project meeting and in project workshops in Coimbatore and Bangalore.	-	\$5,011.46	(Asia Pacific Network)
C Smith, Program Officer	Malaysia	Assess the risk of the introduction of Nipah and Nipah-like viruses to Australia via wildlife hosts.	-	\$3,711.99	(National Institute of Health)
K Robson, Technician	Vanuatu	Inspect past clonal work, assess cuttings set during the last project visit and collect seed from key species. This helped ongoing development of the propagation work program for the South Pacific Regional Initiative on Forest Genetic Resources.	-	\$3,703.57	(AusAID)
D Loch, Principal Scientist	United States of America	Participated in water conservation workshops presented by internationally respected experts in turf grass management as part of developing global initiative in this area.	-	\$4,595.57	(GCSAA)

Name of officer and position	Destination	Reason for travel	DPI&F cost	Contribution from other agencies or sources	
				Amount	Source
N Rachaputi, Principal Crop Physiologist	Papua New Guinea	Enable collaborative research with Papua New Guinea with regard to improving yield and economic viability of peanut production through management and varietal approaches.	-	\$3,791.56	(ACIAR)
G Redhead, Senior Training Co-ordinator	New Zealand	Provide technical training in specialty cheese manufacturing techniques to various professionals from the food industry in New Zealand.	-	\$2,116.83	(Waihi College NZ Cheesemakers Specialty Group)
K Robson, Technician	Samoa	Help ongoing development of the propagation work program for South Pacific Regional Initiative on Forest Genetic Resources and development of new nursery complex.	-	\$4,322.14	(AusAID)
R Clark, Principal Consultant	South Africa	Deliver and evaluate new technologies and capacity building programs designed to enable people in agricultural industries and provincial and national governments to lead and manage sustainable industry and regional improvement and innovation initiatives.	-	\$8,286.77	(Crawford Fund), (Crawford Fund/ACIAR)
R Kaus, Principal Project Officer	Philippines, Vietnam and Brunei	Conduct an agribusiness mission to expose Queensland producers to global marketplaces and build on opportunities to develop expansion strategies.	-	\$7,872.87	(Beef Industry Alliance Groups)
C Hair, Senior Fisheries Biologist	Fiji	Initiate the development of sea cucumber aquaculture in northern Australia, particularly with respect to indigenous aquaculture development in Cape York and the Torres Strait.	-	\$3,180.96	(ACIAR)
M Rimmer, Principal Fisheries Biologist	Fiji	As above.	-	\$3,319.69	(ACIAR)
C Smith, Program Officer	China	Participate in a disease surveillance operation with a number of Chinese institutions and the Consortium for Conservation Medicine, New York the Australian Animal Health Laboratory.	-	\$2,915.18	(US National Institute of Health)
K McCosker, Research Scientist	India	Gain new knowledge of, and access to, superior genetic material that will stabilise/increase dryland chickpea production in Queensland.	-	\$5,476.29	(Grain Research & Development Council)
T Wilson, Manager Economic Services	Papua New Guinea	Review priority-setting methods for agricultural research projects in Papua New Guinea. The economic contribution is for evaluating and recommending ways that priority setting can be improved in the future.	-	\$4,253.19	(URS Australia P/L)
G Mills, Principal Development Extension Officer	Papua New Guinea	Assist with the generation of information on peanut production, post-harvest storage, utilisation, marketing systems and the extent of aflatoxin contamination in the major peanut production regions in Papua New Guinea.	-	\$4,545.73	(ACIAR)
N Cheeseman, Senior Trade & Business Officer	United Kingdom, France and Germany	Undertake a follow-up trade mission for innovative Queensland natural product exporters to the United Kingdom, France and Germany to achieve trade outcomes.	\$4,350.00	\$9,100.00	(Participating Exporters)
A George, Principal Horticulturist	Thailand, Laos and Vietnam	Enhance knowledge on temperate fruit production and conservation farming practices under different micro-climates. This information will be used to develop export marketing strategies and extension and industry development programs for temperate fruit in Queensland.	-	\$5,743.44	(ACIAR)
R Nissen, District Experimentalist	Thailand, Laos and Vietnam	As above.	-	\$5,782.95	(ACIAR)

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**Overseas travel substantially funded by external sources (continued)**

Name of officer and position	Destination	Reason for travel	DPI&F cost	Contribution from other agencies or sources	
				Amount	Source
J Sheppard, Senior Research Scientist	China	Help to identify useful genes controlling agronomic traits in wheat.	\$306.00	\$4,062.77	(ACIAR), (University of Southern Qld)
K Robson, Technician	Tonga and Fiji	Deliver specialist training in vegetative propagation, grafting and clonal forestry.	-	\$4,186.10	(AusAID)
L McKenzie, Senior Research Scientist	Micronesia, Palau and Guam	Set up a work plan for the Global Seagrass Monitoring Program and refresh field methods and address the tailoring of data stream technology.	-	\$4,387.54	(CRC Reef)
R Coles, Principal Scientist	Micronesia, Palau and Guam	As above.	-	\$4,538.10	(CRC Reef)
G Mclean, Senior Research Scientist	United States of America	Work on crop modelling and data management software and discuss progress on gene-phenotype models in sorghum.	-	\$6,176.61	(The University of Queensland)
B Pinese, Senior Entomologist	Papua New Guinea	Reduce the risks of the red banded mango caterpillar affecting the long-term viability of the Queensland mango industry.	-	\$3,085.81	(ACIAR)
J Baker, Chief Scientist	Canada	Participate as a Review Editor and Chapter Co-Author for the Millennium Ecosystem Assessment international program designed to assess human impacts on ecosystems and the sustainability of their use.	-	\$4,636.96	(Millennium Assessment)
A Klieve, Principal Scientist	New Zealand	Conduct collaborative research with Ag-Research New Zealand to reduce emission of greenhouse gases from agriculture, in particular from the beef, dairy and sheep industries.	-	\$1,245.70	(NZ Pastoral Greenhouse Gas Research Consortium)
G Mills, Principal Development Extension Officer	India	Attend a workshop to review projects on reducing the risk of aflatoxin in peanuts.	-	\$3,335.65	(ACIAR)
N Rachaputi, Principal Crop Physiologist	India	Organise and participate in the final review meetings of two projects on 'Selection of Peanut Varieties with Low Aflatoxin Risk' and 'Reducing Aflatoxin in Peanuts using Agronomic Management and Bio-control Strategies in Indonesia and Australia'.	-	\$3,288.70	(ACIAR)
G Wright, Principal Agronomist	India	As above.	-	\$3,333.87	(ACIAR)
H Meinke, Director	United States of America	Identify institutional characteristics of effective applications of seasonal climate forecasts using DPI&F as a case study.	-	\$7,610.00	(US National Academy of Sciences)
D Osborne, Senior Research Scientist	Vanuatu	Deliver specialist training in vegetative propagation and clonal forestry using commercially important indigenous and exotic species. A seed collection program for key indigenous species was also established.	-	\$4,078.85	(AusAID)
K Robson, Technician	Vanuatu	As above.	-	\$4,144.65	(AusAID)
M Hunt, Senior Principal Research Scientist	United States of America	Attend a major international workshop on adventitious root formation.	-	\$5,706.06	(DPI Forestry), (SPRIG)



Name of officer and position	Destination	Reason for travel	DPI&F cost	Contribution from other agencies or sources	
				Amount	Source
B Walsh, Entomologist	China	Add value to a project which improves the implementation of environmentally sustainable practices.	-	\$2,729.48	(ACIAR)
H Bond, Senior Consultant	Philippines	Build the capacity of primary producers to design, implement and manage improvement and innovation forums for their own regions and industry.	-	\$2,737.10	(ACIAR)
R Clark, Principal Consultant	Philippines	As above.	-	\$2,806.13	(ACIAR)
A Bragg, Senior Research Technician	Vanuatu	Develop the sandalwood industry in Australia and the South Pacific.	-	\$3,800.00	(James Cook University)
G Dickinson, Research Scientist	Vanuatu	As above.	-	\$2,777.55	(ACIAR)
R Coles, Principal Scientist	Philippines	Train researchers on practical methodologies for taxonomy, ecology and management of coastal marine plants as they relate to recent advances in coastal oceanography, biodiversity and conservation in the Asia-Pacific.	-	\$3,756.00	(CRC Reef), (IOC/ Westpac)
D Mann, Fisheries Technician	Vietnam	Support the development of indigenous aquaculture in northern Queensland by providing an indigenous group with a unique training opportunity in a range of alternative tropical aquaculture practices.	-	\$8,960.35	(Australian Academy of Technological Sciences and Engineers)
W Jorgensen, Principal Research Scientist	Zimbabwe	Coordinate a national workshop on tick-borne disease.	-	\$5,401.60	(ACIAR)
J Molloy, Senior Scientist Immunochemistry	Zimbabwe	As above.	-	\$5,037.35	(ACIAR)
A Cooke, District Experimentalist	Sri Lanka	Conduct project activities and training on the management of post-harvest diseases of subtropical and tropical fruit using their natural resistance mechanisms.	-	\$4,150.00	(ACIAR)
A Crook, Senior Veterinary Officer	New Zealand	Demonstrate DPI&F detector dog technology successfully applied to environmental assessment and supports its adoption and application by New Zealand stakeholders.	\$1,219.54	\$1,399.04	(Waikato Pesticides Awareness Committee)
G Horrocks, Senior Stock Inspector	New Zealand	Demonstrate DPI&F detector dog technology and its capability in organochlorin site identification, with a view to the technology being adopted and applied in New Zealand.	\$803.33	\$1,475.84	(Waikato Pesticides Awareness Committee)
R Goebel, Development Horticulturist	Samoa	Investigate information and service provision to indigenous communities to develop a preferred horticultural information delivery system tailored to these communities.	-	\$5,435.00	(ACIAR)
R Holmes, Extension Horticulturist	Samoa	As above.	-	\$5,435.00	(ACIAR)
P Martin, Senior Chemist	Vietnam	Undertake enhancements, review future modifications and provide training in the Laboratory Information Management System (LIMS) and the Feeds Information database.	-	\$5,321.21	(AusAID)
R Mayer, Senior Biometrician	Papua New Guinea	Provide biometrical advice to Papua New Guinea researchers, assist in research data analysis, and conduct training in basic biometrics and the use of statistical software.	-	\$4,054.91	(URS Australia P/L)

continued...

**Overseas travel substantially funded by external sources (continued)**

Name of officer and position	Destination	Reason for travel	DPI&F cost	Contribution from other agencies or sources	
				Amount	Source
P Cook, Principal Extension Officer	United States of America	Identify opportunities for marketing and sales of PrimePulse, a DPI&F decision-support software product.	-	\$5,743.87	(PrimePulse)
M Hunt, Senior Principal Research Scientist	France	Deliver a paper on softwood silviculture issues in south east Queensland at a major international conference on forest silviculture in France.	\$2,800.00	\$3,325.00	(Boise Cascade Project)
D Poulsen, Plant Breeder	Austria, Canada, Denmark, Czech Republic, Germany and United Kingdom	Attend the International Barley Genetics Symposium, visit leading European and Canadian cereal breeding/research groups and initiate collaborative research arrangements including germplasm exchanges.	-	\$10,979.70	(Grain Research & Development Council)
J Brawner, Geneticist	United States of America	Deliver Pinus clones for the evaluation of field performance and commercialisation potential in the southern US and review the pine breeding plan and data analysis techniques underpinning the clonal forestry program.	-	\$5,214.68	(CRC-SPF)
H Wu, Agronomist	South Africa	Attend and present a paper at the 4th International Weed Science Congress held in Durban.	-	\$6,500.00	(Cotton CRC), (CRC Australian Weed Management), (CRDC)
B Cook, Principal Scientist	Vietnam	Develop a training curriculum to fulfil the specific needs identified for a three-year dairy industry project in Vietnam.	-	\$3,525.39	(Crawford Fund)
J Miller, Extension Officer	Vietnam	As above.	-	\$3,128.64	(Crawford Fund)
G Hopewell, Senior Technical Officer	United States of America	Make a presentation on environmental conditions experienced by high-value wood products during shipping to export destinations at the United States Department of Agriculture Forest Products Society's Technical Forum.	-	\$5,902.56	(CRC)
X Zhang, Research Scientist	South Korea	Conduct a collaborative project and collate field data that will enhance DPI&F's technologies in climate forecasting and agricultural systems modelling.	\$400.00	\$4,250.00	(GARES)
G Abawi, Program Leader	Fiji and Vanuatu	Develop and promote climate forecasting software for Pacific Island countries.	-	\$8,000.00	(Bureau of Meteorology/ AusAID)
TOTALS			\$11,910.41	\$604,431.34	

## Definitions

Term	Definition
CRCs	Cooperative Research Centres.
Otter trawl fishery	A fishery where trawlers use otter trawl nets. These nets are held open by the force of water pushing against two large, rectangular boards (called otter boards) that are attached to either side of the net.
R&D	Research and development.
Tail docking	Cutting short the tail.
SGARAs	<i>Self Generating and Regenerating Assets</i> (SGARA's) are defined as non-human living assets such as plantation growing timber, native forest timber and livestock, which are accounted for in DPI&F accounts.
Agribusiness	Encompasses farming, fisheries, forestry, food and fibre processing, and agriculturally related businesses that supply farm inputs (such as fertilizer or equipment) or are involved in the marketing of farm products (such as warehouses, processors, wholesalers, transporters, and retailers).
Nutraceuticals	Nutraceuticals are natural, bioactive chemical compounds that have health promoting, disease preventing or medicinal properties.
Lifestyle horticulture	The lifestyle horticulture industry comprises those businesses that produce non-food horticulture products such as turf, plants, cut flowers and foliage. The industry also provides a range of services such as landscaping, parks and gardens management, professional horticultural advice, and training and education.
Biosecurity	Managing the risks of biological agents such as pests and diseases to animal and plant systems.
CRRI-Q	Centre for Rural and Regional Innovation Queensland.
EC	Exceptional Circumstance - The EC program provides eligible primary producers with access to health care cards, income support funded by the Commonwealth Government, and farm business support in the form of interest subsidies, on existing loans funded by both the Commonwealth and Queensland Governments.
PAP	Priority Action Projects.
RD&E	Research, Development and Extension.
SIP	State Investment Proposals.
QFVG	Queensland Fruit and Vegetable Growers.
LDC	Local Drought Committee.
FarmBis	Farm Business Improvement Program - a joint Commonwealth/State program to improve producers' business and natural resource management skills. State funds are provided through the Queensland Rural Adjustment Authority not DPI&F.
Futureprofit	A course of facilitated and integrated business planning workshops for strategic improvement to support industry adjustment and industry development to achieve informed business decision amongst primary producers and regional groups.
Continuous Improvement and Innovation (CI&I)	A set of designed systems, tools or processes to enhance the impact in holistic business, rural or regional systems for continued improvement and innovation. CI&I also provides capacity building and supports adjustment within particular industries by delivering workshops to businesses, industry sectors, policy makers or service providers.
CI&I Quickstart Workshops	These are one day workshops that deliver a simple reliable way to improve and innovate personal performance, or the performance of a team, business, organisation, community, region or industry.
Building Rural Leaders (BRL)	A capacity building program aimed at improving the capacity of people to contribute to the leadership and management of their businesses, industries and communities.
Drought Relief Assistance Scheme (DRAS)	DRAS provides freight subsidies to drought-affected graziers to help them meet the transport costs associated with the movement of fodder and water to drought-affected livestock. The scheme also assists primary producers restock their properties at completion of the drought through a returning from agistment subsidy and a transport of animals purchased for restocking subsidy.
DPI&F	Department of Primary Industries and Fisheries.
Smart State vision	<a href="http://www.smartstate.qld.gov.au">www.smartstate.qld.gov.au</a>

## Acronyms - overseas travel

Term	Definition
AAS	Australian Academy of Science
ACIAR	Australian Centre for International Agricultural Research
AFFA	Agriculture, Fisheries and Forestry - Australia (now DAFF Department of Agriculture, Fisheries and Forestry)
AFFS	Agency for Food and Fibre Sciences
APRES	American Peanut Research and Education Society
APSIM	Agricultural Production Systems Simulator
ATSE	Australian Academy of Technological Sciences and Engineering
AusAID	Australian Agency for International Development
CRC	Cooperative Research Centre
CYP	Cape York Peninsula
DAFFA	Department of Agriculture, Fisheries and Forestry Australia
DPI&F	Queensland Department of Primary Industries and Fisheries
ET	Emerging Technologies
GARES	Gyeonggi-do Agricultural Research and Extension Services
GCSAA	Golf Course Superintendents Association of America
GRDC	Grain Research and Development Corporation
HAL	Horticulture Australia Limited
IBGS	International Barley Genetics Symposium
ICRISAT	International Crop Research Institute for the Semi-Arid Tropics
IEG	Information Exchange Group
IPM	Integrated Pest Management
IRA	Import Risk Assessment
IRC	International Rangelands Congress
ISVEE	International Society for Veterinary Epidemiology and Economics
IUFRO	International Union of Forestry Research Organisations
IUPAC	International Union of Pure and Applied Chemistry
IWGS	Wheat Genetic Symposium
IWSC	International Weed Science Congress
JMPR	Joint Meeting on Pesticide Residue
JSPS	Japanese Society for the Promotion of Science
LIMS	Laboratory Information Management System
NARI	National Agricultural Research Institute
R&D	Research and Development
SARS	Severe Acute Respiratory Syndrome
SIP	Society for Invertebrate Pathology
SPRIG	South Pacific Regional Initiative on Forest Genetic Resources
TFC	Tick Fever Centre
UN	United Nations
USDA	US Department of Agriculture
WaiPAC	Waikato Pesticides Awareness Committee
WHO	World Health Organisation

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