

**2011–12**

# **Annual Report**

**Department of Agriculture, Fisheries and Forestry**

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Enquiries about this publication should be directed to Director, Planning and Performance (part of the Business Corporate Partnership) for DAFF, via email [larisa.villis@daff.qld.gov.au](mailto:larisa.villis@daff.qld.gov.au) or call 07 3087 8569.

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**Queensland  
Government**

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Department of  
Agriculture, Fisheries  
and Forestry

## Letter of compliance

15 October 2012

The Honourable John McVeigh MP  
Minister for Agriculture, Fisheries and Forestry  
Level 8 Primary Industries Building  
80 Ann Street  
Brisbane Qld 4000

Dear Minister

I am pleased to present the 2011-12 annual report and financial statements for the Department of Agriculture, Fisheries and Forestry (DAFF).

I certify that this annual report complies with:

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

A checklist outlining the annual reporting requirements can be found at [www.daff.qld.gov.au](http://www.daff.qld.gov.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Noye', with a flourish at the end.

Jack Noye  
Director-General  
Department of Agriculture, Fisheries and Forestry

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## Director-General's overview

The Department of Agriculture, Fisheries and Forestry (DAFF) was established in April 2012. The creation of a new, standalone agriculture department delivers a dedicated agency to capitalise on the growing global demand for food and fibre, while also recognising agriculture as a central pillar of the Queensland economy.

DAFF will work with industry to identify opportunities to double Queensland's food production by 2040. Achieving this will require a concerted effort to improve agriculture skills and career pathways; research, development and extension to lift industry productivity; infrastructure; biosecurity systems; and the management of marine resources. DAFF will work with other agencies to reduce red tape and unnecessary regulatory burden.

This effort will assist our agriculture, fisheries and forestry industries to be productive and attract investment. It will also ensure that Queensland's agriculture sector is highly efficient, innovative and continues to remain internationally competitive.

In addition to the creation of a standalone department, DAFF commenced delivery of the following government commitments:

- commenced work on a comprehensive audit of Queensland agricultural land—the audit will enable the agriculture sector to better plan and identify additional future food production areas, which will be critical to doubling food production
- introduced amendments to the Animal Care and Protection Act 2001 to Parliament, which will outlaw cruelty to dugong and turtles—these amendments will provide better protection to these species throughout Queensland and the department will work with other agencies and Indigenous communities to ensure that animal welfare obligations are met
- implemented a rebate scheme to provide veterinarians with personal protective equipment
- commenced the upgrade of front line services by recruiting 15 new officers to improve biosecurity and extension for industries throughout Queensland
- commenced the Structural Adjustment Package for the net fishery in Queensland and formed a stakeholder committee that will oversee the buyback of commercial net licences
- commenced discussions with the Bureau of Sugar Experiment Stations regarding increased investment in the future of Queensland's sugar industry—additional funding of \$4.6 million over the next four years will assist industry to address emerging challenges and capitalise on export and emerging market opportunities.

In 2012–13, I look forward to leading the department as it works with industry to meet the challenges and capitalise on opportunities that will improve Queensland's economic future.

Jack Noye  
**Director-General**  
**Department of Agriculture, Fisheries and Forestry**

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## Getting Queensland agriculture back on track

The Department of Agriculture, Fisheries and Forestry (DAFF) leads the government's commitment to restore agriculture as a central pillar of Queensland's economy.

DAFF was created in April 2012 as a result of the following machinery-of-government changes (effective from 3 April 2012):

- Agriculture and food functions—including fisheries, agri-science and biosecurity; (and associated regional and executive support services)—transferred from the former Department of Employment, Economic Development and Innovation (DEEDI)
- Forest management functions (including quarry sales under the Forestry Act 1959) transferred from the former Department of Environment and Natural Resources
- Queensland Boating and Fisheries Patrol functions transferred from the Department of Transport and Main Roads
- Animal management functions associated with the Animal Management (Cats and Dogs) Act 2008 transferred from the former Department of Local Government and Planning.

Functions related to declared fish habitat areas are being transferred to the Department of National Parks, Recreation, Sport and Racing. By agreement, accounting for the transfer did not take effect until 1 July 2012.

DAFF works to ensure the long-term prosperity and productivity of Queensland's agriculture, fisheries and forest industries.

Within its first few months DAFF has already established a functioning standalone department able to demonstrate public sector accountability.

As outlined in the Director-General's overview, the department moved quickly to deliver on specific government commitments.

These early reforms have placed Queensland in a sound position to continue to improve the sustainable productivity of the state's land and marine resources to meet the growing global demand for food and fibre.

Looking forward to 2012–13, the priority is to work with industries, producers and the community to develop a long-term action plan to double food production by 2040.

In line with the government's focus on reducing debt for Queensland, the department will reconfigure services and business structures to align with the government's priorities.

The department is committed to simple and effective regulation and greater efficiency and targeting of resources to frontline services. It will also work with key government, industry and research partners to identify areas where shared projects and investment will improve the productivity of Queensland's agriculture, fisheries and forestry industries.

DAFF will also work with other agencies across the Queensland Government to advance the interests of the agriculture sector.

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## New initiatives

Continuing to deliver on the government objectives, DAFF's initiatives heading into 2012–13 include:

- finalising agricultural land audits on the Darling Downs and in Central Queensland regions for release in early 2013
- diversifying farm operations on the Flinders and Gilbert rivers to include irrigated agriculture
- developing a Queensland timber industry plan
- commencing the \$9 million voluntary buyback program of commercial fishing licences to reduce impacts of netting on species of conservation interest and improve the economic viability of commercial fishers and the recreational fishing industry
- improving agriculture skills and career pathways by increasing the profile of graduate careers and school-based apprenticeships and traineeships; revamping agriculture schools and gateway schools to support both vocational and agricultural science in schools; and finalising consultation to develop a Horticultural Workforce Plan for the next three years
- preparing a research and development (R&D) plan that sets clear targets for transformation research, capacity, industry development, sustainability and improved international linkages—the R&D plan will also identify opportunities to improve productivity, support the agricultural sector's ability to address emerging challenges and to capitalise on emerging markets and opportunities
- strengthening extension services by investing \$2 million over two years, commencing in 2012–13.

## Challenges

Despite ongoing global economic uncertainty, the growing global demand for food and fibre is expected to support continued growth in the agriculture sector. Over the longer term to 2016–17, ABARES<sup>1</sup> forecasts real National Farm Gross Value of Production to continue to increase for each year from 2010-11, with stronger growth in livestock production and little change in crop production.

Uncertain economic and environmental conditions continue to present challenges. Key critical issues include:

- natural disasters
- competition for export markets
- skills and labour shortages across industries and regions, and an ageing agricultural science workforce
- competition between the agriculture and resource sectors for the same land, water and skilled labour
- an ongoing and critical need to manage the risk of pests and diseases, food safety and animal care and maintain the reputation of Queensland products.

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<sup>1</sup> ABARES, *Agricultural commodities: March quarter 2012*, 6 Mar 2012, p. 23

## What DAFF does

DAFF supports efficient, innovative and profitable agriculture, fisheries and forestry industries.

The department will meet the government's commitments by:

- increasing agricultural productivity
- simplifying regulations
- investing in frontline services by identifying efficiencies and reducing programs not aligned to priorities.

DAFF contributes to the economic development of the state's agriculture sector which is worth over \$14 billion. This is achieved by:

- working in partnership with industry, producers and communities to develop and deliver a long-term strategy and initiatives that help build the capacity of Queensland agriculture, fisheries and forestry industries
- sustainably managing the natural and biological resources and assets on which our industries rely
- protecting our industries and their products by maintaining strong biosecurity services, certification and emergency responses
- providing research, industry development and extension services to increase the productivity, competitiveness and profitability of Queensland's agriculture, fisheries and forestry industries.



## DAFF's strategy

### Economic vision for Queensland

A more productive and resilient Queensland economy, based on the four pillars (agriculture, tourism, resources and construction) and cutting red tape and regulation.

## DAFF vision

Agriculture, fisheries and forestry generate economic prosperity for Queensland communities.

## Purpose

Develop efficient, innovative, productive, sustainable and profitable agriculture, fisheries and forestry industries.

## Strategic goal

Double food production by 2040 by:

- increasing the value of primary sector production
- increasing the value of exports
- increasing the contribution to gross state product (GSP)

**Table 1: DAFF's strategic objectives and outcomes**

Objective	Outcome
Increase productivity of natural and biological assets	<ul style="list-style-type: none"> <li>• use is maximised within sustainable limits</li> <li>• resilience to natural disasters and biosecurity events increased</li> </ul>
Increase productivity of producers and businesses	<ul style="list-style-type: none"> <li>• availability of labour and leading-edge skills improves</li> <li>• industries are innovative and internationally competitive</li> <li>• product quality ensures market access and growth</li> </ul>
Increase productivity of our organisation	<ul style="list-style-type: none"> <li>• Government, industry and research partnerships deliver on long-term growth</li> <li>• high-value services are provided to producers and customers</li> </ul>

## DAFF Values

### Our people

Respect for the capabilities, experience and diversity that each person brings to the organisation

### Our customers

Quality in the delivery of customer services

### Partnerships and connections

Connect internally and externally through partnerships and relationships

### Leadership

Leaders exist at all levels across the organisation. Leadership is developed, respected and recognised for the benefits it brings to the organisation

### Innovation and proactivity

Use our initiative to seek better solutions and deliver sustainable results

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## DAFF service areas

During 2011–12, DAFF covered four service areas:

### Agri-Science Queensland

Undertook research and development, extension services, adult education and training with the aim to increase the productivity, competitiveness and profitability of Queensland's agricultural businesses, and address current and future challenges in a sustainable manner.

### Biosecurity Queensland

Led the government's efforts to prevent, respond to and recover from pests and diseases that threaten agricultural production and distribution, the environment or the broader community. Biosecurity Queensland ensured continued market access for Queensland's products, to maintain standards of animal welfare and keeping and to reduce the risk of contamination from agricultural chemicals.

### Fisheries Queensland

Maximised the value of fisheries resources for all Queenslanders by managing these resources to ensure their sustainable use and equitable allocation. This was vital to facilitating the growth of profitable commercial fishing and aquaculture industries, maximising the recreational fishing experience and the economic and social benefits it delivers, respecting traditional and customary fishing, and protecting fish habitats.

### Agriculture, Forestry and Regional Services

Led the development and implementation of industry development initiatives for productivity improvement, and to increase primary producers and processors' resilience and preparedness to manage risk. Agriculture and Forestry also worked to achieve a demand-driven system with a skilled and knowledgeable agribusiness and forest industry workforce, supporting business and industry productivity, resilience and sustainability.

- **Forest Products** is a commercialised business group that manages native forest timber and quarry material production from state forests, timber reserves and other state land across Queensland under the *Forestry Act 1959*. The unit also administered permits for apiary sites and stock grazing on designated areas of state forest.
- **Regional Services** is a statewide network of front line officers that delivered extension and support services, integrated regional planning, farm financial counselling, agricultural economic analysis, emergency and disaster response and direct engagement with local government, industry and peak bodies. The regional services network also provided the regional intelligence, on-ground support services and local knowledge to support agribusiness productivity and sustainability on a statewide basis.

These service areas were in place as at 30 June 2012. The business operations of the department will be reviewed and restructured over the next financial year to align DAFF services with government priorities.

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## Financial overview

The Department of Agriculture, Fisheries and Forestry (DAFF) was created as a result of machinery-of-government changes on 3 April 2012, with financial reporting commencing from 1 May 2012. Consequently, the financial information contained in the departmental financial statements reflects two months—1 May 2012 to 30 June 2012—of activities for the 2011–12 financial year.

This financial overview provides a summary of DAFF's financial performance and position for controlled and administered activities, and comments on significant movements for the period 1 May 2012 to 30 June 2012.

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

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

The Chief Finance Officer must provide under the *Financial Accountability Act 2009* (the Act) a **Statement of Assurance** to the Director-General each financial year about whether the financial internal controls of the department are operating efficiently, effectively and economically. The 2011–12 Statement of Assurance satisfies all requirements of the Act and has been provided to the Director-General. It indicated no deficiencies or breakdowns in internal controls, which would impact adversely on the 2011–12 financial statements.

The following financial overview explains how to interpret DAFF's financial statements (including explanatory variance notes), by providing a summary of the four primary financial statements:

- statement of comprehensive income
- statement of changes in equity
- statement of cash flows
- statement of financial position

The remainder of the financial overview provides more detail on items that make up these statements, and the changes that occurred during the reporting period, which impacted on DAFF's financial outcomes.

## Summary of DAFF's financial statements (Controlled funds) for period 1 May to 30 June 2012

	2011–12 Adjusted budget \$million	2011–12 Actual \$million	
<b>Statement of comprehensive income</b>			
Total income	56.9	91.5	<i>The variance is largely due to increased income and expenses for Hendra Virus emergency responses, Voluntary Separation Program payments, Research and Development projects, National Cost Sharing arrangements and research and monitoring projects. This is partially offset by end of year savings measures and deferrals.</i>
Less: Total expenses	56.9	91.8	
<b>Operating result from continuing operations</b>	..	<b>(0.3)</b>	<i>The deficit is largely due to the impairment software assets at 30 June 2012.</i>
Other comprehensive income	..	2.9	<i>The increase is due to asset revaluations to reflect market movements.</i>
<b>Total Comprehensive Income</b>		<b>2.6</b>	
<b>Statement of changes in equity</b>			
Balance of equity at 1 July 2011	..	..	
Asset revaluation surplus/ (deficit)	..	2.9	
Transactions with owners (including MoG changes at 1 May 2012)	474.3	454.5	<i>Equity balances reflect the transfer of equity to DAFF from other agencies when the department was created on 3 April 2012 as a result of machinery-of-government changes.</i>
Operating result from continuing operations	..	(0.3)	
<b>Total change in equity</b>	<b>474.3</b>	<b>457.1</b>	
<b>Total equity at end of the reporting period</b>	<b>474.3</b>	<b>457.1</b>	
<b>Statement of cash flows</b>			
Operating activities	1.4	9.5	<i>DAFF's decrease in cash balances largely reflects the timing of expenses for the former DEEDI agencies being transacted in the DAFF finance and human resource systems and subsequently recovered from the other agencies. It is planned for new systems to be in place for the former DEEDI agencies prior to 30 June 2013.</i>
Investing activities	(4.3)	(4.3)	
Financing activities	(9.0)	(13.8)	
Net decrease in cash held	(11.9)	(8.6)	
Net cash transferred under MoG changes	4.1	2.7	
<b>Cash at end of reporting period</b>	<b>(7.8)</b>	<b>(5.9)</b>	
<b>Statement of financial position</b>			
Current assets (including cash balances)	52.6	83.1	
Non-current assets (including property, plant and equipment)	492.8	458.0	<i>The decrease in Net Assets is largely due to equity adjustments in 2011-12 to fund an election commitment for the commercial fishing industry, capital works projects not proceeding and lower than budgeted asset valuations resulting from a revaluation to reflect market movements undertaken at 30 June 2011 (post the publication of the 2011-12 Budget).</i>
<b>Total assets</b>	<b>545.4</b>	<b>541.1</b>	
Current liabilities	46.4	60.7	
Non-current liabilities	24.7	23.4	
<b>Total liabilities</b>	<b>71.1</b>	<b>84.0</b>	
<b>Net assets</b>	<b>474.3</b>	<b>457.1</b>	
Contributed equity	474.3	454.5	
Retained surpluses/(deficits)	..	(0.3)	
Reserves	..	2.9	
<b>Total equity</b>	<b>474.3</b>	<b>457.1</b>	

## Controlled funds

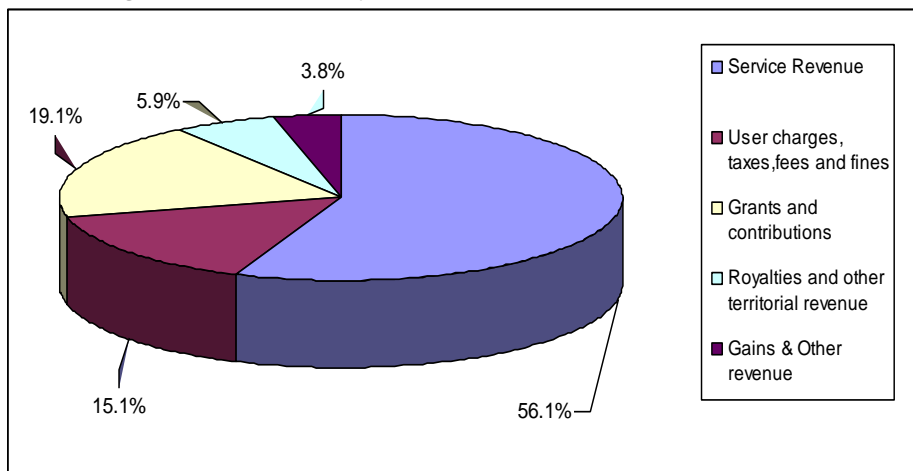
### Operating result

DAFF recorded a modest \$0.3 million operating deficit from Continuing Operations for the period 1 May 2012 to 30 June 2012. This is in line with expected budget outcomes.

### Income—where the dollars came from

Total operating revenues were \$91.5 million for the period 1 May 2012 to 30 June 2012. DAFF operates primarily through funding allocated by Parliament such as service revenue. Other major revenue sources consist of grants and contributions (including income received for Research and Development projects from external funding bodies); user charges for goods and services (including National Cost Sharing revenues for biosecurity pest and disease programs, and the provision of services to other agencies through the Corporate Partnership arrangements); and Royalties and other territorial revenue (including royalty revenues on forest products removed from Crown lands).

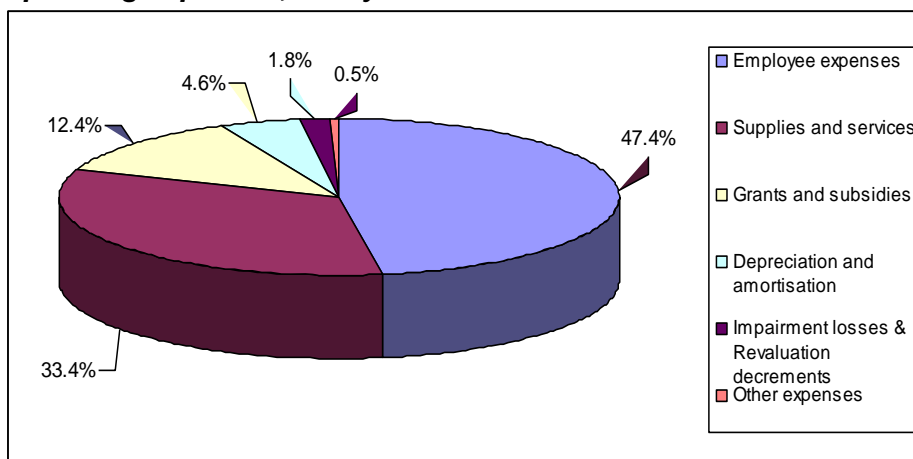
### Operating revenues, 1 May 2012 to 30 June 2012



### Expenses—where the dollars were spent

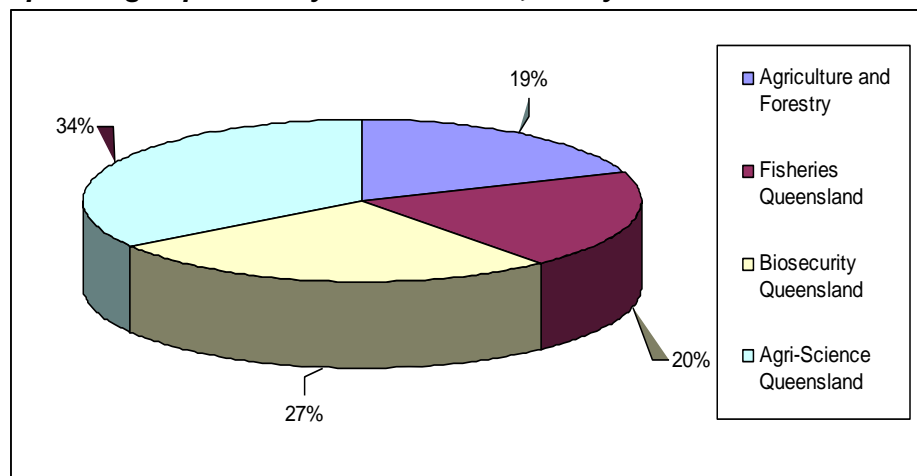
Total operating expenses were \$91.8 million for the period 1 May 2012 to 30 June 2012. The primary expenses are employee costs, supplies and services, depreciation and amortisation of assets, and grants and subsidies payments.

### Operating expenses, 1 May 2012 to 30 June 2012



The graph below provides a breakdown of total operating expenses into DAFF's core service delivery areas.

#### **Operating expenses by service areas, 1 May 2012 to 30 June 2012**



#### **Equity—what we are worth**

Equity represents net worth, which is calculated by 'what we own' (total assets of \$541.1 million) less 'what we owe' (total liabilities of \$84 million). As at 30 June 2012, DAFF's equity is \$457.1 million.

#### **Assets—what we own**

As at 30 June 2012, DAFF had total assets of \$541.1 million. The Department's major assets comprise of cash, property, plant and equipment (mainly land, buildings, plant and equipment), prepayments (including lease payments) and receivables (including trade debtors and invoices for the recovery of expenses from former DEEDI agencies). The current overdrawn cash and high receivables balances largely reflect the timing of expenses relating to the former DEEDI agencies being transacted in DAFF finance and human resource systems, and the subsequent recovery from the other agencies. It is planned that new systems will be in place for the former DEEDI agencies prior to 30 June 2013. After the new systems are in place, DAFF cash balances should increase and receivables decrease to reflect normal operating activities.

#### **Liabilities—what we owe**

As at 30 June 2012, DAFF had total liabilities of \$84 million, which comprise of accrued employee benefits, funding received in advance of service delivery for Research and Development projects and payables (including trade creditors and employee payments relating to the former DEEDI agencies). The current high payable balances largely reflect the timing of expenses relating to the former DEEDI agencies being transacted into DAFF's finance and human resource systems, and then recovered from the other agencies. Once new systems are in place for the former DEEDI agencies, payables should decrease to reflect normal operating activities.

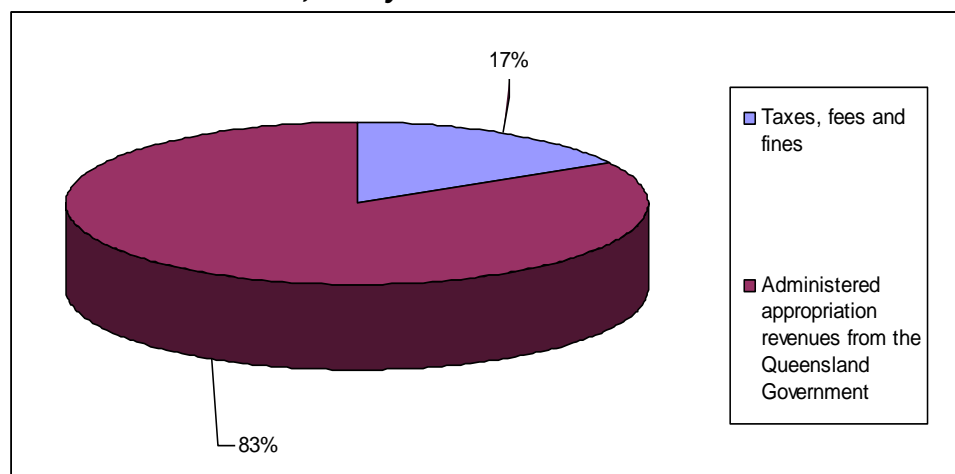
#### **Capital purchases**

For the period 1 May 2012 to 30 June 2012, capital expenditure of \$5 million went to developing and upgrading research facilities to deliver outcomes for agriculture, fisheries and forestry. DAFF has facilities located throughout rural and regional Queensland. These require a significant level of minor works, mechanical items and plant and equipment upgrades to keep them operating effectively.

## Administered funds

For the period 1 May 2012 to 30 June 2012, DAFF received administered revenues of \$2.2 million mainly comprising administered appropriation revenues from the Queensland Government. These are subsequently paid to the Queensland Rural Adjustment Authority (QRAA) for the administration of Exceptional Circumstances payments and various other assistance schemes, to foster the development of a more productive and sustainable rural and regional sector in Queensland. DAFF also collects regulatory receipts on behalf of the Queensland Government, which are subsequently paid into the government's consolidated revenue.

### *Administered revenue, 1 May 2012 to 30 June 2012*



As at 30 June 2012, DAFF had total Administered assets of \$5.1 million. These assets largely represent the surplus assets transferred back to the Government prior to the sale of Forestry Plantations Queensland to the private sector. These assets were transferred to DAFF on 3 April 2012 as part of machinery-of-government changes. DAFF is developing and implementing a strategic asset disposal plan for the earliest possible sale or disposal of these assets.

## Outlook for 2012-13

### 2012-13 Operating budget

The department's operating budget for 2012–13 is \$442.4 million. Funding in the budget will be directed into key areas including \$7.6 million (over four years) to focus agriculture research and development to increase the productivity of Queensland's key export sectors. This includes:

- \$3 million to rebuild research and development capacity
- \$4.6 million for sugar research development and extension to increase the productivity of Queensland's \$1.2 billion sugarcane industry, support the sector's ability to address emerging challenges, and capitalise on export and emerging market opportunities.

The department will also be working to improve the availability of labour and skills for Queensland's agriculture industries by investing \$3.5 million (over three years) in workforce planning and training. This includes:

- \$3 million to improve training in conjunction with industry, universities, training providers and schools.
- \$0.5 million to develop a Horticulture Workforce Plan including working with industry to develop a new plan building on the 2008 Horticulture Workforce Plan for the next three years.

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\$2 million is also being invested in our agricultural land audit. This is to identify current and future food production areas in Queensland and provide critical data to support the Government's new statutory regional planning process.

Fisheries, another important industry sector will receive \$10 million (over two years) to assist in better managing our marine resources. This includes:

- \$9 million voluntary buyback program of commercial fishing licences in consultation with industry.
- up to \$1 million for sustainability measures including enhanced monitoring of fisheries on a regional basis.

In addition, \$6 million has been allocated (over four years) to employ an additional 15 new officers to improve biosecurity and extension for industries and a further \$1 million (over four years) to fight the Hendra virus, which will allow private veterinarians to claim \$250 from Biosecurity Queensland for personal protective equipment for the vet, horse holder and anyone else assisting with the testing of a horse.

The 2012–13 budget includes budget savings measures as part of the Government's efforts to repair the State's fiscal position. These savings measures will also allow the government to invest funds in critical services where they are of most benefit to Queenslanders.

### **2012–13 Capital expenditure**

Capital purchases for the Department of Agriculture, Fisheries and Forestry in 2012–13 is \$19.7 million. The department's capital program is focussed on developing and upgrading research facilities to deliver outcomes for agriculture, fisheries and forestry.

#### **Program Highlights**

- \$3 million to upgrade the new Spyglass beef research property
- \$0.5 million to upgrade facilities at Brian Pastures
- \$4.5 million to continue upgrades at research and operational facilities
- \$1.1 million to continue replacement of key vessels and associated equipment for the fisheries research and regulatory functions
- \$1 million to provide new and replacement heavy plant and equipment items



## Report card

The DAFF report card highlights a selection of achievements against the 2011–12 strategic plan and key service delivery standards (SDS). Since the establishment of DAFF in April 2012, the department has revised its objectives and outcomes to align with the new government's objectives, goals and targets. DAFF's performance against all its SDS measures is outlined in Appendix 3.

**Table 2: DAFF objectives and achievements**

2011–12 objective: Creating the conditions for business success		
2012–13 objective: Increase productivity for natural and biological assets		
Targets in 2011–12	Achievements in 2011–12	Looking forward to 2012–13
<ul style="list-style-type: none"> <li>• <b>Queensland is seen as the place to do business</b></li> <li>• <b>Queensland's economy recovers and grows</b></li> <li>• <b>Queensland's economy is protected now and into the future</b></li> </ul>	<ul style="list-style-type: none"> <li>• An upward trend in the contribution of agriculture, fishing and forestry to real GSP continued in 2012 for the third consecutive year.</li> <li>• Forecast total value of Queensland's primary industry commodities for 2011–12 is 5% greater than the final estimate for 2010–11<sup>3</sup></li> <li>• Total of forest product sales quantities per total forest product full time equivalent (FTE) <ul style="list-style-type: none"> <li>• native forest timber—2297m<sup>3</sup>/FTE</li> <li>• quarry material—64 585m<sup>3</sup>/FTE</li> </ul> </li> <li>• 7 consultative and engagement forums were held with industry and community stakeholders</li> <li>• An average of 76.5% of stakeholders have reported a high level of satisfaction with DAFF consultative and engagement processes</li> <li>• Five pieces of legislation and regulatory frameworks were reviewed</li> <li>• Achieved three major project milestones on strategic projects</li> <li>• 28 Queensland fish species were assessed as being sustainably fished</li> <li>• Further reduced the discharge of dangerous agricultural pesticides and fertilisers into the Great Barrier Reef</li> <li>• Nine risk management strategies were implemented under national biosecurity obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Fish stocks sustainably fished</li> <li>• Manage sustainability risks to scarce resources and strategic cropping land through education, improved monitoring and enforcement</li> <li>• Minimise the impact of pests and disease on agricultural, timber and marine production</li> <li>• Implement disaster recovery programs when needed</li> <li>• Provide input into regional plans and the review of statewide regional planning schemes to ensure agricultural interests are incorporated.</li> <li>• Finalise agricultural land audits on the Darling Downs and in Central Queensland regions for release in early 2013 (new initiative)</li> <li>• Commence the \$9 million voluntary buyback program of commercial fishing licences (new initiative)</li> <li>• Develop a Queensland timber industry plan (new initiative)</li> <li>• Financial returns from the sale of the native forest and quarry resources from state land in line with business forecast</li> </ul>

<sup>2</sup> Australian Bureau of Statistics (ABS) *Australian national accounts: state accounts* cat no: 5220.0 Table 4 Expenditure, income and industry component of gross state product, Queensland, chain volume measures and current prices.

<sup>3</sup> Queensland Department of Agriculture, Fisheries and Forestry, *Prospects update: March 2012*, Department of Agriculture, Fisheries and Forestry, Brisbane, 2012

	<ul style="list-style-type: none"> <li>• 100% of surveillance strategies under national biosecurity obligations were implemented</li> <li>• 100% significant new biosecurity incidents were responded to in accordance with national standards</li> <li>• 69 580 business accreditations and registrations maintained to facilitate market access</li> </ul>	
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**2011–12 objective: Helping businesses and individuals respond to the economic challenges they face**

**2012–13 objective: Increase productivity for producers and businesses**

<b>Targets in 2011–12</b>	<b>Achievements in 2011–12</b>	<b>Looking forward to 2012–13</b>
<ul style="list-style-type: none"> <li>• <b><i>More businesses and jobs are sustained and created</i></b></li> <li>• <b><i>More businesses are profitable and successful</i></b></li> </ul>	<ul style="list-style-type: none"> <li>• 200 businesses impacted by natural disasters and other emergencies assisted and supported</li> <li>• Exports of food and live animals increased by 8.9% in the 12 months to May 2012<sup>4</sup></li> <li>• Nine innovative technologies were developed through revolutionary research and development</li> <li>• 55 improved production efficiency systems, standards and tools were delivered</li> <li>• 12 improved varieties, cultivars and commercial parent lines were developed</li> <li>• 204 collaborative research and development partnerships were established to generate growth in scientific and research and development capacity</li> <li>• 1009 significant one-on-one business consultations undertaken</li> </ul>	<ul style="list-style-type: none"> <li>• Finalise consultation to develop a horticulture workforce plan for the next three years (new initiative)</li> <li>• Invest in the future of the sugar industry by providing first funding to the Bureau of Sugar Experiment Stations (new initiative)</li> <li>• Prepare an R&amp;D plan that sets clear targets for transformation research, capacity, industry development, sustainability and improved international linkages</li> <li>• Review regulations related to the commercial fishing industry.</li> </ul>

**2011–12 objective: Integrating our service delivery to customers**

**2012–13 objective: Increase productivity for our organisation**

<b>Targets in 2011–12</b>	<b>Achievements in 2011–12</b>	<b>Looking forward to 2012–13</b>
<ul style="list-style-type: none"> <li>• <b><i>Services that anticipate and meet customer needs</i></b></li> </ul>	<ul style="list-style-type: none"> <li>• 80% of customers rated our services as average or better (this is based on a DEEDI rating, it is not possible to separate the DAFF component from the total)</li> </ul>	<ul style="list-style-type: none"> <li>• Commence stakeholder consultation on a 30-year strategic plan for Queensland agriculture (new initiative)</li> </ul>

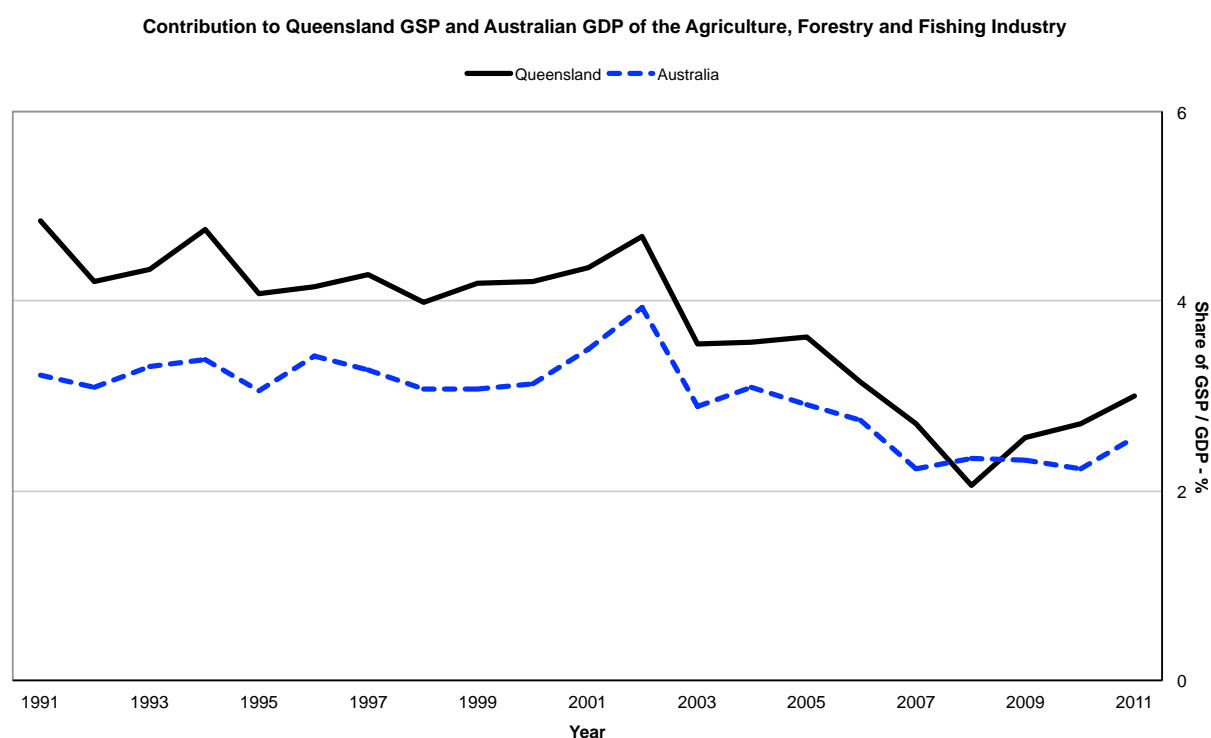
<sup>4</sup> Australian Bureau of Statistics foreign trade 5372.0.55.001 unpublished data, May 2010–11 and May 2011–12

## Achievements and highlights

DAFF moved quickly to deliver on election commitments aimed at improving the productivity of Queensland's agriculture, fisheries and forestry industries.

Queensland's agriculture industries continued to perform well in 2011–12 despite ongoing global economic uncertainty and while still recovering from the natural disasters of the summer of 2010–11. This is mainly due to food and fibre being relatively insensitive to changes in income and the disaster recovery response throughout 2011.

**Figure 1: Contributions to GSP or agriculture, forestry and fishing**



Source: Australian Bureau of Statistics, Australian national accounts: state accounts, cat no: 5220.0; Table 4: Expenditure, income and industry component of gross state product, Queensland, chain volume measures and current prices, and Table 10: Expenditure, income and industry components of gross domestic product, Australia, chain volume measures and current prices.

Forecast total value of Queensland's primary industry commodities for 2011–12<sup>5</sup> is \$14.68 billion, which is 5% greater than the final estimate for 2010–11. Farmgate value was \$11.53 billion and \$3.15 billion for first-round processing.

The department supported agriculture, fisheries and forestry production by maintaining a focus on long-term sustainability and building resilience to adverse events and biosecurity risks. Key achievements included the following:

- The **2011 fisheries stock status report** was completed, which showed
  - 24 of 78 stocks on Queensland's east coast and the Gulf of Carpentaria were considered sustainably fished
  - four stocks were not fully utilised
  - only one stock was considered overfished
  - 30 stocks did not have enough information available to be assessed against the criteria

<sup>5</sup> Department of Agriculture, Fisheries and Forestry, *Prospects update: March 2012*, Department of Agriculture, Fisheries and Forestry, Queensland, 2012.

- and were undefined
- 19 stocks were considered uncertain

- **Digital Diagnostics won the Public Service Awards for Excellence.** The Digital Diagnostics work led by Agri-Science Queensland won the Premier's Awards for Excellence in Public Service Delivery. This puts Australia at the forefront of technology-based biosecurity support.

- The Remote Microscope Network incorporating the Plant Biosecurity Toolbox and Pest and Diseases Image Library has international recognition in the delivery of openly available, easy-to-access, web-based diagnostic resources to provide time-sensitive and accessible information on outbreaks of exotic plant pests and diseases.
- The Moreton Bay tunnel net fishery launched a new **code of best practice** that assists industry to improve catch efficiency and reduce impact on the marine environment. The code, developed by net fishers in consultation with the Queensland Government was funded by the Australian Government's Caring for our Country program.

Tunnel net fishing uses bycatch reduction devices that help ensure unwanted catch is released alive. This minimises impacts on species of conservation interest such as turtles, dugongs and large sharks. Commercial fishers expect significant economic benefits to the fishery as fishers adopt the code of practice and the public becomes more aware that the local fresh fish being sold are caught in a sustainable and responsible manner.

- The **Structural Adjustment Package** for the net fishery in Queensland commenced including the formation of a stakeholder committee to provide value-for money criteria which inform the buy-back of licenses.
- Sales of **forest products state-owned quarry materials**—such as hard rock, sand, road base and gravel—reached a record 5.65 million cubic metres in 2011–12, up 25% on the previous year.

Demand for state-owned quarry materials to support mine expansion, gas extraction and other infrastructure development is increasing strongly in regional Queensland. During the year, Forest Products redeployed existing resources to better service extractive industry demand particularly in the Bowen and Galilee basins.

- Under the **South East Queensland Forestry Agreement** and the state-wide Forests Process, the state committed to provide 20 000 hectares of hardwood plantations as an alternative timber resource to public native forests. Forestry Plantations Queensland Pty Ltd (FPQPL) met its progressive milestones under its compliance responsibilities to secure 16 000 hectares of hardwood plantation land in 2011.
- In April 2012, the Minister for Agriculture, Fisheries and Forestry approved a 10-year extension (from 2014 to 2024) to the supply of **state-owned native forest non-sawlog timber**, mainly poles and girders, from the area covered by the South East Queensland Forests Agreement.

Hardwood power poles are much cheaper than concrete or steel alternatives, and their continuing supply will be one less pressure point on domestic electricity supply costs through Energex and Ergon. Hardwood girders are critical for the cost-effective maintenance of the network of timber bridges throughout the state.

- Specialised thermal, near-infrared and high-definition imaging cameras attached to helicopters were introduced in September 2011 to detect fire ant nests. **Aerial surveillance of fire ants** is more cost-effective and efficient than detection on foot, as a helicopter is able to check 750 hectares in a single day and detect nests as small as 10

centimetres. Currently there are 118 000 hectares in the fire ant restricted area with around 560 hectares known to be infested.

- The response to **Hendra virus** in 2011 was unprecedented with the detection and successful response to a total of nine incidents in Queensland from Kuranda to the Currumbin Valley. This wide geographic distribution included the first detection of the virus west of the Great Dividing Range (at Chinchilla), and the confirmation for the first time of Hendra virus occurring naturally in a dog. By the end of June 2012, four incidents involving the deaths of four horses had occurred.

The Queensland government committed \$1 million over four years for personal protective equipment to improve the safety of veterinarians on the frontline of the Hendra virus response.

A joint Biosecurity Queensland, Biosecurity New South Wales, Animal Health Australia and Australian Animal Health Laboratory meeting was convened on 14 and 15 December 2011 to review the Hendra virus national policy and state policies. This enabled the capture of new information from 2011 incidents and ensures a consistent and coordinated approach towards responding to Hendra virus.

- **The Wild Dog Barrier Fence (WDBF)** has been restored following the last few years of flooding events. With some reconstruction work undertaken all sections of the fence were able to be patrolled in 2011-12.
- New legislation to outlaw cruelty was introduced to Parliament to protect **dugongs and turtles**. The amendments to the *Animal Care and Protection Act 2001* provide better protection to these species in Queensland. Indigenous communities will be assisted to meet the changed animal welfare obligations.

The department worked to increase productivity and assist producers to meet economic challenges. Key achievements included the following:

- The **Protecting Primary Production Amendment Bill** introduced in September 2011 provided uniformity and clarity with one approach to biosecurity issues that apply to everybody in a single piece of legislation for Queensland. The exposure Bill incorporated shared responsibility, risk-based assessment, prevention and management of issues to production, human health, the environment and the economy.

The Bill addressed the capacity and capability of Queensland's biosecurity system by improved coordination across government and non-government stakeholders. Local government, in partnership with the state government, continues to play an active role in managing invasive plant and animal threats.

The exposure Bill introduced stronger penalties for biosecurity-related offences to ensure the penalty corresponds to relevant community expectation and the offence.

- The new **Kalei Apple** was launched, which is the result of a 20-year breeding program by the Queensland Government with support from Horticulture Australia Limited and Apple and Pear Australia Ltd. The apple was launched at the Brisbane Markets in May 2012. The Kalei is a super apple that can withstand apple scab in the orchard. Apple scab, or black spot, is a major fungal disease of apples around the world. The apple was developed through careful cross-pollination and without the use of chemicals or genetic engineering. The apple will provide growers with a consistent yield and a certain cash flow, boosting the already \$40 million-dollar-a-year industry.
- A **new forage oat variety**, Aladdin, bred at our Leslie Research Centre in Toowoomba was released in September 2011. A more reliable source of forage is now available to the

livestock industry due to its complete resistance to all known races of leaf rust in Australia. Forage oats are the preferred winter forage crop in subtropical areas of Australia and are widely grown in central and southern Queensland and northern New South Wales. Over 500 000 hectares are planted each year for grazing and hay production. The annual value of this forage oat in the beef industry alone is estimated at \$250 million. Forage oats are also an important feed source for the dairy, sheep and horse industries.

- The **Mareeba Agriscience Hub** was opened in December 2011. The Hub paved the way for North Queensland to become a national leader in tropical agricultural science and training. The Hub integrates DAFF and the Australian Agricultural College Corporation staff who deliver extension, education and training. It is the only plant bacteriology lab in North Queensland where scientists are working on bacterial diseases of both fruit and vegetable crops to develop new strategies for disease management and control.
- The **Spyglass Beef Research, Training and Extension Facility** was opened. Over the past year, the department has consolidated two Charters Towers commercial properties under the one management system, developing accommodation and research infrastructure and establishing important research. Spyglass focuses on increasing productivity and profitability by addressing issues of beef cattle genetics, reproduction and growth, nutrition, welfare and husbandry. The facility supports the new FutureBeef Program.
- Five presentations were delivered at the **7th World Avocado Conference** in Cairns, which was attended by over 800 international industry participants. The Australian avocado industry comprises 1100 growers across the country and produces 49,500 tonnes of avocados each year worth \$180 million at the farm gate and \$430 million at retail level. This significantly raised the profile of Queensland's avocado industry and our scientific expertise.
- The third **AgInvest forum** was held in Townsville in November 2011. The forum attracted strong interest from agricultural-based companies and investment institutions, and support from the local government in the region with 115 attendees. Participants showcased projects worth more than \$1 billion.

Connections made with an Australian Government official attendee resulted in a number of investment leads. In December 2011, a 30-strong Chinese delegation from their top food companies and government agencies visited the North Queensland region.

- Queensland Government research, co-funded by the Fisheries Research and Development Corporation, made a world-first discovery of widespread **hybridisation of shark species in the wild**. The Australian blacktip shark and the common blacktip shark have overlapping distributions along the northern and eastern Australian coastline and are commonly caught by our fishers. These species of shark are harvested for the fish finger market. Better understanding of the two species assists fisheries managers determine the impact of hybrids on stock structures and how this might influence future fisheries harvest.

In the 12 months to May 2012, the value of exports of food and livestock was \$5.3 billion<sup>6</sup> an increase of nearly 9% over the previous 12 months. DAFF's contribution to expand and protect access to markets included:

- The Australian Government Department of Sustainability, Environment, Water, Population and Communities (SEWPaC) granted the following **export accreditations**:
  - The East Coast Inshore Fin Fish Fishery: a three-year Wildlife Trade Operation

<sup>6</sup> Australian Bureau of Statistics, cat. no.5368.0, International trade in goods and services, Australia, May 2012'\_unpublished data May 2010–11 and May 2011–12

accreditation, which allows continued export of product caught in the fishery, and the stimulation of new conditions and recommendations to apply during the period of this approval.

- The Rocky Reef Fin Fish Fishery: a one-year extension of its Wildlife Trade Operation accreditation.
- The Department of Sustainability, Environment, Water Population and Communities also assessed the **Spanner Crab Fishery** and in February 2012 granted a new five-year exemption from export controls under the *Environment Protection and Biodiversity Conservation Act 1999*. This exemption allows continued export of product caught in the fishery until February 2017.
- Forest Plantation Oversight ensured **compliance with the plantation licence** by reviewing Forestry Plantations Queensland Pty Ltd (FPQPL) annual compliance reports and compliance with its hardwood plantation commitments. This successfully secured Forestry Stewardship Council accreditation for FPQPL.

By planning in partnership with government and industry bodies and through the delivery of our front-line services, DAFF helped to improve agriculture, fisheries and forestry contribution to the economy. Key achievements included the following:

- In May 2012 a new partnership was formed between Queensland, the Northern Territory and Western Australian governments and Meat and Livestock Australia to implement the national beef production research, development and extension strategy. Queensland produces over \$3.4 billion worth of high-quality beef products annually. Under the new program, strategically aligned and co-invested extension projects will be delivered by each partner under the 'FutureBeef' brand.
- Regional officers provided coordinated input into activities, policy and planning documents regarding Regional Plans, Environmental Impact Statements, Community Plans and Council Planning documentation. This input ensured that agriculture, fisheries and forestry interests were appropriately considered and reflected in policy and planning documents:
  - Forest Plantations Oversight participated in the development of the first maintenance plan for the management of **state plantation forests roads** by FPQPL and the state. The plan is essential for maintaining road standards through heavy wet seasons such as those experienced in Queensland in recent years. The plan provides a framework for the sound management of roads for safe use by recreational users and commercial plantation operators.
  - **Fire control, prevention and management** on and surrounding state plantation forests is crucial to ensure community safety and good plantation management. This is a joint responsibility, subject to annual planning arrangements between FPQPL and multiple state agencies. Forest Plantation Oversight oversaw the first joint fire management committee meetings in 2011, attended by representatives from across the state. A multi-party fire management plan was developed and co-operatively implemented. Future commitments included a review of the fire management plan in the latter half of 2012 and an annual meeting to promulgate good fire management practice.

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- DAFF advertised for 15 new frontline officers to help producers improve biosecurity and extension. The positions have been created in areas of high need and risk and will boost the levels of professional expertise to prepare for, detect and respond to biosecurity incidents and provide extension services. This will support production gains and boost our front-line defence against biosecurity threats.
  - Regional DAFF officers delivered statewide frontline services that included:
    - Aquaculture industry development—manage the movement of finfish species (e.g. barramundi, groper, cod) into high-value southern domestic markets
    - building partnerships with farmers and natural resource management groups to set up robust supply chains based on sustainable production
    - encouraging high school students to explore agribusiness career pathways
    - continued support for business recovery from natural disasters in 2011 through the provision of Operation Clean Up and Natural Disaster Relief and Recovery Arrangements
    - helping Queensland farmers to meet the Department of Environment and Heritage Protection Great Barrier Reef Protection legislative requirements by providing the framework and assessments for improved practice in the cane and grazing industries
    - maintaining the Ag Biz web portal which attracted 1634 visits to the Ag Biz site with 8772 page views (this includes over 20% new visitors to the site)
    - completing a risk analysis model for the pineapple supply chain which looks at the impact of spoilage from handling—the economic risk model estimates the cumulative probability distribution of potential outcomes for retailers and farmers
    - developing and publishing three financial cashflow models for the east coast trawl and reef line Industries
    - developing an initial economic model (investment analysis) for the Queensland turf industry in consultation with four growers
    - providing ongoing assistance to producers to expand, innovate and improve the ongoing operations of their businesses.



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## Contribution to other whole-of-government plans

### **Intergovernmental Agreement on Biosecurity**

The Queensland Government is a signatory to the Intergovernmental Agreement on Biosecurity which came into effect January 2012. DAFF, through Biosecurity Queensland, made a significant contribution to the agreement which has been developed to improve the national biosecurity system. Biosecurity Queensland's scope of responsibilities is consistent with the goal of a national biosecurity system - to minimise the impact of pests and diseases on Australia's economy, environment and the community. DAFF resources are targeted to effectively manage risk, while facilitating trade and the movement of animals, plants and people from and within Australia.

DAFF was instrumental in facilitating the National Environmental Biosecurity Response Agreement, which was the first deliverable of the Intergovernmental Agreement on Biosecurity. It sets out emergency response arrangements, including cost-sharing arrangements for responding to biosecurity incidents that primarily impact the environment and/or social amenity, and where the response is for the public good. DAFF also supported the work being done to develop the national biosecurity stakeholder engagement framework. To strengthen working partnerships, strong links were made with the state advisory arrangements to ensure regional industry concerns were identified and addressed as part of the national system.

### **Reef Plan**

The Reef Water Quality Protection Plan (Reef Plan) is a collaborative program of coordinated projects and partnerships designed to improve the quality of water in the Great Barrier Reef through improved land management in reef catchments. The Reef Plan is a joint Australian and Queensland government initiative that specifically focuses on non-point source pollution. This is where irrigation or rainfall carries pollutants such as sediments, nutrients and pesticides into waterways and the reef lagoon. The Reef Plan sets ambitious but achievable targets for water quality and land management improvement, and identifies actions to improve the quality of water entering the reef. Initially established in 2003, the Reef Plan was updated in 2009 and it details specific actions and deliverables to be completed by 2013 when the Reef Plan will be reviewed.

DAFF's Reef Plan program coordinates the department's statewide operational response with its obligations under the Reef Plan. Through this and other aligned programs, the DAFF Regional Services Sustainable Production Program is also delivered, along with collaborative research projects that focus on improved farming practices and an evaluation project to assess the cost-benefit of improved practices for the cane and grazing industries.

## DAFF management, structure and governance

The Director-General is responsible under the *Public Service Act 2008* (s.98) for the management, governance and operation of the department. The Director-General established a Board of Management to advise and assist him with these responsibilities.

### Board of Management

The Board of Management oversees DAFF's corporate performance, policies and practices and positions the department to deliver on its strategic objectives.

The Board steers and coordinates the department's activities and decides significant directions, with a focus on streamlining and integrating high-value service delivery to DAFF customers.

The Board provides collective leadership—bringing together the heads of business groups, along with the heads of the most significant functional areas, to look at the development and strategic direction of the department as a whole, and to advise the Director-General on significant policies and management decisions.

### Membership during 2011-12

- Jack Noye, Director-General
- Beth Woods/Greg Robbins, Deputy Director-General, Agriculture, Fisheries and Forestry
- John Chapman, Managing Director, Agri-Science Queensland
- Kareena Arthy, Managing Director, Biosecurity Queensland
- Maria Mohr, Managing Director, Fisheries Queensland
- Tony Grant, Acting Deputy Director-General, Corporate Services
- Malcolm Letts, Executive Director, Regional Services
- Leith Brown, Chief Finance Officer

### Profiles as at 30 June 2012

#### Jack Noye, Director-General

Jack has held executive roles in policy, management, service delivery and inter-government relations in the federal and state public sectors in central and line agencies. Jack was previously Director-General of the former Department of Local Government and Planning. He has also spent time in the private sector, providing advice on policy, management and service delivery to federal and state agencies. He has tertiary qualifications in public administration, economics and management.

#### Dr Beth Woods, Deputy Director-General, Agriculture, Fisheries and Forestry

Beth completed her Doctor in Philosophy at Oxford University. She worked with the former Department of Primary Industries as an agricultural extension officer in the dairy, cropping and potato industries and was Professor of Agribusiness at the University of Queensland. In 2004 she took up a role as Executive Director of R&D Strategy in the former Department of Primary Industries and Fisheries. As Deputy Director-General, Beth leads agriculture and forestry industry development initiatives that aim to deliver a highly efficient, innovative, productive and successful Queensland agriculture and forestry sector.

#### John Chapman, Managing Director, Agri-Science Queensland

John has worked in the Queensland public sector for over 40 years, starting as a citrus Research Horticulturist and working across the disciplines of weed management, nutrition and tree physiology. John was the first Officer in Charge of the Bundaberg Research Facility in 1986. He moved to the Maroochy Research Facility in 1992 as Horticulture Industry Manager for the South-East Region. Ten years later he was made General Manager of Horticulture and Forestry Science and for the past two years has been Managing Director of Agri-Science Queensland. John has added a Master of Business Administration to his science qualifications. He has a strong interest in psychometric testing to help staff find the best career fit for their skills.

**Kareena Arthy, Managing Director, Biosecurity Queensland**

Kareena has been Managing Director of Biosecurity Queensland since it was formed in 2007. Prior to that, she held senior roles in the federal and state governments. Kareena spent 10 years in the vocational education and training sector in various roles in economic analysis, strategic policy and planning, communications, stakeholder management and federal–state relations. An economics graduate, her career began as an econometrician with the Australian Bureau of Statistics in Canberra before becoming a senior economic analyst with the Department of the Prime Minister and Cabinet. As Managing Director of Biosecurity Queensland, Kareena is responsible for managing the government's efforts to prevent, detect and respond to the threats posed by pests and diseases.

**Maria Mohr, Managing Director, Fisheries Queensland**

Maria grew up in regional Queensland and joined the state's public service in 1988. She holds tertiary qualifications in business and public sector leadership. Maria has held various roles, including senior executive positions, in service delivery, policy and management in housing, transport and the former DEEDI. Maria has been the Managing Director of Fisheries Queensland since June 2011. In this role she leads the Queensland Government's efforts to protect and conserve fisheries resources, while maintaining profitable commercial and enjoyable recreational fishing sectors.

**Malcolm Letts, Executive Director, Regional Services**

Malcolm was born and raised in the Northern Territory and has worked with the Queensland government for 19 years. During this time, he has been instrumental in designing and delivering extension and frontline service components of major restructures in the dairy and sugar industries. Prior to the new regional arrangements he held the position of Executive Regional Director of South East Region in the former DEEDI. For five years he was also responsible for the trade and investment area of the food and agribusiness industries. Malcolm has a particular interest in supply chain improvement and in modernising extension and broader service delivery to better meet the needs of food and agribusiness companies.

**Tony Grant, Acting Deputy Director-General, Corporate Services**

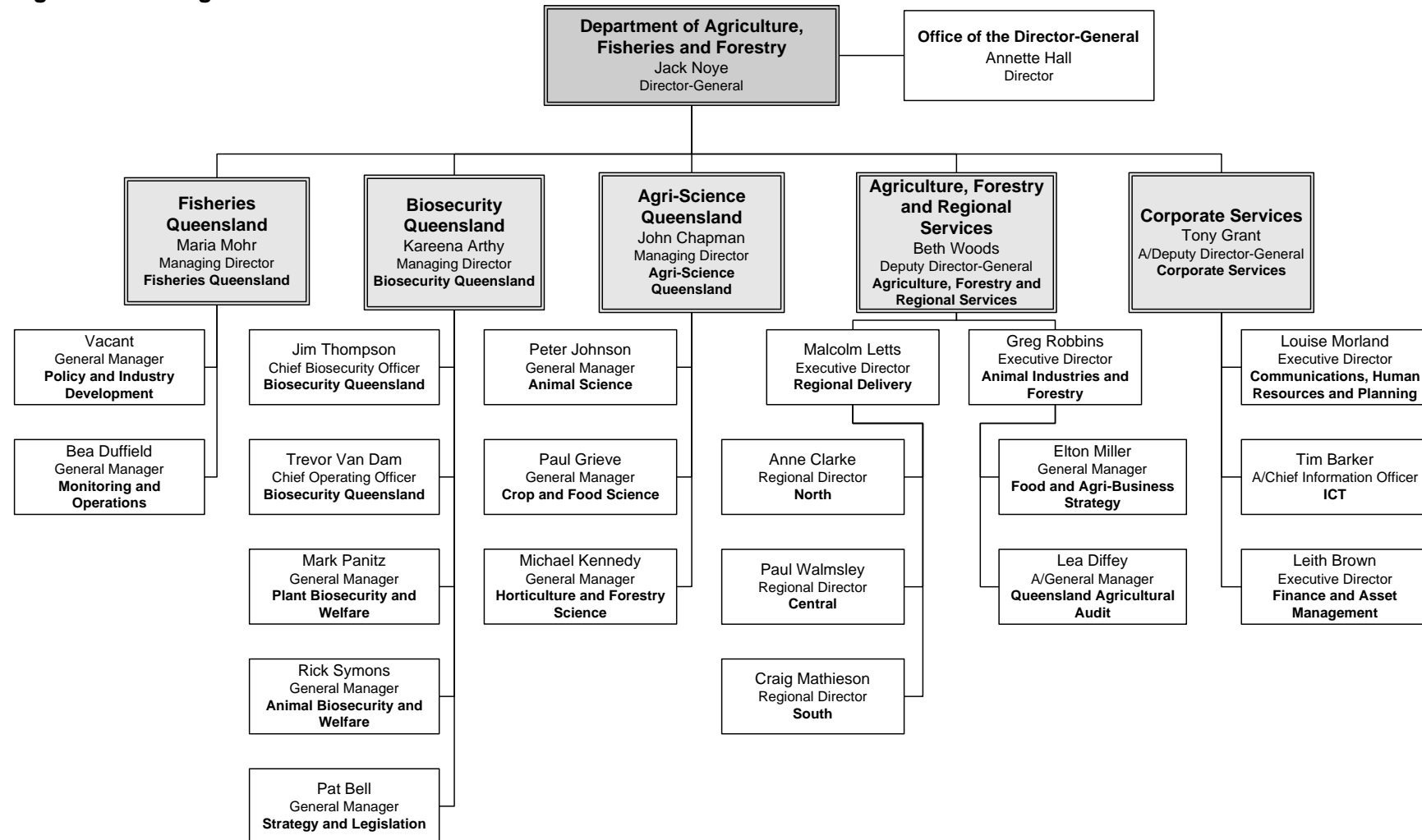
After a career in the private sector, Tony joined the Queensland Government as a Project Manager in 1993. Since then Tony has held a variety of management roles leading information technology and information management functions. Tony was appointed as Chief Information Officer for the former DEEDI in 2010. From May 2012 Tony acted as the Deputy Director-General of Corporate. The Corporate group also supports the Department of Tourism, Small Business, Major Events and the Commonwealth Games and provides information technology, information management and vehicle fleet services to all six agencies in the Corporate Partnership.

**Leith Brown, Chief Finance Officer**

Leith is the Chief Finance Officer for both DAFF and the Department of Tourism, Major Events, Small Business and the Commonwealth Games. Leith holds a Bachelor of Business Degree and an Executive Graduate Certificate in Business Administration and is a Certified Practising Accountant. She has extensive financial and business experience drawn from her time spent in both private and public sector roles throughout Queensland. Leith possesses high-level experience in commercial finance, organisational change management, project management, information and communications technology, strategic investment planning and activity-based costing.

## Our Structure

Figure 2: Organisational chart as at 30 June 2012



## DAFF governance framework

The Director-General is responsible for the department's governance and is advised by the Board of Management. The Board meets monthly and is chaired by the Director-General—it includes heads of business groups and the Chief Financial Officer. DAFF's Audit and Risk Committee is chaired by the Deputy Director-General, Agriculture, Forestry and Regional Services with secretariat provided by the Queensland Government Internal Audit Service.

### ***Business and Corporate Partnership Public Sector Renewal Board***

The Business and Corporate Partnership Public Sector Renewal Board is comprised of the Directors-General of Agriculture, Fisheries and Forestry; Tourism, Major Events, Small Business and the Commonwealth Games; Natural Resources and Mines; Energy and Water Supply; Environment and Heritage Protection and National Parks, Recreation, Sport and Racing as well as a representative from the Public Service Commission and three Heads of Corporate. The Board is collectively responsible for the long-term performance, business success and timely delivery of departmental key priorities within the Business and Corporate Partnership.

The Partnership delivers direct corporate services and business programs to support and reshape partnering agencies to deliver on Government priorities. The focus is on ensuring economies of scale, service integration, consistent service delivery, scalability, flexibility and responsiveness.

The Partnership currently operates through three Corporate Hubs embedded in DAFF, the Department of Natural Resources and Mines, and the Department of Environment and Heritage Protection. Each Hub is managed by a Head of Corporate who is responsible for delivering a set of core services (to the host and one adjunct agency) and a selection of cooperative services (to all six partnering agencies).

### ***Audit and Risk Committee***

DAFF will form an Audit and Risk Committee, following the department's establishment on 3 April 2012 under a machinery-of-government announcement. The Committee will meet the requirements of the Financial and Performance Management Standard 2009 (s35) and will be in operation from July 2012. The Committee will meet at least four times in the 2012–13 financial year. The Committee will observe the terms of its charter having due regard to the *Audit committee guidelines: improving accountability and performance* issued by Queensland Treasury in June 2012.

The Committee will act as a forum for dialogue between the Director-General, senior management, Internal Audit and the Queensland Audit Office.

The Director-General will be a standing invited guest at the Committee, which will consist of the following members:

**Table 3: Audit and Risk Committee**

<b>Name and position</b>	<b>Role</b>
Jack Noye, Director-General	Standing invited guest
Dr Beth Woods, Deputy Director-General, Agriculture, Fisheries and Forestry	Chair
Bob Shead, Partner, BDO Kendalls	External member
Kareena Arthy, Managing Director, Biosecurity Queensland	Department member
Malcolm Letts, Executive Director, Regional Services	Department member

**Internal audit**

The Queensland Government Internal Audit Service (QGIAS) was formed following endorsement by the six Directors-General. The appointment of the Head of Internal Audit was approved by the Queensland Treasurer in June 2012, with a condition that a formal review of the shared Head of Internal Audit arrangement be undertaken by no later than 31 March 2013 to assess whether the QGIAS is operating efficiently, effectively and economically.

QGIAS will provide independent assurance and advice to the Director-General, senior management and the Audit and Risk Committee of DAFF. It will enhance the department's corporate governance environment through an objective, systematic approach to evaluating the effectiveness and efficiency of corporate governance processes, internal controls, risk assessment and management practices. This is in keeping with the role and responsibilities detailed in the *Financial Accountability Act 2009*. During 2012–13, the QGIAS will report to the Audit and Risk Committee on a quarterly basis.

The role, the operating environment and the operating parameters of the QGIAS will be established in the Internal Audit Charter having due regard to the professional standards and the *Audit committee guidelines: Improving accountability and performance* issued by Queensland Treasury in June 2012.

**Risk management**

To support continuous improvement and striving for better practice in all aspects of departmental operations, DAFF continued to further integrate risk management into business processes during 2011–12.

To achieve this, a new Integrated Risk Management Framework was adopted which is being aligned to the new organisational structure. The framework outlines the processes for managing risk into governance, planning and performance management systems, policies, values and cultures. It provides for a rigorous and timely reporting structure.

The department's risk management approach aligns with the direction set by the Australian standard for risk management, AS/NZS ISO 31000:2009: Risk management—Principles and Guidelines, which is a direct adoption of the international standard.

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**Public Sector Ethics Act 1994**

On 1 January 2011, the Queensland Government introduced a new code of conduct for the Queensland public sector. The code was available to employees on the intranet and to the public on the department's website.

The online course on the code of conduct and ethical decision-making was revised, and from 1 July 2011, all employees were required to complete the course annually. A supplement to the code was also developed to provide guidance on how it applies to matters of particular interest to the department, and is available online to employees and the public.

Face-to-face ethical decision-making training for Senior Executive Service officers, including training from the Queensland Ombudsman's Office, was provided, and supplemented by the development of a Senior Executive Service handbook, which summarised the requirements of Senior Executive Service officers, including their ethical obligations and key responsibilities in areas such as lobbyists and post-separation employment.

Managers and staff undertook a range of workshops on supporting ethical behaviour in the workplace.

Online tools and resources, as well as support networks, help managers meet their ethical responsibilities and build staff awareness. Departmental policies under revision or development are assessed by the Human Resources branch for compliance with the code. The department supplemented existing policies on making public interest disclosures, contact with lobbyists, secondary employment and employee complaints with policies on fraud, corruption and misconduct control and complaints management.

Good governance, accountability and integrity measures were incorporated into business planning templates. Performance and capability plan templates also incorporated adherence to the requirements of the code, and DAFF encouraged managers to raise ethics and integrity matters in the workplace.

## **Workforce planning, attraction and retention**

In this section the term 'the department' refers to information about staff as both a component of the former DEEDI and DAFF.

### ***Full time equivalents (FTEs)***

DAFF had a total of 2357 FTEs as at 30 June, 2012.

Corporate Partnership FTEs of 287 are not included on the Department's establishment as they provide services to the departments of:

- Tourism, Major Events, Small Business and the Commonwealth Games
- Natural Resources and Mines
- Energy and Water Supply
- Environment and Heritage Protection
- National Parks, Sport and Recreation

### ***Workforce planning***

During 2011–12, the department implemented human resource policies, strategies and programs that enabled the attraction, development and retention of a range of highly skilled employees focused on service delivery.

The department continued to build a culture that values and embraces health and safety, leadership and management capability, performance management and diversity, and encourages work–life balance.

### ***Attraction, recruitment and retention***

Business units across the department worked to identify business-critical roles and to embed workforce planning into business plans. Business units critically reviewed workforce needs and skills and aligned workforce planning with business and government priorities to ensure a flexible workforce and service delivery.

Succession strategies for critical roles included building internal talent through capability development, relieving opportunities and mobility programs.

Demographic factors such as an ageing workforce were addressed through the recruitment and retention of graduates in critical occupational groups. Hard-to-fill roles were identified and targeted advertising was utilised to attract and retain skill groups.

During 2011–12 the department consolidated staff resources and built internal capability and capacity. We aligned people with business priorities and focused on developing a flexible and resilient workforce able to respond efficiently to changing priorities.

### ***Employee performance management framework (including induction and development)***

The online induction process for all new employees provides broad information about the department and explains expected behaviours and performance. This component includes an introduction to the department's structure and key personnel, conditions of employment, behaviour at work, safety at work and keeping information secure. A second component is conducted by the manager at the local business unit level. This component includes procedures, policies and any specific needs of the business area. Managers and supervisors are also encouraged to develop a performance and capability plan at this point outlining roles, responsibilities, performance expectations and professional development goals for the new employee.



The department has a comprehensive performance planning framework that fosters and recognises excellent performance. Supervisors and employees actively participate in processes to set clear individual and business unit goals and objectives that will achieve the overall business strategy. This critical partnership between employee, supervisor and department ensures that each employee has a performance and capability plan that moves through the phases of performance planning, assessment, coaching and development. The emphasis is on monitoring of agreed measures, skills and competency requirements, and ongoing learning and development, resulting in a motivated and high-performing workforce.

## Women

A number of awards were received by women within the department, including the 2012 Queensland Rural Women's Award, the International Mycological Association's Young Mycologist Award for Australasia and the Tropical Innovation category at the Tropical Innovation Awards 2011. Women in the department also featured in many categories of the Australia Day Awards, including leadership, innovation, service and performance.

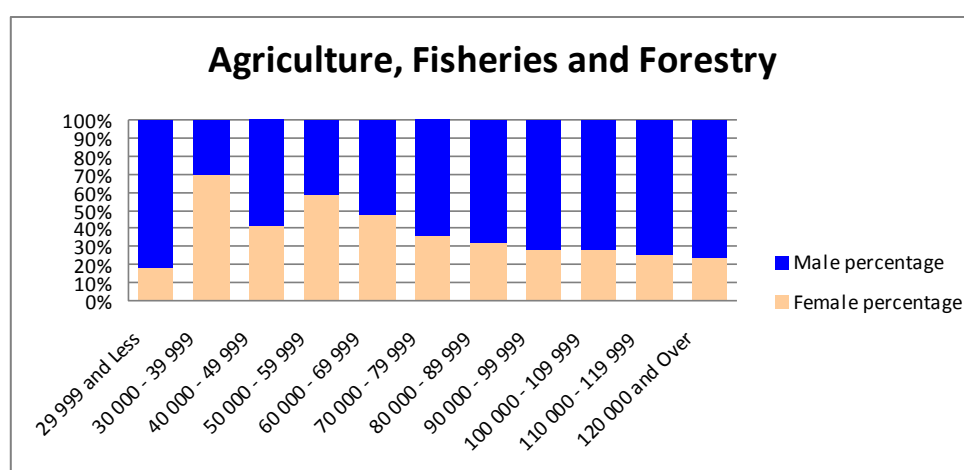
International Women's Day celebrations included guest speakers from the Department relating their experiences to the theme 'everything is possible'. Departmental staff also attended the Australian Institute of Management's International Women's Day Debate 2011, debating 'That you have to be an iron lady to make a mark'.

Senior women in the department were provided with opportunities to attend various forums and developmental opportunities including the Leveraging International Networks for Women breakfast and the Women in Global Business forum.

The *Women and Work* booklet was developed by the department's Labour Market Strategy and Policy team. This booklet provides information on a range of Queensland Government and government-funded agency services available to support mothers.

The department's Education to Employment Program successfully engaged nine females and the Graduate Program welcomed 12 graduates into their new and challenging roles.

## Women and men disaggregated by annual earnings



**Figure 3: Percentage earnings of male and female staff**

**Table 4: Women in middle and upper management (ie gender and AO salary equivalent groups)—representation female workforce by classification levels as at 29 June 2012**

Key groups	FTE	Percentage of workforce 2011–12
Women in SES classification	8.00	0.30%
Women in SO classification	18.76	0.71%
Women in AO8/PO6 classification (or equivalent)	54.50	2.06%
Women in AO7/PO5 classification (or equivalent)	77.66	2.94%

Notes:

1. Figures listed above based on FTE (active paid employees excluding employees on leave without pay > 8 weeks) as at 29 June 2012, inclusive of acting arrangements in that data period.
2. This information applies only to DAFF.
3. SES = Senior Executive Service
4. SO = Senior Officer
5. AO = Administrative Officer
6. PO = Professional Officer

### ***Work–life balance (flexible working arrangements)***

Policies are in place promoting work–life balance including flexible work hours and arrangements, part-time work and telecommuting. These policies were promoted to job candidates and internal employees through the department’s intranet. Parenting facilities are provided in each of the major central business district locations and in some regional locations.

### ***Leadership and management development framework***

A suite of programs was delivered in 2011–12 in a holistic approach to an integrated capability framework. The framework is underpinned by two development tools—Lominger © and Human Synergistics ©.

The focus was on building management and leadership skills for current and future leaders, and building resilience in the workplace which aligned with the department’s Capability Framework.

During 2011–12, the programs included:

- Managing People, a program to provide supervisors and managers with practical skills to build and motivate their teams
- Foundations of Leadership for future leaders to develop strategies for personal development, connecting and growing emerging leaders to achieve a constructive culture, increased performance and outcomes
- 360 degree feedback programs, which were delivered to senior executives and senior officers informing them of their leadership development priorities to build their leadership skills and capabilities
- Leading Resilient Teams through Change designed for leaders to understand responses to change and to develop practical strategies to build resilience in teams.

## **Industrial and employee relations framework**

The department's Consultative Committee was established to facilitate meaningful consultation between management and unions on matters arising under the State Government Departments Certified Agreement 2009 or on matters that otherwise impact or may impact upon the workforce of the department.

The Consultative Committee is responsible for ensuring the department implements and complies with all relevant arrangements under the *Industrial Relations Act 1999*, the *Public Service Act 2008* and the State Government Departments *Certified Agreement 2009*.

During 2011–12 the Consultative Committee met once.

## **Safer and healthier workplaces**

### **Injury and claims management**

The department has been working closely with WorkCover to continuously improve the rehabilitation and return to work and injury management systems. Early intervention strategies and the provision of best practice rehabilitation/case management also continues to ensure a high level injury management for all staff, thus reducing worker's compensation costs. The improved management systems include:

- timely incident reporting and implementation of appropriate preventative actions
- provision of workplace health and safety training and effective communication/information awareness strategies.

### **Training and information**

As part of the department's ongoing commitment to driver safety, a number of work-related driver safety workshops were presented throughout the state by the Centre for Accident Research and Road Safety Queensland.

A new risk-management package was delivered to high-risk areas within the department. The Workplace Health and Safety team delivered and facilitated workshops to train staff in these procedures. The workshops had 204 participants from across research facilities with practical sessions to assist the facilities in identifying risks and hazards so that risk registers can be developed locally. This training aimed to ensure there is a consistent approach to managing risk across the department.

Information sessions by Workplace Health and Safety Queensland were provided to the executive management group on the latest changes on the harmonisation of workplace health and safety legislation.

### **Health and wellness initiatives**

The department provides an environment that protects the health and safety of everyone in our workplace. In 2011–12, health and wellness initiatives rolled-out to assist staff in living healthy:

- staff participated in public health initiatives and activities (e.g. Corporate Games, healthy catering, stress reduction sessions, ergonomic and posture care assessments)
- There was an almost 40 per cent uptake of the Flu Vaccination Program
- Staff participated in fitness and weight loss programs (gym memberships, yoga classes, pilates, bicycle user groups, health club).

### **Safer and healthier workplaces audit**

An external provider was engaged by the department to conduct a review of the workplace health and safety management system currently implemented across DAFF. The review was conducted between June and July 2011 and included interviews with nominated business unit executives and visits to sites nominated throughout Queensland.

The audit identified that essential and best practice requirements for the majority of the Safer and Healthier Workplace Systems elements have been developed and implemented to varying degrees throughout the department.

The department has also established comprehensive early intervention, injury management and claims management processes, which have delivered significant reduction in lost time and associated costs. Managers and staff indicated overall satisfaction with injury and claims management processes and service.

### ***Consultative arrangements***

The department's Health and Safety Steering Committee was established in July 2011. Membership of the committee included the members of the Board of Management, health and safety practitioners and senior leaders from across the department.

The department also has a comprehensive network of Workplace Health and Safety Representatives, Trained Safety Advisers (previously known as Workplace Health and Safety Officers), Rehabilitation and Return to Work Coordinators, First Aid Officers and local/site safety committees to effectively maintain the optimal health and safety of staff.

Regional Health and Safety Coordinators also continually ensure the implementation of health and safety management systems and processes across the regions. These Coordinators liaise with Workplace Health and Safety Officers and Trained Safety Advisers and provide a conduit between the regions, the business groups and the Corporate Health Safety and Wellness team.

### ***Permanent retention/separation rate***

Due to the complexity of machinery-of-government changes effective 1 May 2012, annual separation and retention rates for the 2011–12 financial year are unable to be calculated.

### ***Early retirement, redundancy and retrenchment<sup>7</sup>***

No early retirements packages or redundancy packages were paid to employees during the reporting period.

No retrenchment packages were paid to employees during the reporting period.

### ***Voluntary separation program<sup>8</sup>***

A voluntary separation program was introduced as part of the mid-year fiscal and economic review in January 2011. This program was one of a number of measures designed to deliver additional savings and reprioritise spending.

The program was targeted primarily at non-frontline areas, as a service reprioritisation strategy to ensure continued growth in frontline areas. DAFF sought expressions of interest from all permanent staff in non-frontline roles. Offers were made to eligible employees based on their position as well as the date they commenced as a permanent employee with the department. In the reporting period, five employees accepted offers of voluntary separation packages at a cost of \$884 168.90.

<sup>7</sup> **Note:** The reporting period for this section is May-June 2012 only and therefore applies only to DAFF. Data for the rest of the financial period is contained in the Department of State Development Infrastructure and Planning annual report as part of former DEEDI reporting.

<sup>8</sup> As above

## Disclosure of additional information

Previous government annual reports were required to include the information listed below; however this has changed for 2011–12. This information will be available online as an accompaniment to the DAFF annual report:

- information systems and recordkeeping
- consultancies
- overseas travel
- waste management
- recycling policy for buildings and civil Infrastructure
- carbon emissions
- initiatives for women
- *Carers (Recognition) Act 2008*
- Aboriginal and Torres Strait Islander matters (*The Queensland Government reconciliation action plan 2009–2012*)
- *Queensland multicultural policy—Queensland multicultural action plan: 2011–14.*

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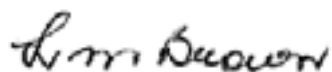
## Financial statements

### ***Chief Finance Officer statement***

In overseeing the financial activities of the Department of Agriculture, Fisheries and Forestry, I assert that I have fulfilled the responsibilities of the *Financial Accountability Act 2009* including:

- financial resource management, including the establishment, maintenance and review of financial internal controls
- budget management
- preparing financial information, including annual financial statements to facilitate the discharge of the department's statutory reporting obligations
- providing advice on the effectiveness of accounting and financial management information systems and financial controls in meeting the department's requirements
- providing advice concerning the financial implications of, and financial risks to, the department's current and projected services
- developing strategic options for the department's future financial management and capability

I have provided a statement to the Director-General as the accountable officer about the effectiveness; efficiency and economy of the financial internal controls of the department in conformance with section 57 of the Financial and Performance Management Standard 2009.



**Leith Brown**  
Chief Finance Officer

**DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY**  
**Financial Statements**  
**for the period 1 May 2012 to 30 June 2012**

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**General Information**

These financial statements cover the Department of Agriculture, Fisheries and Forestry (DAFF).

DAFF is a Queensland Government department established under the *Public Service Act 2008* on 3 April 2012 and is controlled by the State of Queensland, which is the ultimate parent entity. Consequently, the financial information contained in the departmental financial statements reflects two months (i.e. 1 May 2012 to 30 June 2012) of activities for the 2011-12 financial year.

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

Level 8  
80 Ann Street  
BRISBANE QLD 4000

A description of the nature of the department's operations and its principal activities is included in the notes to the financial statements. Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

**Statement of comprehensive income  
for the period 1 May 2012 to 30 June 2012**

	Note	2012 \$'000
<b>Income from continuing operations</b>		
Departmental services revenue	4	51,331
User charges, fees and fines	5	13,792
Grants and other contributions	6	17,498
Royalties and other territorial revenue	7	5,405
Other revenue	8	2,564
<b>Total revenue</b>		<b>90,590</b>
Gains	9	867
<b>Total income from continuing operations</b>		<b>91,457</b>
<b>Expenses from continuing operations</b>		
Employee expenses	10	43,479
Supplies and services	12	30,634
Grants and subsidies	13	11,362
Depreciation and amortisation	14	4,222
Impairment losses	15	1,527
Revaluation decrements	16	118
Other expenses	17	422
<b>Total expenses from continuing operations</b>		<b>91,784</b>
<b>Operating result from continuing operations</b>		<b>(327)</b>
<b>Other comprehensive income</b>		
Increase in asset revaluation surplus	29	2,884
<b>Total other comprehensive income</b>		<b>2,884</b>
<b>Total comprehensive income</b>		<b>2,557</b>

*The accompanying notes form part of these statements.*





**Statement of financial position  
as at 30 June 2012**

	Note	2012 \$'000
<b>Current assets</b>		
Cash and cash equivalents	18	(5,903)
Receivables	19	81,606
Inventories	20	2,215
Other assets	21	5,221
<b>Total current assets</b>		<b>83,139</b>
<b>Non-current assets</b>		
Receivables	19	5,703
Other financial assets	22	-
Intangible assets	23	3,567
Property, plant and equipment	24	432,811
Other assets	21	13,995
<b>Total non-current assets</b>		<b>455,876</b>
<b>Biological assets</b>		
Biological assets	25	2,123
<b>Total biological assets</b>		<b>2,123</b>
<b>Total assets</b>		<b>641,138</b>
<b>Current liabilities</b>		
Payables	26	27,649
Accrued employee benefits	27	7,189
Other liabilities	28	25,870
<b>Total current liabilities</b>		<b>60,678</b>
<b>Non-current liabilities</b>		
Other liabilities	28	23,356
<b>Total non-current liabilities</b>		<b>23,356</b>
<b>Total liabilities</b>		<b>84,034</b>
<b>Net assets</b>		<b>457,104</b>
<b>Equity</b>		
Contributed equity		454,547
Accumulated deficit		(327)
Reserves		
Asset revaluation surplus	29	2,884
<b>Total equity</b>		<b>457,104</b>

*The accompanying notes form part of these statements.*



**Statement of changes in equity  
for the period 1 May 2012 to 30 June 2012**

	Note	2012 \$'000
<b>Contributed equity</b>		
Balance as at 1 May 2012		-
Net assets received due to MoG change	30	468,315
Transactions with owners as owners:		
Appropriated equity injections		-
Appropriated equity withdrawals		(13,788)
Net appropriated equity withdrawals	4	(13,788)
Non-appropriated equity withdrawals		-
Net assets received due to MoG change		-
Net assets transferred to other departments		-
Balance as at 30 June 2012		<u>454,547</u>
<b>Accumulated surplus/(deficit)</b>		
Balance as at 1 May 2012		-
Operating result from continuing operations		(327)
Balance as at 30 June 2012		<u>(327)</u>
<b>Reserves</b>		
<b>Asset revaluation surplus</b>		
Balance as at 1 May 2012		-
Revaluation increments	29	2,884
Balance as at 30 June 2012		<u>2,884</u>

*The accompanying notes form part of these statements.*



**Statement of cash flows**  
for the period 1 May 2012 to 30 June 2012

	Note	2012 \$'000
<b>Cash flows from operating activities</b>		
<i>Inflows:</i>		
Departmental services receipts		49,876
User charges		12,793
Grants and other contributions		18,828
GST input tax credits received from Australian Taxation Office		4,424
GST collected from customers		2,410
Other inflows		8,377
<i>Outflows:</i>		
Employee expenses		(37,458)
Supplies and services		(27,318)
Grants and subsidies		(11,382)
GST paid on purchases		(8,473)
GST remitted to Australian Taxation Office		-
Other		(597)
<b>Net cash provided by (used in) operating activities</b>	31	<b>9,481</b>
<b>Cash flows from investing activities</b>		
<i>Inflows:</i>		
Sales of property, plant and equipment		714
Loans and advances redeemed		3
<i>Outflows:</i>		
Payments for property, plant and equipment		(4,872)
Payments for intangibles		(48)
<b>Net cash provided by (used in) investing activities</b>		<b>(4,303)</b>
<b>Cash flows from financing activities</b>		
<i>Inflows:</i>		
Receipt of monies held on behalf of third parties		-
Borrowings		-
Equity injections		-
<i>Outflows:</i>		
Equity withdrawals	4	(13,768)
Borrowing redemptions		-
<b>Net cash provided by (used in) financing activities</b>		<b>(13,768)</b>
Net increase/(decrease) in cash and cash equivalents		(8,590)
Cash and cash equivalents at 1 May 2012		-
Net cash and cash equivalents transferred under MoG change		2,887
<b>Cash and cash equivalents at end of financial year</b>	18	<b>(5,903)</b>

For non-cash financing and investing activities refer Note 32.

The accompanying notes form part of these statements.



**Statement of comprehensive income by major departmental services<sup>(1)</sup>**  
**for the period 1 May 2012 to 30 June 2012**

	Agriculture and Forestry	Agri-Science Queensland	Fisheries Queensland	Biosecurity Queensland	Corporate Partnership <sup>(2)</sup>	Total
	2012	2012	2012	2012	2012	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations<sup>(2)</sup></b>						
Departmental services revenue	10,373	15,277	5,323	12,773	7,585	51,331
User charges, fees and fines	587	1,184	1,547	5,287	5,226	13,792
Grants and other contributions	1,154	7,328	7,935	1,082	-	17,498
Royalties and other territorial revenue	4,594	811	-	-	-	5,405
Other revenue	1,151	908	50	329	126	2,564
<b>Total revenue</b>	<b>17,839</b>	<b>25,486</b>	<b>14,865</b>	<b>19,471</b>	<b>12,937</b>	<b>90,590</b>
Gains	531	337	(9)	7	3	867
<b>Total income from continuing operations</b>	<b>18,370</b>	<b>25,823</b>	<b>14,846</b>	<b>19,478</b>	<b>12,940</b>	<b>91,457</b>
<b>Expenses from continuing operations<sup>(2)</sup></b>						
Employee expenses	8,890	14,303	5,178	12,595	2,515	43,479
Supplies and services	3,741	8,492	2,012	7,010	9,379	30,634
Grants and subsidies	1,988	1,799	7,567	348	-	11,382
Depreciation and amortisation	388	2,230	312	601	682	4,222
Impairment losses	305	149	428	308	339	1,527
Revaluation decrements	118	-	-	-	-	118
Other expenses	87	93	38	88	118	422
<b>Total expenses from continuing operations</b>	<b>15,197</b>	<b>27,066</b>	<b>15,531</b>	<b>20,948</b>	<b>13,043</b>	<b>91,784</b>
<b>Operating result from continuing operations before income tax equivalent</b>	<b>3,173</b>	<b>(1,243)</b>	<b>(685)</b>	<b>(1,470)</b>	<b>(103)</b>	<b>(327)</b>
Income tax equivalent (expense)/benefit	-	-	-	-	-	-
<b>Operating result from continuing operations after income tax equivalent</b>	<b>3,173</b>	<b>(1,243)</b>	<b>(685)</b>	<b>(1,470)</b>	<b>(103)</b>	<b>(327)</b>

<sup>(1)</sup> Refer to Note 3 for a description of major departmental services.

<sup>(2)</sup> Corporate services income and expenses relating to DAFF through the Corporate Partnership arrangements have been allocated to respective departmental services.

<sup>(3)</sup> Income and expenses attributed to Corporate Partnership activities are shown separately and not allocated across departmental services.



Statement of assets and liabilities by major departmental services<sup>(1)</sup>  
as at 30 June 2012

	Agriculture and Forestry	Agri-Science Queensland	Fisheries Queensland	Biosecurity Queensland	Unallocated <sup>(2)</sup>	Total
	2012	2012	2012	2012	2012	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>						
Cash and cash equivalents	-	-	-	-	(5,903)	(5,903)
Receivables	26,478	15,087	14,079	14,032	11,930	81,606
Inventories	159	187	506	1,363	-	2,215
Other assets	3,000	780	37	120	1,284	5,221
<b>Total current assets</b>	<b>29,637</b>	<b>16,054</b>	<b>14,622</b>	<b>15,515</b>	<b>7,311</b>	<b>83,139</b>
<b>Non-current assets</b>						
Receivables	5,703	-	-	-	-	5,703
Other financial assets	-	-	-	-	-	-
Intangible assets	894	-	1,181	1,258	234	3,567
Property, plant and equipment	76,967	250,889	15,625	64,898	24,232	432,611
Other assets	-	13,803	1	30	161	13,995
<b>Total non-current assets</b>	<b>83,564</b>	<b>264,692</b>	<b>16,807</b>	<b>66,186</b>	<b>24,627</b>	<b>455,876</b>
<b>Biological assets</b>						
Biological assets	109	1,711	-	303	-	2,123
<b>Total biological assets</b>	<b>109</b>	<b>1,711</b>	<b>-</b>	<b>303</b>	<b>-</b>	<b>2,123</b>
<b>Total assets</b>	<b>113,310</b>	<b>282,457</b>	<b>31,429</b>	<b>82,004</b>	<b>31,938</b>	<b>541,138</b>
<b>Current liabilities</b>						
Payables	8,904	2,985	2,275	2,510	12,989	27,649
Accrued employee benefits	1,865	1,885	459	1,477	1,493	7,159
Other liabilities	3,383	18,214	2,032	2,107	134	25,870
<b>Total current liabilities</b>	<b>12,152</b>	<b>23,044</b>	<b>4,766</b>	<b>6,100</b>	<b>14,616</b>	<b>60,678</b>
<b>Non-current liabilities</b>						
Other liabilities	-	23,356	-	-	-	23,356
<b>Total non-current liabilities</b>	<b>-</b>	<b>23,356</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,356</b>
<b>Total liabilities</b>	<b>12,152</b>	<b>46,400</b>	<b>4,766</b>	<b>6,100</b>	<b>14,616</b>	<b>84,034</b>
<b>Net assets</b>	<b>101,158</b>	<b>236,057</b>	<b>26,663</b>	<b>75,904</b>	<b>17,322</b>	<b>457,104</b>

<sup>(1)</sup> Refer to Note 3 for a description of major departmental services.

<sup>(2)</sup> Corporate services assets and liabilities relating to the provision of services to DAFF and to other agencies through the Corporate Partnership arrangements have been included in Unallocated items.



**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

Note	Note Title
1	Objectives and principal activities of the department
2	Summary of significant accounting policies
3	Major services of the department
4	Reconciliation of payments from consolidated fund to departmental services revenue recognised in statement of comprehensive income
	Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity
5	User charges, fees and fines
6	Grants and other contributions
7	Royalties and other territorial revenue
8	Other revenue
9	Gains
10	Employee expenses
11	Key executive management personnel and remuneration
12	Supplies and services
13	Grants and subsidies
14	Depreciation and amortisation
15	Impairment losses
16	Revaluation decrements
17	Other expenses
18	Cash and cash equivalents
19	Receivables
20	Inventories
21	Other assets
22	Other financial assets
23	Intangible assets
24	Property, plant and equipment
25	Biological assets
26	Payables
27	Accrued employee benefits
28	Other liabilities
29	Asset revaluation surplus
30	Restructuring of administrative arrangements
31	Reconciliation of operating deficit to net cash from operating activities
32	Non-cash financing and investing activities
33	Commitments for expenditure
34	Contingencies
35	Events occurring after balance date
36	Financial instruments
37	Leases - as lessor
38	Schedule of administered items
39	Trust transactions and balances



**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**1. Objectives and principal activities of the department**

The Department of Agriculture, Fisheries and Forestry (DAFF) was created on 3 April 2012 as a result of machinery-of-government changes.

DAFF's focus is to support efficient, innovative and profitable agriculture, fisheries and forestry industries.

The department will contribute to the Government's objectives for the community by:

- increasing agricultural productivity
- simplifying regulations
- investing in frontline services by identifying efficiencies and reducing programs not aligned to priorities.

The department will also work with key government, industry and research partners to identify areas where shared projects and investments will improve the productivity of Queensland's agriculture, fisheries and forestry industries.

The delivery of a long-term agricultural strategy that coordinates efforts across Government will address major challenges, including:

- global economic uncertainties
- natural disasters
- competition for export markets
- skills and labour shortages across industries and regions and an existing agricultural science workforce that is ageing
- competition between agricultural and resource sectors for the same land, water and skilled labour and
- a critical need to manage the risk of pests and diseases, food safety and animal care and maintaining the reputation of Queensland products.

The department is funded for the departmental services it delivers principally by parliamentary appropriations. It also provides the following on a fee for service basis:

- Contract research
- Sale of publications
- Seminars, conferences and training courses; and
- Advisory and consultancy services.



**2. Summary of significant accounting policies**

**(a) Statement of compliance**

DAFF has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual and a going concern basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the period ended 30 June 2012, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, DAFF has applied those requirements applicable to not-for-profit entities, as DAFF is a not-for-profit government department. Except where stated, the historical cost convention is used.

**(b) The reporting entity**

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of DAFF.

Refer also to Notes 3 for the major departmental services undertaken by the department.

**(c) Administered transactions and balances**

The department administers, but does not control, certain resources on behalf of the Government. In doing so, it has responsibility and is accountable for administering related transactions and items, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Administered transactions are disclosed in Note 38.

**(d) Trust/Agency transactions and balances**

As the department performs only a custodial role in respect of these transactions and balances, they are not recognised in the financial statements, but are disclosed in Note 39 for information purposes. Applicable audit arrangements are also shown.

The department holds cash and bank guarantees on behalf of companies and individuals for forestry activities.

**(e) Departmental services revenue/administered revenue**

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

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' item appropriations.

**(f) User charges, fees and fines**

User charges, fees and fines controlled by the department are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the department where they can be deployed for the achievement of departmental objectives.

Revenue from sales of goods is measured at fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue arising from the sale of goods and services is recognised as revenue when the significant risks and rewards of ownership transfer to the purchaser, and the amount of revenue can be measured reliably.

User charges, fees and fines collected, but not controlled by the department, are reported as administered revenue. Refer Note 38.

**(g) Interest revenue**

Interest revenue is recognised as it accrues.

**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**(h) Grants and contributions**

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the department obtains control over them. Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements. Contributed assets are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

**(i) Cash and cash equivalents**

For the purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents include all cash and cheques received but not banked at 30 June as well as deposits at call, short term highly liquid held-to-maturity investments with financial institutions and imprest accounts.

Any held-to-maturity investments, which have fixed maturities, are intended to be held to maturity. These are stated at amortised cost using the effective interest rate method.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

**(j) Receivables**

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is generally required within 14–30 days from the invoice date, except trade debtors associated with research and development projects where a 90 day term applies.

The collectability of receivables is assessed periodically with allowance being made for impairment. All known bad debts were written-off as at 30 June. Increases in the allowance of impairment are based on loss events as disclosed in Notes 15 and 36(c).

Loans and advances are recognised at the face value of principal outstanding and finance leases are recognised at the value of the net investment of the lease agreement outstanding (Note 2(u)). Terms are recorded in individual loan and lease agreements. On full repayment of finance leases, title for the relevant property is transferred to the purchaser.

Other debtors generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. Terms are set based on the operations of the particular entities, no interest is charged and no security is obtained.

The department has provided interest-free loans. These loans are initially recognised at their fair value. The difference between the fair value of loans and the amounts given (fair value adjustment on loans) is recorded in the statement of comprehensive income as part of other expenses. Loans are subsequently measured using the effective interest rate method. Effective interest is recorded in the statement of comprehensive income over the period of the loans and recognises any difference between the fair value of loans at inception and the redemption amount. As it is the intention of borrowers to hold the loans for their full term, the accumulated effective interest recorded in the statement of comprehensive income will, over time, exactly offset the accumulated fair value adjustment on loans.

**(k) Inventories**

Inventories held for sale are also 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.

Cost is assigned on the first-in-first-out method. These costs include expenditure incurred in acquiring the inventories and bringing them to their existing condition, where applicable. The carrying amounts of inventories are disclosed in Note 20.

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

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

**(l) Biological assets**

Under AASB 141 Agriculture such assets are defined as living animals and plants. They are distinguished from other assets by the fact that they have the natural capacity to grow and/or procreate. These include livestock, which are accounted for in the department's accounts. The department adopted net market value for the valuation of livestock. Net market value 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. Refer to Note 25.

**(m) Non-current assets classified as held for sale**

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition and their sale is highly probable within the next 12 months.

These assets are measured at the lower of the assets' carrying amounts and their fair values less costs to sell. These assets are not depreciated or amortised.

**(n) Assets under construction (work in progress)**

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

The department does not capitalise finance and borrowing costs.





**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**(o) Acquisitions of assets**

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

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

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

**(p) Property, plant and equipment**

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

Buildings	\$10,000
Infrastructure	\$10,000
Land	\$1
Major plant and equipment	\$5,000
Plant and equipment	\$5,000
Other (including heritage and cultural)	\$5,000

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

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

**(q) Intangibles**

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements, items with a lesser value are expensed in the year of acquisition. Each intangible asset, less any anticipated residual value is amortised over its estimated useful life to the department. The residual value is zero for all of the department's intangible assets.

It has been determined that there is not an active market for any of the department's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

***Purchased software***

The purchase cost of software is capitalised and is amortised on a straight-line basis over the period of expected benefit to the department, namely five years.

***Internally generated software***

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

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

**(r) Revaluations of non-current physical and intangible assets**

Land, buildings, infrastructure, major plant and equipment and heritage and cultural assets are measured at fair value in accordance with AASB 116 Property, Plant and Equipment and Queensland Treasury's Non-Current Asset accounting Policies for the Queensland Public Sector. In respect of these asset classes, the cost of items acquired during the financial year has been judged by the management of DAFF to materially represent their fair value at the end of the reporting period.

Plant and equipment, other than major plant and equipment, is measured at cost in accordance with Queensland Treasury's Non-Current Asset accounting Policies for the Queensland Public Sector.

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.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation reserve of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation reserve relating to that class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Materiality concepts under AASB 1031 Materiality are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

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  
for the period 1 May 2012 to 30 June 2012**

**(s) Depreciation and amortisation of intangibles and property, plant and equipment**

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

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

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

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

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.

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

The depreciable amount of an improvement to or on leasehold land is allocated progressively over the estimated useful life of the improvement or the unexpired period of the lease, or over the unexpired period of secured grant funding from the Queensland Government, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

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

Asset class	Category	Rate %
Buildings	Buildings and improvements	1.25–20%
	Access roads	1.25–4%
	Land improvements	1.25–6.67%
Infrastructure	Wild dog barrier fence	5%
Plant and equipment	Computer equipment	20–33.33%
	Motor vehicles	6.67–20%
	Boats and boating equipment	5–25%
	Heavy plant	5–20%
	Scientific equipment	5–25%
	Office equipment	2.5–33.33%
	Leasehold improvements	10–14.29%
	Plant and equipment	20–33.33%
Intangible assets	Software purchased	25%
	Software internally generated	25%

**(t) Impairment of non-current assets**

All non-current physical and intangible assets are assessed for indication of impairment on an annual basis. If indication of impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the statement of comprehensive income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer also Note 2(f).

**(u) Leases**

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

Finance leases are recorded as receivable at an amount equal to the net investment of the lease agreement. Lease income from finance leases is recognised at a constant periodic rate of return on the net investment in the finance lease.

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

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

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Lease incentives received when entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability over the lease term on a straight-line basis.



**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**(v) Other financial assets**

All investments in unlisted equity securities that do not have a quoted price in an active market are carried at cost.

Dividend revenue is recognised when received.

Other financial assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired. Any impairment loss identified is recognised in the statement of comprehensive income.

**(w) Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 7, 14, or 30 day terms.

Administered creditors are due 30 business days from the date of invoice.

**(x) Financial instruments**

**Recognition**

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

**Classification**

Financial instruments are classified and measured as follows:

- cash and cash equivalents – held at fair value through profit and loss
- receivables – held at amortised cost
- investments in public enterprises – held at cost
- payables – held at amortised cost
- shares in unlisted entities – held at cost
- borrowings – held at amortised cost.

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, when appropriate, a shorter period) to the net carrying amount of that instrument.

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise.

Borrowings are classified as non-current liabilities to the extent that the department has an unconditional right to defer settlement until at least 12 months after the reporting date.

The department does not enter transactions for speculative purposes. Apart from cash and cash equivalents, the department holds no financial assets classified at fair value through operating result.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the department are included in Note 38.

**(y) Employee benefits**

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

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

**Wages, salaries and sick leave**

Wages and salaries due but unpaid at the reporting date are recognised in the statement of financial position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

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

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

**Annual leave**

The Queensland Government's Annual Leave Central Scheme became operational on 30 June 2006 for departments, commercialised business units and shared service providers. Under this scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

From 1 July 2008, no provision for annual leave is recognised in the department's financial statements as the liability is held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

**Long service leave**

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the department to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

For the department, no provision for long service leave is recognised in the financial statements. The liability is held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.



**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**(y) Employee benefits (cont'd)**

**Superannuation**

For the department, employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on advice of the State actuary. Contributions are expensed in the period in which they are paid or payable. The department's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

No liability is recognised for accruing superannuation benefits in the department's financial statements, the liability is being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

**Key executive management personnel and remuneration**

Key executive management personnel and remuneration disclosures are made in accordance with Section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer Note 11 for disclosures on key executive management personnel and remuneration.

**(z) Provisions**

Provisions are recorded when the department has a present obligation, either legal or constructive, as a result of a past event. They are recognised at the amount expected at the reporting date for which the obligation will be settled in a future period. Where the settlement of the obligations is expected to be after 12 months, the obligation is discounted to the present value using an appropriate discount rate. The amounts recognised as provisions in relation to the dismantling and removal of assets and the restoration of land on which the assets have been located, have been included in the cost of the assets.

**(aa) Financing/borrowing costs**

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

Finance costs include:

- Interest on short-term and long-term borrowings
- ancillary administration charges.



**(ab) Allocation of revenues and expenses from ordinary activities to corporate services**

The department discloses income and expenses attributable to corporate services provided to DAFF through the Corporate Partnership arrangements in the statement of comprehensive income by major departmental services.

**(ac) Insurance**

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

**(ad) Services received free of charge or for nominal value**

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

**(ae) Contributed equity**

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland state public sector entities, as a result of MoG changes, are adjusted to contributed equity in accordance with AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

**(af) Taxation**

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Federal Government taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only Federal Government taxes accounted for by the department. As such, GST credits receivable from/payable to the Australian Taxation Office are recognised.

**(ag) Issuance of financial statements**

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

**(ah) Accounting estimates and judgements**

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

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

- Valuation of Property, plant and equipment – Note 24
- Contingencies – Note 34

The Australian government passed its *Clean Energy Act* in November 2011 with a start date of 1 July 2012. The legislation will result in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

The flexible market-based price phase of the carbon pricing mechanism will commence on 1 July 2015. It will be preceded by a three-year period during which the price of permits will be fixed at \$23 per tonne of carbon dioxide equivalent in year one, \$24.15 in year two and \$25.40 in year three.

Section 4.3.4 of Queensland Treasury's report on 'Carbon Price Impacts for Queensland' dated August 2011 indicates that, for non-residential construction activities, costs may increase by between 0.7 per cent and 0.8 per cent over the period 2012-13 to 2015-16.

On this basis and other information available, the introduction of the carbon pricing mechanism is not expected to have a significant impact on DAFF's critical accounting estimates, assumptions and management judgements.

**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**(a) Rounding**

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

Sub-totals and totals may not add due to rounding, but the overall discrepancy is no greater than two.

**(a) New and revised accounting standards**

The department did not voluntarily change any of its accounting policies during 2011–12. Only one amendment to an Australian accounting standard applicable for the first time for 2011–12 was relevant to the department, as explained below.

AASB 2010-4 Further Amendments to Australian accounting Standards arising from the Annual Improvements Project (AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13) became effective from reporting periods beginning on or after 1 January 2011. Given the Department's existing financial instruments, there was only a minor impact on the Department's financial instruments Note (Note 36), in relation to disclosures about credit risk. That Note no longer needs to disclose amounts that best represent the maximum exposure to credit risk where the carrying amount of the instruments already reflects this.

As the Department held no collateral or other credit enhancements in respect of its financial instruments, and did not renegotiate the terms of any financial assets, during the reporting periods presented in these financial statements, there were no other changes required to the Department's financial instruments note arising from the amendments to AASB 7 Financial Instruments: Disclosures.

AASB 1054 Australian Additional Disclosures became effective from reporting periods beginning on or after 1 July 2011. Given the Department's previous disclosure practices, AASB 1054 had minimal impact on the Department. One of the footNotes to Note 17 Other Expenses, regarding audit fees, has been slightly amended to identify the Department's auditor and clarify the nature of the work performed by the auditor.

AASB 2011-1 Amendments to Australian accounting Standards arising from the Trans-Tasman Convergence Project (AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113) also became effective from reporting periods beginning on or after 1 July 2011. The only potential implication for the Department from this amending standard was the deletion from AASB 101 Presentation of Financial Statements of the requirement for disclosure of commitments. However, Treasury Department's Financial Reporting Requirements require continuation of commitments disclosures, so this deletion from AASB 101 has no impact on the Department's commitments note (Note 33).

The Department is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the Department has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The Department applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian accounting standards with future commencement dates are as set out below.

AASB 2011-9 Amendments to Australian accounting Standards – Presentation of Items of Other Comprehensive Income (AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049) applies as from reporting periods beginning on or after 1 July 2012. The only impact for the Department will be that, in the Statement of Comprehensive Income, items within the "Other Comprehensive Income" section will need to be presented in different sub-sections, according to whether or not they are subsequently re-classifiable to the operating result. Whether subsequent re-classification is possible depends on the requirements or criteria in the accounting standard/interpretation that relates to the item concerned.

AASB 13 Fair Value Measurement applies from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of "fair value", as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Department's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used, and financial statement disclosures made in respect of, such assets and liabilities.

The Department will review its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes will be necessary. While the Department is yet to complete this review, no significant changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for the Department's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not "observable" outside the Department, the amount of information to be disclosed will be relatively greater.

AASB 9 Financial Instruments (December 2010) and AASB 2010-7 Amendments to Australian accounting Standards arising from AASB 9 (December 2010) (AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 139, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127) become effective from reporting periods beginning on or after 1 January 2013. The main impacts of these standards on the Department are that they will change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**(a) New and revised accounting standards (cont'd)**

The Department will review the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the Department's conclusions will not be confirmed until closer to that time.

Changed disclosure requirements will apply once AASB 9 becomes effective. A number of one-off disclosures will be required in the 2013-14 financial statements to explain the impact of adopting AASB 9.

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2013 –

- AASB 10 Consolidated Financial Statements ;
- AASB 11 Joint Arrangements ;
- AASB 12 Disclosure of Interests in Other Entities ;
- AASB 127 (revised) Separate Financial Statements ;
- AASB 128 (revised) Investments in Associates and Joint Ventures ; and
- AASB 2011 -7 Amendments to Australian accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 18 & 17].

These standards cannot be applied by not-for-profit entities prior to their effective date, as the AASB is presently considering modifying them for application by not-for-profit entities in an Australian context. Any such modifications are likely to clarify how the IASB's principles should be applied by not-for-profit entities. Hence, the Department is not yet in a position to reliably determine the future implications of these new and revised standards for the Department's financial statements.

AASB 10 redefines and clarifies the concept of control of another entity, which is the basis for determining which entities should be consolidated into an entity's financial statements. Therefore, subject to any not-for-profit modifications yet to be made to AASB 10, the Department will need to re-assess the nature of its relationships with other entities, including entities that aren't currently consolidated.

AASB 11 deals with the concept of joint control, and sets out new principles for determining the type of joint arrangement that exists – which, in turn, dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. Subject to any not-for-profit modifications yet to be made to AASB 11, the Department will need to assess the nature of any arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11.

AASB 12 contains a wide range of new disclosure requirements in respect of interests in other entities, whether those entities are controlled entities, associates, joint arrangements, or structured entities that aren't consolidated. The volume and nature of disclosures that the Department will be required to make as from its 2013-14 financial statements will depend on the Department's eventual assessment of the implications of the new and revised standards listed above, particularly AASB 10, AASB 11 and AASB 128.

A revised version of AASB 119 Employee Benefits applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively. Given the Department's circumstances, the only implications for the Department are that the revised standard clarifies the concept of "termination benefits", and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term employee benefits" will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 includes changed criteria for accounting for employee benefits as "short-term employee benefits". However, as the Department is a member of the Queensland Government central schemes for annual leave and long service leave, this change in criterion has no impact on the Department's financial statements, as the employer liability is held by the central scheme. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. The Department only contributes to the QSuper defined benefit plan, and the corresponding QSuper employer benefit obligation is held by the State. Therefore, those changes to AASB 119 will have no impact on the Department.

AASB 1053 Application of Tiers of Australian accounting Standards applies as from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements – Australian accounting Standards (commonly referred to as "tier 1"), and Australian accounting Standards – Reduced Disclosure Requirements (commonly referred to as "tier 2"). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1.

Details of which disclosures in standards and interpretations are not required under tier 2 reporting are set out in amending standards AASB 2010-2, AASB 2011-2, AASB 2011-8 and AASB 2011-11 (which also apply from reporting periods beginning on or after 1 July 2013). However, Treasury Department's Financial Reporting Requirements effectively do not allow application of AASB 2011-6 in respect of controlled entities, associates or interests in jointly controlled entities.

Pursuant to AASB 1053, public sector entities like the Department may adopt tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the tier 1 requirements. In the case of the Department, Treasury Department is the regulator. Treasury Department has advised that its policy decision is to require adoption of tier 1 reporting by all Queensland Government Departments (including the Department) and statutory bodies that are consolidated into the whole-of-Government financial statements. Treasury's policy also prohibits the early adoption of the arrangements outlined in AASB 1053 and its accompanying amending standards. Therefore, the release of AASB 1053 and associated amending standards will have no impact on the Department.



**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**3. Major services of the department**

As the result of a restructuring of administrative arrangements, the Department of Agriculture, Fisheries and Forestry (DAFF) was created on 3 April 2012. The principal activities of DAFF were transferred from the Department of State Development, Infrastructure and Planning (DSDIP) (as the renamed Department of Employment, Economic Development and Innovation (DEEDI)), the Department of Environment and Heritage Protection (DEHP) (as the renamed Department of Environment and Resource Management (DERM)), Department of Transport and Main Roads (DTMR) and the Department of Local Government (DLG) (as the renamed Department of Local Government and Planning (DLGP)).

The Department of Agriculture, Fisheries and Forestry has four service areas:

**Agriculture and Forestry**

The objective of this service area is to lead the development and implementation of industry development initiatives for productivity improvement, and to increase the resilience and preparedness of primary producers and processors to manage risk. Agriculture and Forestry also works to achieve a skilled and knowledgeable agribusiness and forest industry workforce, supporting business and industry productivity, resilience and sustainability.

**Agri-Science Queensland**

The objective of this service area is to undertake research and development, extension services, adult education and training to increase the productivity, competitiveness and profitability of Queensland's agricultural businesses.

**Biosecurity Queensland**

The objective of this service area is to lead the Government's efforts to prevent, respond to and recover from pests and diseases that threaten agricultural production and distribution, the environment or the broader community. Biosecurity Queensland works to ensure continued market access for Queensland's products, to maintain standards of animal welfare and reduce the risk of contamination from agricultural chemicals.

**Fisheries Queensland**

The objective of this service area is to maximise the value of fisheries resources for all Queenslanders by managing these resources to ensure their sustainable use and equitable allocation. This is vital to facilitating the growth of profitable commercial fishing and aquaculture industries, maximising the recreational fishing experience and the economic and social benefits it delivers, respecting traditional and customary fishing, and protecting fish habitats.

	2012 \$'000
<b>4. Reconciliation of payments from consolidated fund to departmental services revenue recognised in statement of comprehensive income</b>	
Budgeted departmental services appropriation	-
Transfers from/(to) other departments	34,976
Transfers from/(to) other headings	4,750
Unforeseen Expenditure	10,149
<b>Total departmental services receipts</b>	<b>49,875</b>
Plus: closing balance of departmental services revenue receivable	4,592
Less: closing balance of departmental services revenue payable	(3,136)
<b>Departmental services revenue recognised in statement of comprehensive income</b>	<b>51,331</b>
<b>Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity</b>	
Budgeted equity adjustment appropriation	-
Transfers from/(to) other departments	(9,018)
Transfers from/(to) other headings	(4,750)
Lapsed equity adjustment appropriation	-
<b>Equity adjustment recognised in contributed equity</b>	<b>(13,768)</b>
<b>5. User charges, fees and fines</b>	
Fee for service	11,038
Sale of goods	1,005
Other fees and fines	1,749
<b>Total user charges, fees and fines</b>	<b>13,792</b>
<b>6. Grants and other contributions</b>	
Grants	8,124
Contributions	9,358
Goods and services received below fair value	16
<b>Total grants and other contributions</b>	<b>17,498</b>
<b>7. Royalties and other territorial revenue</b>	
Royalties and other territorial revenue	5,405
<b>Total royalties and other territorial revenue</b>	<b>5,405</b>



**Notes to and forming part of the financial statements  
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	2012
	\$'000
<b>8. Other revenue</b>	
Interest income <sup>(1)</sup>	835
Property income	582
Sale of portable and attractive items	13
Bad Debts recovered	1
Sundry revenue	1,153
<b>Total other revenue</b>	<u>2,564</u>
<sup>(1)</sup> Interest income relates to interest on loans and advances receivable (Note 19).	
<b>9. Gains</b>	
Gain on sale of property, plant and equipment	346
Net increment in valuation of biological assets	521
<b>Total gains</b>	<u>867</u>
<b>10. Employee expenses</b>	
<b>Employee benefits</b>	
Salaries and wages	32,661
Employer superannuation contributions <sup>(1)</sup>	4,115
Annual leave levy <sup>(1)</sup>	3,213
Long service leave levy <sup>(1)</sup>	739
Other employee benefits	329
<b>Employee related expenses</b>	
Workers compensation premium <sup>(2)</sup>	199
Payroll tax <sup>(2)</sup>	2,223
<b>Total employee expenses</b>	<u>43,479</u>

The number of employees including both full-time and part-time employees measured on a full-time equivalent basis is:

	2012
Number of employees <sup>(3)</sup>	2,643

<sup>(1)</sup> Refer to Note 2(y).

<sup>(2)</sup> Cost of workers' compensation insurance and payroll tax are a consequence of employing employees, but are not counted in employees' total remuneration package. They are not employee benefits, but rather employee related expenses.

<sup>(3)</sup> Full-time equivalents (FTEs) as at 30 June.

FTEs include Corporate Partnership FTEs aligned to DAFF providing services to the following departments:

- Tourism, Major Events and Small Business and the Commonwealth Games
- Natural Resources and Mines
- Energy and Water Supply
- Environment and Heritage Protection
- National Parks, Sport and Recreation





**Notes to and forming part of the financial statements  
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**11. Key executive management personnel and remuneration**

**a) Key executive management personnel**

The following details for key executive management personnel including positions that had authority and responsibility for planning, directing and controlling the activities of the agency for the period 1 May 2012 to 30 June 2012. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date appointed to position
Director-General	The Director General is responsible for the efficient, effective and economic administration of the agency overseeing Agri-Science, Biosecurity Queensland and Fisheries Queensland.	CEO4.1 / s82 Public Service Act 2008	03-Apr-12
Acting Deputy Director-General, Agriculture, Fisheries and Forestry	The Acting Deputy Director-General is responsible for the efficient, effective and economic administration of Queensland Agriculture, Food, Forestry and Regional services and functions of the agency.	SES4.1 / s120 Public Service Act 2008	30-Apr-12 to 01-Jun-12
Deputy Director-General, Agriculture, Fisheries and Forestry	The Deputy Director-General is responsible for the efficient, effective and economic administration of Queensland Agriculture, Food, Forestry and Regional services and functions of the agency.	SES4.2 / s122 Public Service Act 2008	04-Jun-12
Managing Director, Biosecurity Queensland	The Managing Director is responsible for the efficient, effective and economic administration of Queensland's Biosecurity functions and responsibilities of the agency.	SES4.2 / s110 Public Service Act 2008	08-Oct-08
Deputy Director-General, Corporate Business Operations	The Deputy Director-General is responsible for the efficient, effective and economic administration of the Human Resource, ICT, Strategy, Performance, Business Services, Finance, Media, Communications and Corporate Partnership functions of the agency.	SES4.2 / s122 Public Service Act 2008	30-Aug-10 to 11-May-12
Acting Deputy Director-General, Corporate Business Operations	The Acting Deputy Director-General is responsible for the efficient, effective and economic administration of the Human Resource, ICT, Strategy, Performance, Business Services, Finance, Media, Communications and Corporate Partnership functions of the agency.	SES4.1 / s122 Public Service Act 2008	14-May-12
Managing Director, Agri-Science Queensland	The Managing Director is responsible for the efficient, effective and economic administration of Queensland's Agricultural Science services and functions of the agency.	SES3.3 / s122 Public Service Act 2008	31-Oct-11
Executive Director, Regional Services	The Executive Director is responsible for the efficient, effective and economic administration of the Regional Services functions and services of the agency.	SES3.2 / s110 Public Service Act 2008	17-Oct-11
Managing Director, Fisheries Queensland	The Managing Director is responsible for the efficient, effective and economic administration of Queensland Fisheries activities and responsibilities.	SES3.1 / s122 Public Service Act 2008	20-Jun-11
Executive Director, Finance (Chief Financial Officer)	The Executive Director, Finance (Chief Financial Officer) is responsible for the efficient, effective and economic administration of financial operations and functions for the agency.	SES2.3 / s122 Public Service Act 2008	23-Apr-12

**b) Remuneration**

Remuneration policy for the agency's key executive management personnel is set by the Queensland Public Service Commission as provided for under the Public Service Act 2008. The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts. The contracts provide for the provision of performance-related cash bonuses and other benefits including motor vehicles.

For the 2011-12 year, remuneration of key executive management personnel increased by 2.5% in accordance with Government policy.

Remuneration packages for key executive management personnel comprise the following components:-

- \* Short term employee benefits which include:
  - o Base – consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the expenses in the statement of comprehensive income.
  - o Non-monetary benefits – consisting of provision of vehicle together with FBT applicable to the benefit.
- \* Long term employee benefits include long service leave accrued.
- \* Post employment benefits include superannuation contributions.
- \* Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice of termination, regardless of the reason for termination.



**Notes to and forming part of the financial statements  
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**b) Remuneration (cont'd)**

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

**1 May 2012 – 30 June 2012**

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Director-General	56	7	1	7	N/A	71
Acting Deputy Director-General, Agriculture, Fisheries and Forestry	19	3	-	2	N/A	24
Deputy Director-General, Agriculture, Fisheries and Forestry	17	2	-	2	N/A	21
Managing Director, Biosecurity Queensland	33	7	1	4	N/A	45
Deputy Director-General, Corporate Business Operations	6	-	-	1	N/A	7
Acting Deputy Director-General, Corporate Business Operations <sup>(1)</sup>	30	1	1	3	N/A	35
Managing Director, Agri-Science Queensland	35	2	1	3	N/A	41
Executive Director, Regional Services	34	2	1	3	N/A	40
Managing Director, Fisheries Queensland	26	5	1	3	N/A	35
Executive Director, Finance (Chief Financial Officer) <sup>(1)</sup>	29	1	1	2	N/A	33
<b>Total</b>	<b>285</b>	<b>30</b>	<b>7</b>	<b>30</b>		<b>352</b>

<sup>(1)</sup> These positions are shared with the Department of Tourism, Major Events, Small Business and the Commonwealth Games and are fully funded by the Department of Agriculture, Fisheries and Forestry to 30 June 2012 as per the Corporate Partnership arrangement.

As DAFF is a new department, no prior period comparative information has been disclosed.

**c) Performance payments**

No performance bonuses were paid or payable to key management personnel for the period 1 May to 30 June 2012.

	2012 \$'000
<b>12. Supplies and services</b>	
Consultants and contractors	7,496
Operating lease rentals	4,762
Building Services	1,223
Repairs and Maintenance	2,263
Transport	1,746
Travel	1,189
Computer/information technology	2,977
Telcommunications and Electricity	872
Shared services provider fee	1,736
Materials	2,939
Portable and attractive items	571
Service delivery costs and service level agreement charges	2,102
Bank fees and charges	9
Other	849
<b>Total supplies and services</b>	<b>30,634</b>



Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012

	2012 \$'000
<b>13. Grants and subsidies</b>	
Grants:	
Queensland and local government	125
Industry <sup>(1)</sup>	1,656
Universities <sup>(1)</sup>	1,122
Charities/community groups	1,353
Other	300
Subsidies <sup>(2)</sup>	6,928
<b>Total grants and subsidies</b>	<b>11,382</b>
<sup>(1)</sup> These include payments to collaborating organisations for research and development projects.	
<sup>(2)</sup> Subsidies include a return of funding of \$4.737 million to the Torres Strait Regional Authority.	
<b>14. Depreciation and amortisation</b>	
Depreciation and amortisation were incurred in respect of:	
Buildings and land improvements	1,026
Infrastructure	36
Plant and equipment	3,055
Software purchased	23
Software internally generated	82
<b>Total depreciation and amortisation</b>	<b>4,222</b>
<b>15. Impairment losses</b>	
Investment in financial assets	18
Buildings	257
Software	1,061
Impairment losses on trade receivables	161
<b>Total impairment losses</b>	<b>1,527</b>
<b>16. Revaluation decrements</b>	
Buildings <sup>(1)</sup>	118
<b>Total revaluation decrements</b>	<b>118</b>
<sup>(1)</sup> The decrement, not being a reversal of a previous revaluation increment in respect of the same class of assets, has been recognised as an expense in the Statement of comprehensive income.	
<b>17. Other expenses</b>	
External audit fees <sup>(1)</sup>	103
Insurance premiums - Queensland Government Insurance Fund	66
Insurance premiums - general <sup>(2)</sup>	33
Loss on disposal of property, plant and equipment and intangibles	39
Sponsorships	50
Special Payments:	23
Losses:	
Donations and gifts	2
License fees and permits	32
Other	54
<b>Total other expenses</b>	<b>422</b>
<sup>(1)</sup> Total external audit fees for the period (two months) ended 30 June 2012 are estimated at \$0.120 million. There are no non-audit services included in this amount.	
<sup>(2)</sup> The Under Treasurer's approval has been obtained for entering into insurance contracts.	
<b>18. Cash and cash equivalents</b>	
Cash at bank <sup>(1)</sup>	(5,959)
Imprest accounts	59
<b>Total cash and cash equivalents</b>	<b>(5,803)</b>
<sup>(1)</sup> Cash at bank is overdrawn due to the Machinery of Government activities occurring through the Department's bank account. Interim banking arrangements are in place with multiple departments operating out of the DAFF bank account for the period 1 May to 30 June 2012. On 5 August 2011, the Under Treasurer approved an overdraft facility for the former DEEDI on the bank account of \$110 million. There is no overdraft interest charged on this facility.	
Departmental bank accounts are grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation and do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.	



Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012

Note	2012 \$'000
<b>19. Receivables</b>	
<b>Current</b>	
Trade debtors <sup>(1)</sup>	45,364
Less: allowance for impairment loss	<u>(301)</u>
	45,063
Loans and advances receivable <sup>(2)</sup>	15,925
GST input tax credits receivable	3,398
GST payable	<u>(974)</u>
	2,424
Departmental services revenue receivable	3,958
Annual leave levy receivable	5,011
Long service leave reimbursements	2,893
Finance lease debtors	12
Other	<u>6,322</u>
<b>Total current receivables</b>	<b><u>81,606</u></b>
<b>Non-current</b>	
Loans and advances receivable <sup>(2)</sup>	5,567
Finance lease debtors	<u>136</u>
<b>Total non-current receivables</b>	<b><u>5,703</u></b>
<sup>(1)</sup> This includes amounts owing from other Government Departments due to Machinery of Government changes.	
<sup>(2)</sup> These amounts represent outstanding settlements from the sale of land.	
<b>Movements in the allowance for impairment loss</b>	
Balance as at 1 May 2012	-
Provision transferred in through MoG change	(201)
(increase)/decrease in allowance recognised in profit or loss	<u>(100)</u>
<b>Balance as at 30 June</b>	<b><u>(301)</u></b>
<b>20. Inventories</b>	
Inventory held for sale:	
Finished goods	581
Inventory not held for sale:	
Raw materials and stores	<u>1,634</u>
<b>Total Inventories</b>	<b><u>2,215</u></b>
<b>21. Other assets</b>	
<b>Current</b>	
Prepayments	5,221
<b>Total other current assets</b>	<b><u>5,221</u></b>
<b>Non-current</b>	
Prepayments	13,995
<b>Total other non-current assets</b>	<b><u>13,995</u></b>
<b>22. Other financial assets</b>	
	<b>Investment carrying amount \$ 000</b>
Investments non-current <sup>(1)</sup>	18
Less impairment	<u>(18)</u>
	<b>-</b>

<sup>(1)</sup> These investments relate to primary production activities and are not traded on an active market, thus fair value cannot be reliably measured. Refer Note 2(v). The impairment is mainly due to the department ceasing dairy activities.



Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012

	2012			
	\$'000			
<b>23. Intangible assets</b>				
<b>Software purchased</b>				
At cost				970
Less: accumulated amortisation				(859)
<b>Total software purchased</b>				<u>111</u>
<b>Software internally generated</b>				
At cost				9,783
Less: accumulated amortisation				(6,327)
<b>Total software internally generated</b>				<u>3,456</u>
<b>Software work in progress</b>				
At cost				-
<b>Total software work in progress</b>				<u>-</u>
<b>Total intangible assets</b>				<u>3,567</u>
<b>Intangibles reconciliation</b>				
	Software purchased	Software internally generated	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 May 2012	-	-	-	-
Acquisitions through restructuring	134	3,538	1,043	4,715
Acquisitions	-	-	48	48
Impairment losses recognised in statement of comprehensive income	-	-	(1,091)	(1,091)
Amortisation	(23)	(62)	-	(105)
<b>Carrying amount at 30 June 2012</b>	<u>111</u>	<u>3,456</u>	<u>-</u>	<u>3,567</u>
<b>24. Property, plant and equipment</b>				2012
				\$'000
<b>Non-current</b>				
<b>Land</b>				
At fair value				151,819
<b>Total land</b>				<u>151,819</u>
<b>Buildings</b>				
At fair value				280,973
Less: accumulated depreciation				(144,773)
Less: accumulated impairment losses				(11,324)
<b>Total buildings</b>				<u>124,876</u>
<b>Infrastructure</b>				
At fair value				33,783
Less: accumulated depreciation				(19,729)
<b>Total infrastructure</b>				<u>14,054</u>
<b>Plant and equipment</b>				
At cost				224,358
Less: accumulated depreciation				(87,633)
<b>Total plant and equipment</b>				<u>136,725</u>
<b>Capital work in progress</b>				
At cost				5,137
<b>Total capital work in progress</b>				<u>5,137</u>
<b>Total property, plant and equipment</b>				<u>432,611</u>



Notes to and forming part of the financial statements  
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24. Property, plant and equipment (cont'd)	2012
	\$'000
<b>Property, plant and equipment</b>	
At cost	226,465
At fair value	466,575
Less: accumulated depreciation	(252,135)
Less: accumulated impairment losses	(11,324)
<b>Total non-current property, plant and equipment</b>	<b>432,611</b>
<b>Fully impaired/depreciated assets still in use</b>	
Buildings(1)	41,856
Plant and equipment(2)	32,131
Software internally generated	1,098
<b>Total significant asset classes of fully depreciated assets</b>	<b>75,083</b>



- (1) The buildings with an original cost of \$41.856 million, included is \$11.057 million of impairment.  
(2) The department has plant and equipment with a gross cost of \$32.131 million, fully depreciated with no residual value.

**Fully impaired/depreciated assets not in use**

The department has buildings with an original cost of \$21.923 million, which are not presently being used in the provision of services, that are fully depreciated.

The department has included a number of assets in the accounts, which are classified as restricted assets. These are assets, the uses of which are wholly or partly restricted by legislation or other externally imposed requirements. The total value of restricted assets for 30 June 2012 is \$0.995 million.

**Valuation methodology**

Land, buildings, infrastructure, and plant and equipment, are measured at fair value in accordance with AASB 116 Property, Plant and Equipment and Queensland Treasury's Non-Current Asset Accounting Policies for the Queensland Public Sector. In respect of these asset classes, the cost of items during the financial year has been determined by management to materially represent their fair value at the end of the reporting period.

Where intangible assets have an active market, they are measured at fair value, otherwise they are valued at cost. The department has no intangible assets that have been identified as having an active market.

Plant and equipment is measured at cost in accordance with Treasury's Non-Current Asset Accounting Policies.

Land, Buildings and Improvements, and Infrastructure transferred from the Department of State Development Infrastructure and Planning, were comprehensively revalued as at 30 June 2011 by AssetVal Pty Ltd. Queensland Boating and Fisheries Patrol land and building improvements assets transferred into the department through Machinery of Government changes in May 2012 had been comprehensively revalued by AssetVal Pty Ltd as at 30 June 2011, as part of the Department of State Development and Infrastructure Planning. Assets transferred to the department from the Department of Environment and Heritage Protection, were included in a comprehensive annual revaluation program performed on a rolling annual basis by the State Valuation Services (SVS) from the Department of Environment and Heritage Protection.

Fair value is determined to be the depreciated replacement cost when there is not an active or liquid market for assets controlled by the department. Fair value for land is determined by establishing its market value by reference to observable prices in an active market or recent market transactions. The fair value for non-residential buildings is determined by calculating the depreciated replacement cost of the asset. The fair value of residences is determined by establishing their market value or alternatively where there is no active and liquid market, fair value is the depreciated replacement cost. For infrastructure the basis of valuation is depreciated current replacement cost.

Non-current physical assets measured at fair value are revalued on an annual basis by appraisals undertaken by an independent professional valuer, or by the use of appropriate and relevant indices. The indices are provided by Queensland Treasury. Revaluations based on independent professional valuer appraisals are undertaken at least once every five years. However, if a class of assets experiences significant and volatile changes, it is subject to such revaluations in the reporting period, where practicable, regardless of the timing of previous such method of revaluation. Such an event has not occurred in this financial year.

Where indices are used in the revaluation process, the department ensures that the application of such indices would result in a valid estimation of the departments asset's fair value at reporting date. State Valuation Service (SVS) supplied the indices for land assets and provided assurance of their robustness, validity and appropriateness for application to the relevant land assets. The indices referred to for buildings and improvements assets was Queensland Treasury's Asset revaluation index: Non-residential construction, Queensland, March qtr 1998 to March qtr 2012, and the indices referred to for infrastructure was the Asset revaluation index: Engineering construction, Queensland, March qtr 1998 to March qtr 2012.

Buildings and Improvements, and the Wild Dog Barrier Fence were not indexed at 30 June 2012. In accordance with materiality guidelines provided in Queensland Treasury Policies, the index was less than 5% and not material. An exception was for buildings transferred from the Department of Environment and Heritage Protection for Forestry, due to Machinery of Government changes. These buildings had previously been decremented in Forestry. No buildings have been identified for demolition.

Land was indexed in accordance with indices provided by the State Valuation Services (SVS) of the Department of Natural Resources and Mines, which provides an individual factor change per property derived from the review of market transactions.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change of the estimate of remaining useful life.

Asset classes have been tested for indicators of impairment, based on materiality. Adjustments to the value of assets have been made where appropriate. Materiality concepts under AASB 1031 are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

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  
for the period 1 May 2012 to 30 June 2012

24. Property, plant and equipment (cont'd)

Property, plant and equipment reconciliation

	Land	Buildings	Infrastructure	Plant and Equipment	Work in progress	Total
	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000
Carrying amount at 1 May 2012	148,773	125,280	14,090	134,339	7,411	429,893
Acquisitions through restructure	-	(10)	-	2,550	2,432	4,972
Acquisitions	(279)	(128)	-	(239)	-	(646)
Disposals	441	1,135	-	3,130	(4,706)	-
Transfers between classes	2,884	-	-	-	-	2,884
Revaluation increment	-	(118)	-	-	-	(118)
Revaluation decrement recognised in operating statement	-	(257)	-	-	-	(257)
Impairment losses recognised in operating statement	-	(1,026)	(36)	(3,055)	-	(4,117)
Depreciation/amortisation	-	-	-	-	-	-
<b>Carrying amount at 30 June 2012</b>	<b>151,819</b>	<b>124,876</b>	<b>14,054</b>	<b>136,725</b>	<b>5,137</b>	<b>432,611</b>



Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012

		2012 \$'000
<b>25. Biological assets</b>		
<b>Livestock</b>		
Carrying amount at 1 May 2012		-
Acquisitions through MoG change		2,050
Increase from purchases/acquisitions		57
Decrease from disposals/sales		(504)
Gain/(loss) from changes in fair value		520
Carrying amount as at 30 June 2012		<u>2,123</u>
<b>Indicative physical quantities of biological assets and net valuation increment recognised as revenue</b>		
	<b>Number</b>	<b>Net change in NMV</b>
	<b>2012</b>	<b>2012</b>
		<b>\$'000</b>
Livestock	<u>4,321</u>	<u>520</u>
Total indicative physical quantities of biological assets and net change in Net Market Value	<u>4,321</u>	<u>520</u>
		2012 \$'000
<b>26. Payables</b>		
<b>Current</b>		
Trade creditors		12,046
Taxes, fees and fines payable		877
Accrued expenses		6,718
Other		6,010
Total current payables		<u>27,649</u>
<b>27. Accrued employee benefits</b>		
<b>Current</b>		
Salaries and wages outstanding		176
Employer superannuation contribution payable		21
Annual leave levy payable		5,759
Long service leave levy payable		1,203
Total current accrued employee benefits		<u>7,159</u>
<b>28. Other liabilities</b>		
<b>Current</b>		
Unearned revenue		25,799
Other liabilities		71
Total current other liabilities		<u>25,870</u>
<b>Non-current</b>		
Unearned revenue		23,356
Total non-current other liabilities		<u>23,356</u>
<b>29. Asset revaluation surplus</b>		
<b>Land</b>		
Balance as at 1 May 2012		-
Revaluation increments		2,884
Balance as at 30 June 2012		<u>2,884</u>





**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**30. Restructuring of administrative arrangements**

As a result of Public Service Departmental Arrangements Notices dated 3 April 2012, responsibility for the functions and duties of the departmental services named below were transferred to DAFF effective from 1 May 2012. The assets and liabilities transferred are as follows:

	Queensland Boating and Fisheries Patrol 2012 \$'000	Forest Management 2012 \$'000	Agriculture and Food 2012 \$'000	Net Total 2012 \$'000
<b>Current assets</b>				
Cash and cash equivalents	144	2,490	53	2,687
Receivables	80	784	78,007	78,871
Inventories	511	-	1,652	2,163
Other assets	-	1,379	2,917	4,296
<b>Total current assets</b>	<b>735</b>	<b>4,653</b>	<b>62,629</b>	<b>68,017</b>
<b>Non-current assets</b>				
Receivables	-	107	12,823	13,030
Other financial assets	-	-	19	19
Property, plant and equipment	15,756	22,311	391,827	429,894
Intangible assets	-	911	3,804	4,715
Other assets	-	-	10,586	10,586
<b>Total non-current assets</b>	<b>15,756</b>	<b>23,329</b>	<b>419,159</b>	<b>468,244</b>
<b>Biological assets</b>	-	-	2,050	2,050
<b>Total assets</b>	<b>16,491</b>	<b>27,982</b>	<b>503,838</b>	<b>548,311</b>
<b>Current liabilities</b>				
Payables	-	2,485	6,754	11,239
Accrued employee benefits	376	747	9,456	10,579
Other liabilities	-	-	34,595	34,595
<b>Total current liabilities</b>	<b>376</b>	<b>3,232</b>	<b>52,805</b>	<b>56,413</b>
<b>Non-current liabilities</b>				
Other liabilities	-	-	23,583	23,583
<b>Total non-current liabilities</b>	-	-	<b>23,583</b>	<b>23,583</b>
<b>Total liabilities</b>	<b>376</b>	<b>3,232</b>	<b>76,388</b>	<b>79,996</b>
<b>Net assets</b>	<b>16,115</b>	<b>24,750</b>	<b>427,450</b>	<b>468,315</b>

Expenses and revenues for the period 1 July 2011 to 30 April 2012 in respect of the above departmental services were not recast as major departmental services by the transferring agencies and therefore these amounts have not been disclosed.

	2012 \$'000
<b>31. Reconciliation of operating deficit to net cash from operating activities</b>	
Operating deficit	(327)
<b>Non-cash items:</b>	
Depreciation and amortisation expense	4,222
Biological assets unrealised (revenue)/expense	(521)
Loss on sale of property, plant and equipment and intangibles	39
Impairment losses	1,348
Gain on sale or disposal of property, plant and equipment	(346)
Asset revaluation decrements	118
Notional interest on loans receivable	(831)
<b>Change in assets and liabilities:</b>	
(Increase)/decrease in receivables	18,247
(Increase)/decrease in departmental services revenue receivable	(3,956)
(Increase)/decrease in inventories	(583)
(Increase)/decrease in other assets	(2,774)
(Increase)/decrease in biological assets	448
Increase/(decrease) in payables	7,122
Increase/(decrease) in accrued employee benefits	(153)
Increase/(decrease) in other liabilities	(8,852)
(Increase)/decrease in GST input tax credits receivable	(3,386)
Increase/(decrease) in GST payable	1,726
<b>Net cash provided from operating activities</b>	<b>9,481</b>



**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**32. Non-cash financing and investing activities**

Assets and liabilities received or donated/transferred by the department and recognised as revenues and expenses, are set out in Notes 6 and 17 respectively.

Assets and liabilities received or transferred by the department as a result of MoG changes are set out in Note 30.

**33. Commitments for expenditure**

**(a) Non-cancellable operating lease commitments**

Commitments under operating leases at the reporting date are inclusive of anticipated GST and are payable as follows:

	2012 \$'000
- Not later than 1 year	13,484
- Later than 1 year and not later than 5 years	2,901
- Later than 5 years	292
<b>Total non-cancellable operating lease commitments</b>	<b><u>16,677</u></b>

The department has non-cancellable operating leases predominately relating to land, building, laboratories, office accommodation, storage facilities and motor vehicles. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined. No renewal or purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing activities.

**(b) Capital expenditure commitments**

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at the reporting date but not recognised in the accounts are payable as follows:

Plant and equipment	748
Other	960
	<u>1,708</u>
- Not later than 1 year	1,708
- Later than 1 year and not later than 5 years	-
- Later than 5 years	-
<b>Total capital expenditure commitments</b>	<b><u>1,708</u></b>

**(c) Grants and subsidies expenditure commitments**

Grants and subsidies commitments inclusive of anticipated GST, committed to be provided at the reporting date, but not recognised in the accounts are payable as follows:

Payable:	
- Not later than 1 year	1,189
- Later than 1 year and not later than 5 years	-
- Later than 5 years	-
<b>Total grants and subsidies expenditure commitments</b>	<b><u>1,189</u></b>

**(d) Other expenditure commitments**

Other expenditure commitments inclusive of anticipated GST, committed to provide at reporting date but not recognised in the accounts are payable as follows:

Payable:	
- Not later than one year	10,061
- Later than one year and not later than five years	10,167
- Later than five years	2,849
<b>Total other expenditure commitments</b>	<b><u>23,077</u></b>



**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**34. Contingencies**

**(a) Litigation in progress**

As at 30 June 2012, two claims against the department were filed in the Supreme Court.

At reporting date it is not possible to make an estimate of any probable outcome of these claims, or of any financial effect.

Depending on the outcome of the litigation process, indemnity for the department may be sought in respect of some of the above matters through the Queensland Government Insurance Fund.

**(b) Contaminated land sites**

On 30 June 2010, the Queensland Government sold the rights to manage and harvest Queensland's timber plantations to a private company - Forestry Plantations Queensland Pty Ltd (FPQ), now known as HQ Plantations Pty Ltd (HQP). The plantations are located on State Forest land and are managed through a 90-year licence issued under the *Forestry Act 1959*. The government administers the Plantation Licence and various Deeds of Agreement, including a Land Contamination Indemnity Deed. The assets are a part of the Administered Statements.

Under the Land Contamination Indemnity Deed, the State and the former FPQ agreed to jointly assess all plantation land to determine contamination issues. The process was undertaken during the 2010-12 financial years. For sites assessed as contamination risks, an appropriate landcare strategy is being developed. Any costs associated with remediation to contamination attributable to the period up to 30 June 2010 will be borne by the State and any costs associated with remediation of contamination attributable post 30 June 2010 will be borne by HQP. The amount and attribution of these costs, if any, of related liability will not be quantifiable until the site assessment has been completed.

The State has also provided an indemnity to HQP for costs incurred in defending third party claims for personal injury or death arising from contaminated land or the fuel depots in the licenced area for a period of 5 years from 1 July 2010, with payments capped to a range of \$1million to a maximum of \$5 million.

**35. Events occurring after balance date**

At the date of signing, there were no events subsequent to balance date, which would have a material effect on the information provided in the department's controlled or administered financial statements.

**36. Financial instruments**

The department has the following categories of financial assets and financial liabilities:

**(a) Categorisation of financial instruments**

	Note	2012 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	18	(5,903)
Receivables	19	87,309
Other financial assets	22	-
<b>Total financial assets</b>		<b>81,406</b>
<b>Financial liabilities</b>		
Payables	28	27,649
<b>Total financial liabilities</b>		<b>27,649</b>

**(b) Financial risk management**

The department's activities expose it to a variety of financial risks – credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Queensland Government and departmental policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department.

All financial risk is managed under policies approved by the department. The department provides written principles for overall risk management, as well as policies covering specific areas. The department measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis



**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**36. Financial Instruments (cont'd)**

**(c) Credit risk exposure**

Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowances for impairment.

The following table represents the department's maximum exposure to credit risk based on contractual amounts net of any allowances:

	Note	2012 \$'000
<b>Maximum exposure to credit risk</b>		
<b>Category</b>		
<b>Financial assets</b>		
Cash and cash equivalents	18	(5,803)
Receivables	19	87,309
Other financial assets	22	
<b>Total financial assets</b>		<b>81,406</b>

**Financial assets**

No collateral is held as security and no credit enhancements relate to financial assets held by the department.

The department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

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

The method for calculating any allowable impairment for risk is based on past experience, current and expected changes in economic conditions and changes in client credit ratings. The main factors affecting the current calculation for allowances for impairment are disclosed below as loss events. These economic and geographic changes form part of the department's documented risk analysis assessment in conjunction with historic experience and associated industry data.

No financial assets have had their terms renegotiated to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

Ageing of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

**2012 financial assets past due but not impaired**

	Overdue			Total overdue \$'000
	Less than 30 days \$'000	30 - 60 days \$'000	More than 60 days \$'000	
Receivables	1,810	8,885	3,941	14,716
<b>Total</b>	<b>1,810</b>	<b>8,885</b>	<b>3,941</b>	<b>14,716</b>

**2012 individually impaired financial assets**

	Overdue			Total overdue \$'000
	Less than 30 days \$'000	30 - 60 days \$'000	More than 60 days \$'000	
Receivables	-	-	301	301
Allowance for impairment	-	-	(301)	(301)
<b>Carrying Amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(d) Liquidity risk**

Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts to match the expected duration of the various employee and supplier liabilities.



**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**36. Financial Instruments (cont'd)**

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at the reporting date. Apart from payables, which are disclosed at their carrying amounts, the undiscounted cash flows in these tables differ from the amounts included in the statement of financial position that are based on discounted cash flows.

	Note	2012 payable in			Total \$'000
		< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	
Payables	26	27,649	-	-	27,649
<b>Total</b>		<b>27,649</b>	<b>-</b>	<b>-</b>	<b>27,649</b>

**(e) Market risk**

Whilst the department engages in foreign currency transactions due to its Trade and International Operations Division it is not materially exposed to foreign currency risk in relation to the functional currency. The department is exposed to interest rate risk from cash deposits in interest bearing accounts. The department does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk note above.

**(f) Interest rate sensitivity analysis**

Financial Assets Departmental funds are not held in interest bearing accounts so the department is not exposed to interest rate risk. The department does not have any borrowings.

**(g) Fair value**

The Department does not recognise any financial assets or financial liabilities at fair value. The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

**37. Leases - as lessor**

**(a) Finance leases**

The department issues finance leases under the provisions of the *Land Act 1994* whereby the lessee elects to pay the purchase price over a number of years. The aggregate of the minimum lease payments for lease receivables is as follows:

	Finance lease receivables
	2012 \$'000
Not later than 1 year	12
Later than 1 year and not later than 5 years	136
Later than 5 years	-
<b>Total finance lease receivables</b>	<b>148</b>
Included in Note 19 of these financial statements as:	
Current finance lease debtors	12
Non-current finance lease debtors	136
<b>Carrying amount at 30 June 2012</b>	<b>148</b>



**Statement of comprehensive income - Administered  
for the period 1 May 2012 to 30 June 2012**

**38. Schedule of Administered Items**

(a) Categorisation of administered item

	Note	2012 \$'000
<b>Income from continuing operations</b>		
Administered item appropriation	38(b)	1,805
User charges, fees and fines		359
<b>Total income from continuing operations</b>		<b>2,164</b>
<b>Expenses from continuing operations</b>		
Grants to Queensland Rural Adjustment Authority		1,805
Depreciation and amortisation		32
<b>Total expenses from continuing operations</b>		<b>1,837</b>
<b>Operating surplus from continuing operations before transfers to Government</b>		<b>327</b>
Transfers of administered revenue to Government		359
<b>Operating result from continuing operations after transfers to Government</b>		<b>(32)</b>

**Statement of financial position - Administered  
as at 30 June 2012**

	2012 \$'000
<b>Current assets</b>	
Cash and cash equivalents	76
Receivables	190
<b>Total current assets</b>	<b>266</b>
<b>Non-current assets</b>	
Property, plant and equipment	4,854
<b>Total non-current assets</b>	<b>4,854</b>
<b>Total assets</b>	<b>5,120</b>
<b>Current liabilities</b>	
Payables	247
<b>Total current liabilities</b>	<b>247</b>
<b>Total liabilities</b>	<b>247</b>
<b>Net assets</b>	<b>4,873</b>
<b>Equity</b>	
Reserves	
Asset Revaluation reserve	25
<b>(b) Reconciliation of payments from consolidated fund to administered revenue</b>	
Budgeted administered item appropriation	-
Budgeted administered equity adjustment appropriation	-
Transfers (to)/from other departments	1,789
Transfers (to)/from other headings	-
Unforeseen expenditure	-
<b>Total administered item receipts</b>	<b>1,789</b>
Plus: closing balance of administered item receivable	16
Less: opening balance of administered item receivable	-
<b>Total administered items</b>	<b>1,805</b>
<b>This is represented by:</b>	
Administered item revenue recognised in the statement of comprehensive income	1,805
Appropriated equity adjustment recognised in contributed equity	-
<b>Total</b>	<b>1,805</b>



**Notes to and forming part of the financial statements  
for the period 1 May 2012 to 30 June 2012**

**38. Schedule of administered items (cont'd)**

**c) Restructuring of administrative arrangements**

As a result of Public Service Departmental Arrangements Notices dated 3 April 2012, responsibility for the functions and duties of the departmental services named below were transferred to DAFF effective from 1 May 2012. The administered assets and liabilities transferred are as follows:

	Agriculture and Food 2012 \$'000	Forest Management 2012 \$'000	Total 2012 \$'000
<b>Current assets</b>			
Cash and cash equivalents	163	-	163
Receivables	180	-	180
<b>Total current assets</b>	<u>343</u>	<u>-</u>	<u>343</u>
<b>Non-current assets</b>			
Other assets	-	4,854	4,854
<b>Total non-current assets</b>	<u>-</u>	<u>4,854</u>	<u>4,854</u>
<b>Total assets</b>	<u>343</u>	<u>4,854</u>	<u>5,197</u>
<b>Current liabilities</b>			
Payables	290	-	290
<b>Total current liabilities</b>	<u>290</u>	<u>-</u>	<u>290</u>
<b>Total liabilities</b>	<u>290</u>	<u>-</u>	<u>290</u>
<b>Net assets</b>	<u>53</u>	<u>4,854</u>	<u>4,907</u>

**39. Trust transactions and balances**

As the department performs only a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for the information of users.

	2012 \$'000
<b>Trust collections and distributions</b>	
<b>Collections</b>	
Forestry security deposits	-
<b>Total collections</b>	<u>-</u>
<b>Distributions</b>	
Forestry security deposits	1
<b>Total distributions</b>	<u>1</u>
<b>Increase (decrease) in trust assets</b>	<u>(1)</u>
<b>Trust assets and liabilities</b>	
<b>Current assets</b>	
Monies held in trust	51
Cash	844
<b>Total current assets</b>	<u>895</u>
<b>Current liabilities</b>	
Trust balances payable	51
<b>Total current liabilities</b>	<u>51</u>
<b>Non-current liabilities</b>	
Forestry security deposits	844
<b>Total non-current liabilities</b>	<u>844</u>
<b>Total trust liabilities</b>	<u>895</u>

The Auditor-General of Queensland performed the audit of the department's trust transactions. \$0.891 million has been transferred in from the former Department of Environment and Resource Management (DERM) and \$0.004 million from the former Department of Employment, Economic Development and Innovation (DEEDI).



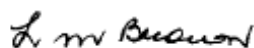
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**Certificate of the Department of Agriculture, Fisheries and Forestry**

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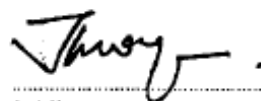
These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (The Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with Section 62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects
- b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Agriculture, Fisheries and Forestry for the period 1 May 2012 to 30 June 2012 and of the financial position at the end of that period.



Leith Brown B.Bus., CPA  
Chief Finance Officer  
Executive Director, DAFF

28 SEP 2012



Jack Noye  
Director-General

28 SEP 2012





## INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Agriculture, Fisheries and Forestry

### Report on the Financial Report

I have audited the accompanying financial report of the Department of Agriculture, Fisheries and Forestry, which comprises the statement of financial position and statement of assets and liabilities by major departmental services as at 30 June 2012, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services for the period 1 May 2012 to 30 June 2012, notes comprising a summary of significant accounting policies and other explanatory information, and the certificates given by the Director-General and Chief Finance Officer.

#### *The Accountable Officer's Responsibility for the Financial Report*

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Accountable Officer's responsibility also includes such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only 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 audit 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.

### *Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Agriculture, Fisheries and Forestry for the period 1 May 2012 to 30 June 2012 and of the financial position as at the end of that year.

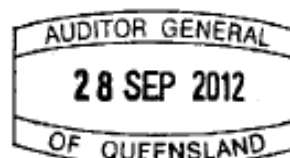
### **Other Matters - Electronic Presentation of the Audited Financial Report**

This auditor's report relates to the financial report of Department of Agriculture, Fisheries and Forestry for the period 1 May 2012 to 30 June 2012. Where the financial report is included on the Department of Agriculture, Fisheries and Forestry's website the Accountable Officer is responsible for the integrity of the Department of Agriculture, Fisheries and Forestry's website and I have not been engaged to report on the integrity of the Department of Agriculture, Fisheries and Forestry's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.



A M GREAVES FCA FCPA  
Auditor-General of Queensland



Queensland Audit Office  
Brisbane

## Appendix 1 – Statutory authorities or instrumentalities

<b>Name</b>	<b>Type of statutory authority or instrumentality</b>	<b>Legislation under which the body was established</b>	<b>Annual reporting arrangement</b>
Australian Agricultural College Corporation	Corporation sole	<i>Agricultural College Act 2005</i>	Annual report tabled in Parliament
Chicken Meat Industry Committee	Instrumentality	<i>Chicken Meat Industry Committee Act 1976</i>	Annual report tabled in Parliament
Darling Downs—Moreton Rabbit Board	Statutory body	<i>Land Protection (Pest and Stock Route Management) Act 2002</i>	Annual report tabled in Parliament
QRAA	Statutory authority	<i>Rural and Regional Adjustment Act 1994</i>	Annual report tabled in Parliament
Safe Food Queensland	Statutory body	<i>Food Production (Safety) Act 2000</i>	Annual report tabled in Parliament

Annual reports are prepared for each of these organisations and are publicly available.

## Appendix 2 – Boards and committees

Name and type of board or committee	Functions and responsibilities	Achievements	Costs	Membership	New female appointees during 2011–12
Animal Ethics Committee (regulatory)	Provide approvals for animal use and monitor activities that use animals for scientific purposes	<ul style="list-style-type: none"> <li>The committee met on 24 occasions and considered 128 proposals to use animals for research or teaching.</li> <li>The committee also considered 204 annual reports, 116 project completions and 108 amendments.</li> <li>The committee inspected and reported on 22 facilities.</li> </ul>	\$41 670	<ul style="list-style-type: none"> <li>26 members</li> <li>19 men</li> <li>7 women</li> </ul>	Nil
Animal Welfare Advisory Committee (advisory)	Advise the Minister on animal welfare issues	<ul style="list-style-type: none"> <li>No meetings held due to delays in appointments of new members required for quorum.</li> </ul>	Nil	<ul style="list-style-type: none"> <li>9 members (including ex officio).</li> <li>5 men</li> <li>4 women</li> </ul>	1
Bee Industry Consultative Committee (advisory/consultative)*  * This committee transferred to DAFF from the former Department of Environment and Resource Management as part of machinery of government changes.	Provide a forum for discussion amongst relevant Queensland Government departments, other applicable organisations and the apiary industry on strategic issues to the future of that industry	<ul style="list-style-type: none"> <li>At its biannual meetings beekeepers, policy staff and native forest managers exchanged information on key matters including biosecurity concerns, access to native forest resources and mining related issues.</li> </ul>	\$300	<ul style="list-style-type: none"> <li>21 members</li> <li>16 men</li> <li>5 women</li> </ul>	1
Biosecurity Queensland Ministerial Advisory Council (advisory)	Provide strategic advice to the Minister on biosecurity matters for Queensland	<ul style="list-style-type: none"> <li>Reviewed the draft State Land Pest Management Framework.</li> </ul>	\$18 645	<ul style="list-style-type: none"> <li>16 members: (including ex officio)</li> <li>12 men</li> <li>4 women</li> </ul>	Nil

Name and type of board or committee	Functions and responsibilities	Achievements	Costs	Membership	New female appointees during 2011–12
		<ul style="list-style-type: none"> <li>Engaged with the Biosecurity Queensland 'Refresh' project.</li> <li>Held two council meetings</li> </ul>			
Land Protection (Pest and Stock Route Management) Council (advisory)	Provide the Minister with advice and recommendations on pest management and stock route management in Queensland	<ul style="list-style-type: none"> <li>In abeyance</li> </ul>	Nil	<ul style="list-style-type: none"> <li>0 members</li> </ul>	Nil
Biosecurity Queensland Ministerial Advisory Committee—Invasive Plants and Animals Subcommittee (advisory)	Provide advice on invasive plants and animals matters.	<ul style="list-style-type: none"> <li>In abeyance—did not meet prior to the state government election</li> </ul>	Nil	<ul style="list-style-type: none"> <li>11 members</li> <li>4 males</li> <li>2 females</li> <li>5 vacant</li> </ul>	2
Queensland Fisheries Advisory Committee (advisory/consultative)	Provide coordinated, strategic advice across all fisheries matters including priorities within Fisheries Queensland and on fisheries management issues	<ul style="list-style-type: none"> <li>Developed proposals leading to better incorporation of the fishing industry in natural disaster relief and recovery.</li> </ul>	\$7 438	<ul style="list-style-type: none"> <li>1 Chair and 10 members</li> <li>9 men</li> <li>2 women</li> </ul>	Nil
Queensland Wild Dog Committee (advisory)	<p>Provide advice to the Minister on policy and strategic issues associated with wild dog management.</p> <p>Provide advice to Biosecurity Queensland and other stakeholders on priorities for science, education, planning, risk assessment, operations and compliance.</p> <p>Provide leadership and advocacy for the effective management of wild dogs in Queensland.</p>	<ul style="list-style-type: none"> <li>Engaged major stakeholders particularly in wool-producing areas that have a greater focus on coordinated wild dog management.</li> <li>Redeveloped the Wild dog management strategy 2011–2016</li> <li>Established enhanced communication networks.</li> <li>Held two meetings</li> </ul>	\$ 3 000	<ul style="list-style-type: none"> <li>10 members</li> <li>8 men</li> <li>2 women</li> </ul>	1
Rural Skills, Training and Labour Industry Advisory Group (advisory)	Advise industry and government on workforce development strategies to meet the priorities of the	<ul style="list-style-type: none"> <li>Annual Agriculture Workforce Development Plan delivered to</li> </ul>	\$15 000	<ul style="list-style-type: none"> <li>12 members</li> <li>4 men</li> <li>8 women</li> </ul>	Nil

Name and type of board or committee	Functions and responsibilities	Achievements	Costs	Membership	New female appointees during 2011–12
	Queensland primary industries and fisheries sectors	<p>Skills Queensland (funded by memorandum of understanding with Skills Queensland)</p> <ul style="list-style-type: none"> <li>Completed review of agriculture apprenticeships and traineeships</li> </ul>			
Veterinary Surgeons Board of Queensland (regulatory/registration)	Exercise and discharge the powers, authorities, duties and functions conferred by the <i>Veterinary Surgeons Act 1936</i> , including registration of veterinary surgeons and veterinary specialists and administration of the disciplinary provisions. Act in the public interest on consumer protection and animal welfare in the delivery of veterinary services	<ul style="list-style-type: none"> <li>Registrations in 2011–12 raised the total registration pool of Queensland veterinary surgeons to 2 856 and veterinary specialists to 89.</li> <li>Met nine times to consider 32 complaint cases—nine cases progressed to professional misconduct proceedings and one case proceeded to formal hearings in the Magistrates Court in four jurisdictions.</li> <li>Determined suitability of premises for use as veterinary premises and resolved issues relating to policy, governance and legislative matters.</li> </ul>	\$21 900	<ul style="list-style-type: none"> <li>6 members</li> <li>3 men</li> <li>3 women</li> </ul>	Nil

## Appendix 3 – Departmental statements

	Notes	2011–12 target/ estimate	2011–12 actual
<b>Service Area: Agriculture and Forestry</b>			
<b>Service standards</b>			
Proportion of stakeholders who have a high level of satisfaction with DAFF consultative and engagement processes	1	70–80%	83%
Total of Forest Product sales quantities per total Forest Product full time equivalent (FTE):			
- native forest timber (m <sup>3</sup> /FTE)		2 255	2 297
- quarry material (m <sup>3</sup> /FTE)	2	36 275	64 585
<b>Other measures</b>			
Achievement of major project milestones on strategic projects		1	1
Pieces of legislation and regulatory frameworks reviewed and reformed		2	2
Consultative and engagement forums held with industry and community stakeholders	3	20	25
Integrated Development Assessment System responses completed within statutory timeframes:	4	85	39
- Local Government Planning Schemes			
- Development Assessment Applications	5	90	231
The number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities	6	45	82
The number of business participants in structured development activities	6	345	971
Significant one-on-one business consultations undertaken	7	815	1009
Number of businesses involved in facilitated alliances, partnerships, industry networks, supply chains, clusters etc.	8	300	700
Number of promotion activities profiling Queensland agriculture, food and tourism businesses	9	26	20
Businesses impacted by natural disasters and other emergencies assisted and supported	10	2 500	192

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**Service Area: Fisheries Queensland**
**Service standards**

Queensland fish species assessed as being sustainably fished	11	21	28
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**Other measures**

Proposed Queensland fisheries accredited for export accreditation		21	21
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Percentage of overall compliance with fisheries laws		93%	95%
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Beaches covered by the Shark Control Program		85	85
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Pieces of legislation and regulatory frameworks reviewed and reformed	12	3	5
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Consultative and engagement forums held with industry and community stakeholders		2	1
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Integrated Development Assessment System responses completed within statutory timeframes:			
- Development Assessment Applications	13	310	1 251

**Service Area: Biosecurity Queensland**
**Other measures**

Achievement of major project milestones on strategic projects		2	2
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Risk management and surveillance strategies implemented under national biosecurity obligations:			
- risk management strategies		9	9
- surveillance strategies		100%	100%

Significant new biosecurity incidents responded to in accordance with national standards		100%	100%
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Business accreditations and registrations maintained to facilitate market access	14	95 000	69 580
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Pieces of legislation and regulatory frameworks reviewed and reformed		2	2
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Consultative and engagement forums held with industry and community stakeholders		3	2
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## Service Area: Agri-Science Queensland

### Service standards

Proportion of stakeholders who have a high level of satisfaction with consultative and engagement processes

70 80% 70%

Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of funded innovation and capacity development activities

60 70% 60%

Proportion of assisted firms reporting improved performance following funded innovation and capacity development activities

60% 60%

### Other measures

Consultative and engagement forums held with industry and community stakeholders

5 5

The number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities

15 408 470

The number of business participants in structured development activities

15 5 570 6 006

Number of businesses involved in facilitated alliances, partnerships, industry networks, supply chains, clusters etc.

110 107

Innovative technologies developed through revolutionary R&D

8 9

Improved production efficiency systems, standards and tools delivered

55 55

Improved varieties, cultivars and commercial parent lines developed

16 20 18

Collaborative research and development partnerships established

200 209

### Notes:

1. The increase is due to positive stakeholder/client satisfaction associated with engagement and consultative activities.
2. The increase is primarily as a result of record sales of State-owned quarry materials to support the strong growth in mining and other infrastructure development and transport related maintenance across the State.
3. Additional industry forums were undertaken in excess of the number expected in 2011-12, and included beef, meat processing, sheep and wool, pork, eggs, biogas recovery as well as an additional Horticulture Steering Committee meeting.
4. This is a demand driven measure. Responses are to requests from State and Local Government agencies.
5. This is a demand driven activity for which a significant increase was experienced during 2011-12 due to increased notification from self-assessable codes, which could be due to either greater awareness of codes and/or greater compliance with codes.
6. The increase is due to additional workshops being conducted outside the usual suite of

- 
- delivery—including flood recovery support; Indigenous Business Support; interest in the Resource Sector; and specific inter-departmental requests and project related activity.
7. The increase relates to flood recovery support and interest by businesses in resources sector opportunities.
  8. The increase is due to a significant increase in the number of businesses involved in the Food Chain e-newsletter, which is an innovative approach to industry network information facilitation.
  9. The decrease is due to promotional activities being curtailed to achieve cost savings.
  10. The variance is positive and reflects good seasonal conditions throughout the State.
  11. The variance is due to a combination of more stocks being considered in the process in 2011 and some stocks moving from 'undefined' to 'sustainably fished'.
  12. The increase is due to amendments to Management Plans in the 2011-12 financial year. The result was a higher number of frameworks reviewed but an overall reduction in the number of frameworks in existence. A number of frameworks under review have not yet been finalised and will be reported in 2012-13.
  13. The increase is due to increased notification from self-assessable codes, which could be due to either greater awareness of codes and/or greater compliance with codes. Separately, request for management advice also form part of the numbers and as local governments are reviewing their planning schemes, greater formal contact occurs between Council staff and Fisheries staff.
  14. Decline primarily attributed to a decrease in the demand of services required by businesses for Property Permits and Brands and the long term effect of Cyclone Yasi for plant accreditations.
  15. The increase in programs and higher than anticipated participation in 2011-12 is due to the program responding to client needs to deliver additional business support activities.
  16. The actual has been revised since publication of the budget papers.
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## Appendix 4 – Legislation administered by DAFF

The public business of the State of Queensland is divided among its Ministers. Each Ministerial portfolio carries particular responsibilities, including the administration of relevant legislation. As at 30 June 2012, following Machinery-of-Government changes in April and May 2012, DAFF administers the following legislation for the Minister for Agriculture, Fisheries and Forestry.

DAFF was established under an Administrative Arrangements Order (No.3) 2012 on the 3<sup>rd</sup> April 2012.

<i>Agricultural and Veterinary Chemicals (Queensland) Act 1994</i>	
<i>Agricultural Chemicals Distribution Control Act 1966</i>	
<i>Agricultural College Act 2005</i>	
<i>Agricultural Standards Act 1994</i>	
<i>Animal Care and Protection Act 2001</i>	
<i>Animal Management (Cats and Dogs) Act 2008</i>	
<i>Apiaries Act 1982</i>	
<i>Biological Control Act 1987</i>	
<i>Brands Act 1915</i>	
<i>Chemical Usage (Agricultural and Veterinary) Control Act 1988</i>	
<i>Chicken Meat Industry Committee Act 1976</i>	
<i>Diseases in Timber Act 1975</i>	
<i>Drugs Misuse Act 1986 (Part 5B)</i>	
<i>Exotic Diseases in Animals Act 1981</i>	
<i>Fisheries Act 1994</i>	Except for Fish Habitat Areas which are administered with the Minister for National Parks, Recreation, Sport and Racing
<i>Food Production (Safety) Act 2000</i>	
<i>Forestry Act 1959</i>	Jointly administered with the Minister for National Parks, Recreation, Sport and Racing
<i>Land Protection (Pest and Stock Route Management) Act 2002</i>	Except to the extent that it is relevant to Stock Route Management (jointly administered with the Minister for Natural Resources and Mines)
<i>Nature Conservation Act 1992</i>	To the extent that it is relevant to demonstrated and exhibited native animals (jointly administered with the Minister for National Parks, Recreation, Sport and Racing and Minister for Environment and Heritage Protection)
<i>Plant Protection Act 1989</i>	
<i>Rural and Regional Adjustment Act 1994</i>	
<i>Stock Act 1915</i>	
<i>Strategic Cropping Land Act 2011 (Chapter 5 excluding sections 139(1), 143 and 144)</i>	Jointly administered with the Minister for Natural Resources and Mines
<i>Sugar Industry Act 1999</i>	
<i>Torres Strait Fisheries Act 1984</i>	
<i>Veterinary Surgeons Act 1936</i>	

## Glossary and acronyms

ABS	Australian Bureau of Statistics
Agency	A department or a statutory body as those expressions are defined in the <i>Financial Accountability Act 2009</i>
Aquaculture	Cultivation of live fisheries resources for sale
Biosecurity	Mitigating the risks and impacts to the economy, the environment, social amenity or human health associated with pests and diseases
BoM	Board of Management
DAFF	Department of Agriculture, Fisheries and Forestry
DEEDI	Department of Employment, Economic Development and Innovation
Extension	Turning research into practical outcomes that bring about positive change for primary producers, through training and information
FPO	Forest Plantation Oversight
FTE	Full-time equivalent
GDP	Gross domestic product
GFC	Global financial crisis
GSP	Gross state product—The measurement of a state's economic output
GST	Goods and services tax
Horticulture	The commercial cultivation of fruits, vegetables and nuts
ICT	Information and communication technologies
Innovation	The process of converting knowledge and ideas into better ways of doing business or into new or improved products and services that are valued by the community—innovation process incorporates research and development, commercialisation and technology diffusion
Machinery-of-government (MoG) changes	The allocation and reallocation of functions between government departments and ministers
PPP	Productivity Places Program
Primary industries	Any part of the supply chain for agriculture, forestry, fisheries and other rural industries
PSC	Public Service Commission
QAAFI	Queensland Alliance for Agriculture and Food Innovation—The University of Queensland's new research institute
QGIAS	Queensland Government Internal Audit Service
QRAA	QRAA provides financial administrative services on behalf of the Australian, state and territory governments throughout Australia in accordance with the <i>Rural and Regional Adjustment Act 1994</i>
QRAP	Queensland Reconciliation Action Plan
Queensland State Accounts	The official quarterly accounts of the Queensland economy published by Queensland Treasury
R&D	Research and development
SDS	Service Delivery Statements provide information on the performance of service areas in DEEDI
SES	Senior Executive Service
Strategy	The way in which the Queensland government or an agency intends to pursue its objectives and deliver its services
Supply chain	The steps, people, processes and technology involved in moving a product or service from raw materials supply to the customer

## Contacts and locations

You can contact the Department of Agriculture, Fisheries and Forestry at:

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### Phone

13 25 23 (Queensland callers only)  
07 3404 6999 (outside Queensland)

8 am to 6 pm Monday, Tuesday Wednesday and Friday  
9 am to 6 pm Thursday

### Regional offices

DAFF has a network of offices located throughout Queensland with strong regional representation. You can locate your nearest office by calling the above numbers or referring to the DAFF website at [www.daff@qld.gov.au](http://www.daff@qld.gov.au)

### Annual report enquiries

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