

# ANNUAL REPORT 2021–2022



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# Letter of compliance

23 September 2022

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

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2021–2022 and financial statements for the Department of Agriculture and Fisheries.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2019; and
- the detailed requirements set out in the *Annual report requirements for Queensland government agencies*.

A checklist outlining the annual reporting requirements is provided in Appendix 3, page 106 of this annual report.

Yours sincerely



Robert Gee APM  
**Director-General**  
**Department of Agriculture and Fisheries**

# Message from the Director-General

The Department of Agriculture and Fisheries (DAF) delivers services to ensure Queensland is a world-leading provider of high-quality, safe and sustainably produced food and fibre. We create value for Queensland by connecting industries, the community and government to grow our economy and safeguard our natural environment.

Despite the impacts of drought, extreme weather events, the COVID-19 pandemic and other disruptors, in 2021–22, the sector continued to remain resilient and the backbone of Queensland's rural economy. Demand for Queensland products remained strong, with record high prices received for many of our key commodities, including beef.

This strong demand resulted in a gross value of production for 2021–22 of over \$23 billion, which is 20 per cent higher than for the previous year and 22.6 per cent greater than the average for the past five years. In 2021–22, Queensland exported food and fibre to 135 countries, with total food and fibre exports valued at \$10.78 billion, which is up 26.2 per cent from the previous year.

This outcome was achieved although input costs are rising, workforce challenges continue, and floods have had a devastating effect on parts of the sector. To address workforce challenges, DAF successfully implemented the #pickqld campaign to encourage new workers into the sector, and the Queensland Agriculture Workforce Network local solutions initiative. Almost 1900 workers received funding through the agriculture incentive program, which has helped around 500 Queensland agribusinesses to catch, harvest and pick produce for tables around the world.

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

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

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

In addition to the reform work, Fisheries Queensland launched the new Qld Fishing 2.0 recreational fishing app, deployed a network of fish aggregating devices, continued our stock assessment program to set sustainable catch limits and supported harvest strategy implementation. Since the implementation of the strategy in 2017, 31 stock assessments have been completed for 24 species and 35 fish stocks to inform the setting of sustainable catch limits.

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

Biosecurity Queensland maintains a response-ready workforce as part of preparedness for emergency animal disease and other biosecurity incursions. In 2021–22, we worked to protect our state from many animal and plant pests and diseases, including (but not limited to):

- the ongoing risk of varroa mite, recently detected in the Port of Newcastle in New South Wales
- African swine fever, by continuing to work with industry to enhance early detection surveillance, biosecurity practices and response readiness
- the detection of Hendra virus in Mackay
- the increasing threat of foot-and-mouth disease and lumpy skin disease, following the detection in Indonesia.

DAF has activated a range of awareness, training and prevention measures, as well as emergency response-ready activities to strengthen emergency animal disease preparedness. We continued to deliver the National Red Imported Fire Ant (RIFA) Eradication Program to eradicate fire ants from South East Queensland. Additionally, the RIFA Taskforce was formed to support the national program, which managed 10 significant detections and contained the overall spread in South East Queensland's agriculture, fisheries and forestry sector. This is critical to the state's economy and forms the backbone for many rural and regional Queensland communities. As such, DAF continues to work collaboratively with all levels of government, peak industry bodies, the tertiary and research sectors, primary producers and businesses to support long-term profitability, sustainability and adaptability.

The department's achievements have been made possible by the extraordinary efforts of our staff and their dedication to supporting a resilient and adaptable sector. This was particularly evident during COVID-19 where DAF, industry, local government, member-based organisations such as AgForce, and groups within the Queensland Farmers' Federation worked together to address labour movement and other issues. To ensure DAF remains a collaborative, modern and agile organisation, we continue to invest in our capability and culture to drive improved performance in a rapidly changing environment.

These are just some highlights of the important work our department delivered in 2021–22. I sincerely thank our stakeholders, all staff, Minister Furner and his office for their collaboration, dedication and hard work during the year.

On behalf of the department, I am pleased to present the annual report for 2021–22, which provides a complete overview of our highlights and achievements.



Robert Gee APM  
**Director-General**  
**Department of Agriculture and Fisheries**



# Agency role and main functions

## Who we are

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

Our *Strategic plan 2021–25* provided our purpose and set out our vision and objectives for the 2021–22 reporting period, as outlined below.

## Our vision

Queensland is a world-leading provider of high-quality, safe and sustainably produced food and fibre.

## Our purpose

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

## Our strategic objectives

- **Innovative and globally competitive agribusinesses** accessing improved practices, data and new technologies to enhance the productivity, profitability and sustainability of food and fibre value chains
- **Prosperous economies** providing business and employment opportunities across diversified markets and value-added products
- **A resilient sector** with secure production, and value chains that can deal with natural disasters, climate change and other emerging challenges
- **Consumer and community expectations** for ethically produced food and fibre, a sustainable natural environment and high standards of animal welfare are met
- **Capable and connected people** who are high-performing, safe, healthy, and supported to deliver services and achieve their potential within the department and the community.

Details of our performance against our strategic objectives can be found on pages 13 to 23.

## Our values

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

	<b>Customers first</b>	Know your customers. Deliver what matters. Make decisions with empathy.
	<b>Ideas into action</b>	Challenge the norm and suggest solutions. Encourage and embrace new ideas. Work across boundaries.
	<b>Unleash potential</b>	Expect greatness. Lead and set clear expectations. Seek, provide and act on feedback.
	<b>Be courageous</b>	Own your actions, successes and mistakes. Take calculated risks. Act with transparency.
	<b>Empower people</b>	Lead, empower and trust. Play to everyone's strengths. Develop those around you.
	<b>Respect human rights</b>	We will respect, protect and promote human rights in our decision-making and actions.

## Our services

DAF's services were delivered through three service areas, with objectives as follows:

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

Details on the achievements of DAF's three service areas, including results for each service standard for the 2021–2022 reporting period, can be found in Appendix 1.

The delivery of our services was supported by our Corporate business group, which provided core corporate services and a range of specialised services across the department. Our Corporate business group also delivered information technology services across multiple departments as part of a Business and Corporate Partnership arrangement with partnering agencies. Under the arrangement, we also received legal services from the Department of Resources and right to information and privacy services from the Department of Environment and Science (DES).

# Operating environment

## The sector we serve

Queensland's agricultural industries (agriculture, fisheries, forestry and food) are the keystones of our economy, regions and communities. The 2021–22 year was marked by global economic recovery from the COVID-19 pandemic. During this time, despite the disruptions endured by our domestic markets, labour markets and supply chains, Queensland's agriculture industry sector has remained resilient, efficient and sustainable. The gross value of production (GVP) for 2021–22 is forecast to rise to \$23.66 billion, a 20.3 per cent increase on the 2020–21 value of \$19.66 billion. This increase demonstrates the strength of Queensland's economic recovery, combined with good seasonal conditions and increased demand for Queensland's food and fibre products.

Queensland has the highest proportion of land used for agriculture (84 per cent) of any Australian state. Stretching beyond the farm gate, the agribusiness and food sector either partly or entirely supports employment of approximately 372 000, or roughly one in seven, Queenslanders.

Queensland's agriculture sector is diverse and produces a breadth of high-quality food and fibre products. Queensland grows most of Australia's bananas, pineapples, mangoes, mandarins and avocados. Furthermore, Queensland is a world leader in beef and beef product production, as it is host to major global processors. Queensland is a food-secure state, exporting 58 per cent of all agricultural output. Queensland has a strong reputation across international markets due to its reputation for high-quality, safe and nutritious products.

## Outlook

Over the medium term, Queensland's agriculture sector is likely to face several challenges, including rising input costs, changing trade relations and labour shortages. Despite these challenges, there is a unique opportunity to capitalise on the strong demand for sustainably produced, high-quality food and fibre products.

### New pest and disease threats

Queensland is currently facing multiple, concurrent plant and animal pest and disease threats, both from within Australia and overseas. Foot-and-mouth disease, lumpy skin disease and African swine fever are all on our doorstep in Asia. Within Australia, we are faced with outbreaks such as varroa mite in New South Wales and banana freckle in the Northern Territory.

### Rising input costs

The Russia–Ukraine war is one of many factors that is affecting Queensland primary industries. Reduced food supplies (such as wheat) from Ukraine, and disruptions to fuel, fertiliser and other markets (e.g. timber) due to sanctions imposed on Russia have implications for Queensland primary industries. While markets will adjust eventually, there is a potential adverse net impact on Australian farmers' terms of trade.

### Changing trade relations

Trade tensions and changing market conditions will nudge Queensland food and agribusiness exporters to pivot and seek out new or previously not prioritised market opportunities. Queensland is well placed to capitalise on our global reputation for high-quality agricultural produce, and can leverage this into increasing markets of interest, such as Vietnam and India.

## Labour

Expected growth in agriculture will need to be managed in accordance with labour volatility. With the elimination of international and domestic border restrictions across Australia, and with reduced quarantine and isolation requirements, Queensland is well placed to accept incoming streams of labour into agriculture, especially horticulture. However, over the medium term, Queensland producers will need to consider how to adjust production decisions to adapt to long-term shifts in labour availability, such as investments in automation and mechanisation.

Productivity improvements are expected to account for most of the projected growth in agricultural production. Queensland is well positioned to take up innovative technology and continue investment in infrastructure and research and development to accelerate digitisation, new technology, improved data and workforce skilling.

These investments are critical to ensure Queensland remains a world leader in food and fibre. Finding our competitive advantage, along with understanding and servicing consumer preferences domestically and in existing and new export markets, will be key to our success and build on our 2021–2022 exports of \$10.87 billion.

**Table 1** Agriculture, fisheries and forestry snapshot (by GVP, 2021–22)

Horticulture	\$4.18B*
Livestock and livestock products	\$8.69B*
Cropping	\$4.97B*
Fisheries and forestry	\$719.35M*
First round processing value added	\$ 5.09B*
<b>Total</b>	<b>\$23.66B*</b>

**Source:** Department of Agriculture and Fisheries 2022, *Queensland AgTrends*, Queensland Government, Brisbane.

\* Calculated using 2021–22 AgTrends unpublished revised data, with non-revised data at [www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends](http://www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends)

# Our strategic opportunities and risks

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

## Strategic opportunities

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

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

**Digital technologies and data**—Data and digital innovations will change the way government, business and customers operate, drive productivity and efficiency gains, and make it easier and cheaper to interact, transact and make better decisions.

**Informed consumers and markets**—Assisting agribusinesses to meet consumer expectations about the origin, safety, nutritional value and ethical and sustainable production of food and fibre will help to increase demand for Queensland’s trusted produce.

## Strategic risks

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

**Climate change and other disruptive and extreme events**—Climate change, including increasingly frequent extreme climatic events, as well as other external threats may stretch resources across competing priorities and challenge the capacity of the department and the sector to respond rapidly and effectively to maintain industry activity, continue labour supply or support recovery.

**Protection of ecosystems**—Competing pressures may impact on the department’s ability to ensure that essential resources that industry and communities depend on are regulated, sustainably managed and safeguarded for the future.

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

## Government bodies (statutory bodies and other entities)

Our work is complemented by the following bodies:

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

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

# Contribution to the Queensland Government’s objectives for the community

In 2021–22, the department contributed to all nine Queensland Government objectives for the community.

 <p><b>Safeguarding our health</b></p>	<p>We continued our efforts to deliver a regulatory environment that gives consumers and communities confidence that primary production is safe, ethical and sustainable. We also delivered policies and programs that minimise the impact of endemic pests and diseases on our environment and food chain, and that support industry to be resilient to and recover from natural disasters, biosecurity incidents and other disruptive events.</p>
 <p><b>Supporting jobs</b></p>	<p>We helped boost agribusiness competitiveness through policy, research, innovation and workforce programs to support jobs now and in the future, diversify the sector and strengthen the Queensland economy.</p>
 <p><b>Backing small business</b></p>	<p>We helped in growing the resilience of agribusinesses to assist them to adapt and better manage uncertainties and change such as climate, markets and biosecurity threats by providing policy settings, support, information and tools.</p>
 <p><b>Making it for Queensland</b></p>	<p>We built agricultural technology (AgTech) and digital capability and capacity across value chains, and engaged with Queensland’s innovation system to identify, promote and support high-potential and high-value practices and technologies. We also led and enabled research and development that will deliver improved technologies, production systems, genetics and products, and provide business and employment opportunities across diversified markets and value-added products.</p>
 <p><b>Building Queensland</b></p>	<p>We supported farm infrastructure investment and identified agriculture, fisheries and forestry priorities that support the government’s infrastructure planning and investment decisions.</p>
 <p><b>Growing our regions</b></p>	<p>We worked with agribusinesses, organisations and rural communities to grow the value chain, exports and investment that will create jobs and lift regional prosperity.</p>
 <p><b>Investing in skills</b></p>	<p>We supported our agribusinesses to meet their current and future workforce and skills needs through innovative programs and partnerships.</p>
 <p><b>Backing our frontline services</b></p>	<p>We engaged with and provided quality frontline agriculture, biosecurity, fisheries and forestry services to our diverse customers and stakeholders.</p>
 <p><b>Protecting the environment</b></p>	<p>We supported businesses to build our natural capital, maintain high levels of biosecurity and enhance ecosystem services that protect the environment, increase productivity and profitability of the sector, and secure a sustainable future for Queensland.</p>

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

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

DAF's service areas	DAF's strategic objectives	Queensland Government's objectives for the community
<b>Agriculture</b> To lift the productivity of Queensland's food and fibre businesses	<b>Innovative and globally competitive agribusinesses</b> accessing improved practices, data and new technologies to enhance the productivity, profitability and sustainability of food and fibre value chains	<ul style="list-style-type: none"> <li>• Safeguarding our health</li> <li>• Backing small business</li> <li>• Making it for Queensland</li> <li>• Growing our regions</li> </ul>
	<b>Prosperous economies</b> providing business and employment opportunities across regions, diversified markets, and value-added products and services	<ul style="list-style-type: none"> <li>• Supporting jobs</li> <li>• Backing small business</li> <li>• Growing our regions</li> </ul>
<b>Biosecurity Queensland</b> To mitigate the risks and impacts of animal and plant pests and diseases and weeds to the economy, the environment, social amenity and human health. This service area also upholds standards for animal welfare and agricultural chemical use	<b>A resilient sector</b> with secure production, and value chains that can deal with natural disasters, climate change, biosecurity risks and other emerging challenges	<ul style="list-style-type: none"> <li>• Supporting jobs</li> <li>• Building Queensland</li> <li>• Investing in skills</li> <li>• Protecting the environment</li> </ul>
	<b>Consumer and community expectations</b> for ethically produced food and fibre, a sustainable natural environment and high standards of animal welfare are met	<ul style="list-style-type: none"> <li>• Safeguarding our health</li> <li>• Protecting the environment</li> </ul>
<b>Fisheries and Forestry</b> To ensure sustainable and productive fisheries and the responsible allocation and use of state-owned forests and related resources	<b>Capable and connected people</b> who are high-performing, safe, healthy and supported to deliver services and achieve their potential within the department and the community	<ul style="list-style-type: none"> <li>• Investing in skills</li> <li>• Backing our frontline services</li> </ul>



## Other whole-of-government plans and initiatives

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

### Reef 2050 Plan

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

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

### Intergovernmental Agreement on Biosecurity

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

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

As part of this national system, Biosecurity Queensland is a signatory to the three formal agreements that outline responses to exotic pests and diseases that have potential to impact animal, plant or human health or the environment. These are the Emergency Animal Disease Response Agreement and the Emergency Plant Pest Response Deed between industry and governments, and the National Environmental Biosecurity Response Agreement between governments. The majority of cost-shared eradication responses are conducted under these agreements. IGAB2 can be found at <https://www.agriculture.gov.au/biosecurity-trade/policy/partnerships/nbc/intergovernmental-agreement-on-biosecurity>.

### Great Barrier Reef Marine Park Authority Intergovernmental Agreement

Schedule E of the agreement recognises Australia's international responsibilities for the GBR World Heritage Area under the World Heritage Convention, Offshore Constitutional Settlement arrangements, the intergovernmental agreement, and associated Australian and Queensland government legislative provisions. The intergovernmental agreement is currently under review by the Australian and Queensland governments.



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

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

## Shared waters

Management arrangements for commercial fisheries are established under the Offshore Constitutional Settlement 1995 agreement and the resulting memorandum of understanding between the Queensland, Northern Territory and Australian governments to manage shared waters. The Queensland Fisheries Joint Authority (established in 1995) manages some northern finfish stocks within offshore waters in the Gulf of Carpentaria. The Torres Strait Protected Zone Joint Authority (established in 1984) manages all commercial fisheries in the Torres Strait Protected Zone. There are no joint authorities operating on the Queensland east coast.

# Agency objectives and performance

## Objective 1: Innovative and globally competitive agribusinesses

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

### Key performance indicators

Indicator	Results				
	2017–18	2018–19	2019–20	2020–21	2021–22
Growth in productivity of Queensland agriculture <sup>1</sup>	-1.0%	7.8%	-1.9%	-7.5%	Not available
Increase in value added to primary production by first-stage processing <sup>2</sup>	\$4.12 billion	\$4.26 billion	\$4.34 billion	\$4.23 billion	\$5.09 billion

#### Notes

<sup>1</sup> This is a new key performance indicator (KPI) which is sourced from ABARES. The 2021–22 result is not yet available and is expected to be published in mid-2023. It is an estimate of climate adjusted Total Factor Productivity Growth, an important measure of Queensland's broadacre agricultural performance. It shows how efficiently inputs (labour, capital, land, materials and services) are used to produce outputs (crops, wool and livestock) over time. Adjusting for climatic effects removes the transient impact of adverse seasonal conditions and provides an improved indicator of the desirable underlying causes of productivity growth.

<sup>2</sup> This is a new KPI calculated using 2021–22 AgTrends unpublished revised data, with non-revised data at [www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends](http://www.daf.qld.gov.au/strategic-direction/datafarm/qld-agtrends). The 2021–22 figure shows an increase of 20% over the previous year.

### Performance snapshot

- **40 000** agriculture, forestry and fishing businesses supported across Queensland in 2021–22.
- **More than 1.7 million** page views on the FutureBeef website, providing more than **1220** pages of information for northern beef producers.
- **A record 2.6 million** trays of DAF-bred Calypso mangoes harvested, worth **\$93 million**.
- **8466** plant health certificates issued, **3317** inspections and **482** audits undertaken to provide market access for Queensland commodities.
- **218** live animal export certificates issued to facilitate international market access for Queensland animals.

### Performance highlights

In 2021–22, we:

- managed an RD&E investment of \$145 million with a portfolio of over 300 projects to deliver high-impact agricultural and food research, partnering with industry to develop and commercialise new products, and enhance adoption of innovative new practices across the sector. This included:
  - the development of a fall armyworm management strategy to assist the grains industry to grow successful crops
  - the development of the *Australian protected cropping strategy 2021–2030*
  - new National Mungbean Improvement Program breeding technologies, which have reduced time to market by two years

- a pasture dieback app, released to industry, enabling graziers to upload details of pasture dieback directly from the paddock, to combat the condition by providing information to researchers about whether the condition is spreading, reducing or static
  - a new fertiliser decision support tool (SPLAT) for coastal farming systems, which has demonstrated a reduction of nitrogen fertiliser by 83 kg per hectare, saving \$216 per hectare
  - approval of DAF’s application to permit irradiation as a phytosanitary measure on all fresh fruits and vegetables by Food Safety Australia and New Zealand, supporting new export markets (e.g. citrus into the United States of America)
  - establishment of a blacklip rock oyster nursery, with first shipment of 110 000 spat supplied to Bowen aquaculture farm
- delivered online extension support for the northern beef industry through the FutureBeef website, a collaborative project in partnership with the Northern Territory Department of Industry, Tourism and Trade, the Department of Primary Industries and Regional Development Western Australia, and Meat and Livestock Australia to support sustainable and profitable productivity gains for northern beef producers
  - successfully demonstrated that the installation of fish attractors can be used to aggregate fish in impoundments and lead to greater recreational angler catch rates and satisfaction
  - progressed Queensland Smart Farm initiatives to establish a network for farms and industry learning centres dedicated to advancing Australia’s agriculture and food industries through AgTech innovation. This included:
    - delivering the Gatton Smart Farm initiative and associated capital improvements at the Gatton Research Facility. The Gatton Smart Farm will incorporate AgTech and support the development of protected cropping research and development, and post-harvest and supply chain management
    - delivery of the Central Queensland Smart Cropping Centre (CQSCC) through a planned co-design process with industry for the establishment of a Research Centre of Excellence. The CQSCC focus is on cotton, grain, pulse and horticultural production systems, with a dedicated focus of working with Queensland’s AgTech ecosystem to support pathways for AgTech adoption for industry
  - worked with the sugar industry to prepare a Sugarcane Industry Roadmap and Action Plan, *Sugar plus – fuelling the future of food, energy and fabrication*. The strategy is due for release in July 2022
  - continued to deliver on Queensland Government’s Unite and Recover strategy:
    - **agricultural trade relationships**
      - supported e-commerce, built trading relationships with key global and emerging markets, and facilitated a virtual trade mission to Korea, Queensland’s third largest agricultural export market
    - **digital transformation in agribusiness**
      - developed integrated supply chains that improve traceability, biosecurity and food safety
      - commenced engagement on the development of an AgTech roadmap to map out our vision for the future of AgTech in Queensland
      - celebrated the first year of operation of the AgTech and Logistics Hub in Toowoomba, to build the agricultural sector’s capacity to adopt technology and foster innovation
      - nine projects across Queensland received funding under the Agribusiness Digital Solutions Program to assist the sector to accelerate the adoption of digital solutions
  - continued to work with stakeholders and across government to develop a future-focused agribusiness and food strategy that will enable the sector to sustainably adapt to the global challenges of climate change and technological advancement
  - awarded grants totalling \$256 249 to 26 community organisations between April and June 2022 to help more people get involved in recreational fishing across Queensland. Federal government funding of \$3.251 million was also awarded for the Fishing Infrastructure Grants program to 44 applicants to deliver projects that benefit recreational fishing, boating or camping in Queensland
  - installed an additional four fish aggregating devices (FADs) off the Bundaberg and Hervey Bay coastline, bringing the total number of FADs installed to date to 48.

## Objective 2: Prosperous economies

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

### Key performance indicators

Indicator	Results				
	2017–18	2018–19	2019–20	2020–21	2021–22
Increase in gross value of production <sup>1</sup>	\$19.28 billion	\$18.69 billion	\$18.88 billion	\$19.66 billion	\$23.66 billion
Increase in value of Queensland's food and fibre exports <sup>2</sup>	\$9.76 billion	\$8.68 billion	\$9.54 billion	\$8.54 billion	\$10.78 billion

#### Notes

<sup>1</sup> This KPI is sourced from *Queensland AgTrends* data published by DAF on [www.daf.qld.gov.au/strategic-direction/datafarm](http://www.daf.qld.gov.au/strategic-direction/datafarm). The 2021–22 result is 24% above the past 5-year average. In 2021–22, there was a record growth for Queensland agriculture GVP despite challenges across supply chains, rising input costs, workforce and floods dominating the year.

<sup>2</sup> This KPI is sourced from International Merchandise Trade Data provided by the ABS. It excludes confidential items such as sugar exports. The 2021–22 result is a 26% increase over 2020–21.

### Performance snapshot

- **66 700** Queenslanders directly employed in agriculture, forestry and fishing jobs.
- **372 000** Queenslanders employed across the entire food and agribusiness supply chain (more than 14 per cent of Queensland's workforce) with a corresponding supply chain output value of around **\$26.73 billion**.
- **11 800 tonnes** estimated total production of Queensland's aquaculture industry, worth **\$193.5 million** in total value, a record high and up 17.4 per cent on 2019–20.
- **786** full-time staff employed by the aquaculture industry.
- **Approximately 156** direct jobs during project construction, **217** direct jobs after completion, and **278** indirect jobs to be created across rural and regional Queensland by the **Round 4** Rural Economic Development Grant projects.

### Performance highlights

In 2021–22, we:

- continued to deliver on the Queensland Government's Unite and Recover strategy:
  - **agricultural seasonal labour**
    - identified Queensland agricultural seasonal workforce needs and implemented solutions that connect agribusiness with relevant and appropriate workforce solutions
    - through the Pacific Labour Scheme and Seasonal Worker Programme, assisted more than 5200 Pacific Island and Timor-Leste workers into Queensland during COVID-19 to address state-wide agricultural labour shortages, the highest number of any Australian jurisdiction
    - reviewed 482 applications for essential workers in the agriculture industry to undertake work in the agriculture sector while adhering to COVID-19 requirements
  - **sheep and goat meat processing industry**
    - delivered a blueprint and strategy that guides investment and creates regional economic opportunities for the sheep and goat meat industries. The blueprint sets the vision and the strategy outlines actions to achieve the vision

- facilitated the successful movement of grains equipment and operators across interstate borders during COVID-19 to deliver a 2.7 million tonne grain harvest (\$41 billion farm gate value) when Queensland's borders were closed
- created agricultural development opportunities in north-west Queensland by progressing the north-west cropping diversification project, establishing an experimental site on Etta Plains Station. The data captured will assist in unlocking the region's dryland agriculture potential
- continued to actively target investment in the aquaculture sector and support proponents through the development phase and, in consultation with other agencies, developed legislative opportunities to further streamline the aquaculture development approval process. Over the last 24 months, Queensland's aquaculture industry has continued to develop, with interstate companies, including Tassal, Ornatas and MainStream, all contributing to Queensland's economy
- increased the total number of aquaculture development areas (ADAs) across the state to eight, covering more than 1900 hectares, with the announcement of two further ADAs in the Hinchinbrook Shire Council to promote and advance the expansion of aquaculture in Queensland, which will create more employment opportunities, especially in regional areas. ADAs help identify areas with the potential for land-based marine aquaculture development, and DAF will work with investors interested in development within an ADA.
- continued the Rural Economic Development Grants Program into Round 4, providing grants (matched with co-contribution by the applicants) for viable economic development projects that create jobs in rural and regional Queensland related to primary production. Under Round 4, 172 expressions of interest were received. Of these, grants totalling \$3.007 million were awarded to 16 regional agricultural businesses across Queensland, including the Lockyer Valley, Southern Downs, Western Downs, Bundaberg, Cassowary Coast, Mareeba, Moreton Bay, Cook, South Burnett and the Tablelands. The successful projects cover a range of agricultural industries, including vegetables, tree crops, citrus, bananas, nursery production, oil processing and agricultural manufacturing
- launched the first round of Rural Agricultural Development (sheep and goats) grants, offering up to \$200 000 as a co-contribution grant to support economic development in rural areas and support growth within the industry
- launched *Future Fields*, the first industry-led strategic plan for Queensland horticulture. *Future Fields* sets out the shared vision for the Queensland fresh produce sector and supply chain over the next 10 years and looks to future-proof the sector from challenges such as climate change, the COVID-19 pandemic and disruption to global supply chains
- in partnership with Food Innovation Australia Limited, launched the Queensland Food and Beverage Export Catalogue, connecting Queensland agri-food suppliers with overseas buyers
- continued to support workforce development through rural jobs initiatives, improving access to capabilities and skills across the agriculture sector
- continued supply of state-owned forest products and quarry material on a commercial and environmentally responsible basis, contributing to the prosperity of regional economies.

## Objective 3: A resilient sector

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

### Key performance indicators

Indicator	Results				
	2017–18	2018–19	2019–20	2020–21	2021–22
Decrease in cost of managing significant biosecurity responses relative to the value of agricultural industry production <sup>1</sup>	–	1:696	1:603	1:520	1:2240
Increase in proportion of agribusinesses implementing climate-resilient management practices <sup>2</sup>	–	–	–	32%	49.5% an increase of 17.5% from 2020–21

#### Notes

<sup>1</sup> This indicator is calculated and expressed as a ratio of the 5-year average of the GVP over the expenditure on the significant incident. The 2021–22 actual result is based on the available GVP for 5 years from 2016–17 to 2020–21. These are the latest official figures, which show an increasing trend. The cost of managing biosecurity incidents was less than anticipated when compared to the value of production protected due to increased investment (brought forward) by Queensland in previous years.

<sup>2</sup> This is a new KPI with data sourced from *Queensland AgTrends*. The KPI is calculated based on the proportion of the total number of agricultural businesses accessing the Drought and Climate Adaptation Program and Farm Business Resilience program (which began in January 2022) that implemented changes.

### Performance snapshot

- Dramatic improvement in drought conditions in 2021–22 – **44.9 per cent** of Queensland’s land area is drought declared, compared with 65 per cent in May 2021.
- **\$5.889 million** provided for freight subsidies and emergency water rebates for **1203** claims by drought-affected producers under the Drought Relief Assistance Scheme (DRAS).
- **188** biosecurity incidents effectively responded to across animal biosecurity, plant biosecurity and invasive plants and animals.
- **7** nationally cost-shared eradication programs led by Biosecurity Queensland.
- **87 798** biosecurity entities registered with livestock, poultry or bees, ensuring up-to-date information is available in the event of an emergency disease or pest incursion.
- **Improvement in partnership metrics** under the *Queensland biosecurity strategy 2018–2023* between 2019 and 2021. Scores out of 5:

Partnership metric	2018	2019	2021
Mutual trust	3.5	4.25	4
Purpose	3.1	3.5	3.9
Role clarity	2.8	3	3.3
Empowers responsibility	2.7	3.5	3.6
Collaborates	3	3.4	3.92

## Performance highlights

In 2021–22, we:

- continued to deliver on the Queensland Government’s Unite and Recover strategy through **agribusiness diversification**:
  - built capability and explored potential diversification opportunities in agribusiness, including tourism
  - delivered the Taste Farm Life campaign encouraging domestic tourists to try established farm and food experiences
  - held state-wide agritourism workshops to support farmers to diversify and expand agritourism
  - awarded grants, in partnership with the Queensland Farmers’ Federation, to assist famers to establish or expand agritourism
  - supplied the first ever batch of hatchery produced Queensland blacklip rock oyster spat to a Bowen oyster farm for commercial evaluation
  - successfully transitioned cobia aquaculture to a commercial partner, providing the industry with a new fish species for farming
- led the implementation of the Queensland Drought Assistance and Reform Package of up to \$71.4 million over four years from 2021–22 (and \$50 million in loans per year over the same period). This package included up to \$44.4 million to continue to meet the government’s commitment to maintain existing drought assistance measures for the duration of the current drought. In addition, \$27 million over four years was provided on new drought preparedness measures that commenced in 2021–22, including the Farm Business Resilience Program, Farm Management Grants, Drought Preparedness Grants, Drought Ready and Recovery Loans, Emergency Drought Assistance Loans and Drought Carry-on Finance Loans
- continued to support the response to the impact of fall armyworm on Queensland’s agricultural industries, including developing a management strategy to assist the grains industry grow successful crops
- developed and released a Natural Disaster Impact Survey to assess the levels of assistance required to support community recovery. The survey is complemented by an industry focused dashboard, allowing industry partners to identify key areas needing support
- completed a major revision of the 84-page *Dry season management of a beef business* booklet, which is the key reference for beef producers on all aspects of managing a successful beef business in dry times
- continued to prevent and mitigate financial risks to Queensland from priority animal and plant pests and diseases, and help maintain community and trading partner confidence in Queensland’s biosecurity system through African swine fever prevention and preparedness, biosecurity emergency operations, marine pest surveillance and plant diagnostics
- continued to meet Queensland’s obligations within the national biosecurity system to mitigate the risks and impacts of significant pests and diseases
- strengthened Biosecurity Queensland’s response capacity in the Torres Strait and northern Cape York through the Far Northern Biosecurity Initiative by building strong working relationships with Torres Strait and Northern Peninsula Area agencies, Traditional Owners and communities, and by transferring biosecurity technical knowledge and key activities to those agencies
- committed \$1.4 million for biosecurity grants to equip local governments, industry groups and natural resources groups to prepare for and respond to biosecurity threats
- continued to deliver the 10-year plan and 3-year strategy for the National RIFA Eradication Program to eradicate red imported fire ants from South East Queensland and support the current review of the program
- continued the Panama disease Tropical Race 4 (Panama TR4) Program to facilitate transition of responsibility for management of the disease from government to the Australian Banana Growers’ Council on behalf of the banana industry
- conducted Virtual Control Centre exercises that helped to ensure that DAF is better equipped to effectively manage information in the event of a significant emergency response

- contributed \$426 000 to Seafood Industry Australia (SIA) to deliver a commercial fisher mental wellbeing program—*Stay Afloat*—and to promote Queensland seafood to Queenslanders. The program focused on key commercial fishing areas and trained trusted advocates to receive mental health first aid training to support the commercial fishing industry. The program has been successful despite significant challenges from the unexpected travel restrictions imposed by COVID-19. SIA has proven to be effective in working with the industry on challenging reforms in Queensland. *Stay Afloat* attended meetings with Spanish mackerel fishers to provide valuable support during the current review of management arrangements. Funding will support the program for a further three years
- provided \$20 000 to Women in Seafood Australasia (WISA) to contribute towards bursaries for women who work in the Australian seafood industry to attend the Seafood Directions 2022 conference in Brisbane. WISA is a unique network dedicated to raising the profile of women in the Australasian seafood industry by supporting, promoting, encouraging and representing women in the industry. WISA is in the process of developing a mentoring program to assist and empower women with their involvement in the industry
- provided southern Queensland stocking groups with \$200 000 in grants in June 2022 to restock fish lost from impoundments through the 2022 floods
- awarded the Freshwater Fishing and Stocking Association of Queensland Inc a \$100 000 grant in June 2022 to deliver a small-scale pilot tagged fishing competition in the Central and North Queensland regional areas
- provided a record amount of \$892 000 to Queensland stocking groups in 2021–22 as part of the Stocked Impoundment Permit Scheme
- awarded grants totalling \$256 249 to 26 community organisations between April and June 2022 to help more people get involved in recreational fishing across Queensland. Federal government funding of \$3.251 million was also awarded for the Fishing Infrastructure Grants Program to 44 applicants to deliver projects that benefit recreational fishing, boating or camping in Queensland
- introduced legislation to the Queensland Parliament in February 2022 to support Queensland’s vital beekeeping industry and support critical pollination services for Queensland’s agriculture sector. In October 2021, the Queensland Government approved the preparation of legislative amendments to grant a 20-year extension to allow beekeeping to continue in national parks until 2044.

## Objective 4: Consumer and community expectations

For ethically produced food and fibre, a sustainable natural environment and high standards of animal welfare are met.

### Key performance indicators

Indicator	Results				
	2017–18	2018–19	2019–20	2020–21	2021–22
Improvement in sustainability of Queensland fish stocks <sup>1</sup>	82%	85%	85%	94%	93%
Increase in proportion of primary producers in Great Barrier Reef catchments who adopt improved management practices <sup>2</sup>	40%	40%	75%	80%	54%

#### Notes

<sup>1</sup> As reported in the 2020 status of Australian fish stocks online report. Note the change from 94% in 2020–21 to 93% in 2021–22 is due to the East Coast Spanish Mackerel stock being reclassified as depleted. Under the nationally consistent system for stock status assessment, an assessment of all Queensland species of importance is completed over 24 months. A different group of species/stocks will be assessed each year and there will be a reassessment of any stocks of concern.

<sup>2</sup> This KPI is based on a survey/questionnaire of participants (primary producers) who have attended DAF extension workshops, training, trials and other extension activities, conducted at the end of the workshop or training activity, with a further follow up 12 months after the activity. The high result in 2019–20 was due to a significant degree of targeting extension support towards engaged producers, while the high result in 2020–21 is attributed to more intensive efforts that were focused on a smaller number of producers rather than broader, less targeted extension projects, resulting in increased adoption rates.



## Performance snapshot

- **188** audits or investigations completed to ensure the safe use of chemicals in food production and reduce contaminant risks.
- **12** new licences issued, **8** licences renewed and **9** licences amended under the *Drugs Misuse Act 1986* for the commercial production of industrial cannabis (hemp) in Queensland.
- **1835** new licences issued and 3564 licences renewed under the *Agricultural Chemicals Distribution Control Act 1966* to ensure the safe distribution of agricultural chemicals.
- **1847** animal welfare investigations undertaken to ensure high standards of animal welfare and support the ethical production of food.
- **2027** commercial fishing licences and **324** charter fishing licences managed under the *Fisheries Act 1994*.
- **1767** commercial fishing vessels with vessel-tracking units registered in Trackwell (the vessel-monitoring platform managed by the Australian Fisheries Management Authority).
- **88** per cent of all inspections conducted under the *Fisheries Act 1994* were compliant with relevant fisheries regulations.
- **728** fisheries infringement notices and **1285** cautionary infringement notices issued by the Queensland Boating and Fisheries Patrol (QBFP) under the provisions of the *Fisheries Act 1994*, resulting in total penalties in excess of **\$392 000**.
- **34** court prosecutions finalised for offences against the *Fisheries Act 1994*, resulting in total fines in excess of **\$236 000**.
- **8** unauthorised activity investigations closed—**4** related to unauthorised interference with timber and **4** related to unauthorised interference with quarry material.
- More than **2300** quarry pits authorised under the *Forestry Act 1959* and more than **1500** sales permits currently administered for the sale of state-owned native timber, quarry material and other miscellaneous forest products.

## Performance highlights

In 2021–22, we:

- released the Queensland Low Emissions Agriculture Roadmap for public consultation. The roadmap is a strategic plan to assist Queensland’s agriculture sector to transition towards lower emissions production
- continued to capitalise on new and existing research and development opportunities, including those that improve reef water quality as well as productivity under the Queensland Reef Water Quality Program
- launched a new *Farming in the Great Barrier Reef catchments* web portal to assist agribusinesses operating in the GBR to function in a way that protects the quality of the water entering reef catchments and maximises agribusiness outcomes
- reviewed the *Animal Care and Protection Act 2001* to improve the safeguarding of animal welfare in Queensland and worked with the RSPCA to improve prevention of animal cruelty
- continued to collaborate with the Queensland Racing Integrity Commission and Racing Queensland to implement the Queensland Government’s response to recommendations from the independent *Inquiry into animal cruelty in the management of retired thoroughbred and standardbred horses in Queensland* (the Martin Inquiry)
- replaced the expiring Agricultural Chemicals Distribution Control Regulation 1998. The new Agricultural Chemicals Distribution Control Regulation 2021 reduced unnecessary regulatory burden on stakeholders and updated requirements for obtaining and holding licences for the distribution of agricultural chemicals in line with nationally harmonised requirements approved by the Agriculture Ministers’ Forum (AGMIN)
- implemented new fees in the Drugs Misuse Regulation 1987 for the licensing and monitoring of the commercial production of industrial cannabis. The new licensing fee framework put an end to fee subsidisation by ensuring a ‘beneficiary pays’ approach is taken

- continued the fisheries reform process as detailed in the *Queensland sustainable fisheries strategy 2017–2027*. Highlights included:
  - establishment of a Gulf of Carpentaria inshore fishery working group and three meetings conducted to consider and develop management arrangements and harvest strategies of key fish species
  - establishment of a Spanish mackerel fishery working group and release of two discussion papers for consultation that review and propose new fishery management arrangements, and a draft harvest strategy to rebuild east coast Spanish mackerel stocks
  - ongoing implementation of SharkSmart drone surveillance and trials of alternative technologies to support swimmer safety
  - work to ensure Queensland fisheries have approvals in place under the *Environment Protection and Biodiversity Conservation Act 1999* to export product
  - commencement of a voluntary electronic monitoring (e-monitoring) field trial to identify the most suitable data validation solution for priority fisheries
  - enhancements to the recreational and commercial fishing apps
  - establishment of a new Freshwater Fisheries Working Group
- commenced 13 new fishery harvest strategies and new commercial fishing reporting requirements on 1 September 2021 to help make Queensland's key fisheries and commercial fishers more sustainable
- pursued the development of marine aquaculture development areas suitable for tidal aquaculture, such as oysters and pearl production
- established the Cape York Special Working Group to identify new economic pathways for Traditional Owners through charter fisheries and tourism operations, while ensuring sustainable fisheries are maintained in Cape York
- continued to implement the *Native timber action plan*, seeking views of the Native Timber Advisory Panel on policy options and implications for moving towards a sustainable future for the native timber industry, supported by comprehensive resource assessment
- supplied state-owned forest products and quarry material on a commercial and environmentally responsible basis, contributing to the prosperity of regional economies
- executed a collaborative agreement with Timber Queensland to deliver the Timber Industry Regulatory Capacity Building Project. The purpose of the project is to support the industry to understand current and emerging regulatory requirements to harvest state-owned timber.

## Objective 5: Capable and connected people

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

### Key performance indicators

Indicator	Results				
	2017–18	2018–19	2019–20	2020–21	2021–22
Improvement in work health and safety performance <sup>1</sup>	Not available	Not available	Not available	Not available	4% improvement over the year
Increase in diversity across our workforce <sup>2</sup>	Not available	Not available	Not available	Baseline year	Improvement in 2 of 4 diversity categories over the year

#### Notes

<sup>1</sup> New KPI for 2021–22, measured by the percentage of work health and safety (WHS) events not closed out on time and overdue actions. 2021–22 is the baseline year.

<sup>2</sup> New KPI for 2021–22. The results are based on achievement against 4 MOHRI data categories (Aboriginal Peoples and Torres Strait Islander Peoples, People with Disabilities, Culturally and Linguistically Diverse, and Women in Leadership Roles). The 2021–22 results show an improvement in DAF diversity percentages across 2 categories (Aboriginal Peoples and Torres Strait Islander Peoples, and People with Disabilities). Refer to Governance—Human Resources section, page 45 for actual results across the individual diversity categories.

### Performance snapshot

- **5 022 761** unique web page views.
- Digital footprint of **405 746** stakeholders, comprising e-news subscribers and followers on Facebook, Instagram, LinkedIn and Twitter.
- **549** Women in Recreational Fishing Network (WIRFN) Queensland Facebook page members since its launch on 10 June 2022.
- **\$553.2 million** infrastructure and right-of-use assets portfolio managed by DAF, comprising **172** sites (**98** DAF-owned sites and **74** leased sites).
- **85 per cent** of **75 186** customer enquiries resolved at the first point of contact by the Customer Service Centre.
- **95 per cent** of **1203** claims for business assistance as a result of drought or natural disaster processed within **21 days**.

### Performance highlights

In 2021–22, we:

- demonstrated our agility in adapting to meet the challenges created by the COVID-19 pandemic and natural disasters over the past two years. During this time, agility has taken on a deeper, more business-focused meaning, and we have responded by delivering a flexible workforce capable of servicing our stakeholders and the community
- progressed implementation of several initiatives under the DAF *Workforce strategy and action plan 2021–2025*, which commits to five areas of focus: Leadership, Future Ready Skills, Talent Management, Sustainability and Productive Culture. Please refer to the Governance—Human Resources section on page 45 for details of these initiatives
- took proactive steps towards building a healthier and safer workplace and improving health, safety and wellbeing performance outcomes in the areas of leadership, work environment, culture and work design. Please refer to the Governance—Human Resources section on page 45 for more details

- proudly received reaccreditation as a White Ribbon Workplace by White Ribbon Australia in May 2022. The White Ribbon Workplace Accreditation Program recognises workplaces that are taking active steps to stop domestic and family violence and create safer and more respectful workplace cultures. Please refer to the Governance—Human Resources section on page 45 for more details
- established the WIRFN to encourage women to participate in recreational fishing in response to the underrepresentation of women on DAF’s social media page. The WIRFN encourages women of all backgrounds, skills levels and ages across Queensland to participate in recreational fishing activities and engage on their own social media platform, creating a safe space to share knowledge and tips to the wider female audience
- created the WIRFN Queensland Leadership Program, providing the opportunity for up to 10 women across Queensland to participate and learn skills to confidently return to their local community or clubs to help grow participation and build opportunities throughout Queensland. The major event for the leadership program will be attending the Australian Fishing Trade Association Trade Show, where participants will have the opportunity to engage and network with industry representatives
- developed the DAF *Procurement strategic plan 2021–2025* to drive efficiencies in the timely supply of goods and services. The plan supports and contributes to the achievement of the *Queensland procurement policy* (and associated targets)
- published and released DAF’s significant procurement activities (forward procurement pipeline) on the Queensland Government Q-Tender portal. This has provided new entry suppliers, including small to medium enterprises, with visibility and opportunities to do business with the department
- developed and released the *Infrastructure and assets strategy 2022–2032*, which provides a framework to manage DAF’s infrastructure and asset portfolio from an agency-wide perspective. The strategy aims to ensure assets are fit-for-purpose and future-fit, and address challenges relating to asset condition, use and occupancy. The strategy is accompanied by a 10-year roadmap
- procured a new budget management system to support the department’s financial performance management. Implementation of the new solution will occur in 2022–23
- continued work to finalise long-term decisions on the future of assets formerly held by the Queensland Agricultural Training Colleges (QATC), including the sale of Berrigurra, non-fixed plant and equipment, and horses
- delivered a half-life refit to four vessels, including Queensland’s flagship fisheries patrol vessel the *KI Ross*, using Brisbane shipyards and businesses through an investment of \$1.7 million.

# Priorities for 2022–23

## Objective 1: Innovative and globally competitive agribusinesses

We will:

- continue to deliver on the Queensland Government’s Unite and Recover strategy
  - **digital transformation in agribusiness**—deliver an AgTech Roadmap to drive digital and technological transformation of Queensland’s agriculture sector
- continue to support agricultural development opportunities in the north-west and deliver practical solutions that will inform decision-making and unlock the region’s dryland agricultural potential
- establish a network of smart farms in Queensland that deliver AgTech solutions in support of the agriculture sector’s growth
- continue to deliver high-impact agricultural and food research, partnering with industry to develop and commercialise new products, and enhance adoption of innovative new practices across the sector.

## Objective 2: Prosperous economies

We will:

- continue to deliver on the Queensland Government’s Unite and Recover strategy:
  - **agricultural trade relationships**—facilitate trade between Queensland and the rest of the world, and investment in Queensland agribusiness
  - **agricultural seasonal labour**—continue to enhance implementation of the Australian Government’s Pacific Australia Labour Mobility Scheme (which replaces the former Pacific Labour Scheme and Seasonal Worker Programme) to help fill agricultural employment gaps in regional areas unable to be met by the Australian workforce
- provide Round 1 funding under the Rural Agricultural Development Grants program to fund more cluster fencing and other measures that help grow the sheep industry in western and southern Queensland, and initiate a second round of funding
- provide Round 5 funding under the Regional Economic Development Grants program to fund the purchase of innovative equipment and build new infrastructure that creates jobs and expands supply chains in the regions
- pursue the development of marine Aquaculture Development Areas that would be suitable for tidal aquaculture, such as oyster and pearl production
- implement the Cape York election commitment creating new fisheries economic development opportunities
- implement legislative changes to further streamline the aquaculture development approval process
- convene meetings of the newly established Timber Industry Ministerial Roundtable as a forum for industry to work more closely with government on its future strategic direction
- continue to implement the *Native timber action plan*, including finalising a directions paper that considers the future of native timber harvesting in Queensland to support an internationally competitive and sustainable industry, balancing both jobs and environment
- supply state-owned forest products and quarry material on a commercial and environmentally responsible basis.

## Objective 3: A resilient sector

We will:

- continue to deliver on the Queensland Government's Unite and Recover strategy:
  - **agribusiness diversification**—continue to build capability and explore potential diversification opportunities in agribusiness, including tourism
- continue to deliver drought assistance programs and reforms to support industry to respond to natural disasters
- continue to support the response to the impact of fall armyworm threats on Queensland's agricultural industries
- minimise the impact of biosecurity threats to the economy, the environment and human health and our way of life through biosecurity prevention, preparedness, and response and recovery measures, for example, preparedness for African swine fever and responses to Japanese encephalitis, tropical weeds, exotic fruit fly in the Torres Strait and fire ants
- continue to assist the Australian Banana Growers' Council to develop appropriate strategies for industry management of Panama TR4 from 1 July 2023, while continuing to support growers to adopt best practice on-farm biosecurity measures
- deliver Round 7 of the Queensland Feral Pest Initiative to support the management of invasive plants and animals
- finalise the Queensland Deer Management Strategy, which will replace the *Feral deer management strategy 2013–18* and provide a clear set of strategic directions that help stakeholders understand how to respond to feral deer in the context of the *Biosecurity Act 2014*, including legislative obligations to reduce the impacts of feral deer in Queensland
- allocate funds for successful projects under the Enhancing Local Government Biosecurity Capacity project
- work with stakeholders to deliver the *Queensland invasive plants and animals strategy 2019–2024* to address the impacts of invasive plants and animals in Queensland and reduce the incidence of new exotic species entering Queensland
- continue funding to SIA to support its commercial fisher mental wellbeing program through *Stay Afloat*, and its capacity and capability building, for a further three years from July 2022. Extending the program for a further three years will establish strong grassroots engagement and results. This will enable the continuation and expansion of awareness and engagement activities in the short term, and further reduction of associated stigma and an increase in fishers seeking help in the medium term. This is a key contribution to culture change for the mental health of seaside communities
- investigate ongoing contributions to WISA for bursaries for women to attend future Seafood Directions conferences and mentoring programs. Providing ongoing support for WISA will assist in raising the profile and connecting women involved in the commercial fishing industry.

## Objective 4: Consumer and community expectations

We will:

- deliver on commitments under the Reef 2050 Plan, highlighting the Queensland Government's commitment to protecting the GBR
- deliver the Queensland Low Emissions Agriculture Roadmap
- continue the joint Fire Ant Suppression Taskforce to support suppression activities with local governments, industry and the Queensland Government. This demonstrates to the cost-share partners Queensland's commitment to the National RIFA Eradication Program

- complete implementation of the recommendations of the Martin Inquiry by June 2023, resulting in enhanced response to animal welfare complaints, and improved welfare for the transport of horses and horses in slaughter establishments
- continue implementation of the *Queensland sustainable fisheries strategy 2017–2027* to support fisheries reform
- continue to progress reforms of Gulf of Carpentaria inshore, line and trawl fisheries
- implement regulatory reforms to east coast fisheries (including trawl, coral and Spanish mackerel) to sustain fish stocks
- continue to implement the *Queensland shark management plan 2021–2025*
- continue to support Timber Queensland’s ongoing implementation of the Timber Industry Regulatory Capacity Building Project.

## Objective 5: Capable and connected people

We will:

- continue to implement the DAF *Workforce strategy and action plan 2021–2025*
- finalise the Agri-science Queensland (ASQ) capability assessment to ensure ASQ can continue as a world-leading provider of high-quality, safe and sustainably produced food and fibre
- continue work to finalise long-term decisions on the future of assets formerly held by the QATC
- expand capacity and capability building to prevent biosecurity incursions across Queensland’s northern border by establishing an Indigenous Project Officer in Cape York in addition to the Torres Strait position, engaging ranger groups to undertake surveillance and early detection activities, and supporting groups and local government with training in emergency response, compliance inspections and other high-priority areas of need
- continue to implement initiatives through the Biosecurity Queensland High-Performance Culture project focused on capability enhancement of leaders throughout the group, building connection with the broader purpose, accountability for performance and process improvements.

# Financial overview

This financial overview provides a summary of DAF’s financial performance and position for controlled and administered activities, and comments on significant movements for the period 1 July 2021 to 30 June 2022.

In accordance with the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement of assurance that the department’s financial internal controls are operating efficiently, effectively and economically. The department actively manages its financial risks and liabilities and is financially well positioned to meet its objectives as outlined in the strategic plan.

This overview explains how to interpret DAF’s financial statements (including explanatory variance notes) by providing a summary (in Table 3) of the three primary financial statements:

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

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

For a more comprehensive set of financial statements covering all aspects of the department’s activities, see ‘Financial statements’ on page 49.

**Table 3** Summary of DAF’s financial statements for the period 1 July 2021 to 30 June 2022

Statement of comprehensive income	2021–22 Actual (\$m)	2021–22 Budget (\$m)
Total income	572.1	522.6
Less: total expenses	572.1	522.6
<b>Operating result</b>	–	–

The total income and expenses from operations for 2021–22 were an increase of \$49.5 million (or 9.5%), mainly driven by additional funding from other states for the National Cost Share arrangements for the National RIFA Eradication Program, coupled with an increase in research and development funded projects and activities. In addition, there was further funding released in 2021–22 from the funds held centrally by government for the continuation of the Drought Assistance Package and higher than expected information technology project revenue through the Business and Corporate Partnership arrangements.

The operating result for 2021–22 is a balanced budget position.



**Table 3 cont.** Summary of DAF's financial statements for the period 1 July 2021 to 30 June 2022

Statement of cash flows	2021–22 Actual (\$m)	2021–22 Budget (\$m)
Balance of cash at 1 July 2021	62.0	39.6
Operating activities	40.5	25.3
Investing activities	(10.1)	(22.2)
Financing activities	(6.5)	(3.8)
<b>Net increase/(decrease) in cash held</b>	<b>23.9</b>	<b>(0.8)</b>
<b>Cash at 30 June 2022</b>	<b>85.9</b>	<b>38.8</b>

The increase in cash balances at the end of the financial year is largely attributed to unexpended appropriation funds at year end related to the appropriation payable to Queensland Treasury, which was either deferred to 2022–23 or lapsed, higher than expected funding received from external research and development funding bodies under contractual arrangements and lower than budgeted capital expenditure.

Statement of financial position	2021–22 Actual (\$m)	2021–22 Budget (\$m)
Current assets (including cash balances)	146.8	83.7
Non-current assets (including property, plant and equipment)	561.9	511.9
<b>Total assets</b>	<b>708.7</b>	<b>595.6</b>
Current liabilities	94.0	49.0
Non-current liabilities	110.4	109.6
<b>Total liabilities</b>	<b>204.4</b>	<b>158.6</b>
<b>Net assets (equity)</b>	<b>504.3</b>	<b>437.0</b>

The total assets held by the department as at 30 June 2022 were \$708.7 million, an increase of \$113.1 million (or 19%) in comparison to budget. This was mainly due to the revaluation increment associated with buildings and infrastructure and land assets (reflecting the increase in prices of construction materials, labour and an upward movement in land prices) and the increase in cash and cash equivalents due to the deferred appropriation payable to Consolidated Fund.

The total liabilities held by the department as at 30 June 2022 were \$204.4 million, an increase of \$45.8 million (or 28.9%) in comparison to budget. The increase is predominantly due to higher than budgeted deferred appropriation payable to the Consolidated Fund. Also contributing to the increase is higher than expected revenue received in advance for contractual agreements for research and development projects and contributions received under National Cost Share arrangements for National RIFA Eradication Program from other states.

## Controlled funds

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

## Operating result

The operating result for 2021–22 is a balanced budget position.

## Income—where the dollars came from

Total income from operations was \$572.1 million, including:

- \$331.8 million (58%) through funding provided as appropriation revenue by Parliament
- \$149.5 million (26.1%) in user charges and fees for goods and services (including national cost sharing revenues for biosecurity pest and disease programs from other states and territories, income received for research and development projects and the provision of services to other government agencies through the Business and Corporate Partnership arrangements)
- \$47.2 million (8.3%) from grants and other contributions (including national cost sharing revenue from the Australian Government for biosecurity pest and disease programs)
- \$39.4 million (6.9%) from other income sources (including royalty revenues on forest products removed from State land)
- \$4.2 million (0.7%) from the disposal and re-measurement of assets.

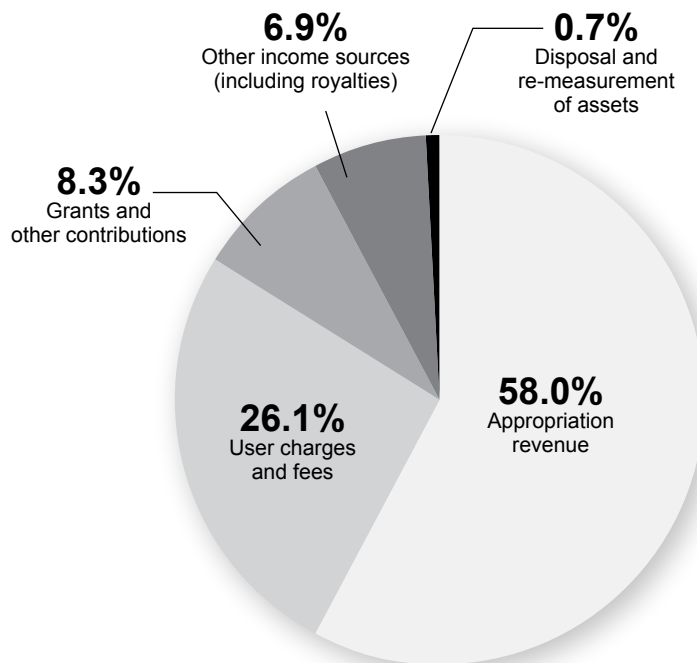


Figure 1 Income from operations, 1 July 2021 to 30 June 2022

## Expenses—where the dollars were spent

Total operating expenses were \$572.1 million, including:

- \$239.8 million (41.9%) in employee expenses
- \$260.0 million (45.4%) for supplies and services (including contractors for national cost sharing biosecurity pest and disease programs, outsourced service delivery arrangements, research and development projects, computer/information technology costs, accommodation, provision of services through Business and Corporate Partnership arrangements and other operating costs)
- \$37.0 million (6.5%) in grants and subsidies (including payments under the Drought Relief Assistance Scheme, Horticultural Netting Program and Rural Economic Development Grants)
- \$28.6 million (5.0%) in depreciation and amortisation expenses
- \$2.4 million (0.4%) in finance/borrowing costs
- \$2.3 million (0.4%) in other expenses (including special payments, Queensland Government Insurance Fund premiums and audit fees)
- \$2.1 million (0.4%) of impairment losses (including losses on financial and non-financial assets).

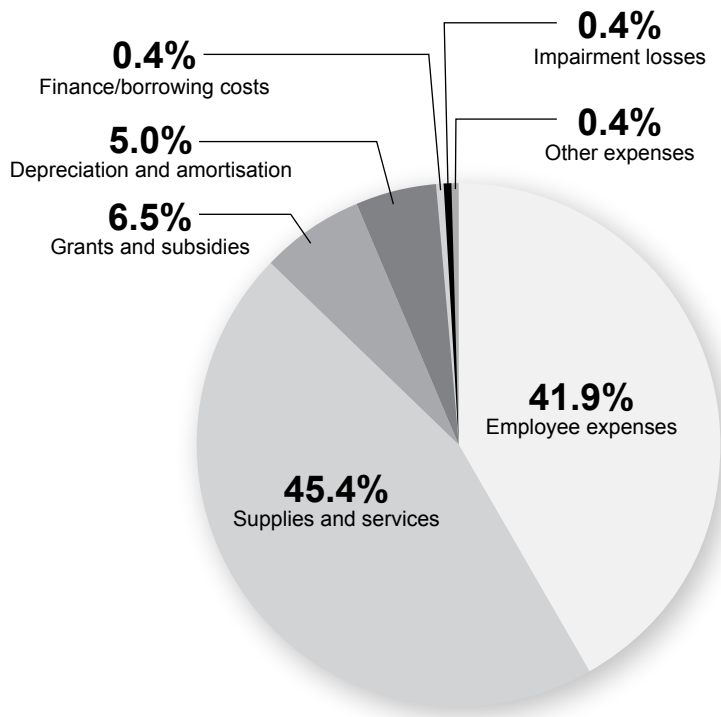
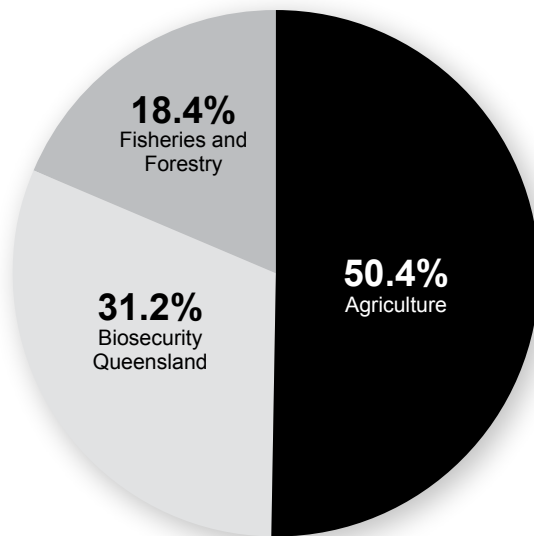


Figure 2 Operating expenses, 1 July 2021 to 30 June 2022

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

- Agriculture (\$266.0 million or 50.4%)
- Biosecurity Queensland (\$164.5 million or 31.2%)
- Fisheries and Forestry (\$97.0 million or 18.4%).



**Figure 3** Operating expenses by service area, 1 July 2021 to 30 June 2022

Corporate services expenses (\$44.5 million) relating to DAF provided through the Business Corporate Partnership arrangements have been allocated to respective departmental services. Expenses attributed to other agencies through Business Corporate Partnership activities are shown separately and are not allocated across departmental services.

### Equity—what we are worth

Equity represents net worth, which is calculated by ‘what we own’ (total assets of \$708.7 million) less ‘what we owe’ (total liabilities of \$204.4 million). As at 30 June 2022, DAF’s equity was \$504.3 million.

### Assets—what we own

At 30 June 2022, DAF had total assets of \$708.7 million. The department’s major assets comprise cash, property, plant and equipment (mainly land, buildings, infrastructure, plant and equipment), right-of-use assets (for leased properties), prepayments, receivables (including trade debtors) and other assets (including contract assets).

### Liabilities—what we owe

At 30 June 2022, DAF had total liabilities of \$204.4 million, which included accrued employee expenses, lease liabilities, payables (including trade creditors, appropriation payable to the Consolidated Fund for end of year appropriation adjustments, and revenues received in advance of service delivery (largely funding received in advance of service delivery for research and development projects)).

### Capital expenditure

Capital outlays of \$12.7 million in 2021–22 were focused on developing and upgrading research facilities and replacing plant and equipment to deliver outcomes for agriculture, biosecurity, fisheries and forestry.

## Administered funds

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

During 2021–22, DAF received administered revenue of \$76.9 million comprising administered appropriation revenue from the Queensland Government, Racing Queensland's contribution to the Queensland Racing Integrity Commission and the collection of regulatory receipts (including taxes, fees and fines) on behalf of the Queensland Government.

Grants were paid to the Queensland Rural and Industry Development Authority for the administration of government financial assistance schemes and to Queensland Racing Integrity Commission as a contribution to oversee the integrity and welfare standards of racing animals and participants in Queensland. Regulatory receipts and Racing Queensland's contribution were paid into the Queensland Government's consolidated fund.

At 30 June 2022, DAF had net administered assets of \$0.8 million. DAF also manages surplus assets that were transferred back to the government prior to the sale of Forestry Plantations Queensland to the private sector.

# Governance—management and structure

The Director-General, as the accountable officer for DAF, has responsibility under the *Public Service Act 2008* (s. 98) for the governance and operation of the department. The Director-General is supported in this role by DAF’s executive leaders.

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

## Organisational structure

DAF’s organisational structure was made up of three core service delivery business groups—Agriculture, Biosecurity Queensland, and Fisheries and Forestry—supported by Corporate. Each business group was led by a Deputy Director-General.

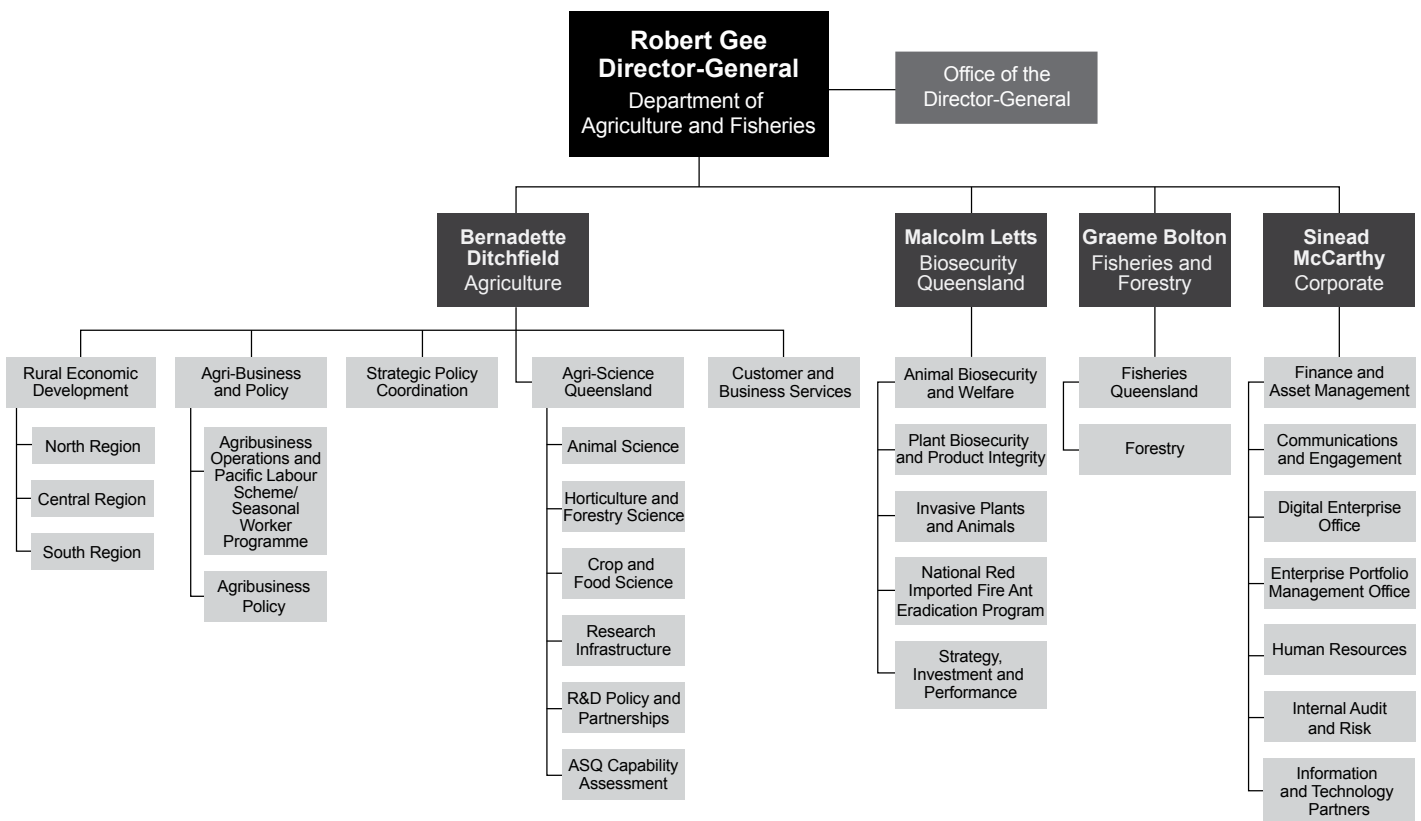


Figure 4 DAF organisational structure as at 30 June 2022

## Our executive leaders

### **Robert Gee APM** **Director-General**

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

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

Bob was a recipient of the Harvard Club of Australia Sir James Wolfensohn Scholarship in 2013. He values research being used pragmatically to improve social and economic outcomes.

Bob has been a Chief Information Officer and worked in central agencies, as a university lecturer and as a consultant across a broad range of industries.

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

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

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

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

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

### **Malcolm Letts** **Deputy Director-General and Chief Biosecurity Officer, Biosecurity Queensland**

Malcolm has held this role since October 2017. Before this, he was Deputy Director-General, Agriculture. He leads the state's efforts in the management of animal and plant pests and diseases, invasive species, animal welfare and agricultural chemicals. Malcolm's extensive experience includes natural resource management, agricultural industry development, food safety and traceability, rural and industry development, trade, investment attraction and agricultural policy.

Malcolm is the Queensland Government representative on the National Biosecurity Committee and has chaired several state and national biosecurity committees. Malcolm's focus continues to position Queensland as the national biosecurity leader to ensure that Queensland, as the frontline state for biosecurity, continues to build its capability to meet the biosecurity needs of all Queenslanders, not only today, but into the future.

**Graeme Bolton**  
**Deputy Director-General, Fisheries and Forestry**

Born and raised in North Queensland, Graeme spent the first part of his career in the private sector as a director in a town planning and surveying consultancy before joining the public service in 2004.

Graeme has more than 20 years experience in leading multidisciplinary organisations. His achievements include delivering legislative reforms to Queensland’s planning system, delivering a national growth and development strategy for Qatar, strategic planning for the new Qatar metropolitan rail network and precinct, precinct and legacy planning for the Qatar 2022 FIFA World Cup, and leading regional economic growth for Townsville and the North Queensland region, including delivering Australia’s first ever City Deal.

Graeme was appointed to the role of Deputy Director-General, Fisheries and Forestry in mid-2019. He is the Queensland Government representative on the Australian Fisheries Management Forum and the executive sponsor for the department’s Work Health and Safety Committee and the Infrastructure and Assets Committee.

Graeme’s vision is to establish Queensland as a world-leading provider of sustainable and high-value fisheries, fishing experiences, and state-owned timber and quarry products.

**Sinead McCarthy**  
**Deputy Director-General, Corporate**

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

Before joining DAF, Sinead was Chief Counsel with In-house Legal in the Business and Corporate Partnership, leading a team of multidisciplinary lawyers providing legal services to four Queensland Government departments. Services included conducting civil litigation and prosecutions, advising on commercial arrangements and providing portfolio-specific and general corporate advice.

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

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



## Governance committees

DAF implemented a new governance structure on 1 July 2021 to provide DAF’s executive leaders with greater visibility and control over the department’s operational and strategic activities, and to provide clear insight into how we are tracking toward our strategic goals.

The DAF governance committees advise and assist the Director-General in fulfilling his role to manage the department in a way that promotes the effective, efficient and appropriate management of public resources. Further details on the key responsibilities of the committees can be found in Table 4.

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

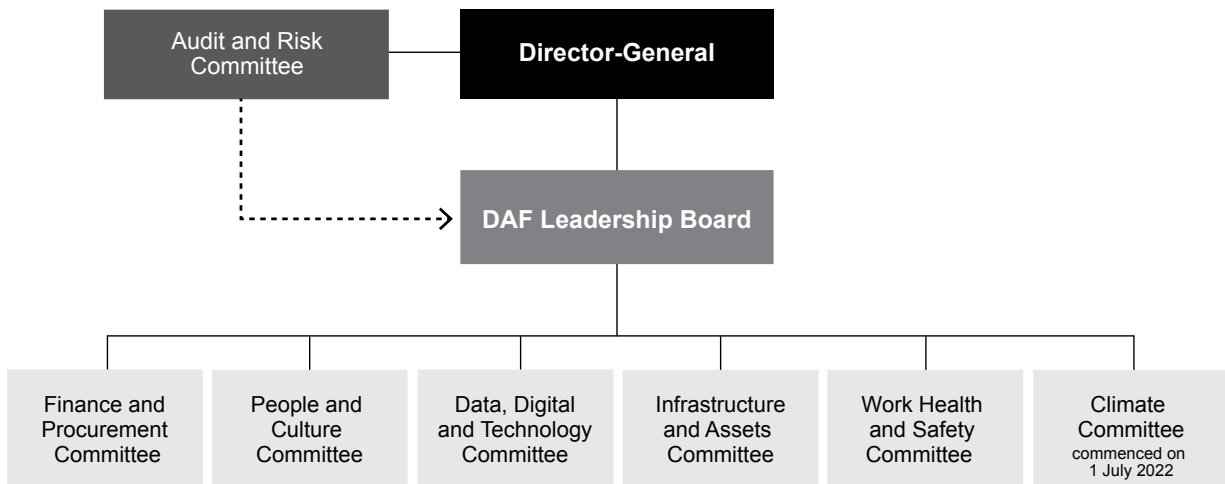


Figure 5 DAF’s governance committee structure

Table 4 DAF’s governance committees

Committee	Chair and key responsibilities
DAF Leadership Board	<b>Chair: Robert Gee, Director-General</b> Provide leadership and decision-making that set the strategic direction of the department to ensure goals and objectives are met.
Finance and Procurement	<b>Chair: Mike Ashton, General Manager and Chief Plant Health Manager, Biosecurity Queensland</b> Provide oversight of the department’s financial resources and make recommendations to the DAF Leadership Board on a range of financial management and procurement issues.
Work Health and Safety	<b>Chair: Peter Donaghy, General Manager, Agribusiness Operations and Pacific Labour Scheme/Seasonal Worker Programme, Agriculture</b> Provide WHS leadership and promote a positive and proactive safety culture within DAF.
Infrastructure and Assets	<b>Chair: Leith Brown, General Manager, Customer and Business Services, Agriculture</b> Provide oversight of the department’s physical assets and make recommendations to the DAF Leadership Board on a range of asset management issues.

Table 4 cont. DAF’s governance committees

Committee	Chair and key responsibilities
People and Culture	<p><b>Chair: Chris Downs, General Manager, Crop and Food Science, Agriculture</b></p> <p>Drive the department’s commitment to attracting, building and maintaining an effective and contemporary workforce. The focus is talent management, culture, capability development and improving the way our employees work within the allocated resources of the department.</p>
Data, Digital and Technology	<p><b>Chair: Ashley Bacon, Executive Director, Human Resources, Corporate</b></p> <p>Provide oversight of the department’s digital initiatives and priorities and make recommendations to the DAF Leadership Board on a range of digital initiatives and issues.</p>
Audit and Risk	<p><b>Chair: Sue Ryan (independent member)</b></p> <p>Provide oversight of governance, risk management, financial control and compliance activities in line with legislation and government policy.</p> <p>Provide independent advice and assurance to the Director-General on meeting obligations under the <i>Financial Accountability Act 2009</i>.</p>
Climate Committee	<p><b>Chair: Justine Clark, Executive Director, Finance and Asset Management and CFO</b></p> <p>Commenced 1 July 2022 with significant work completed in late 2021–2022 to inform its establishment.</p>

## Ethics and integrity

DAF’s Integrity Framework provides a systematic and comprehensive approach to maintain the integrity of the department. The framework supports a high level of honesty, objectivity, ethics and accountability within the department, and underpins our workplace culture and the management of employees.

The department is committed to ensuring staff perform their duties with integrity, fulfilling their obligations to demonstrate high ethical standards and values in accordance with the *Code of Conduct for the Queensland Public Service*.

We are also committed to supporting ethical decision-making, and have policies and procedures to support the reporting of wrongdoing, including the making of public interest disclosures. A continued area of focus is a zero tolerance for fraudulent or corrupt behaviour.

In 2021–22, we continued to build a strong and accountable workforce with:

- 94 per cent of staff completing mandatory annual Code of Conduct and ethical decision-making training
- 92 per cent of staff completing mandatory two-yearly training in fraud awareness and corruption prevention
- campaigns and mandatory training to ensure staff awareness regarding information security and information privacy.

On 28 June 2022, Professor Peter Coaldrake handed down the final report of his independent *Review of culture and accountability in the Queensland public sector – Let the sunshine in*. DAF will continue to monitor its current processes to maintain the highest standards in lobbyist activity, customer complaints and employee grievances, public information disclosure processes, proactive disclosure of privacy breaches, fraud and corruption prevention, workforce planning, diversity and inclusion strategies, digital and technological opportunities, senior executive stability and the use of consultants and contractors.

## Human rights

DAF is committed to protecting and promoting the 23 fundamental human rights of all Queenslanders. In 2021–22, we continued to further embed the *Human Rights Act 2019* and drive a culture that respects, promotes and protects human rights in everyday business. DAF's *Strategic Plan 2021–2025* reflects the value 'respect human rights' as a key driver underpinning delivery of the plan. In 2021–22, we:

- continued to enshrine human rights further into our culture by incorporating human rights into DAF's mandatory online Code of Conduct and ethical decision-making training
- hosted an all-staff seminar to over 300 DAF employees, featuring a guest speaker from the Queensland Human Rights Commission and focusing on property rights
- continued to progress identified opportunities to amend DAF-administered legislation and subordinate legislation to demonstrate commitment to the protection and promotion of human rights, and we are progressing possible legislative amendments.

One human rights complaint relating to 'right to privacy and reputation' was received. The Queensland Human Rights Commission issued an unresolved complaint report pursuant to section 88 of the *Human Rights Act 2019*.

# Governance—risk management and accountability

## Risk management

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

The framework is a key element used by the department to set strategy, achieve objectives and make informed decisions. It assists DAF’s Leadership Board with governance of the department by identifying and managing enterprise and operational risk, at any time, and at all levels of the department. The framework is based on the *International Standard for risk management (AS/NZS ISO 31000:2018)*.

By managing risk, we aim to improve organisational performance against our strategic plan. We identify opportunities and risks and prioritise resources according to our risk appetite. The framework ensures that we identify, monitor and manage risks. Enterprise risks are managed at the executive level through DAF’s governance committees as part of the department’s planning, monitoring and reporting activities. Operational and tactical risk management responsibilities are devolved throughout the department. The Audit and Risk Committee continues its role of assuring the risk management framework, and its suitability to the needs of the department.

This year we implemented our new risk management framework, including assigning each enterprise risk an executive sponsor and risk action officer, building capability and knowledge across the department, and progressively improving our monitoring and reporting tools.

## Business continuity management

Business continuity management remained a high priority in 2021–22 as the department responded to the COVID-19 pandemic, as well as a number of natural disaster and biosecurity incursions. Senior executives engaged in workshops and exercises to clearly identify critical end essential business functions and test business continuity plans.

To improve coordination of the DAF response to a range of potential disruptions, the DAF Coordination Group was established in January 2022 to replace and integrate the functions of the DAF State Coordination Centre, which was created to coordinate the DAF COVID-19 response, and the DAF Business Recovery Team, which had a business recovery role.

A comprehensive review of DAF’s business continuity management system commenced in 2022 to strengthen alignment with the *Australian Standard: Security and resilience—business continuity systems—requirements (AS ISO 22301:2020)* and to incorporate lessons learned through the COVID-19 response.

## Information Security Management System

The department is committed to protecting the security of all information that is provided to, or generated by, the department. In line with the Queensland Government *Information security policy 2018 (IS18:2018)*, the department has implemented an Information Security Management System (ISMS) to meet this commitment. Throughout the year, our focus was on continual and incremental improvements across all areas of the system. We continued to undertake detailed risk assessments across our information assets to identify opportunities to strengthen the department’s information security controls.

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

## Audit and Risk Committee

The Audit and Risk Committee (ARC) reviews, monitors and recommends improvements to the department’s governance arrangements, risk management, processes for internal and financial control, and processes for monitoring compliance with legislation and government policy.

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

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

The committee membership comprises independent and departmental representatives. Independent members, who are external to the public service, are entitled to be remunerated for their time. Department representatives were reviewed, with new members being appointed in August 2021.

The committee convened six times during 2021–22. Five ARC meetings and one dedicated financial statements meeting were held, with the Internal Audit and Risk Unit providing secretariat support.

The committee’s key achievements in 2021–22 included:

- overseeing the delivery of the internal audit program, including reviewing the findings and recommendations of internal audits
- monitoring the external audit plan, including oversight of the findings and recommendations
- overseeing the implementation of agreed recommendations from internal and external activities, with a focus on the implementation of overdue recommendations
- reviewing and endorsing the 2020–21 Financial Statements and CFO Assurance Statement
- monitoring the 2021–22 financial statements project plan
- reviewing and endorsing the 2020–21 ISMS attestation for DG approval
- monitoring key governance frameworks such as risk management, WHS, integrity and misconduct, and performance to ascertain if the frameworks are operating effectively and efficiently.

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

**Table 5** Audit and Risk Committee membership between 1 July 2021 and 30 June 2022

Name	Position	Committee role	Number of meetings	Number of meetings attended	Remuneration paid
Sue Ryan	Consultant	Chair External member	6	6	\$9600 (excl. GST)
Virendra Dua	Consultant	External member	6	6	\$9100.96 (excl. GST)
Bernadette Ditchfield	Deputy Director-General, Agriculture	Internal member	6	4	Not applicable
Elton Miller	Executive Director, Agri-Business and Policy	Internal member	6	4	Not applicable

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

As an independent external member and chair of the committee, Sue Ryan was entitled to be paid \$2400 per meeting (including GST). Virendra Dua was entitled to be paid \$2275.24 per meeting (including GST). These fees were payable to the committee members for their services to prepare for and attend meetings. Invoices prior to December 2021 were funded by the Department of Environment and Science.

## Internal audit

Internal audit provides the Director-General, the DAF Leadership Board, senior management across DAF and the Audit and Risk Committee with independent, objective assurance on DAF's risk management, controls and governance processes. This year, the internal audit function transferred from a shared services arrangement managed by Department of Environment and Science to a dedicated business unit within DAF (the Internal Audit and Risk Unit).

Internal audit completed the following audit activities under the *DAF 2021–22 internal audit plan*:

- cybersecurity
- Drought Governance Advisory Services
- information and communications technology procurement and contract management
- *Reef 2050 Water Quality Improvement Plan* program governance review
- WHS investigations and incident management
- WHS response to COVID-19
- human resources delegations
- Intensive Livestock Review
- Queensland Alliance for Agriculture and Food Innovation Investment Audit
- Queensland Boating and Fisheries Patrol Compliance Monitoring Enforcement
- risk assessment methodology
- tick vaccination accounting.

Additional key activities undertaken by internal audit included liaising with QAO and providing advice on corporate governance and related issues, including fraud and corruption prevention programs and risk management.

## External scrutiny

Independent scrutiny of government performance may be carried out by several external entities to help DAF improve and meet community expectations of accountability. Significant external audits and reviews undertaken during the year by the QAO relevant to the department are contained in Table 6 below.

**Table 6** Significant external audits and reviews in 2021–22

Report and findings	DAF response
<b>QAO</b>	
<p><b>Report 6: 2021–22: Regulating Animal Welfare Services (tabled 30 November 2021)</b></p> <p>Following a request by the then Natural Resources, Agricultural Industry Development and Environment Committee on 15 July 2020, the Auditor-General conducted an audit on the delivery of animal welfare services and the enforcement of the <i>Animal Care and Protection Act 2001</i> and the Animal Care and Protection Regulation 2012.</p> <p>The report assessed the effectiveness of the Department of Agriculture and Fisheries' engagement with RSPCA Queensland, and whether the department is using mechanisms available to it to provide oversight.</p> <p>The report made four recommendations for the department to improve its engagement framework and oversight of RSPCA Queensland's inspection and enforcement activities.</p> <p>For more details, please refer to the full report—Regulating animal welfare services (Report 6: 2021–22) (<a href="http://parliament.qld.gov.au">parliament.qld.gov.au</a>) (<a href="http://qao.qld.gov.au/reports-resources/reports-parliament/regulating-animal-welfare-services">qao.qld.gov.au/reports-resources/reports-parliament/regulating-animal-welfare-services</a>)</p>	<p>The department commenced addressing the findings of the report in April 2021 and agreed to implement all four recommendations. The department continues to work with the RSPCA and many of the recommendations were implemented by 30 June 2022.</p> <p>Developing minimum standards for all animals that are regulated under the <i>Animal Care and Protection Act 2001</i> is a significant body of work that will also require consideration by government for possible amendments to the Animal Care and Protection Regulation 2012. It is expected that this recommendation will be fully implemented by 30 June 2025.</p>
<p><b>Report 14: 2021–22: State Entities 2021 (tabled 11 April 2022)</b></p> <p>This report summarises the audit results of 229 Queensland state government entities, including the 21 core government departments.</p> <p>The report made recommendations for all departments about:</p> <ul style="list-style-type: none"> <li>• reviewing appropriateness of financial delegations and of controls in place to prevent unauthorised grant approvals</li> <li>• reviewing procurement policies and manuals</li> <li>• ensuring consistent payroll processes are implemented</li> <li>• improving the timeliness of financial statements being made publicly available.</li> </ul> <p>For more details, please refer to the full report—State entities 2021 (Report 14: 2021–22) (<a href="http://parliament.qld.gov.au">parliament.qld.gov.au</a>) (<a href="http://qao.qld.gov.au/reports-resources/reports-parliament/state-entities-2021">qao.qld.gov.au/reports-resources/reports-parliament/state-entities-2021</a>)</p>	<p>DAF is in the process of reviewing its financial delegations to ensure they are appropriate to the duties of each position, and updating the department's Procurement Framework to reflect changes in the <i>Queensland procurement policy</i>.</p> <p>The department has strong controls around its payroll. Up-to-date policies and guidance for staff are available on the department's intranet site, and compliance is tested through the department's internal controls self-assessment processes.</p> <p>The four 2020–21 Annual Reports produced for entities within the Minister's portfolio were tabled on 28 September 2021, an average of 31.25 days after QAO issued its audit opinion on the accompanying financial statements.</p>

## Information systems and recordkeeping

### Information systems

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

This year's key digital initiatives included:

- delivery of the commercial fishing mobile app—Qld eFisher—which provides commercial fishers with a mobile red tape reduction option to fulfil their legislated reporting requirements
- continued implementation of Remote Sensing Surveillance to support the National RIFA Eradication Program. This solution enables broad-scale monitoring of fire ants to increase efficiency of surveillance and treatment activities
- replacement of end-of-life technology and delivery of an updated automated interactive voice response solution to enable commercial fishers to continue to report catch via telephone
- investigation into a data warehousing solution to support improved data governance, management and sharing both across the department and more broadly with stakeholders
- enhancements to the Laboratory Information Management System Sample Manager, which supports Biosecurity Queensland to manage sample collections and results efficiently
- further progress on the modernisation of the fisheries compliance management solution, which will replace legacy systems and end-of-life hardware to support more efficient and effective fisheries compliance activities
- implementation of a new telephone solution for the department and several other Queensland Government agencies within the Business and Corporate Partnership.

### Records governance

The department has a comprehensive records management framework that is consistent with the *Public Records Act 2002*, *Public Service Act 2008* and the Queensland State Archives (QSA) *Records governance policy*. Departmental policies are in place that allocate responsibilities for recordkeeping.

A new strategic recordkeeping plan has been developed that focuses on managing records following a risk and value approach. The corporate electronic document and records management system (eDRMS) has been upgraded across the department.

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

There is an end-to-end recordkeeping service supporting business areas to maximise the use of digital records. Digital recordkeeping is implemented through increasing use of the corporate eDRMS, automated capture of records, and assessment of records compliance in business systems. Key legacy email records have been captured into the corporate eDRMS.

The *Digitisation disposal policy* enables the early disposal of temporary paper records that have been digitised and are managed securely. Analysis of agency processes for improved recordkeeping practices and risk mitigation is ongoing. Recordkeeping input has been embedded into Biosecurity Virtual Control Centre exercises.

The records management framework also includes an appraisal and disposal program, management of paper records, retrieval and digital delivery of records, and a program of permanent records transfers to QSA. The department is using the QSA Archives Gateway to administer retrieval of files and access controls for permanent departmental records held at QSA.



Retention and authorised disposal processes and controls are in place for physical and electronic records. The department has disposed of 620 boxes of time-expired records under this program. Records are retained in accordance with the following approved retention and disposal schedules:

1. General Retention and Disposal Schedule—QDAN 415 v.4 (2020)
2. Agriculture—QDAN 719 (2015)
3. Fisheries—QDAN 724 (2015)
4. Forestry—QDAN 725 (2015)
5. Agricultural Education—QDAN 704 (2014).

## Releasing information

### Open data

A number of annual reporting requirements are addressed through publication of information on the Queensland Government's Open Data portal ([data.qld.gov.au](http://data.qld.gov.au)) instead of inclusion in the annual report.

The following information requirements must be reported through the Open Data portal:

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

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

# Governance—Human Resources

## Strategic workforce planning and performance

In 2021, DAF launched its *Workforce strategy and action plan 2021–2025*. The strategy and action plan commits to five areas of focus: Leadership, Future Ready Skills, Talent Management, Sustainability and Productive Culture. The launch of the strategy was coupled with a revision of DAF's governance model, resulting in the introduction of DAF's People and Culture Committee. This committee includes senior executive membership and representation from across all DAF business groups.

In 2021–22, under the new governance model and the workforce strategy and action plan, the following initiatives have been actioned:

- activities to support increased workforce planning capability via the development of DAF's workforce planning tool kit and commencement of DAF's Workforce Planning Community of Practice. Workforce planning is now also articulated as a requirement in accordance with strategic and operational business planning cycles
- the review and refresh of onboarding at DAF, including the introduction of mechanisms to increase new starters' productivity from week one. Work continues towards the introduction of the onboarding framework, which fosters increased connection to DAF and its purpose. The framework will embed offerings that create a sense of belonging, provide role clarity and the opportunity to develop a professional network within DAF early in the employment journey to contribute to increased productivity and innovation
- multiple projects embarked on to support talent management, productive culture and future ready skills and sustainability, including: the Employee Value Proposition Project, High-Performance Culture Project and the Agriculture Science Queensland Capability Study and Assessment. These projects will support the development of an organisational culture that is inclusive, empowers its people and supports the department to be future ready. The outcomes of the projects will contribute to a narrative for potential employees about DAF's value and purpose-driven work, which is critical in a time of increasing high demand for talent with low supply
- the roll out of the Leadership Development strategy to over 120 leaders and emerging leaders. The program focuses on developing adaptive leadership skills to meet the current and future challenges facing the agriculture, forestry and fisheries industries, both domestically and globally. The program developed change management capacity in the context of volatility, uncertainty, complexity and ambiguity
- the introduction of an improved Learning Management System for DAF to support ongoing capability development in an increasingly digitally demanding environment. This system will include the functionality of digitally recorded performance development agreements, which will optimise our capability for succession planning and capability building investment funding.

## Workforce profile

Table 7 Workforce profile data

	FTE
Total FTEs for the Department of Agriculture and Fisheries	2084.34 <sup>1</sup>

<sup>1</sup> The FTE total included 215 Business and Corporate Partnership staff providing services to other agencies.

Table 8 Target group data<sup>1</sup>

Gender	Number (headcount)	Percentage of total workforce (calculated on headcount)
Women	977	44.84%
Men	1202	55.16%
Non-binary	<5	0.00%

Diversity groups	Number (headcount)	Percentage of total workforce (calculated on headcount)
Woman	977	44.84%
Aboriginal Peoples and Torres Strait Islander Peoples	18	0.83%
People with disability	76	3.43%
Culturally and linguistically diverse—born overseas	107	4.91%
Culturally and linguistically diverse—speak a language at home other than English (including Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages)	73	3.35%
Women in leadership roles <sup>2</sup>	37	39.78%

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

<sup>2</sup> Women in leadership roles are considered those positions that are Senior Officer and equivalent and above.

## Workforce planning and performance

During 2021–22, DAF actively consulted with the Together Union through quarterly consultative committee meetings to discuss industrial relations matters. We continued to support and exemplify the principles of the *Union encouragement policy*, including through the formation of a new local consultative committee and an increased number of consultative meetings to discuss the management of significant employment and industrial matters, such as:

- DAF's *COVID-19 Vaccination requirements policy and procedure*
- COVID-19 health and safety precautions and response management within our workplaces
- flexible work arrangements
- workplace change.

As part of achieving and maintaining White Ribbon Workplace accreditation, we have continued to:

- strengthen support for employees experiencing domestic and family violence by reviewing and developing policies, processes and resources
- address the attitudes and behaviours that allow violence to occur and support employees to challenge inappropriate behaviour
- raise awareness of domestic and family violence and the support available
- increase individual capability to recognise, prevent and respond to domestic and family violence through the delivery of virtual facilitator training.

A diverse and inclusive workforce that represents the community it serves enables DAF to provide high-quality services to the Queensland community. Diversity is supported in DAF by a working group that comprises members of staff from across all our business areas. The Diversity and Inclusion Working Group creates a forum for staff to contribute, consider and create avenues to increase diversity and equity throughout the department by leveraging mutual resources, and working collaboratively to deliver improved and sustainable outcomes. Our Deputy Directors-General take an active leadership role as champions, sponsoring each diverse group, providing support and driving awareness. Action plans relating to each diverse group receive endorsement from the champion, and strategies and initiatives are implemented accordingly throughout the year.

Although COVID-19 may have limited some events, we continued to deliver on our diversity and inclusion strategies, initiatives and awareness campaigns, ensuring communication and implementation to improve our diversity profile and promote DAF as a great place to work for all. These included:

- profiling events during Reconciliation Week—‘Be brave. Make change’, and NAIDOC week—‘Get up! Stand up! Show up!’
- hosting an International Women’s Day event to celebrate the achievements of women
- promoting events held during Harmony Week and encouraging staff to celebrate DAF’s cultural diversity
- creating awareness and celebrating Pride Month—teaching tolerance, education in pride history and continuing the conversations around equity.

## Healthy and safe people

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

This year we:

- visibly raised the profile of WHS through activities that highlighted the importance of health and safety at home and at work during Safe Work Month (October 2021)
- facilitated the WHS Leadership Awards to recognise those who support the department to achieve its vision of a healthy and safe workplace
- achieved increased accountability for health, safety and wellbeing through implementation of a new dashboard to provide DAF leaders and DAF WHS consultants/leads with the ability to easily access trends and data related to hazards, incidents, near misses and injuries/illnesses
- incorporated WHS performance measures into the Director-General’s performance agreement
- continued to refine and build on governance structures for health and safety including the WHS Committee and business group specific health and safety committees by using these forums as a mechanism for consultation, focusing on key areas of risk and building leadership capability
- developed the *2022–23 Work health and safety strategy and operational plan* to articulate the organisational priorities for next year
- integrated WHS into the DAF Enterprise Risk Register

- built systems, capability and tools to support risk management for COVID-19. Initiatives undertaken to support this included:
  - developing, consulting and implementing a *COVID-19 Vaccination requirements policy and procedure*
  - conducting and continuing to review and monitor a COVID-19 risk assessment, establishing and facilitating the COVID-19 and DAF exposure site register advice hotline
  - developing a reporting dashboard and close contact register
  - delivering the first supply of rapid antigen tests to operational areas of our business
- assessed physical work environments to ensure suitable facilities are in place through scheduled inspections and conducted risk assessments to ensure safe work design and systems.

## Early retirement, retrenchment and redundancy

During the period, two employees received redundancy packages at a cost of \$173 566.

# Financial statements

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## Department of Agriculture and Fisheries

### Statement of comprehensive income

For the year ended 30 June 2022

	Notes	2022 Actual \$'000	2022 Original Budget \$'000	Actual vs. Budget Variance \$'000	2021 Actual \$'000
<b>Income from operations</b>					
Appropriation revenue	B1-1	331,784	323,634	8,150	316,340
User charges and fees	B1-2	149,508	132,939	16,569	147,312
Grants and contributions	B1-3	47,220	29,509	17,711	41,170
Royalties	B1-4	35,987	36,067	(80)	45,434
Other revenue		3,408	386	3,022	1,470
<b>Total revenue</b>		<b>567,907</b>	<b>522,535</b>	<b>45,372</b>	<b>551,727</b>
Gains on disposal and re-measurement of assets	B2	4,195	95	4,100	11,372
<b>Total income from operations</b>		<b>572,102</b>	<b>522,630</b>	<b>49,472</b>	<b>563,099</b>
<b>Expenses from operations</b>					
Employee expenses	B3-1	239,795	238,526	(1,269)	229,101
Supplies and services	B3-2	259,963	236,029	(23,934)	264,629
Grants and subsidies	B3-3	36,952	15,934	(21,018)	25,810
Depreciation and amortisation	B3-4	28,622	28,013	(609)	28,603
Finance/borrowing costs	B3-5	2,424	2,846	422	2,453
Impairment losses on financial assets		726	-	(726)	742
Impairment losses on non-financial assets		1,351	-	(1,351)	153
Other expenses	B3-6	2,269	1,282	(987)	2,347
<b>Total expenses from operations</b>		<b>572,102</b>	<b>522,630</b>	<b>(49,472)</b>	<b>553,838</b>
<b>Operating result for the year surplus/(deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>9,261</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified to operating result:					
Increase/(decrease) in asset revaluation surplus	C9-3	42,004	-	42,004	55,760
<b>Total comprehensive income</b>		<b>42,004</b>	<b>-</b>	<b>42,004</b>	<b>65,022</b>

The accompanying notes form part of these financial statements.



# Department of Agriculture and Fisheries

## Statement of comprehensive income by major departmental services

	Agriculture		Fisheries and Forestry		Biosecurity Queensland		Corporate Partnership <sup>(2)</sup>		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from operations<sup>(1)</sup></b>										
Appropriation revenue	190,208	178,048	55,799	33,972	78,437	96,284	7,340	8,036	331,784	316,340
User charges and fees	62,295	61,550	9,751	10,435	40,246	29,457	37,216	45,870	149,508	147,312
Grants and contributions	710	2,437	268	75	46,241	38,623	1	35	47,220	41,170
Royalties	4,443	3,591	31,544	41,843	-	-	-	-	35,987	45,434
Other revenue	2,784	790	353	220	268	399	3	62	3,408	1,470
<b>Total revenue</b>	<b>260,440</b>	<b>246,416</b>	<b>97,715</b>	<b>86,545</b>	<b>165,192</b>	<b>164,763</b>	<b>44,560</b>	<b>54,003</b>	<b>567,907</b>	<b>551,727</b>
Gains on disposal and re-measurement of assets	4,369	11,095	(368)	88	189	202	5	(13)	4,195	11,372
<b>Total income from operations</b>	<b>264,809</b>	<b>257,510</b>	<b>97,347</b>	<b>86,634</b>	<b>165,381</b>	<b>164,965</b>	<b>44,565</b>	<b>53,989</b>	<b>572,102</b>	<b>563,099</b>
<b>Expenses from operations<sup>(1)</sup></b>										
Employee expenses	106,046	99,406	42,395	39,674	66,695	65,151	24,659	24,869	239,795	229,101
Supplies and services	109,869	108,104	44,845	42,345	88,185	90,102	17,064	24,855	259,963	265,406
Grants and subsidies	27,468	21,295	6,552	1,493	2,889	2,207	43	38	36,952	25,033
Depreciation and amortisation	18,726	18,039	2,628	2,581	4,518	4,290	2,750	3,692	28,622	28,603
Finance/borrowing costs	798	820	54	16	1,572	1,617	-	-	2,424	2,453
Impairment losses on financial assets	716	409	3	344	5	(11)	2	-	726	742
Impairment losses on non-financial assets	1,333	84	5	71	10	(2)	3	-	1,351	153
Other expenses	1,092	1,251	564	417	597	677	16	4	2,269	2,347
<b>Total expenses from operations</b>	<b>266,048</b>	<b>249,408</b>	<b>97,046</b>	<b>86,940</b>	<b>164,471</b>	<b>164,031</b>	<b>44,537</b>	<b>53,459</b>	<b>572,102</b>	<b>553,837</b>
<b>Operating result for the year surplus/(deficit)</b>	<b>(1,239)</b>	<b>8,102</b>	<b>301</b>	<b>(307)</b>	<b>910</b>	<b>935</b>	<b>28</b>	<b>531</b>	<b>-</b>	<b>9,261</b>
Other comprehensive income										
Items that will not be reclassified to operating result:										
Increase/(decrease) in asset revaluation surplus	25,681	48,997	7,383	4,194	8,940	2,569	-	-	42,004	55,760
<b>Total comprehensive income</b>	<b>24,442</b>	<b>57,100</b>	<b>7,684</b>	<b>3,887</b>	<b>9,850</b>	<b>3,503</b>	<b>28</b>	<b>531</b>	<b>42,004</b>	<b>65,022</b>

(1) Corporate services income and expenses relating to DAF provided through the Business Corporate Partnership (BCP) arrangements have been allocated to respective departmental services based on employee full time equivalent (FTE) numbers.

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

## Department of Agriculture and Fisheries

### Statement of financial position

As at 30 June 2022

	Notes	2022 Actual \$'000	2022 Original Budget \$'000	Actual vs. Budget Variance \$'000	2021 Actual \$'000
<b>Current assets</b>					
Cash and cash equivalents	C1	85,965	38,795	47,170	62,031
Receivables	C2	20,581	21,013	(432)	19,231
Inventories		2,612	1,645	967	3,282
Other assets	C3	30,935	22,205	8,730	41,900
		<b>140,093</b>	<b>83,658</b>	<b>56,435</b>	<b>126,444</b>
Non-current assets classified as held for sale		6,685	-	6,685	460
<b>Total current assets</b>		<b>146,778</b>	<b>83,658</b>	<b>63,120</b>	<b>126,904</b>
<b>Non-current assets</b>					
Receivables	C2	784	-	784	-
Property, plant and equipment	C4	449,507	402,165	47,342	425,438
Right-of-use assets	C8	103,724	102,764	960	108,926
Intangible assets		1,609	1,986	(377)	1,934
Other assets	C3	1,813	1,900	(87)	2,487
<b>Total non-current assets</b>		<b>557,437</b>	<b>508,815</b>	<b>48,622</b>	<b>538,785</b>
<b>Biological assets</b>					
Biological assets		4,499	3,138	1,361	4,296
<b>Total biological assets</b>		<b>4,499</b>	<b>3,138</b>	<b>1,361</b>	<b>4,296</b>
<b>Total assets</b>		<b>708,714</b>	<b>595,611</b>	<b>113,103</b>	<b>669,986</b>
<b>Current liabilities</b>					
Payables	C5	51,450	15,893	(35,557)	48,971
Accrued employee benefits	C6	7,430	6,532	(898)	6,600
Lease liabilities	C8	3,563	3,470	(93)	3,251
Other liabilities	C7	31,556	23,101	(8,455)	30,224
<b>Total current liabilities</b>		<b>93,999</b>	<b>48,996</b>	<b>(45,003)</b>	<b>89,047</b>
<b>Non-current liabilities</b>					
Lease liabilities	C8	99,439	98,671	(768)	101,882
Other liabilities	C7	10,930	10,931	1	12,352
<b>Total non-current liabilities</b>		<b>110,369</b>	<b>109,602</b>	<b>(767)</b>	<b>114,234</b>
<b>Total liabilities</b>		<b>204,368</b>	<b>158,598</b>	<b>(45,770)</b>	<b>203,280</b>
<b>Net assets</b>		<b>504,346</b>	<b>437,013</b>	<b>67,333</b>	<b>466,706</b>
<b>Equity</b>					
Contributed equity		375,634	-	375,634	380,000
Accumulated surplus/(deficit)		472	-	472	472
Asset revaluation surplus		128,240	-	128,240	86,235
<b>Total equity</b>		<b>504,346</b>	<b>437,013</b>	<b>67,333</b>	<b>466,706</b>

The accompanying notes form part of these financial statements.

## Department of Agriculture and Fisheries

### Statement of asset and liabilities by major departmental services

	Agriculture		Fisheries and Forestry		Biosecurity Queensland		Queensland Corporate Partnership <sup>(1)</sup>		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current assets</b>										
Cash and cash equivalents	38,785	27,959	15,054	10,795	25,513	18,337	6,613	4,941	85,965	62,031
Receivables	7,055	6,505	3,731	4,230	6,767	5,173	3,028	3,323	20,581	19,231
Inventories	312	266	237	378	2,063	2,637	-	-	2,612	3,282
Other assets	6,017	5,738	841	878	18,741	29,785	5,336	5,499	30,935	41,900
	<b>52,169</b>	<b>40,468</b>	<b>19,863</b>	<b>16,281</b>	<b>53,084</b>	<b>55,933</b>	<b>14,977</b>	<b>13,763</b>	<b>140,093</b>	<b>126,444</b>
Non-current assets classified as held for sale	6,685	460	-	-	-	-	-	-	6,685	460
<b>Total current assets</b>	<b>58,854</b>	<b>40,928</b>	<b>19,863</b>	<b>16,281</b>	<b>53,084</b>	<b>55,933</b>	<b>14,977</b>	<b>13,763</b>	<b>146,778</b>	<b>126,904</b>
<b>Non-current assets</b>										
Receivables	784	-	-	-	-	-	-	-	784	-
Property, plant and equipment	327,192	317,471	40,349	32,637	75,638	67,267	6,328	8,063	449,507	425,438
Right-of-use assets	42,194	42,423	790	851	60,740	65,652	-	-	103,724	108,926
Intangible assets	662	753	20	34	805	968	122	180	1,609	1,934
Other assets	273	337	106	130	239	340	1,195	1,679	1,813	2,487
<b>Total non-current assets</b>	<b>371,105</b>	<b>360,984</b>	<b>41,265</b>	<b>33,652</b>	<b>137,422</b>	<b>134,227</b>	<b>7,645</b>	<b>9,922</b>	<b>557,437</b>	<b>538,785</b>
<b>Biological assets</b>										
Biological assets	3,998	3,905	-	-	501	391	-	-	4,499	4,296
<b>Total biological assets</b>	<b>3,998</b>	<b>3,905</b>	<b>-</b>	<b>-</b>	<b>501</b>	<b>391</b>	<b>-</b>	<b>-</b>	<b>4,499</b>	<b>4,296</b>
<b>Total assets</b> <sup>(2)</sup>	<b>433,957</b>	<b>405,817</b>	<b>61,128</b>	<b>49,933</b>	<b>191,007</b>	<b>190,551</b>	<b>22,622</b>	<b>23,685</b>	<b>708,714</b>	<b>669,986</b>
<b>Current liabilities</b>										
Payables	26,909	21,710	7,616	7,970	14,170	14,682	2,755	4,608	51,450	48,971
Accrued employee benefits	3,330	2,911	1,281	1,117	2,066	1,870	753	701	7,430	6,600
Lease liabilities	1,259	1,067	85	80	2,219	2,104	-	-	3,563	3,251
Other liabilities	22,450	25,386	3,085	1,692	6,021	3,147	-	-	31,556	30,224
<b>Total current liabilities</b>	<b>53,948</b>	<b>51,074</b>	<b>12,067</b>	<b>10,859</b>	<b>24,476</b>	<b>21,804</b>	<b>3,508</b>	<b>5,309</b>	<b>93,999</b>	<b>89,047</b>
<b>Non-current liabilities</b>										
Lease liabilities	35,222	34,020	711	767	63,506	67,095	-	-	99,439	101,882
Other liabilities	10,930	12,352	-	-	-	-	-	-	10,930	12,352
<b>Total non-current liabilities</b>	<b>46,152</b>	<b>46,372</b>	<b>711</b>	<b>767</b>	<b>63,506</b>	<b>67,095</b>	<b>-</b>	<b>-</b>	<b>110,369</b>	<b>114,234</b>
<b>Total liabilities</b> <sup>(2)</sup>	<b>100,100</b>	<b>97,446</b>	<b>12,778</b>	<b>11,626</b>	<b>87,982</b>	<b>88,898</b>	<b>3,508</b>	<b>5,309</b>	<b>204,368</b>	<b>203,280</b>

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

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

The accompanying notes form part of these financial statements.

## Department of Agriculture and Fisheries

### Statement of changes in equity

For the year ended 30 June 2022

	Notes	Contributed Equity \$'000	Accumulated Surplus/(Deficit) \$'000	Asset Revaluation Surplus \$'000	Total \$'000
<b>Balance as at 1 July 2020</b>		<b>418,926</b>	<b>(8,790)</b>	<b>30,474</b>	<b>440,611</b>
<b>Operating result</b>					
Operating result from operations		-	9,261	-	9,261
<b>Other comprehensive income</b>					
Increase in asset revaluation surplus	C9-3	-	-	55,760	55,760
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>9,261</b>	<b>55,760</b>	<b>65,022</b>
<b>Transactions with owners as owners</b>					
Appropriated equity injections	C9-2	2,943	-	-	2,943
Appropriated equity withdrawals <sup>(1)</sup>	C9-2	(8,946)	-	-	(8,946)
Non-appropriated equity withdrawals		(32,924)	-	-	(32,924)
<b>Net transactions with owners as owners</b>		<b>(38,926)</b>	<b>-</b>	<b>-</b>	<b>(38,926)</b>
<b>Closing balance as at 30 June 2021</b>		<b>380,000</b>	<b>472</b>	<b>86,235</b>	<b>466,706</b>
<b>Balance as at 1 July 2021</b>		<b>380,000</b>	<b>472</b>	<b>86,235</b>	<b>466,706</b>
<b>Operating result</b>					
Operating result from operations		-	-	-	-
<b>Other comprehensive income</b>					
Increase in asset revaluation surplus	C9-3	-	-	42,004	42,004
<b>Total comprehensive income for the year</b>		<b>380,000</b>	<b>472</b>	<b>128,240</b>	<b>508,711</b>
<b>Transactions with owners as owners</b>					
Appropriated equity injections	C9-2	5,780	-	-	5,780
Appropriated equity withdrawals	C9-2	(8,930)	-	-	(8,930)
Appropriated equity adjustment <sup>(2)</sup>	C9-2	(1,216)	-	-	(1,216)
<b>Net transactions with owners as owners</b>		<b>(4,366)</b>	<b>-</b>	<b>-</b>	<b>(4,366)</b>
<b>Closing balance as at 30 June 2022</b>		<b>375,634</b>	<b>472</b>	<b>128,240</b>	<b>504,346</b>

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

(2) Represents a non-cash adjustment related to the fair value of a loan to industry.

The accompanying notes form part of these financial statements.

# Department of Agriculture and Fisheries

## Statement of cash flows

For the year ended 30 June 2022

Notes	2022 Actual \$'000	2022 Original Budget \$'000	Actual vs. Budget Variance \$'000	2021 Actual \$'000
<b>Cash flows from operating activities</b>				
<b>Inflows:</b>				
Service appropriation receipts	332,949	323,634	9,315	347,909
User charges and fees	152,667	128,488	24,179	133,607
Grants and other contributions	50,196	31,320	18,876	38,679
Royalties	39,603	36,067	3,536	46,403
GST input tax credits received from ATO	12,257	13,181	(924)	11,751
GST collected from customers	14,990	-	14,990	15,988
Other inflows	3,830	1,586	2,244	1,800
<b>Outflows:</b>				
Employee benefits	(238,685)	(237,898)	(787)	(232,085)
Supplies and services	(259,605)	(250,566)	(9,039)	(262,694)
Grants and subsidies	(35,392)	(15,934)	(19,458)	(24,760)
GST paid to suppliers	(27,601)	-	(27,601)	(27,485)
Finance/borrowing costs	(2,424)	(2,846)	422	(2,453)
Other outflows	(2,272)	(1,732)	(540)	(2,702)
<b>Net cash provided/(used) by operating activities</b>	<b>40,513</b>	<b>25,300</b>	<b>15,213</b>	<b>43,958</b>
<b>Cash flows from investing activities</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment	2,314	1,455	859	33,425
Sales of biological assets	3,081	-	3,081	2,622
<b>Outflows:</b>				
Payments for property, plant and equipment	(13,107)	(23,402)	10,295	(14,452)
Payments for intangibles	(190)	(300)	110	(858)
Payments for biological assets	(212)	-	(212)	(359)
Loans and advances made <sup>(1)</sup>	(2,000)	-	(2,000)	-
<b>Net cash provided/(used) in investing activities</b>	<b>(10,114)</b>	<b>(22,246)</b>	<b>12,133</b>	<b>20,380</b>
<b>Cash flows from financing activities</b>				
<b>Inflows:</b>				
Equity injection	5,780	7,686	(1,906)	2,943
<b>Outflows:</b>				
Lease payments	(3,315)	(3,036)	(279)	(3,034)
Equity withdrawal	(8,930)	(8,504)	(426)	(43,438)
<b>Net cash provided/(used) by financing activities</b>	<b>(6,465)</b>	<b>(3,854)</b>	<b>(2,611)</b>	<b>(43,529)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>23,934</b>	<b>(800)</b>	<b>24,735</b>	<b>20,809</b>
<b>Cash and cash equivalents - opening balance</b>	<b>62,031</b>	<b>39,595</b>	<b>22,436</b>	<b>41,222</b>
<b>Cash and cash equivalents - closing balance</b>	<b>85,965</b>	<b>38,795</b>	<b>47,171</b>	<b>62,031</b>

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

## Department of Agriculture and Fisheries

### Cash flow reconciliation

For the year ended 30 June 2022

#### Cash flow reconciliation

	2022	2021
	\$'000	\$'000
<b>Reconciliation of operating result to net cash provided by operating activities</b>		
Operating result surplus/(deficit)	-	9,261
<b>Non-cash items included in operating result:</b>		
Depreciation expense - property, plant and equipment	21,664	21,783
Depreciation expense - right-of-use assets	6,443	6,278
Amortisation expense - intangibles	515	542
Gains on sale or disposal of property, plant and equipment	(487)	(8,807)
Impairment losses - property, plant and equipment	1,351	153
Impairment losses - trade receivables	726	742
Impairment reversals trade receivables	(636)	-
Net increment in valuation of biological assets	(3,072)	(2,042)
Grant expense - concessional loan discount	1,216	-
Assets received below fair value	-	(17)
Other	(25)	(1)
<b>Change in assets and liabilities (increase/(decrease))</b>		
Appropriation revenue receivable	-	3,004
Deferred appropriation payable to Consolidated Fund	1,165	28,565
Trade receivables	(1,230)	1,812
GST input tax credits receivable	(319)	176
Long service leave reimbursements receivables	(6)	(567)
Annual leave reimbursements receivables	(352)	(2,588)
Other receivables	450	(563)
Contract assets	10,725	(13,563)
Prepayments	913	677
Inventories	670	(1,614)
Payables	98	4,358
Accrued employee benefits	830	(405)
Contract liabilities and unearned revenue	260	(3,609)
GST payable	(35)	78
Security deposits	(351)	306
<b>Net cash provided /(used) by operating activities</b>	<b>40,513</b>	<b>43,958</b>

#### Changes in liabilities from financing activities

	Opening Balance		Transfers with		New Leases		Other		Cash		Closing Balance	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Lease liabilities	105,133	107,933	-	-	1,209	239	(25)	(6)	(3,315)	(3,034)	103,002	105,133
<b>Total</b>	<b>105,133</b>	<b>107,933</b>	<b>-</b>	<b>-</b>	<b>1,209</b>	<b>239</b>	<b>(25)</b>	<b>(6)</b>	<b>(3,315)</b>	<b>(3,034)</b>	<b>103,002</b>	<b>105,133</b>

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### Section A: About the department and this financial report

#### A1 General information

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

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

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

Level 34, 1 William Street

Brisbane

Queensland 4000

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

#### A2 Basis of financial statement preparation

##### A2-1 Compliance with prescribed requirements

DAF has prepared these financial statements in compliance with section 38 of the *Financial Performance Management Standard 2019*. The financial statements comply with *Queensland Treasury's (QT) Minimum Reporting Requirements* for reporting periods beginning on or after 1 July 2021.

DAF is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the statement of cash flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities. There are no new accounting standards applicable to DAF for the Financial Year (FY) 2021-22 (refer Note G3).

##### A2-2 Presentation

###### Currency and rounding

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

###### Comparatives

Comparative information reflects the audited 2020-21 financial statements.

###### Current/non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the statement of financial position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

##### A2-3 Authorisation of financial statements for issue

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

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### A2-4 Basis of measurement

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

- Land, buildings and infrastructure are measured at fair value
- Inventories which are measured at the lower of cost and net realisable value
- Non-current assets held for sale are measured at fair value less costs to sell
- Loan receivables are measured at fair value

#### Historical cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

#### Fair value

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

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The *income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

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

#### Present value

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

#### Net realisable value

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



# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### A3 Departmental objectives

DAF promotes a sustainable and innovative agriculture, fisheries and forestry sector, develops rural businesses and adds value to communities and the economy. The department's vision is for Queensland to be a world leader of high quality, safe and sustainably produced food and fibre.

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

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

- **Innovative and globally competitive agribusinesses** – develop and deliver a future-focused agribusiness and food strategy.
- **Prosperous economies** – support industry to intensify, diversify and expand.
- **A resilient sector** – deliver policies and programs to minimise the impact of pests and diseases.
- **Ethical and sustainable production of food and fibre** – deliver a regulatory environment that gives consumers and communities confidence that primary production is ethical and sustainable.
- **Trusted, capable and connected people** – lead a workforce strategy to build a trusted, empowered, engaged and innovative workforce in a safe, healthy and rewarding working environment.

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

#### Key investment areas for 2021-22 included:

- Lift the productivity of Queensland's food and fibre businesses.
- Mitigate the risks and impacts of animal and plant pests, diseases and weeds to the economy, the environment, social amenity and human health.
- Ensure sustainable and productive fisheries and the responsible allocation and use of state-owned forest and related resources.

#### Major departmental services

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

#### Agriculture

This service area:

- Supports Queensland's economic recovery in a post COVID-19 environment by delivering initiatives and programs in support of a resilient agribusiness sector, including the Seasonal Worker Programme
- Delivers AgTech initiatives and programs and provides industry, and university scientists with access to the department's world-class research facilities
- Promotes Queensland's agricultural products and innovations internationally to grow exports and attract investment
- Supports the protection of the Great Barrier Reef, with research, development and extension on land management practices that improve Reef water quality as well as productivity
- Supports recovery efforts in response to business disruptions and natural disasters, continuing drought assistance programs while this drought lasts and delivering reforms to drought programs through the Drought and Climate Adaption Program
- Works with producers, industry and all levels of government to capitalise on rural opportunities, improve supply chains and create long term jobs for the benefit of Queensland's food and fibre sector
- Works with rural communities to identify regional economic priorities, improve the competitiveness of rural business and increase the number of jobs in rural communities
- Undertakes industry analysis to ensure policy and regulatory frameworks underpin the long term sustainability of Queensland's food and fibre sector.

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### Biosecurity Queensland

Biosecurity Queensland works closely with national and local governments, industry bodies, producers and the community to maintain a strong biosecurity system. Biosecurity Queensland services area:

- Continues to position Queensland as a leader in national biosecurity preparedness and enhancing Queensland's biosecurity prevention and response capability
- Implements and monitors actions related to strategic plans
- Works with stakeholders to facilitate the adoption of the regional stakeholder partnership and investment model to address regional biosecurity threats
- Continues eradication and containment programs for invasive plants and animals, such as weeds and pest animals
- Delivers biosecurity diagnostics and other laboratory services
- Meets national standards of animal welfare and ethics, including exhibited animals and contributes to national processes to develop appropriate animal welfare standards and guidelines
- Monitors AgVet chemicals use and contaminant risk
- Biosecurity incident responses, such as exotic tramp ants, white spot disease in prawns, and Panama disease tropical race 4 in bananas.

### Fisheries and Forestry

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

- Managing access to and the sustainable use of Queensland fisheries resources
- Providing education and enforcing fishing regulations to promote equitable access to fisheries resources by commercial, recreational and traditional fishers and obtaining, and maintaining access to export markets
- Continuing to improve swimmer safety through undertaking research and trialling the application of new technologies, education and awareness programs
- Responsibly managing the allocation and use of State-owned forests and related resources
- Supporting the growth and development of the Queensland forest and timber industry by establishing the Native Timber Advisory Panel
- Supplying State-owned forest products and quarry material on a commercial and environmentally responsible basis.

### Business Corporate Partnership (BCP) - Corporate Services

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

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

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

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### Section B: Notes about our financial performance

#### B1 Revenue

	2022	2021		2022	2021
	\$'000	\$'000		\$'000	\$'000
<b>B1-1 Appropriation revenue</b>			<b>B1-2 User charges and fees</b>		
<b>Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in operating result</b>			Revenue from contracts with customers		
<b>Original budgeted appropriation</b>	<b>323,634</b>	<b>333,136</b>	Fee for service	125,775	125,465
Unforeseen expenditure	2,225	-	Sale of goods	4,681	3,970
Treasurer's transfers	7,090	14,773	Fees, licences and permits	10,901	10,975
<b>Total appropriation receipts (cash)</b>	<b>332,949</b>	<b>347,909</b>	Other user charges and fees		
Less: opening balance of appropriation revenue receivable	-	(3,004)	Property rental <sup>(1)</sup>	8,151	6,903
Plus: opening balance of deferred appropriation payable to Consolidated Fund	31,413	2,848	<b>Total</b>	<b>149,508</b>	<b>147,312</b>
Less: closing balance of deferred appropriation payable to Consolidated Fund	(32,578)	(31,413)			
<b>Net appropriation revenue</b>	<b>331,784</b>	<b>316,340</b>			
<b>Appropriation revenue recognised in statement of comprehensive income</b>	<b>331,784</b>	<b>316,340</b>			

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

#### Accounting Policy - User charges and fees

##### Fee for service

Information Technology Partners (ITP) Service Level Agreements - The department provides information technology services to other departments on a cost recovery basis. Under AASB 15, revenue is recognised in exchange for the services transferred to the customer. An accrual is recognised for services rendered but unbilled at each reporting date.

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

##### Sale of goods

The sale of goods including livestock, vaccines, publications and farming produce as the delivery of the goods to the customer represents the sole performance obligation. The amount of any right of return asset or refund liability has been determined to be negligible and immaterial. The timing of revenue recognition for sale of goods involves either invoicing for related goods/services and/or the recognition of accrued revenue.

##### Fees, licences and permits

The sole performance obligation is the issue of the licence to the customer, and revenue is recognised when the licence is issued. The department has revenue from the issue of fees, licences and permits for agricultural, fishing and biosecurity activities. Revenue is recognised under AASB15 when the performance obligations are fulfilled.

#### Accounting Policy - Appropriation revenue

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

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

	2022	2021		2022	2021
	\$'000	\$'000		\$'000	\$'000
<b>B1-3 Grants and contributions</b>			<b>B1-4 Royalties</b>		
Commonwealth grants <sup>(1)</sup>	37,619	30,913	Royalties - Timber	16,860	15,892
Local government contributions	6,481	6,360	Royalties - Quarry materials <sup>(1)</sup>	14,633	25,880
Queensland State contributions	857	2,277	Royalties - Other <sup>(2)</sup>	4,494	3,661
Industry contributions	1,850	1,258	<b>Total</b>	<b>35,987</b>	<b>45,434</b>
Goods and services received below fair value	413	363			
<b>Total</b>	<b>47,220</b>	<b>41,170</b>			

(1) Relates to funding for National Red Imported Fire Ants Eradication Program (NRIFAEP) and National Cost Sharing (NCS) arrangements from the Australian Government for the Four Tropical Weeds, Electric Ants and pests and disease emergency responses.

### Accounting Policy - Grants and other contributions

Grants, contributions and donations are non-reciprocal transactions where the department does not directly give approximately equal value to the grantor.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the department to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. Initially, revenue is deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants. Special purpose capital grants received to construct non-financial assets, to be controlled by the department, are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as the department satisfies its obligations under the grant through construction of the asset.

### Accounting Policy - Services received below fair value

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

### Disclosure – Services received below fair value

DAF received defined services from the following agencies:

- Department of Resources: Legal Services
- Department of Environment and Science (DES): Privacy and Ethics; Internal Audit; Right to Information.

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

Internal Audit services from DES previously part of the BCP arrangements were transferred to DAF on 17 January 2022.

(1) The decrease largely represents a return to pre 2020-21 activity levels relating to quarry materials, with significant mining development projects being completed.

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

### Accounting Policy - Royalties

The department under the provisions of the *Forestry Act 1959* issue sales permits regarding the supply of forest products, including native forest log timber and quarry material. The department recognises the revenue for forest products based on the returns provided by the permit holders.

## B2 Gains on disposal and re-measurement of assets

	2022	2021
	\$'000	\$'000
Net gains from disposal of property, plant and equipment <sup>(1)</sup>	487	8,807
Net increment in valuation of biological assets	3,072	2,042
Impairment reversals - trade receivables	636	523
<b>Total</b>	<b>4,195</b>	<b>11,372</b>

(1) The decrease is mainly due to the sale of the former QATC property "Berrigurra Station" in 2021 with net proceeds returned to Queensland Treasury (QT) as an equity withdrawal.

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### B3 Expenses

	2022	2021	
	\$'000	\$'000	
<b>B3-1 Employee expenses</b>			
<b>Employee Benefits</b>			
Wages and salaries	184,942	178,166	provision for these schemes are reported on a whole-of-government basis pursuant to <i>AASB 1049 Whole-of-Government and General Government Sector Financial Reporting</i> .
Termination benefits	655	561	These levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave and annual leave are claimed from the scheme quarterly in arrears.
Employer super contributions	25,179	24,285	<u>Superannuation</u>
Annual leave levy	20,464	19,070	Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.
Long service leave levy	4,520	4,119	<i>Defined contribution plans</i> - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant Enterprise Bargaining Agreement or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.
Other employee benefits	528	332	<i>Defined benefit plan</i> - the liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to <i>AASB 1049 Whole-of-Government and General Government Sector Financial Reporting</i> . The amounts of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the department at the specified rate following completion of the employee's service each pay period. The department's obligations are limited to those contributions paid.
<b>Employee Related Expenses</b>			
Workers' compensation premium	1,148	1,066	<u>Workers' compensation premiums</u>
Other employee related expenses	2,359	1,501	The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.
<b>Total employee benefits</b>	<b>239,795</b>	<b>229,101</b>	Key management personnel and remuneration disclosures are detailed in Note G1.

The table below sets out the number of employees as at 30 June 2022, including both full-time and part-time employees, measured on a full-time basis as provided to the Public Service Commission (PSC) and utilised in the preparation of the Minimum Obligatory Human Resource Information (MOHRI). The BCP employee expenses aligned to DAF are also included in the above total with the number represented by employees shown below:

	2022	2021
	\$'000	\$'000
<b>Number of employees:</b>		
DAF	1,870	1,776
BCP (providing services to other departments)	215	202
<b>Total number of employees</b>	<b>2,085</b>	<b>1,978</b>

#### Accounting Policy - Employee expenses

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package and these are recognised separately as employee related expenses.

##### Wages, salaries and sick leave

Wages and salaries due but unpaid at reporting date are recognised in the statement of financial position at the current salary rates. As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

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

##### Long service leave and annual leave

Under the Queensland Government's Long Service Leave Scheme (LSLS) and Annual Leave Central Scheme (ALCS), levies are payable by the department to cover the cost of employees' long service leave and annual leave (including leave loading and on-costs). Hence, no provision for long service leave and annual leave is recognised in the department's financial statements. Instead, the

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

	2022	2021		2022	2021
<b>B3-2 Supplies and services</b>	<b>\$'000</b>	<b>\$'000</b>	<b>B3-3 Grants and subsidies</b>	<b>\$'000</b>	<b>\$'000</b>
Contractors	64,966	68,080	Subsidies <sup>(1)</sup>	12,664	15,492
Collaborative research arrangements	22,757	23,679	Queensland and local government <sup>(2)</sup>	16,735	7,106
Accommodation and lease rentals	18,422	22,268	Industry	2,025	2,035
Motor vehicles - QFleet	5,929	5,745	Charities/community groups <sup>(3)</sup>	2,047	700
Outsourced service delivery	27,884	25,604	Goods and services provided below fair value	344	325
Inventory and consumables	18,829	22,004	Concessional loan discount <sup>(4)</sup>	1,216	-
Computer/information technology	21,247	19,466	Other <sup>(5)</sup>	1,921	152
Repairs and maintenance	11,405	11,383	<b>Total</b>	<b>36,952</b>	<b>25,810</b>
Transport	11,684	10,510			
Service delivery costs and service level agreement charges	14,073	16,282			
Building services	6,033	7,032			
Telecommunications and electricity	7,399	6,516			
Shared services provider fee	6,096	5,535			
Travel	3,805	3,396			
Portable and attractive items	3,211	2,430			
Consultancy fees	415	509			
Legal Costs	1,317	1,388			
Other	14,491	12,801			
<b>Total</b>	<b>259,963</b>	<b>264,629</b>			

(1) The decrease relates to reduced demand for the Drought Assistance Package and On-Farm Emergency Water Infrastructure Rebate Scheme in 2021-22, offset by the Commonwealth Horticulture Netting Program.

(2) The increase is mainly due to grant programs through QRIDA for drought preparedness, farm development and rural agriculture development, and funding provided to local government bodies for fishing infrastructure grants.

(3) The increase is mainly due to additional funding provided to Surf Life Saving Queensland for the SharkSmart drone trial.

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

(5) The increase in 2021-22 is due to the Pick Queensland Campaign incentives to attract and retain seasonal workers across Queensland's agriculture sector.

### Accounting Policy - Distinction between grants and procurement

For a transaction to be classified as supplies and services, the value of goods and services received by the department must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant in Note B3-3.

### Disclosure - Accommodation and lease rentals

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

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

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

### Accounting Policy - Grants and subsidies

A grant is a payment or contribution made to an organisation or person which is not to be repaid or reciprocated, but which must be spent by the recipient for a specific purpose. Accordingly, grant payments are expensed when payment is made. For procurement payments, where the terms of a procurement (exchange transaction) have been satisfied during the reporting period, but the full amount has not yet been disbursed, an expense and a liability in respect of the present obligation are recognised.

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

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

	2022	2021		2022	2021
	\$'000	\$'000		\$'000	\$'000
<b>B3-4 Depreciation and amortisation</b>			<b>B3-6 Other expenses</b>		
Depreciation and amortisation were incurred in respect of:			External audit fees - QAO <sup>(1)</sup>	245	390
<b>Property plant and equipment</b>			Insurance premiums - QGIF <sup>(2)</sup>	874	830
Buildings	7,840	7,097	Insurance premiums - Other	199	139
Infrastructure	461	481	Sponsorships <sup>(3)</sup>	256	265
Plant and equipment	13,363	14,205	Donations and gifts	19	15
<b>Total depreciation - property plant and equipment</b>	<b>21,664</b>	<b>21,783</b>	License and registration fees	246	260
<b>Right-of-use assets</b>			Patents, copyright & trademarks	149	173
Leased assets	6,443	6,278	Special payments <sup>(4)</sup>		
<b>Total depreciation - right-of-use assets</b>	<b>6,443</b>	<b>6,278</b>	Ex-gratia payments	124	143
<b>Intangibles</b>			Compensation payments	40	1
Software purchased	267	425	Other	117	132
Software internally generated	248	116	<b>Total</b>	<b>2,269</b>	<b>2,347</b>
<b>Total amortisation - intangibles</b>	<b>515</b>	<b>541</b>			
<b>Total</b>	<b>28,622</b>	<b>28,603</b>			
<b>B3-5 Finance/borrowing costs</b>					
Interest on lease liabilities	2,424	2,453			
<b>Total</b>	<b>2,424</b>	<b>2,453</b>			

- (1) Total audit fees payable to the Queensland Audit Office (QAO) relating to the 2021-22 financial year are \$245,250 (2020-21: \$240,000). 2020-21 includes a payment of \$149,950 for the prior year which was not accrued.
- (2) The department's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis.
- (3) In 2020-21 sponsorships include Beef Week Australia 2021.
- (4) Special payments during 2021-22 include the following:
- There were 7 ex-gratia payments over \$5,000 in relation to the Red Witchweed Eradication Program (8 payments in 2020-21).
  - There was 1 compensation payment over \$5,000 made in 2021-22 (no compensation payments in 2020-21) in resolution of a legal matter.

### Accounting Policy - Special payments

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

### Accounting Policy - Finance/borrowing costs

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

Finance costs include amortisation of discounts or premiums relating to borrowings and provisions. No borrowing costs are capitalised into qualifying assets.

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### Section C: Notes about our financial position

#### C1 Cash and cash equivalents

	2022 \$'000	2021 \$'000
Cash at bank	85,962	62,025
Imprest accounts	3	6
<b>Total</b>	<b>85,965</b>	<b>62,031</b>

#### Accounting Policy - Cash and cash equivalents

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

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

#### C2 Receivables

	2022 \$'000	2021 \$'000
<b>Current</b>		
Trade debtors	11,665	11,119
Less: allowance for impairment loss <sup>(1)</sup>	(93)	(636)
	<b>11,572</b>	<b>10,483</b>
GST input tax credits receivable	2,763	2,444
GST payable	(43)	(78)
	<b>2,720</b>	<b>2,366</b>
Annual leave reimbursements	4,608	4,256
Long service leave reimbursements	1,519	1,513
Other	162	612
	<b>6,289</b>	<b>6,382</b>
<b>Total current receivables</b>	<b>20,581</b>	<b>19,231</b>
<b>Non-current</b>		
Loans and advances receivable - fair value through profit and loss <sup>(2)</sup>	784	-
	<b>784</b>	<b>-</b>
<b>Total non-current receivables</b>	<b>784</b>	<b>-</b>
<b>Total</b>	<b>21,365</b>	<b>19,231</b>

(1) Refer to Note C2-1.

(2) In 2021-22, DAF provided a \$2 million loan with the value discounted by \$1.216 million which is recognised as a grant expense. Where loans and advances are provided at a concessional rate below market interest rates, they are considered to have a fair value less than the actual amount lent. Any additional amount lent above the fair value is initially recognised as a grant expense.

#### Accounting Policy - Receivables

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

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

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



# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### C2-1. Impairment of receivables

#### Accounting Policy – Impairment of receivables

The loss allowance for trade and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes and relevant industry data form part of the department's impairment assessment.

Where the department has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when a debt is over 365 days past due and the department has ceased any enforcement activity. If the amount of debt written-off exceeds the loss allowance, the excess is recognised as an impairment loss.

#### Disclosure - credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets.

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

The department uses a provision matrix to measure the expected credit losses on trade debtors. Loss rates are calculated for customers with similar loss patterns. The department has determined that all revenue streams will be used for measuring expected credit losses.

The calculations reflect historical observed default rates calculated using credit losses experienced on past sales transactions during the last 6 years preceding 30 June 2022.

The historical default rates are then adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables.

For DAF a change in the unemployment rate is determined to be the most relevant forward-looking indicator for receivables.

Actual credit losses over the 6 years preceding 30 June 2022 will be correlated against changes in the unemployment rate and based on those results, the historical default rates will be adjusted based on expected changes to that indicator. Adjustments were made as at 30 June 2022.

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

#### C2-1. Impairment group – non-Government receivables credit risk exposure

Ageing	2022			2021		
	Gross receivables \$'000	Loss rate %	Expected credit losses \$'000	Gross receivables \$'000	Loss rate %	Expected credit losses \$'000
Current	3,923	0.47%	18	5,853	0.18%	11
1 to 30 days overdue	1,075	1.03%	11	948	0.34%	3
31 to 60 days overdue	222	3.76%	8	52	1.07%	1
61 to 90 days overdue	19	8.42%	2	25	2.18%	1
> than 90 days overdue	414	13.20%	55	780	3.18%	25
<b>Total</b>	<b>5,653</b>		<b>94</b>	<b>7,658</b>		<b>40</b>

#### C2-1. Disclosure – movement in loss allowance for trade debtors

	2022 \$'000	2021 \$'000
Loss allowance as at 1 July	637	537
Impairment loss reversals during the year	(637)	(522)
Increase/decrease in loss allowance recognised in operating result	93	622
<b>Loss allowance as at 30 June</b>	<b>93</b>	<b>637</b>

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### C3 Other assets

	2022 \$'000	2021 \$'000
<b>Current</b>		
Prepayments	9,652	9,891
Contract assets - Research and Development Contracts	4,370	3,661
Contract assets - National Cost Sharing <sup>(1)</sup>	16,913	28,347
<b>Total</b>	<b>30,935</b>	<b>41,900</b>
<b>Non-Current</b>		
Prepayments	1,813	2,487
<b>Total</b>	<b>1,813</b>	<b>2,487</b>

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

- Contract assets-National Cost Sharing decreased by \$11.4 million as invoices were raised to other states and commonwealth to recover costs.

#### Accounting Policy – Other assets

Contract assets arise from contracts with customers, and are transferred to receivables when the department's right to payment becomes unconditional, this usually occurs when the invoice is issued to the customer.

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

## Department of Agriculture and Fisheries

### Notes to the financial statements

For the year ended 30 June 2022

#### C4 Property, plant and equipment

	Land		Buildings		Infrastructure		Plant and Equipment		Capital work in progress			Total		
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	153,787	138,393	406,485	378,192	63,242	58,801	219,968	220,702	3,818	3,329	847,300	799,418		
Less: accumulated depreciation	-	-	(222,409)	(205,217)	(38,006)	(35,815)	(137,293)	(132,939)	-	-	(397,708)	(373,971)		
Less: accumulated impairment losses	-	-	-	-	-	-	(85)	(9)	-	-	(85)	(9)		
<b>Total</b>	<b>153,787</b>	<b>138,393</b>	<b>184,076</b>	<b>172,976</b>	<b>25,236</b>	<b>22,986</b>	<b>82,590</b>	<b>87,754</b>	<b>3,818</b>	<b>3,329</b>	<b>449,507</b>	<b>425,438</b>		
Carrying amount at 1 July	138,393	123,623	172,976	155,028	22,986	22,383	87,754	95,981	3,329	4,649	425,438	401,664		
Acquisitions (including upgrades)	-	17	-	-	-	-	9,922	1,803	3,185	12,716	13,107	14,536		
Transfer out from other Qld Government entities	-	-	-	(93)	-	-	-	-	-	-	-	(93)		
Disposals	-	-	(156)	(794)	-	-	(1,647)	(417)	-	-	(1,803)	(1,211)		
Assets reclassified as held for sale <sup>(1)(2)</sup>	(6,511)	(22,476)	(989)	(960)	-	-	-	-	-	-	(7,500)	(23,436)		
Transfers between asset classes	-	-	1,683	8,143	1,013	1,301	-	4,592	(2,696)	(14,036)	-	-		
Net Revaluation increments/(decrements) in asset revaluation surplus	21,911	37,228	19,600	18,749	1,698	(217)	-	-	-	-	43,209	55,760		
Impairment losses recognised in operating surplus/(deficit)	-	-	-	-	-	-	(76)	-	-	-	(76)	-		
Impairment losses recognised through equity	(6)	-	(1,198)	-	-	-	-	-	-	-	(1,205)	-		
Depreciation expense	-	-	(7,840)	(7,097)	(461)	(481)	(13,363)	(14,205)	-	-	(21,664)	(21,763)		
<b>Carrying amount at 30 June</b>	<b>153,787</b>	<b>138,393</b>	<b>184,076</b>	<b>172,976</b>	<b>25,236</b>	<b>22,986</b>	<b>82,590</b>	<b>87,754</b>	<b>3,818</b>	<b>3,329</b>	<b>449,507</b>	<b>425,438</b>		

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

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

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

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

#### Recognition

The department recognises items of PPE when they have a useful life of more than one year and have a cost or fair value equal to or greater than the following thresholds:

Buildings (including land improvements)	\$10,000
Infrastructure	\$10,000
Land	\$1
Plant and equipment	\$5,000

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

Land improvements undertaken by the department are included with buildings or infrastructure based on the proximity of the asset to which they relate. Subsequent expenditures are only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

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

Where an asset is to be demolished and a new asset constructed in its place, the carrying amount of the old asset is written off in accordance with the provision of AASB 116.

Restricted assets are recognised as PPE. These are assets, the uses of which are wholly or partly restricted by legislation or other externally imposed requirements. The total value of restricted assets for 30 June 2022 is \$0.4 million (2021: \$0.5 million) and is mainly plant and equipment.

#### Componentisation of complex assets

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

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

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

#### Cost of acquisition

Historical cost is used for the initial recording of all PPE acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition (such as architects' fees and engineering design fees), plus all other costs incurred in getting the assets ready for use. Where assets are received free of charge from another Queensland department entity (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the other entity immediately prior to the transfer. Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at the date of acquisition.

#### Measurement using fair value

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

#### Use of specific appraisals

Revaluations using independent professional valuer appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

#### Use of indices

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. DAF ensures that the application of such indices results in valid estimation of the assets' fair values at reporting date. Independent professional valuers supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to the professional valuers. The professional valuers provide assurance of their robustness, validity and appropriateness for application to the relevant assets.

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

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

Indices used are tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer, and analysing the trend of changes in values over time. Through this process which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by the professional valuers based on the department's own particular circumstances.

#### Accounting for changes in fair value

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

For assets revalued using a cost valuation approach (e.g. current replacement cost) - accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount. This is generally referred to as the 'gross method'.

#### Depreciation expense

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

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

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

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

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

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

#### Useful lives of assets (in years)

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

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

#### Impairment

All non-current assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the department determines the asset's recoverable amount (higher of value in use and fair value less costs of disposal) under AASB 136 *Impairment of Assets*. Any amounts by which the asset's carrying amount exceeds the recoverable amount are considered an impairment loss.

#### Recognising impairment losses

For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the asset revaluation surplus of the relevant class to the extent available. Where no asset revaluation surplus is available in respect of the class of asset, the loss is expensed in the statement of comprehensive income as a revaluation decrement.

For assets measurement at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

#### Reversal of impairment losses

Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount must not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

For assets measured at fair value, to the extent the original decrease was expensed through the statement of comprehensive income, the reversal is recognised in income, otherwise the reversal is treated as a revaluation increase for the class of asset through the asset revaluation surplus.

For assets measured at cost, impairment losses are reversed through the statement of comprehensive income.

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### C5 Payables

	2022 \$'000	2021 \$'000
<b>Current</b>		
Trade creditors	9,406	10,352
Deferred appropriation refundable to Consolidated Fund	32,578	31,413
Accrued expenses	7,756	6,698
Equity withdrawal payable	1,216	-
Other payables	494	508
<b>Total</b>	<b>51,450</b>	<b>48,971</b>

#### Accounting Policy - Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase / contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 7, 14, 20 or 30 day terms.

### C6 Accrued employee benefits

	2022 \$'000	2021 \$'000
<b>Current</b>		
Salaries and wages outstanding	13	49
Annual leave levy payable	5,949	5,385
Long service leave levy payable	1,468	1,166
<b>Total</b>	<b>7,430</b>	<b>6,600</b>

#### Accounting Policy - Accrued employee benefits

No provision for annual leave or long service leave is recognised in the department's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to *AASB 1049 Whole-of-Government and General Government Sector Financial Reporting*.

### C7 Other liabilities

	2022 \$'000	2021 \$'000
<b>Current</b>		
Contract liabilities	28,364	26,788
Unearned revenue (incl. Leases)	2,834	2,728
Other	358	708
<b>Total</b>	<b>31,556</b>	<b>30,224</b>
<b>Non-Current</b>		
Other non-current liabilities	10,930	12,352
<b>Total</b>	<b>10,930</b>	<b>12,352</b>

#### Accounting Policy - Contract liabilities

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

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

#### Accounting Policy - Unearned revenue

Unearned revenue is recognised as a liability when the department has received revenue in advance of the delivery of the supply of goods and/or services.

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### Accounting Policy - Other liabilities (continued)

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

### Disclosure - Contract liabilities

Contract liabilities arises from contracts with customers while other unearned revenue arise from transactions that are not contracts with customers.

Contract liabilities as at 30 June 2022 includes Research and Development contracts of \$23.5 million (2020-21: \$24.9 million), National Cost Sharing contracts of \$3.3 million (2020-21: \$0.6 million) and Fee for service contracts of \$1.7 million (2020-21: \$1.3 million).

## C8 Right-of-use assets and liabilities

	Land		Buildings		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Right-of-use assets</b>						
<b>Opening balance at 1 July</b>	380	411	108,546	114,560	108,926	114,971
Additions	1,209	-	-	239	1,209	239
Amortisation	(192)	(28)	(6,251)	(6,250)	(6,443)	(6,278)
Other adjustments	9	(3)	23	(3)	32	(6)
<b>Balance as at 30 June</b>	<b>1,406</b>	<b>380</b>	<b>102,318</b>	<b>108,546</b>	<b>103,724</b>	<b>108,926</b>

	2022 \$'000	2021 \$'000
<b>Lease liabilities</b>		
<b>Current</b>		
Lease liabilities	3,563	3,251
<b>Total</b>	<b>3,563</b>	<b>3,251</b>
<b>Non-Current</b>		
Lease liabilities	99,439	101,882
<b>Total</b>	<b>99,439</b>	<b>101,882</b>

### Accounting Policy - Leases as lessee

#### Right-of-Use assets

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

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

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

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

The department measures right-of-use assets from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition.

The department has selected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets.

These lease payments are recognised as expenses on a straight-line-basis over the lease term. An asset is considered low value where it is expected to cost less than \$10,000 when new.

Where a contract contains both a lease and non-lease components such as asset maintenance services, the department allocates the contractual payment to each component on the basis of their stand-alone prices. However, for lease of plant and equipment, the department has elected not to separate lease and non-lease components and instead accounts for them as a single lease component.

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

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### Note C8 Right-of-use assets and liabilities (continued)

#### Disclosures - Leases as lessee

##### Details of leasing arrangements as lessee

##### *Health and Food Sciences Precinct*

In July 2008, the department entered into a 30-year lease for the Queensland Health and Food Sciences Precinct at Coopers Plains with Queensland Health. Lease payments are fixed and subject to a 3% rent increase every year. As the future rent increases are fixed, they are captured in the right-to-use asset when increases take effect. The department subleases some floor space of the facility to the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

##### *Research Facilities*

The department has 2 leases for research facilities at the Gatton campus of the University of Queensland and a lease for a glasshouse at the University of Sunshine Coast. These leases were previously recognised as prepayments in recognition of the up-front capital contribution towards the construction of the facilities and amortised over the term of the lease. In 2021-22 a new 15-year lease for Brian Pastures was signed.

##### *Fisheries Queensland - Storage facilities*

The department currently leases 4 facilities for Queensland Boating and Fisheries Patrol and Shark Control programs activities. The lease terms range from 9 to 16 years and these leases have renewal or extension options. The options are exercisable at market prices and are not included in the right-of-use asset or lease liability unless the department is reasonably certain it will renew the lease.

##### Office accommodation, employee housing and motor vehicles

DEPW provides the department with access to office accommodation, employee housing and motor vehicles under government-wide frameworks.

These arrangements are categorised as procurement of services rather than as leases because DEPW has substantive substitution rights over the assets. The related service expenses are included in Note B3-2.

	2022 \$'000	2021 \$'000
<u>Amounts recognised in profit and loss</u>		
Interest expenses on lease liabilities	2,424	2,453
Breakdown of 'Lease expenses' included in Note B3-2		
- Expenses relating to short-term/low value asset leases	760	754
Income from subleasing included in 'Property Rental' in Note B1-2	306	304
<u>Total cash outflow for leases</u>	5,739	5,486

#### Accounting Policy - Leases as lessor

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

#### Disclosures - Leases as lessor

##### (i) Details of leasing arrangements as lessor

##### *Sublease of Health and Food Sciences Precinct Coopers Plains*

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

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

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

The department does not have any finance leases.

##### (ii) Maturity analysis

There are no future undiscounted lease payments receivable under the department's operating leases as they were all upfront capital contribution recognised as prepaid leases in unearned revenue.



# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### C9 Equity

#### C9-1 Contributed equity

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

#### C9-2 Appropriation recognised in equity

	2022 \$'000	2021 \$'000
Budgeted equity adjustment appropriation	(818)	(6,203)
Transfers to other headings	(2,332)	200
<b>Equity adjustment receipts (payments)</b>	<b>(3,150)</b>	<b>(6,003)</b>
Less: Closing balance of equity adjustment payable	(1,216)	-
<b>Equity adjustment recognised in contributed equity</b>	<b>(4,366)</b>	<b>(6,003)</b>

#### C9-3 Asset revaluation surplus by asset class

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Total \$'000
<b>Balance at 1 July 2020</b>	9,262	16,941	4,271	30,474
Revaluation increments	37,228	18,749	-	55,977
Revaluation decrements	-	-	(217)	(217)
<b>Balance at 30 June 2021</b>	<b>46,490</b>	<b>35,690</b>	<b>4,054</b>	<b>86,235</b>
<b>Balance at 1 July 2021</b>	46,490	35,690	4,054	86,235
Revaluation increments	21,911	19,600	1,698	43,209
Impairment losses through equity	(6)	(1,198)	-	(1,205)
<b>Balance at 30 June 2022</b>	<b>68,395</b>	<b>54,092</b>	<b>5,752</b>	<b>128,240</b>

## Section D: Notes about risks and other accounting uncertainties

### D1 Fair value measurement

#### D1-1 Accounting policies and inputs for fair values

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

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

Unobservable inputs are data, assumptions and judgements not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the department include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the department's assets/liabilities, internal

records of recent construction costs (and/or estimates of such costs), assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

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

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### Note D1-1 Accounting policies and inputs for fair values (continued)

#### Fair value measurement hierarchy

Details of individual assets and liabilities measured under each category of fair value are set out in note D1-3.

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

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

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

#### Transfers between fair value hierarchy levels

In 2021-22, land and building assets with a total net book value of \$0.916 million and \$19.610 million respectively, were transferred out of level 3 into level 2. These land and building assets were revalued by an independent valuer using quoted market prices for identical assets within the locality in preparation for them to be transferred to assets held for sale.

There were no transfers of infrastructure asset between fair value hierarchy levels during the year.

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

The department comprehensively values its land, building and infrastructure assets using a rolling revaluation program which ensures all material assets are valued by independent professional valuers at least once every five years. Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up to date via the application of relevant indices.

#### **Land**

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

Valuation approach: Market-based assessment

#### Inputs

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

Significant judgement was used by SVS in arriving at suitable discount rates for the restrictions on reserve land. The fair value of reserve land was derived by discounting the market value of similar land that had no restrictions, and then estimating the discount a willing market participant would apply taking into account the restrictions on use.

#### Subsequent valuation activity

SVS recommended relevant indices ranging from 0.894 to 3.494 to update the land fair values effective 30 June 2022, which were assessed by management to be reasonable. SVS tested the reasonableness of the indices by applying the indices to a sample of assets and comparing results to similar assets that have been specifically appraised. The accuracy of the land valuation index is reflected in the index being provided per property rather than a general index applicable for a region or locality.

#### **Buildings**

#### Effective date of last specific appraisal:

- 30 June 2021 by SVS
- 30 June 2022 by Jacobs Group (Australia) Pty Ltd ('Jacobs')

Valuation approach: Current replacement cost

#### Inputs

Jacobs performed specific appraisals on 19% of the total building assets effective 30 June 2022.

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

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

#### Subsequent valuation activity

Fair values were updated using indexation on the remaining 81% of the building assets effective 30 June 2022. The Rawlinson's Building Price Index of 6.50% was considered to closely reflect the current market pricing movement. Jacobs recommended relevant indices ranging from 6.50% to 9.00% based on the location of the properties to account for cost increases in construction rates in regional areas.

#### **Infrastructure**

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

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

#### Inputs

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

#### Subsequent valuation activity

The fair value of the fence was assessed by Jacobs and updated using indexation effective 30 June 2022. The Rawlinson's Building Price Index of 6.50% was considered to closely reflect the current market pricing movement.

## Department of Agriculture and Fisheries

### Notes to the financial statements

For the year ended 30 June 2022

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

	Land		Buildings		Infrastructure		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Fair value level 2	69,764	67,980	-	-	-	-	69,764	67,980
Fair value level 3	84,022	70,413	184,077	172,976	25,236	22,986	293,335	266,375
<b>Carrying amount at 30 June</b>	<b>153,787</b>	<b>138,393</b>	<b>184,077</b>	<b>172,976</b>	<b>25,236</b>	<b>22,986</b>	<b>363,099</b>	<b>334,355</b>

#### D1-3 Level 3 fair value measurement – reconciliation

	Land		Buildings		Infrastructure		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Carrying amount at 1 July</b>	<b>70,413</b>	<b>61,385</b>	<b>172,976</b>	<b>106,186</b>	<b>22,986</b>	<b>22,383</b>	<b>266,375</b>	<b>189,954</b>
Transfers from level 2 to level 3	-	678	-	48,842	-	-	-	49,520
Transfers from level 3 to level 2	(916)	(2,360)	(19,610)	-	-	-	(20,526)	(2,360)
Acquisitions (including upgrades)	-	17	-	-	-	-	-	17
Disposals	-	-	(156)	(794)	-	-	(156)	(794)
Transfers between asset classes	-	-	1,683	8,143	1,013	1,301	2,697	9,444
Transfers to others in QLD Govt	-	-	-	(93)	-	-	-	(93)
Assets reclassified as held for sale	-	-	-	(960)	-	-	-	(960)
Net revaluation in other income	14,532	10,693	38,221	18,749	1,698	(217)	54,451	29,225
Impairment loss through equity	(6)	-	(1,198)	-	-	-	(1,205)	-
Depreciation	-	-	(7,840)	(7,097)	(461)	(481)	(8,301)	(7,578)
<b>Carrying amount at 30 June</b>	<b>84,022</b>	<b>70,413</b>	<b>184,077</b>	<b>172,976</b>	<b>25,236</b>	<b>22,986</b>	<b>293,335</b>	<b>266,375</b>

## D2 Financial risk disclosures

### D2-1 Financial instrument categories

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

	2022 \$'000	2021 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	85,965	62,031
Receivables at amortised cost	20,581	19,231
Loans and advances receivable – fair value through profit and loss	784	-
<b>Total</b>	<b>107,330</b>	<b>81,263</b>
<b>Financial liabilities at amortised cost - comprising</b>		
Payables	51,450	48,971
Other liabilities	358	708
Lease liabilities	103,002	105,133
<b>Total</b>	<b>154,810</b>	<b>154,812</b>

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

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### D2-2 Financial risk management

#### (a) Risk exposure

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

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

Risk Exposure	Definition	Exposure
Credit risk	Credit risk exposure refers to the situation where the department may incur financial loss as result of another party to a financial instrument failing to discharge their obligation.	The department is exposed to credit risk in respect of its receivables (Note C2).
Liquidity risk	Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The department is exposed to liquidity risk in respect of its payables (Note C5).
Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	The department does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices.

#### (b) Risk measurement and management strategies

Risk Exposure	Measurement Method	Risk Management Strategies
Credit risk	Ageing analysis	The department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity risk	Sensitivity analysis	The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due.  This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.
Market risk	Interest rate sensitivity analysis	DAF does not trade in foreign currency. The department does not undertake any hedging in relation to interest risk and manages its risk as per the department's liquidity risk management strategy articulated in the department's Financial Management Practice Manual.

### D2-3 Credit risk disclosures

#### Credit risk management practices

DAF considers financial assets that are over 30 days past due to have significantly increased in credit risk, and measures the loss allowance of such assets at lifetime expected credit losses instead of 12-month expected credit losses. The exception is trade receivable (Note C2), for which the loss allowance is always measured at lifetime expected credit losses.

The department typically considers a financial asset to be in default when it becomes 90 days past due. However, a financial asset can be in default before that point if information indicates that the department is unlikely to receive the outstanding amounts in full. The department's assessment of default does not take into account any collateral or other credit enhancements. The department's write off policy is disclosed in Note C2-1

#### Credit risk exposure

Credit risk exposure relating to receivables is disclosed in Note C2-1.

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### D2-4 Liquidity risk – contractual maturity of financial liabilities

The following tables sets out the liquidity risk of financial liabilities held by the department. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash

flows in these tables differ from the amounts included in the statement of financial position that are based on discounted cash flows.

Financial Liabilities	2022				2021			
	Total	Contractual Maturity			Total	Contractual Maturity		
		< 1 Year	1 - 5 Years	> 5 Years		< 1 Year	1 - 5 Years	> 5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Payables	51,450	51,450	-	-	48,971	48,971	-	-
Other liabilities	358	358	-	-	708	708	-	-
Lease liabilities	126,301	5,909	25,336	95,056	130,670	5,636	24,258	100,776
<b>Total</b>	<b>178,109</b>	<b>57,717</b>	<b>25,336</b>	<b>95,056</b>	<b>180,349</b>	<b>55,315</b>	<b>24,258</b>	<b>100,776</b>

### D3 Contingencies

#### (a) Litigation in progress

As at 30 June 2022, the following ongoing cases which have a contingent liability were filed in the courts naming the State of Queensland through DAF:

	2022	2021
Federal Court	-	1
District Court	1	3
Magistrates Court	17	23
Queensland Industrial Relations Commission (QIRC)	2	-
Court of Appeal	-	1
Supreme Court	3	1
<b>Total number of litigation matters in progress</b>	<b>23</b>	<b>29</b>

As at 30 June 2022, of the 23 cases in progress (2020-21: 29 cases), there were 7 cases (2020-21: 10 cases) where the State of Queensland through DAF, or an officer of DAF, is named as a defendant or respondent. The remaining 16 cases (2020-21: 19 cases) are matters where the State of Queensland through DAF is a complainant or appellant, and proceedings have commenced.

There are 23 contingent liabilities at the reporting date (2020-21: 3 contingent liabilities). These relate to Workers Compensation, Supreme Court and Appeal Court proceedings, and a Queensland Industrial Relations Commission matter. The value of these

contingent liabilities is estimated to be approximately \$9.5 million (2020-21: \$492,000).

For the remainder of the matters, it is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time. The department has also received notification of 5 other cases that are not yet subject to court action. This may or may not result in subsequent litigation. Indemnity for the department may be sought in respect of some of the above matters through the QGIF. The maximum exposure of the department under policies held with QGIF is \$10,000 for each insurable event.

#### (b) Long-term sales permits

The department, under the provisions of the *Forestry Act 1959*, has issued the following long-term sales permits to various saw milling businesses regarding the supply of log timber from State-owned native forests.

- 14 sales permits, which expire 31 December 2024 for the supply of native forest hardwood sawlogs from State-owned native forests in south-east Queensland
- 1 sales permit which expires 1 January 2034 and 1 sales permit which expires 31 December 2034, for the supply of native forest hardwood sawlogs from State-owned native forests in Western Queensland; and

- 14 sales permits, which expire 31 December 2037, for the supply of native forest cypress sawlogs from State-owned native forests in Southern Queensland.

These sales permits provide for the payment of compensation by the department to the holder to the extent that the specified quantity of log timber is not harvested from the particular areas where the State owns the forest products. At this stage the department does not foresee the need to pay compensation in relation to any of these long-term sales permits.

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### Note D3 Contingencies (continued)

#### (c) Contaminated Land sites

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

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

## D4 Commitments

### Capital expenditure commitments

Material classes of capital expenditure commitments (inclusive of non-recoverable GST input tax credits) contracted for at the reporting date but not recognised in the accounts are payable as follows:

	2022	2021
	\$'000	\$'000
Buildings	2,137	1,814
Plant and equipment	844	1,090
	<b>2,981</b>	<b>2,904</b>
Payable:		
Not later than 1 year	2,981	2,904
<b>Total capital expenditure commitments</b> <sup>(1)</sup>	<b>2,981</b>	<b>2,904</b>

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

## D5 Events occurring after reporting date

There are no events subsequent to balance date, which would have material effect on the information provided in the department's controlled or administered financial statements.

## D6 Future impact of accounting standards not yet effective

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

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### Section E: Notes on our performance compared to budget

#### E1 Budgetary reporting disclosures

This section contains explanations of major variances between the department's actual 2021-22 financial results and the original budget presented to Parliament.

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

	Variance Notes	2022 Actual \$'000	2022 Original Budget \$'000	Actual vs. Budget Variance \$'000
<b>Income from operations</b>				
Appropriation revenue		331,784	323,634	8,150
User charges and fees	1	149,508	132,939	16,569
Grants and contributions	2	47,220	29,509	17,711
Royalties		35,987	36,067	(80)
Other revenue	3	3,408	386	3,022
<b>Total revenue</b>		<b>567,907</b>	<b>522,535</b>	<b>45,372</b>
Gains on disposal and re-measurement of assets	4	4,195	95	4,100
<b>Total income from operations</b>		<b>572,102</b>	<b>522,630</b>	<b>49,472</b>
<b>Expenses from operations</b>				
Employee expenses		239,795	238,526	(1,269)
Supplies and services	5	259,963	236,029	(23,934)
Grants and subsidies	6	36,952	15,934	(21,018)
Depreciation and amortisation		28,622	28,013	(609)
Finance/borrowing costs		2,424	2,846	422
Impairment losses		2,077	-	(2,077)
Other expenses		2,269	1,282	(987)
<b>Total expenses from operations</b>		<b>572,102</b>	<b>522,630</b>	<b>(49,472)</b>
<b>Operating result for the year surplus/(deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>

- 1) The increase in User charges and fees is largely due to additional revenue from the other states for the National Cost Sharing (NCS) arrangements for the National Red Imported Fire Ant Eradication Program (NRIFAEP). Also contributing to the increase is higher than expected ICT project revenue through the BCP arrangements, as well as an increase in revenue from Research and Development projects.
- 2) The increase in Grants and contributions is due to additional revenue from the Australian Government related to the NCS arrangements for NRIFAEP.
- 3) The increase in Other revenue is largely driven by the unbudgeted sale of surplus portable and attractive items located at the former Queensland Agricultural Training Colleges (QATC) in Longreach and Emerald (\$1.82 million) and recoveries from the Queensland Government Insurance Fund associated with various repair works.
- 4) The increase in Gains on disposal and re-measurement of assets is mainly due to the asset sales at the former QATC (\$1.48 million) and an increase in the livestock valuations resulting from higher than expected cattle prices (\$2.31 million).
- 5) The increase in Supplies and services is predominantly due to increased expenses relating to the NRIFAEP as a result of an accelerated treatment program (\$22.09 million), coupled with an increase in costs for externally funded Research and Development projects.
- 6) The increase in Grants and subsidies is largely due to expenses for the additional demand for the Drought Assistance Package (\$6 million) where the 2021-22 allocation was held centrally by Queensland Treasury (QT) and drawn down in arrears based on actual expenditure. Also contributing to the increase is additional funding for the Horticulture Netting program (\$4.1 million) and the Recreational Fishing and Camping Facilities program (\$3.3 million).

## Department of Agriculture and Fisheries

### Notes to the financial statements

For the year ended 30 June 2022

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

	Variance Notes	2022 Actual \$'000	2022 Original Budget \$'000	Actual vs. Budget Variance \$'000
<b>Current assets</b>				
Cash and cash equivalents	1	85,965	38,795	47,170
Receivables		20,581	21,013	(432)
Inventories	2	2,612	1,645	967
Other assets	3	30,935	22,205	8,730
		<b>140,093</b>	<b>83,658</b>	<b>56,435</b>
Non-current assets classified as held for sale	4	6,685	-	6,685
<b>Total current assets</b>		<b>146,778</b>	<b>83,658</b>	<b>63,120</b>
<b>Non-current assets</b>				
Receivables		784	-	784
Property, plant and equipment	5	449,507	402,165	47,342
Right-of-use assets		103,724	102,764	960
Intangible assets		1,609	1,986	(377)
Other assets		1,813	1,900	(87)
<b>Total non-current assets</b>		<b>557,437</b>	<b>508,815</b>	<b>48,622</b>
<b>Biological assets</b>				
Biological assets	6	4,499	3,138	1,361
<b>Total biological assets</b>		<b>4,499</b>	<b>3,138</b>	<b>1,361</b>
<b>Total assets</b>		<b>708,714</b>	<b>595,611</b>	<b>113,103</b>
<b>Current liabilities</b>				
Payables	7	51,450	15,893	(35,557)
Accrued employee benefits		7,430	6,532	(898)
Lease liabilities		3,563	3,470	(93)
Other liabilities	8	31,556	23,101	(8,455)
<b>Total current liabilities</b>		<b>93,999</b>	<b>48,996</b>	<b>(45,003)</b>
<b>Non-current liabilities</b>				
Lease liabilities		99,439	98,671	(768)
Other liabilities		10,930	10,931	1
<b>Total non-current liabilities</b>		<b>110,369</b>	<b>109,602</b>	<b>(767)</b>
<b>Total liabilities</b>		<b>204,368</b>	<b>158,598</b>	<b>(45,770)</b>
<b>Net assets</b>		<b>504,346</b>	<b>437,013</b>	<b>67,333</b>

- 1) The increase in Cash and cash equivalents is largely due to unexpended appropriation funds at year end (\$33.8 million) related to the appropriation payable to QT, which was either deferred to 2022-23 or lapsed, higher than expected funding received from external Research and Development funding bodies under contractual arrangements and lower than budgeted capital expenditure (\$6.7 million).
- 2) The increase in Inventories is largely due to higher than budgeted bulk purchases of bait for the NRIFAEP resulting from increased activity.



# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

- 3) The increase in Other assets is mainly due to higher than expected contributions receivable under NCS arrangements for NRIFAEP from the Australian Government in line with increased activity.
- 4) The increase in Non-current assets classified as held for sale is due to the reclassification of the former QATC assets at Longreach. These facilities and land are currently in the process of sale through expression of interest. This is in line with the State Government's plan of re-purposing the properties for sustainable future use.
- 5) The increase in Property, plant and equipment is predominantly due to the revaluation increment of buildings and infrastructure assets resulting from the 1<sup>st</sup> year of the 5-year rolling revaluation program, and it reflects the increase in prices of construction materials and labour. Increases related to land value are reflective of the continuous upward movement in the property market.
- 6) The increase in Biological assets is due to higher than expected livestock valuations due to higher cattle prices.
- 7) The increase in Payables is largely due to the unexpended appropriation funds at year end (\$33.8 million) related to the appropriation payable to QT, which was either deferred to 2022-23 or lapsed. The variance in Accrued employee benefits is due to higher than expected payables to QT for centralised leave schemes.
- 8) The closing balance of unearned revenue is higher than expected mainly due to revenue received in advance for contractual agreements for Research and Development projects (\$2.5 million) and higher than expected contributions received under NCS arrangements for NRIFAEP from other states (\$3.3 million).

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

	Variance Notes	2022 Actual \$'000	2022 Original Budget \$'000	Actual vs. Budget Variance \$'000
<b>Cash flows from operating activities</b>				
<b>Inflows:</b>				
Service appropriation receipts		332,949	323,634	9,315
User charges and fees	1	152,667	128,488	24,179
Grants and other contributions	2	50,196	31,320	18,876
Royalties		39,603	36,067	3,536
GST input tax credits received from ATO		12,257	13,181	(924)
GST collected from customers		14,990	-	14,990
Other inflows	3	3,830	1,586	2,244
<b>Outflows:</b>				
Employee benefits		(238,685)	(237,898)	(787)
Supplies and services		(259,605)	(250,566)	(9,039)
Grants and subsidies	4	(35,392)	(15,934)	(19,458)
GST paid to suppliers		(27,601)	-	(27,601)
Finance/borrowing costs		(2,424)	(2,846)	422
Other outflows		(2,272)	(1,732)	(540)
<b>Net cash provided/(used) by operating activities</b>		<b>40,513</b>	<b>25,300</b>	<b>15,213</b>
<b>Cash flows from investing activities</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment	5	2,314	1,455	859
Sales of biological assets	6	3,081	-	3,081
<b>Outflows:</b>				
Payments for property, plant and equipment	7	(13,107)	(23,402)	10,295
Payments for intangibles		(190)	(300)	110
Payments for biological assets		(212)	-	(212)
Loans and advances made		(2,000)	-	(2,000)
<b>Net cash provided/(used) in investing activities</b>		<b>(10,114)</b>	<b>(22,246)</b>	<b>12,133</b>
<b>Cash flows from financing activities</b>				
<b>Inflows:</b>				
Equity injection		5,780	7,686	(1,906)
<b>Outflows:</b>				
Lease payments		(3,315)	(3,036)	(279)

## Department of Agriculture and Fisheries

### Notes to the financial statements

For the year ended 30 June 2022

Equity withdrawal	(8,930)	(8,504)	(426)
<b>Net cash provided/(used) by financing activities</b>	<b>(6,465)</b>	<b>(3,854)</b>	<b>(2,611)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>23,934</b>	<b>(800)</b>	<b>24,735</b>
<b>Cash and cash equivalents - opening balance</b>	<b>62,031</b>	<b>39,595</b>	<b>22,436</b>
<b>Cash and cash equivalents - closing balance</b>	<b>85,965</b>	<b>38,795</b>	<b>47,171</b>

- 1) The increase in User charges and fees is largely due to additional revenue from the other states for the NCS arrangements for the NRIFAEP. Also contributing to the increase is higher than expected ICT project revenue through the BCP arrangements, as well as an increase in revenue from Research and Development projects.
- 2) The increase in Grants and contributions is due to additional revenue from the Australian Government related to the NCS arrangements for NRIFAEP.
- 3) The increase in Other inflows is largely driven by the unbudgeted sale of surplus portable and attractive items located at the former QATC facilities in Longreach and Emerald (\$1.82 million) and recoveries from the QGIF associated with various repair works.
- 4) The increase in Grants and subsidies is largely due to expenses for the additional demand for the Drought Assistance Package (\$6 million) where the 2021-22 allocation was held centrally by QT and drawn down in arrears based on actual expenditure. Also contributing to the increase is additional funding for the Horticulture Netting program (\$4.1 million) and the Recreational Fishing and Camping Facilities program (\$3.3 million).
- 5) The increase in proceeds from the sale of assets is mainly due to auctions held at the former QATC.
- 6) The increase in proceeds from the sale of livestock is due to higher than expected cattle prices.
- 7) The variance is primarily due to delays in the commencement of works and delivery of items as a result of labour and material shortages in the current market conditions.

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

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

#### F1 Administered items

The department administers, but does not control, certain activities on behalf of the Government. In doing so, it has responsibility for administering those activities (and related transactions and balances) efficiently and effectively, but does not have the discretion to deploy the resources for the achievement of the department's own objectives.

The department administers funds on behalf of the State, including the following activities:

- Queensland Rural and Industry Development Authority (QRIDA): the department provides funding to QRIDA for the administration of government financial assistance schemes to foster the development of a more productive and sustainable rural and regional sector in Queensland;

- Forestry Assets: the department holds surplus assets that were transferred back to the Government prior to the sale of Forestry Plantations Queensland to the private sector and the department has been implementing an asset management plan for these assets;
- Queensland Racing Integrity Commission (QRIC): the department provides a funding contribution for QRIC to oversee the integrity and welfare standards of racing animals and participants in Queensland. The department also receives a contribution from Racing Queensland towards QRIC's activities.

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless stated otherwise.

#### F1-1 Schedule of administered income and expenses

		2022	2022	Actual vs. Budget	2021
	Variance Notes	Actual \$'000	Original Budget \$'000	Variance \$'000	Actual \$'000
<b>Administered income</b>					
Appropriation revenue		55,366	57,827	(2,461)	61,854
User charges and fees		1,683	1,692	(9)	1,588
Grants and contributions		18,004	18,004	-	16,514
Other revenue		1,797	1,514	283	1,748
<b>Total administered income</b>		<b>76,850</b>	<b>79,037</b>	<b>(2,187)</b>	<b>81,704</b>
<b>Administered expenses</b>					
Grants to QRIDA		22,784	24,976	2,192	29,920
Grants to QRIC		30,949	30,692	(257)	28,840
Supplies and services	1	872	300	(572)	105
QRIDA administration expenses	2	740	1,840	1,100	2,969
Depreciation and amortisation		21	19	(2)	20
Decrements on revaluation		-	-	-	217
Transfers of administered income to Government *		21,484	21,210	(274)	19,850
<b>Total administered expenses</b>		<b>76,850</b>	<b>79,037</b>	<b>2,187</b>	<b>81,921</b>
<b>Operating result for the year surplus/(deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(217)</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified to operating result:					
Increase in asset revaluation surplus		243	-	-	51
<b>Total comprehensive income</b>		<b>243</b>	<b>-</b>	<b>-</b>	<b>(166)</b>

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

- The increase in Supplies and services is due to higher than expected expenses for the Jimna Fire Tower restoration project.
- The decrease in QRIDA administration expenses is due to the funding adjustment for QRIDA to administer the Federal Government Restocking, Replanting and On-Farm Infrastructure grants program. The program's demand was lower than originally anticipated, with the Australian Government re-allocating part of this funding to other programs which will benefit the area in North Queensland impacted by the Monsoon Trough flooding event.

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### F1-2 Schedule of administered assets and liabilities

		2022	2022	Actual vs. Budget	2021
	Variance Notes	Actual \$'000	Original Budget \$'000	Variance \$'000	Actual \$'000
<b>Administered assets</b>					
<b>Current</b>					
Cash		136	10	126	2,580
Receivables	1	436	286	150	232
<b>Total current assets</b>		<b>572</b>	<b>296</b>	<b>276</b>	<b>2,812</b>
<b>Non-current</b>					
Property, plant and equipment		773	739	34	552
<b>Total non-current assets</b>		<b>773</b>	<b>739</b>	<b>34</b>	<b>552</b>
<b>Total assets</b>		<b>1,345</b>	<b>1,035</b>	<b>310</b>	<b>3,364</b>
<b>Administered liabilities</b>					
<b>Current</b>					
Administered income refundable to Government	2	58	-	(58)	2,452
Payables to Government	3	191	276	85	258
Other payables	4	304	-	(304)	83
<b>Total current liabilities</b>		<b>553</b>	<b>276</b>	<b>(277)</b>	<b>2,793</b>
<b>Net administered assets/liabilities</b>		<b>792</b>	<b>759</b>	<b>33</b>	<b>571</b>

- 1) The increase in Receivables largely represents timing differences for other revenue related to rent at the Beerburrum office and payments to Queensland Racing and Integrity Commission (QRIC).
- 2) The administered income refundable to Government relates to a deferral of QRIDA administration fees associated with the Monsoon Trough flooding event.
- 3) The increase in Payables to Government largely represents timing differences for payments associated with collected rent revenue and QRIC.
- 4) The increase in Other payables relates to payments for expenses related to the Jimna Fire Tower restoration project.

## Department of Agriculture and Fisheries

### Notes to the financial statements

For the year ended 30 June 2022

#### F1-3 Schedule of administered equity

	Variance Notes	Contributed Equity \$'000	Accumulated (Deficit) \$'000	Asset Revaluation Surplus \$'000	Total \$'000
<b>Balance as at 1 July 2020</b>		<b>53,651</b>	<b>(2,935)</b>	<b>41</b>	<b>50,756</b>
<b>Operating result</b>					
Operating result		-	(217)	-	(217)
<b>Other comprehensive income</b>					
Increase/(decrease) in asset revaluation surplus		-	-	51	51
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(217)</b>	<b>51</b>	<b>(166)</b>
<b>Transactions with owners as owners:</b>					
Appropriated equity injections		524	-	-	524
Appropriated equity withdrawals		(19)	-	-	(19)
Non-appropriated equity withdrawals	1	(82,297)	-	-	(82,297)
Non-appropriated equity adjustment	1	31,773	-	-	31,773
<b>Net transactions with owners as owners</b>		<b>(50,019)</b>	<b>-</b>	<b>-</b>	<b>(50,019)</b>
<b>Balance as at 30 June 2021</b>		<b>3,632</b>	<b>(3,153)</b>	<b>92</b>	<b>571</b>
<b>Balance as at 1 July 2021</b>		<b>3,632</b>	<b>(3,153)</b>	<b>92</b>	<b>571</b>
<b>Operating result</b>					
Operating result		-	-	-	-
<b>Other comprehensive income</b>					
Increase/(decrease) in asset revaluation surplus		-	-	243	243
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>243</b>	<b>243</b>
<b>Transactions with owners as owners:</b>					
Appropriated equity injections		624	-	-	624
Appropriated equity withdrawals		(22)	-	-	(22)
Non-appropriated equity withdrawals	1	(117,136)	-	-	(117,136)
Non-appropriated equity adjustment	1	116,512	-	-	116,512
<b>Net transactions with owners as owners</b>		<b>(22)</b>	<b>-</b>	<b>-</b>	<b>(22)</b>
<b>Balance at 30 June 2022</b>		<b>3,610</b>	<b>(3,153)</b>	<b>335</b>	<b>792</b>

- In 2019-20 the department received \$1 billion in funding for the Queensland Government COVID-19 Jobs Loans Scheme administered by QRIDA to support Queensland businesses and non-profit organisations financially affected by COVID-19 to retain employees and maintain their operations.

As at 30 June 2021, the full \$1 billion had been paid to QRIDA with \$950 million in 2019-20 and \$50 million in early 2020-21. In 2021-22, QRIDA has returned \$116.5 million (2020-21 \$31.8 million) of loan repayments to DAF that the department then repaid to QT.

## Department of Agriculture and Fisheries

### Notes to the financial statements

For the year ended 30 June 2022

	2022	2021
	\$'000	\$'000
<b>F1-4. Reconciliation of payments from Consolidated Fund to administered income</b>		
Budgeted appropriation	57,827	237,698
Treasurer's transfers	(4,758)	(14,973)
Lapsed appropriation	-	(155,865)
Appropriation adjustment	(97)	-
<b>Total administered receipts</b>	<b>52,972</b>	<b>66,860</b>
Less: Opening balance of appropriation revenue receivable	-	(5,270)
Add: opening balance of deferred appropriation payable to Consolidated Fund	2,452	2,716
Less: closing balance of deferred appropriation payable to Consolidated Fund	(58)	(2,452)
<b>Administered income recognised in Note F1-1</b>	<b>55,366</b>	<b>61,854</b>

#### F1-5 Reconciliation of payments from Consolidated Fund to equity adjustment recognised in contributed equity

	2022	2021
	\$'000	\$'000
Budgeted equity adjustment appropriation	505	605
Appropriation adjustment	97	-
<b>Equity adjustment receipts (payments)</b>	<b>602</b>	<b>605</b>
Less: opening balance of equity adjustment receivable	-	(100)
<b>Net appropriation equity</b>	<b>602</b>	<b>505</b>

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### Section G: Other information

#### G1 Key management personnel (KMP) disclosures

##### Details of key management personnel

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of *AASB 124 Related Party Disclosures*. That Minister is the Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities.

KMP include those positions that had direct or indirect authority and responsibility for planning, directing and controlling activities of the department during 2021-22 and 2020-21. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

##### KMP remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members Remuneration Handbook. The department does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlement being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government Consolidated Financial Statements which are published as part of QT's Report on State Finances.

Remuneration policy for the department's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment (including motor vehicle entitlements and performance payments if applicable) are specified in employment contracts.

Remuneration expenses for those KMP comprise the following components:

- Short term employee expenses, including:
  - salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position; and
  - non-monetary benefits - consisting of the provision of a parking space together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service entitlements) payable on termination of employments or acceptance of an offer of termination of employment.

##### Remuneration expenses

The following disclosure focuses on the expenses incurred by the department attributable to non-Ministerial KMP during respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the statement of comprehensive income.

##### Performance payments

No KMP remuneration packages provide for performance or bonus payments.

## Department of Agriculture and Fisheries

### Notes to the financial statements

For the year ended 30 June 2022

1 July 2021 – 30 June 2022

Position	Position responsibility	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Total Expenses
		Monetary Benefits \$'000	Non-Monetary Benefits \$'000 <sup>(1)</sup>			
Director-General	The Director-General is responsible for the efficient, effective and economic administration of the department overseeing Agriculture, Fisheries and Forestry, Biosecurity Queensland and Corporate Services.	375	11	9	44	439
Deputy Director-General, Corporate	The Deputy Director-General is responsible for the delivery of a broad range of corporate services to enable the department to deliver against its strategic objectives. These include Finance and Asset Management, Communications and Engagement, Digital Enterprise, Portfolio Management, Human Resources and Internal Audit and Risk.	227	-	6	25	258
Deputy Director-General, Agriculture Queensland	The Deputy Director-General is responsible for the efficient, effective and economic administration of Queensland Agriculture, research and initiatives that lift the productivity of Queensland's food and fibre businesses, and regional services.	258	11	6	28	303
Deputy Director-General, Fisheries and Forestry	The Deputy Director-General is responsible for the efficient, effective and economic administration of Queensland Fisheries and Forestry activities, and the sustainable use and allocation of the state's natural resources.	242	11	6	27	286
Deputy Director-General and Chief Biosecurity Officer, Biosecurity Queensland	The Deputy Director-General and Chief Biosecurity Officer is responsible for the efficient, effective and economic administration of Queensland's Biosecurity functions and the prevention, response and recovery from biosecurity threats.	258	11	6	29	304
<b>Total</b>		<b>1,360</b>	<b>44</b>	<b>33</b>	<b>153</b>	<b>1,590</b>

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



## Department of Agriculture and Fisheries

### Notes to the financial statements

For the year ended 30 June 2022

1 July 2020 – 30 June 2021

Position	Position responsibility	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Total Expenses
		Monetary Benefits \$'000	Non-Monetary Benefits \$'000 <sup>(1)</sup>			
Director-General (former) to 31/03/2021	The Director-General is responsible for the efficient, effective and economic administration of the department overseeing Agriculture, Fisheries and Forestry, Biosecurity Queensland and Corporate Services.	232	8	6	19	263
Director-General, appointment effective 1 April 2021	The Director-General is responsible for the efficient, effective and economic administration of the department overseeing Agriculture, Fisheries and Forestry, Biosecurity Queensland and Corporate Services.	177	5	4	22	208
Deputy Director-General, Corporate	The Deputy Director-General is responsible for the delivery of a broad range of corporate services to enable the department to deliver against its strategic objectives. These include Finance and Asset Management, Communications and Engagement, Digital Enterprise, Portfolio Management, Human Resources and Internal Audit and Risk.	220	-	5	24	250
Deputy Director-General, Agriculture Queensland	The Deputy Director-General is responsible for the efficient, effective and economic administration of Queensland Agriculture, research and initiatives that lift the productivity of Queensland's food and fibre businesses, and regional services.	241	11	6	27	285
Deputy Director-General, Fisheries and Forestry	The Deputy Director-General is responsible for the efficient, effective and economic administration of Queensland Fisheries and Forestry activities, and the sustainable use and allocation of the state's natural resources.	235	10	6	26	277
Chief Biosecurity Officer, Biosecurity Queensland	The Deputy Director-General and Chief Biosecurity Officer is responsible for the efficient, effective and economic administration of Queensland's Biosecurity functions and the prevention, response and recovery from biosecurity threats.	254	10	6	29	299
<b>Total</b>		<b>1,358</b>	<b>44</b>	<b>32</b>	<b>148</b>	<b>1,582</b>

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

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### G2 Related party transactions

#### Transactions with people/entities related to KMP

A review has been undertaken for the 2021-22 financial year, to 30 June 2022, of the department's KMP related party transactions (RPT) disclosures and no transactions have been identified between the department and its KMPs' related parties.

#### Transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from Government for its services are appropriation revenue (Note B1-1) and equity injections (Note C9-2), both of which are provided in cash via QT.

During the 2021-22 financial year, the department received defined services from the following agencies:

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

Internal Audit services from DES previously part of the BCP arrangements were transferred on 17 January 2022 to DAF.

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

- DTIS: Information Technology, Telecommunication and, Fleet Management.

- Department of Resources formerly (DNRME): Information Technology, Telecommunication and Fleet Management.
- DES: Information Technology, Telecommunication and, Fleet Management.

User charges and fees (Note B1-2) includes the fee for service revenue received from the above agencies and other government entities for information management services, and this represents approximately 25% (2020-21: 31%) of the total user charges and fees.

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

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

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

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

#### Accounting standards applied for the first time

There are no new accounting standards or interpretations that apply to the department for the first time in 2021-22.

Following the issuance of IRIC's agenda decision on *Configuration or Customisation Costs in a Cloud Computing Arrangement* in April 2021, the department's policy for certain cloud computing and software-as-a-service (SaaS) costs remains unchanged, as these costs are expensed.

#### Accounting standards early adopted

No new Australian Accounting Standards have been early adopted for 2021-22.

### G4 Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the department. GST credits receivable from, and GST payable to the Australian Taxation Office are recognised (refer to Note C2).

### G5 Climate risk disclosure

#### a) Climate risk assessment

The department addresses the financial impacts of climate related risks by identifying and monitoring the accounting judgements and estimates that will potentially be affected, including asset useful lives, fair value of assets, provisions or contingent liabilities and changes to future expenses and revenue.

#### b) Current year impacts

##### Climate Change

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

As part of the 2021-22 non-current assets revaluations program, Jacobs – qualified quantity surveyors and State Valuation Services have considered the risk of climate change on the non-current values for DAF at 30 June 2022.

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

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### Note C5 Climate risk disclosure (continued)

#### Land

SVS considered the impact not to be material and the land values at 30 June 2022 were not affected. The sales values used in this valuation program would reflect any effect of climate change that a market participant would consider at this time, so no adjustment to the adopted land values at 30 June 2022 was required.

#### Bushfires

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

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

#### Flood Prone Land

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

#### Summary Climate Change, Bushfire and Flood Prone Land

For the purposes of properties' valuations SVS had consideration of the risk of climate change, flooding and bushfires. Whilst the 2021-22 revaluation period was affected by the climate change, it is considered that the impact of it was not material and did not affect the land values at 30 June 2022.

#### **Buildings and Infrastructure**

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

As part of the 2021-22 rolling valuation program for buildings and infrastructure, the rapid climate change exposure assessment was used for DAF's facilities across South-east Queensland.

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

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

Each of the sites comprehensively valued in 2021-22 were assessed against climate exposure hazards ranked between 0 (lowest score) to 6 (highest score).

Of the high-score hazards (scores 5 and above), none directly impacted the 2021-22 comprehensive asset valuations.

#### Useful Life of Building Assets

Climate change will not affect the remaining useful lives currently, however the materials used, and construction technology of the modern equivalent asset is reflected in the total lives adopted.

#### **c) Future year impacts**

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

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### G6 Significant financial impacts from COVID-19

The following significant transactions were recognised by DAF during the 2021-22 financial year in response to the COVID-19 pandemic:

	2022 \$'000	2021 \$'000
<b>OPERATING STATEMENT</b>		
<u>Significant expense items arising from COVID-19</u>		
Assistance to RSPCA, zoos and mobile animal exhibitors <sup>(1)</sup>	-	182
Business counselling and advice costs incurred	725	725
Market Diversification and Resilience Grants	-	422
Promotional campaign #EatQLD to eat local, stay healthy and support jobs	-	10
Digital transformation in Agribusiness	881	966
Reinvigorated Agricultural Trade Relationships	13	250
Agribusinesses Diversification Assistance	431	509
Jobs Support Loan Facility - Small Business Advisory Service	-	54
Enhancing local government biosecurity capacity	-	47
Sheep meat processing industry investment strategy	-	250
Support for agricultural development in the North West	14	64
Agricultural seasonal labour <sup>(2)</sup>	2,419	567
Recreational fishing grants	256	248
Wild dog cluster fencing	940	-
Biosecurity grants	225	-
Enhancement of the implementation of Federal Government's Pacific Australia Labour Mobility Scheme <sup>(3)</sup>	1,834	-
Non-labour costs for personal protective equipment, cleaning, etc. <sup>(1)</sup>	210	306
	<b>7,948</b>	<b>4,600</b>
<u>Significant revenue items arising from COVID-19</u>		
Additional revenue recognised to fund COVID-19 initiatives	7,738	3,762
	<b>7,738</b>	<b>3,762</b>

<sup>(1)</sup> No additional funding for these items was received in 2021-22.

<sup>(2)</sup> 2021-22 fully funded by QT. In 2020-21, existing DAF funding of \$350,000 was used, with the remaining \$217,000 being new funding received from QT. In addition, there was in-kind support provided by DAF personnel in 2020-21.

<sup>(3)</sup> Formerly known as Enhancement of the implementation of Federal Government's Pacific Labour Scheme and Seasonal Worker Programme.

#### Other significant impacts arising from COVID-19

The department did not provide any rent relief to small business tenancies in 2021-22 (2020-21: \$220,000). This amount is not reflected in the revenue/expense items above.

#### Administered activities arising from COVID-19

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

In 2021-22 QRIDA has returned \$116.5 million (2020-21 \$31.8 million) of loan repayments to DAF that the department then repaid to QT.

# Department of Agriculture and Fisheries

## Notes to the financial statements

For the year ended 30 June 2022

### Certification

#### Management certificate

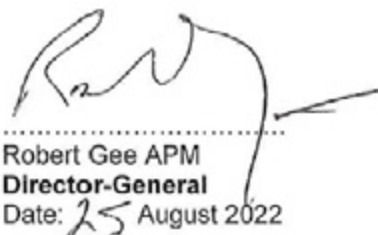
These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act) section 38 of the *Financial Performance Management Standard 2019* and other prescribed requirements. In accordance with Section 62(1)(b) of the Act we certify that in our opinion:

- a) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) The financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Agriculture and Fisheries for the year ended 30 June 2022 and of the financial position of the department at the end of that year; and

The Director-General, as the Accountable Officer of the department, acknowledges responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



.....  
Justine Clark BCom CPA GAICD  
Chief Finance Officer  
Date: 25 August 2022



.....  
Robert Gee APM  
Director-General  
Date: 25 August 2022



## INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Department of Agriculture and Fisheries

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Department of Agriculture and Fisheries.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental service as at 30 June 2022, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental service for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

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

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

#### Key audit matters

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



**Valuation of land with restricted uses (\$84.02 million)**

Refer to note D1 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>The department’s land assets were measured at fair value using the market approach which involved physical inspection and reference to publicly available data on recent sales of similar land in nearby localities as at 30 June 2021 and subsequent indexation of these valuations.</p> <p>The department’s reserve land (restricted for use) comprises 54.64 per cent of the department’s land holding, Sales of land with these restrictions are rare. The fair value measurements for this type of land involved significant judgement due to limited availability of recent sales data for land with similar restrictions on use.</p> <p>Significant judgement was also required to determine the appropriate index.</p> <p>The department engaged a registered valuer to derive fair values.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• assessing the competence, capability and objectivity of management’s independent expert used to develop the indexation rates</li> <li>• obtaining an understanding of the methodology used with reference to common industry practices</li> <li>• in the prior year, evaluating the reasonableness of the following for a sample of land parcels: <ul style="list-style-type: none"> <li>– market values before restrictions, through comparison with recent sales of similar land</li> <li>– adjustments for restrictions, by reviewing the basis for calculating the discount, and assessing the reasonableness and reliability of the basis applied</li> </ul> </li> <li>• for the period subsequent to this revaluation: <ul style="list-style-type: none"> <li>– assessing management’s review of the valuation process and evaluation of indexation rates provided by management’s expert</li> <li>– evaluating the relevance and appropriateness of the indices used by comparing to other relevant external indices.</li> </ul> </li> </ul>



### **Buildings valuation (\$184.08 million) and depreciation expense (\$7.84 million)**

Refer to note C4 and D1 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>The department's buildings were measured at fair value at balance date using the current replacement cost method that comprises:</p> <ul style="list-style-type: none"> <li>• gross replacement cost, less</li> <li>• accumulated depreciation.</li> </ul> <p>The department derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> <li>• identifying the components of buildings with separately identifiable replacement costs (known as unit rate categories)</li> <li>• developing a unit rate for each of these components, including: <ul style="list-style-type: none"> <li>– estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. \$/square metre)</li> <li>– identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference</li> </ul> </li> <li>• indexing unit rates for any subsequent increases in input costs</li> <li>• estimating adjustments required for permanent excess capacity in existing buildings.</li> </ul> <p>The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of assets.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p> <p>The department engaged a registered valuer to derive fair values for the buildings at 30 June 2022.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• assessing the appropriateness of the building components used for measuring gross replacement cost with reference to the department's asset management system, the unit costs of its recent projects, a common industry practices</li> <li>• for unit rates: <ul style="list-style-type: none"> <li>– assessing the competence, capability and objectivity of the experts used by the department to develop the methodology</li> <li>– obtaining an understanding of the methodology used, and assessing the appropriateness with reference to common industry practices</li> <li>– on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the rate of the: <ul style="list-style-type: none"> <li>▪ modern substitute (including locality factors and oncosts)</li> <li>▪ adjustment for excess quality obsolescence</li> </ul> </li> </ul> </li> <li>• evaluating the relevance and appropriateness of the indices used by comparing to other relevant external indices</li> <li>• evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> <li>– reviewing management's annual assessment of useful lives</li> <li>– ensuring that no component still in use has reached or exceeded its useful life</li> <li>– reviewing formal asset management plans, and enquiring of management about whether these plans remain current</li> <li>– reviewing for assets with an inconsistent relationship between condition and remaining useful life</li> </ul> </li> <li>• where changes in useful lives were</li> </ul>





### **Responsibilities of the department for the financial report**

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

### **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the department's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

### Prescribed requirements scope

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

A handwritten signature in black ink that reads "Lisa Fraser".

26 August 2022

Lisa Fraser  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

# Appendixes including essential disclosures

## Appendix 1: Performance statements

Table A1 Performance statements (2021–22)

	Notes	2021–22 target/estimate	2021–22 actual result
<b>Service area: Agriculture</b>			
<b>Service: Agribusiness and policy</b>			
<b>Service standards</b>			
<i>Effectiveness measure</i>			
Proportion of stakeholders who have a high level of satisfaction with agriculture policy and planning, consultation and engagement processes	1	75%	75%
<i>Efficiency measures</i>			
Average cost per hour to conduct regulatory policy and reform activities	2	\$77	\$80
Investment in the management of the Drought Relief Assistance Scheme program as a proportion of the total claims paid under the scheme	3	10%	13.63%
<b>Service: Rural economic development</b>			
<b>Service standards</b>			
<i>Effectiveness measure</i>			
Percentage of primary producers in reef catchments who adopt improved management practices after participation in the department's extension programs	4	40%	54%
<i>Efficiency measure</i>			
Average cost of regional agricultural advocacy activities		\$450	\$419
<b>Service: Agri-Science Queensland</b>			
<b>Service standards</b>			
<i>Effectiveness measures</i>			
Assessed impact of completed agricultural research, development and extension projects and/or programs (benefit–cost ratio)	5	>4.0	9.8
Level of funding partner satisfaction that research outcomes contribute to industry productivity growth	6	90%	100%
<i>Efficiency measure</i>			
Percentage return on research development and extension investment through royalty returns	7	4%	7.08%

(continued)

Table A1 cont. Performance statements (2021–22)

	Notes	2021–22 target/estimate	2021–22 actual result
<b>Service area: Biosecurity Queensland</b>			
<b>Service standards</b>			
<i>Effectiveness measures</i>			
Proportion of significant biosecurity responses that deliver the planned outcomes to safeguard economic loss		95%	100%
Level of satisfaction with biosecurity partnership performance	8	3.0	3.7
<i>Efficiency measures</i>			
Cost of significant biosecurity responses per agricultural production unit	9	≥1:450	1:2240
Cost of core biosecurity services per agricultural production unit	10	≥1:250	1:347
<b>Service area: Fisheries and Forestry</b>			
<b>Service: Fisheries</b>			
<b>Service standards</b>			
<i>Effectiveness measures</i>			
Percentage of key Queensland fish stocks assessed that are considered to have no sustainability concerns		85%	93%
Percentage of units inspected that are compliant with fisheries laws		90%	88.1%
<i>Efficiency measures</i>			
Average cost of inspections	11	\$850	\$924
Average number of inspections per full-time equivalent	12	220	165
<b>Service: Forestry</b>			
<b>Service standards</b>			
<i>Effectiveness measure</i>			
Percentage of findings from the previous third party audit confirmed as satisfactorily addressed in order to maintain certification to the Australian Standard: Sustainable forest management (AS4708:2013)		100%	100%
<i>Efficiency measure</i>			
Average expense necessary to authorise the removal of a cubic metre of forest product:			
• native forest timber (expenses/m <sup>3</sup> )		\$38.15	\$40.36
• quarry material (expenses/m <sup>3</sup> )		\$ 0.52	\$0.50

(continued)

**Table A1 cont. Performance statements (2021–22)**

**Notes**

1. This service standard will be discontinued in 2022–23 as the service was not achieving a statistically valid response rate of 50 per cent to surveys used to collect the data. A new service standard will be introduced in 2022–23.
2. The variance between the 2021–22 target/estimate and the 2021–22 actual result reflects changes in wage indexation during the year.
3. The variance between the 2021–22 target/estimate and the 2021–22 actual result is due to improving conditions that resulted in a decline in demand for the scheme and producers transitioning to the new drought assistance programs administered by Queensland Rural and Industry Development Authority (QRIDA). This service standard will be discontinued in 2022–23 as the previous DRAS program has been replaced by new drought assistance programs that focus on fostering greater preparedness and business resilience for a broader range of eligible primary producers, to be administered by the QRIDA. A new service standard will be introduced in 2022–23.
4. The variance between the 2021–22 target/estimate and the 2021–22 actual result is due to more targeted extension support towards engaged producers. This service standard will be discontinued in 2022–23 and replaced by a measure that is more reflective of the rural economic development service. The measure continues as a departmental Strategic Plan key performance indicator, and as such will be reported in the department's annual report.
5. The 2021–22 target was set based on research-related benefit-cost ratios (BCRs) both within and external to DAF, and the average BCR over the past six years. Each year, six new RD&E projects/programs are chosen at random. The variance between the 2021–22 target/estimate and the 2021–22 actual result is due to six randomly chosen projects/programs delivering benefits relative to costs that were greater than in the past.
6. The survey is sent to funding partners surveying their satisfaction with the quality, relevance and timeliness of processes used by Agri-Science Queensland and the outcomes delivered by individual projects. The variance between the 2021–22 target/estimate and the 2021–22 actual result is due to an increased number of external funders responding positively against survey questions.
7. The variance between the 2021–22 target/estimate to the 2021–22 actual result is due to an increased market share of the department-bred strawberry, mango and mandarin varieties, good seasonal growing conditions for wheat and sorghum, and increased royalties relating to livestock vaccines.
8. The evaluation of the performance of partnership activities is undertaken in 'real time' during the annual Biosecurity Partners Forum. The annual Biosecurity Partners Forum for 2021–22 was held virtually from 14–16 September 2021.
9. This measure is calculated and expressed as a ratio of the five-year average of the GVP over the expenditure on the significant incident. The 2021–22 actual result is based on the available GVP for five years from 2016–17 to 2020–21. These are the latest official figures, which show an increasing trend. Performance exceeded the 2021–22 target/estimate as the cost of managing biosecurity incidents was less than anticipated when compared to the value of production protected due to increased investment (brought forward) by Queensland in previous years.
10. The 2021–22 actual result is based on the available GVP for five years from 2016–17 to 2020–21. These are the latest official figures, which show an increasing trend.
11. The variance between the 2021–22 target/estimate and 2021–22 actual result is due to the decline in the number of inspections conducted by authorised QBFP officers for the period. The average cost is influenced by fixed cost salaries, which are payable regardless of operating restrictions.
12. The variance between the 2021–22 target/estimate and 2021–22 actual result was influenced by QBFP officers operating under a COVID-19 related risk assessment environment, and restricted travel, which saw inspections limited to complaint response and known targets for much of 2021–22. In the last three months of 2021–22, the rate of inspection increased, and this is expected to continue into 2022–23.

## Appendix 2: Related entities

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

The entity in Table A3 is administered for the Minister for Education, Minister for Industrial Relations and Minister for Racing.

**Table A2** Related entities

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

**Table A3** Additional entity administered

Name	Type of entity	Functions	Legislation under which the entity was established	Annual reporting arrangement
Queensland Racing Integrity Commission	Statutory body	Oversees the integrity and welfare standards of racing animals and participants in Queensland	<i>Racing Integrity Act 2016</i>	Annual report tabled in Parliament

## Appendix 3: Compliance checklist

Table A4 Compliance checklist 2021–22

Summary of requirement	Basis for requirement	Annual report reference
<b>Letter of compliance</b>	<ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant minister/s</li> </ul>	ARRs—section 7 1
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>	ARRs—section 9.1 1–III (for TOC) 110–111 for glossary
	<ul style="list-style-type: none"> <li>Public availability</li> </ul>	ARRs—section 9.2 Inside front cover
	<ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>	<i>Queensland Government language services policy</i> ARRs—section 9.3 Inside front cover
	<ul style="list-style-type: none"> <li>Copyright notice</li> </ul>	<i>Copyright Act 1968</i> ARRs—section 9.4 Inside front cover
	<ul style="list-style-type: none"> <li>Information licensing</li> </ul>	<i>Queensland Government enterprise architecture—information licensing</i> ARRs—section 9.5 Inside front cover
<b>General information</b>	<ul style="list-style-type: none"> <li>Introductory information</li> </ul>	ARRs—section 10 2–3, 4, 8
<b>Non-financial performance</b>	<ul style="list-style-type: none"> <li>Government’s objectives for the community and whole-of-government plans/specific initiatives</li> </ul>	ARRs—section 11.1 9–12
	<ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>	ARRs—section 11.2 13–23
	<ul style="list-style-type: none"> <li>Agency service areas and service standards</li> </ul>	ARRs—section 11.3 5, 10, 102–104
<b>Financial performance</b>	<ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>	ARRs—section 12.1 27–32
<b>Governance—management and structure</b>	<ul style="list-style-type: none"> <li>Organisational structure</li> </ul>	ARRs—section 13.1 33
	<ul style="list-style-type: none"> <li>Executive management</li> </ul>	ARRs—section 13.2 34–35
	<ul style="list-style-type: none"> <li>Government bodies (statutory bodies and other entities)</li> </ul>	ARRs—section 13.3 8, 105
	<ul style="list-style-type: none"> <li>Public sector ethics</li> </ul>	<i>Public Sector Ethics Act 1994</i> ARRs—section 13.4 37–38
	<ul style="list-style-type: none"> <li>Human rights</li> </ul>	<i>Human Rights Act 2019</i> ARRs—section 13.5 38
	<ul style="list-style-type: none"> <li>Queensland public service values</li> </ul>	ARRs—section 13.6 5

(continued)

Table A4 cont. Compliance checklist 2021–22

Summary of requirement		Basis for requirement	Annual report reference
Governance—risk management and accountability	• Risk management	ARRs—section 14.1	39
	• Audit committee	ARRs—section 14.2	40
	• Internal audit	ARRs—section 14.3	41
	• External scrutiny	ARRs—section 14.4	42
	• Information systems and recordkeeping	ARRs—section 14.5	43
	• Information security attestation	ARRs—section 14.6	39, 40
Governance—human resources	• Strategic workforce planning and performance	ARRs—section 15.1	45–48
	• Early retirement, redundancy and retrenchment	<i>Directive no. 04/18: Early retirement, redundancy and retrenchment</i> ARRs—section 15.2	48
Open data	• Statement advising publication of information	ARRs—section 16	44
	• Consultancies	ARRs—section 31.1	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	• Overseas travel	ARRs—section 31.2	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	• <i>Queensland language services policy</i>	ARRs—section 31.3	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
Financial statements	• Certification of financial statements	FAA—section 62 FPMS—sections 38, 39 and 46 ARRs—section 17.1	96
	• Independent auditor’s report	FAA—section 62 FPMS—section 46 ARRs—section 17.2	97–101

FAA—Financial Accountability Act 2009

FPMS—Financial and Performance Management Standard 2019

ARRs—Annual report requirements for Queensland Government agencies



# Acronyms and abbreviations

AASB	Australian Accounting Standards Board
ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
ABS	Australian Bureau of Statistics
ADA	aquaculture development area
AgTech	agricultural technology
APM	Australian Police Medal
ARC	Audit and Risk Committee
ARRs	Annual report requirements for Queensland Government agencies
ASQ	Agri-science Queensland
ATO	Australian Taxation Office
BCP	Business and Corporate Partnership
BCR	Benefit cost ratios
CPI	consumer price index
CQSCC	Central Queensland Smart Cropping Centre
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAF	Department of Agriculture and Fisheries
DEPW	Department of Energy and Public Works
DES	Department of Environment and Science
DRAS	Drought Relief Assistance Scheme
DTIS	Department of Tourism, Innovation and Sport
eDRMS	electronic document and records management system
FAA	<i>Financial Accountability Act 2009</i>
FAD	fish aggregating device
FBT	fringe benefits tax
FIFA	Federation Internationale de Football Association
FPMS	Financial and Performance Management Standard 2019
FPQ	Forestry Plantations Queensland
FTE	full-time equivalent
GBR	Great Barrier Reef
GST	goods and services tax
GVP	gross value of production
ICT	information and communication technology
IGAB	Intergovernmental Agreement on Biosecurity
ISMS	Information Security Management System
ISO	International Organization for Standardization
KMP	key management personnel
MOHRI	Minimum Obligatory Human Resource Information
NAIDOC	National Aborigines and Islanders Day Observance Committee
NCS	national cost sharing

(continued)

**Acronyms and abbreviations cont.**

NRIFAEP	National Red Imported Fire Ants Eradication Program
Panama disease TR <sub>4</sub>	Panama disease Tropical Race 4
PPE	Property, plant and equipment
QAO	Queensland Audit Office
QATC	Queensland Agricultural Training Colleges
QBFP	Queensland Boating and Fisheries Patrol
QGIF	Queensland Government Insurance Fund
QLD	Queensland
QRIC	Queensland Racing Integrity Commission
QRIDA	Queensland Rural and Industry Development Authority
QSA	Queensland State Archives
QT	Queensland Treasury
QTC	Queensland Treasury Corporation
RD&E	research, development and extension
RIFA	red imported fire ants
RSPCA	Royal Society for the Prevention of Cruelty to Animals
SIA	Seafood Industry Australia
SVS	State Valuation Service
WDBF	wild dog barrier fence
WHS	work health and safety; also workplace health and safety
WIRFN	Women in Recreational Fishing Network Queensland
WISA	Women in Seafood Australasia

# Glossary

Administrative Arrangements Order	a document that specifies the subject matter and legislation dealt with by particular government departments
African swine fever	an infectious viral disease (currently not in Australia) of domestic and feral pigs that can result in a very high mortality rate in infected pigs and significantly impact pig production; it does not affect people or other animals and there is no available vaccine or treatment
aquaculture	the rearing of aquatic animals or cultivation of aquatic plants for food
banana freckle	a 'wet spore' organism that causes characteristic 'sandpapery feeling' spots on banana leaves and fruit. Plant health, productivity, and fruit quality and appearance can be affected. The fungus can move short distances by water droplet splash and wind driven rain and is spread over larger distances by people moving infected fruit, leaves and suckers used for planting
COVID-19	the coronavirus that originated in China in 2019 and was declared a global pandemic
fall armyworm	<i>Spodoptera frugiperda</i> , a destructive pest initially detected in the Torres Strait in January 2020 before spreading to numerous Queensland sites (including Bamaga, Croydon, South Johnstone, Tolga, Lakeland, Mareeba, the Burdekin, Bowen, Richmond, Clermont, Emerald, Mackay, Biloela, Bundaberg, Dysart and Longreach); their larvae have been reported to feed on more than 350 plant species, and impact economically important cultivated grasses such as maize, rice, sorghum, sugarcane and wheat, as well as fruit, vegetable and cotton crops
Foot-and-mouth disease	a highly contagious animal viral disease that affects all cloven-hoofed animals (those with a divided hoof), including cattle, sheep, goats, camelids (alpacas, llamas and camels), deer and pigs. It does not affect horses or zebras. There is no threat to human health from the disease of affected meat. The virus is carried by live animals and in meat and dairy products, as well as in soil, bones, untreated hides, vehicles and equipment used with these animals. It can also be carried on people's clothing and footwear and survive in frozen, chilled and freeze-dried foods.
forest product	any state-owned material derived from a forest (e.g. timber, seeds, foliage)
fruit flies	small flies that lay their eggs in developing fruit, causing serious damage to, and restricting market access for, a wide range of fruit and vegetable crops; some species are present in Australia (e.g. Queensland fruit fly) and some are exotic to the country (e.g. oriental fruit fly)
gross value of production (GVP)	the value of final goods and services produced in a given period
Japanese encephalitis	Japanese encephalitis is a viral zoonotic disease spread by mosquitoes. The virus can cause reproductive losses and encephalitis in pigs and horses. In rare cases, Japanese encephalitis can cause disease in people. People and horses are considered 'dead end' hosts. Once infected, they do not play a role in transmitting the virus. Pigs and some species of wild birds are amplifying hosts.
Lumpy skin disease	an acute to chronic, highly infectious, generalised skin disease of cattle and water buffalo. The disease is caused by a poxvirus and is believed to be mechanically transmitted mostly by a range of arthropods, including biting insects and ticks. The virus does not affect humans. Economic losses due to the virus would include stock losses and reduced production, including reduced milk yield, loss of animal body condition and rejection or reduced value of the hide
open data	data in its rawest form, made available free of charge
Open Data portal	a collection of agency-owned datasets that allows the public to find, access and re-use raw data from the Queensland Government

(continued)

Glossary cont.

Panama disease Tropical Race 4 (TR <sub>4</sub> )	a destructive fungal disease of banana plants (of which there are four strains) that invades the vascular tissue (xylem) through the roots, causing discolouration and wilting; TR <sub>4</sub> varies from other strains in that onset is generally quicker and the disease is generally more aggressive
red imported fire ants	small, coppery brown ants ( <i>species name Solenopsis invicta</i> ), originally from South America, that inflict a painful, fiery sting and could severely damage the environment, Queensland’s outdoor lifestyle and the agriculture and tourism industries
tropical weeds	five weed species that are native to tropical America but have been introduced into North Queensland and are now targeted for eradication— <i>Limnocharis flava</i> , miconia ( <i>Miconia calvescens</i> , <i>M. nervosa</i> , <i>M. racemosa</i> ) and mikania vine ( <i>Mikania micrantha</i> )
varroa mite	either of the two mites <i>Varroa destructor</i> or <i>V. jacobsoni</i> , which are external parasites of bees; <i>V. jacobsoni</i> was detected in Townsville in 2016 and is the focus of a nationally cost-shared eradication program

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