

annual report

DEPARTMENT OF PRIMARY INDUSTRIES

1999

2000



**Queensland  
Government**  
Department of  
Primary Industries

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# Introduction Mission

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During 2009-2010, the Department of Primary Industries re-focused its business onto food and fibre products, and emphasised the importance of sustainability in our primary industries, particularly as they strive to support healthy and growing rural communities.

## Innovative food and fibre industries:

It is vital to use sustainable methods to conserve Queensland's natural resources.

## Confident communities

Such changes will also enable 'innovation without structural boundaries'. DPI has an ongoing commitment to increase the skills of all involved in primary industries and the rural community.

Consistent with this direction, three new business groups were formed within DPI—the Office of the Chief Scientist, the Agency for Food and Fibre Sciences and the Queensland Fisheries Service. In addition, the Office of Rural Communities is now included in the Minister for Primary Industries' portfolio.

Our

# Business

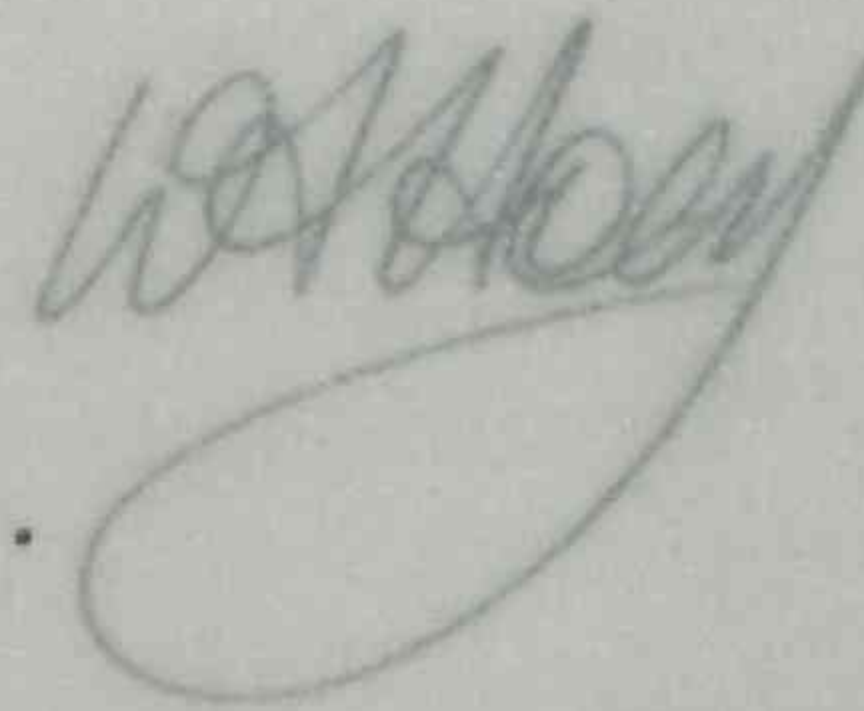
We have engaged in, and continue to support, initiatives that have focused on forming successful value chains with growers, industry and distributors to meet consumer needs. These efforts have contributed to the growth of Queensland's rural-based businesses in meat and seafood, horticulture, organic and organics. With such initiatives we always need to be mindful and sensitive to consumer and community values.

## Creating Queensland's future by:

This Department has made significant contributions in placing Queensland-grown products on supermarket shelves within this country and overseas, in using Queensland fibre products in every aspect of our lives and in providing satisfying jobs for our families. DPI is committed to a leadership role in all these activities. Underpinning them is the concept of the triple bottom line—ensuring that DPI's activities are economically, socially and environmentally viable.

- **Driving growth in food and fibre systems**
- **Building capabilities and business networks**

I would like to acknowledge the dedicated staff and valued clients of the Department who have participated in the changes required for us to meet our ongoing commitments. I have total confidence in our skills and abilities to meet the challenges ahead.



# Mission

Innovative food and fibre industries

Confident communities

# OUR Business

Creating Queensland's future by:

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# Introduction

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During 1999–2000, the Department of Primary Industries re-focused its business onto food and fibre products, and emphasised the importance of sustainability in all our primary industries, particularly as they strive to support healthy and growing rural communities. It is vital to use sustainable methods to conserve Queensland's natural resources for future generations.

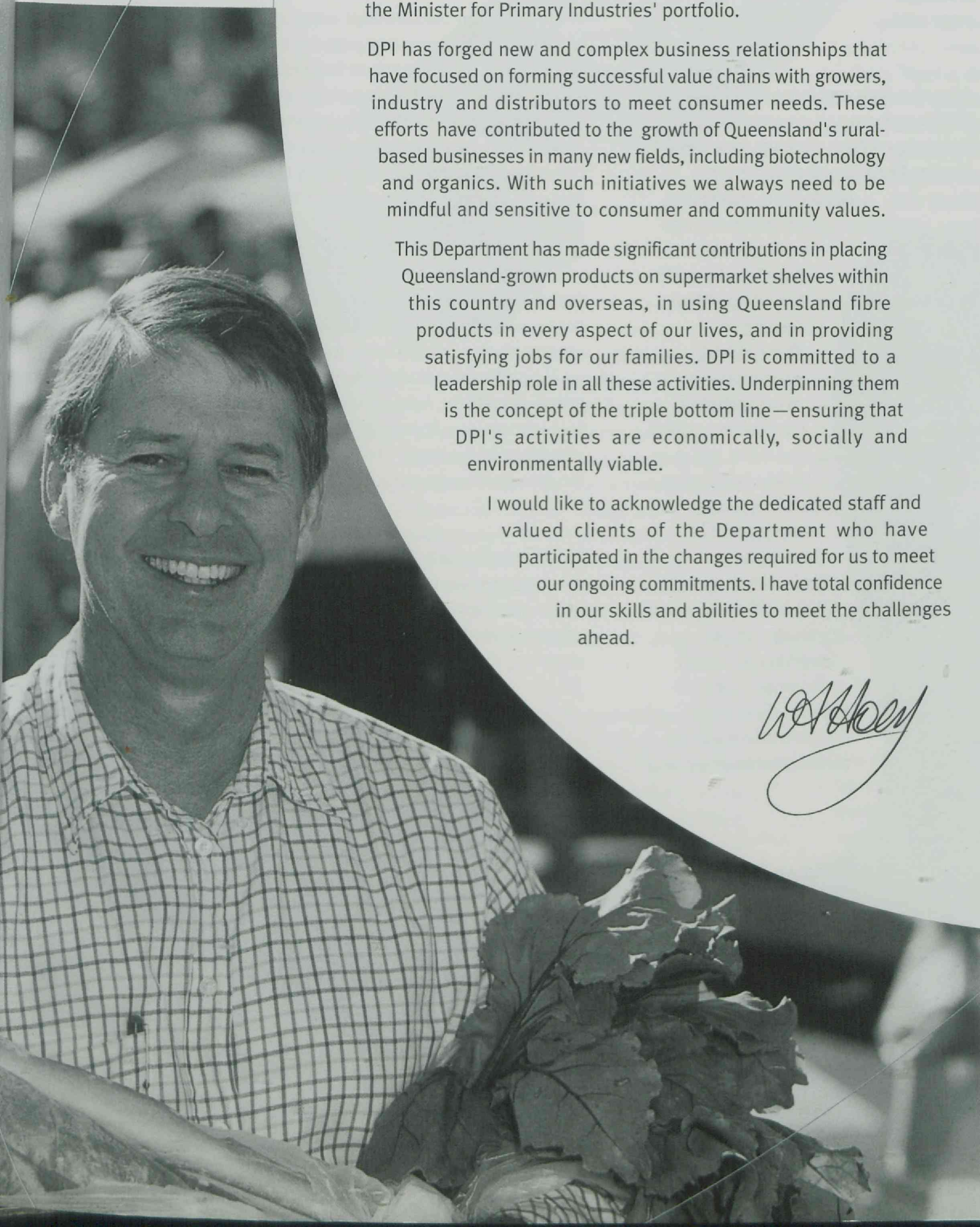
Such changes will also enable 'innovation without structural boundaries'. DPI has an ongoing commitment to increase the skills of all involved in primary industries and the rural community.

Consistent with this direction, three new business groups were formed within DPI—the Office of the Chief Scientist, the Agency for Food and Fibre Sciences and the Queensland Fisheries Service. In addition, the Office of Rural Communities is now included in the Minister for Primary Industries' portfolio.

DPI has forged new and complex business relationships that have focused on forming successful value chains with growers, industry and distributors to meet consumer needs. These efforts have contributed to the growth of Queensland's rural-based businesses in many new fields, including biotechnology and organics. With such initiatives we always need to be mindful and sensitive to consumer and community values.

This Department has made significant contributions in placing Queensland-grown products on supermarket shelves within this country and overseas, in using Queensland fibre products in every aspect of our lives, and in providing satisfying jobs for our families. DPI is committed to a leadership role in all these activities. Underpinning them is the concept of the triple bottom line—ensuring that DPI's activities are economically, socially and environmentally viable.

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# highlights

A comprehensive review of the institutional arrangements for the management of Queensland's fisheries culminated in the amalgamation of the Queensland Fisheries Management Authority and DPI's Fisheries Group to form the Queensland Fisheries Service from 1 July 2000. (See *Fisheries* page 38.)

DPI Forestry's earnings before interest, tax and timber revaluation for the year were up 53% on the previous year to a record \$24.3 million, reflecting buoyant market conditions and increasing productivity of State-owned forest production operations. (See *Forestry* page 42.)

Policy Analysis and Industry Development (PAID) delivered on an ambitious legislative reform package to achieve greater flexibility and efficiency in

production, marketing, cost structures and management practices to retain the competitive footing of Queensland producers. Key areas included horticulture, sugar and dairy, and a review facilitating reforms to the management of fisheries in Queensland. In addition PAID facilitated industry to shape future directions to ensure sustainable regional growth. (See *Policy Analysis and Industry Development* page 46.)

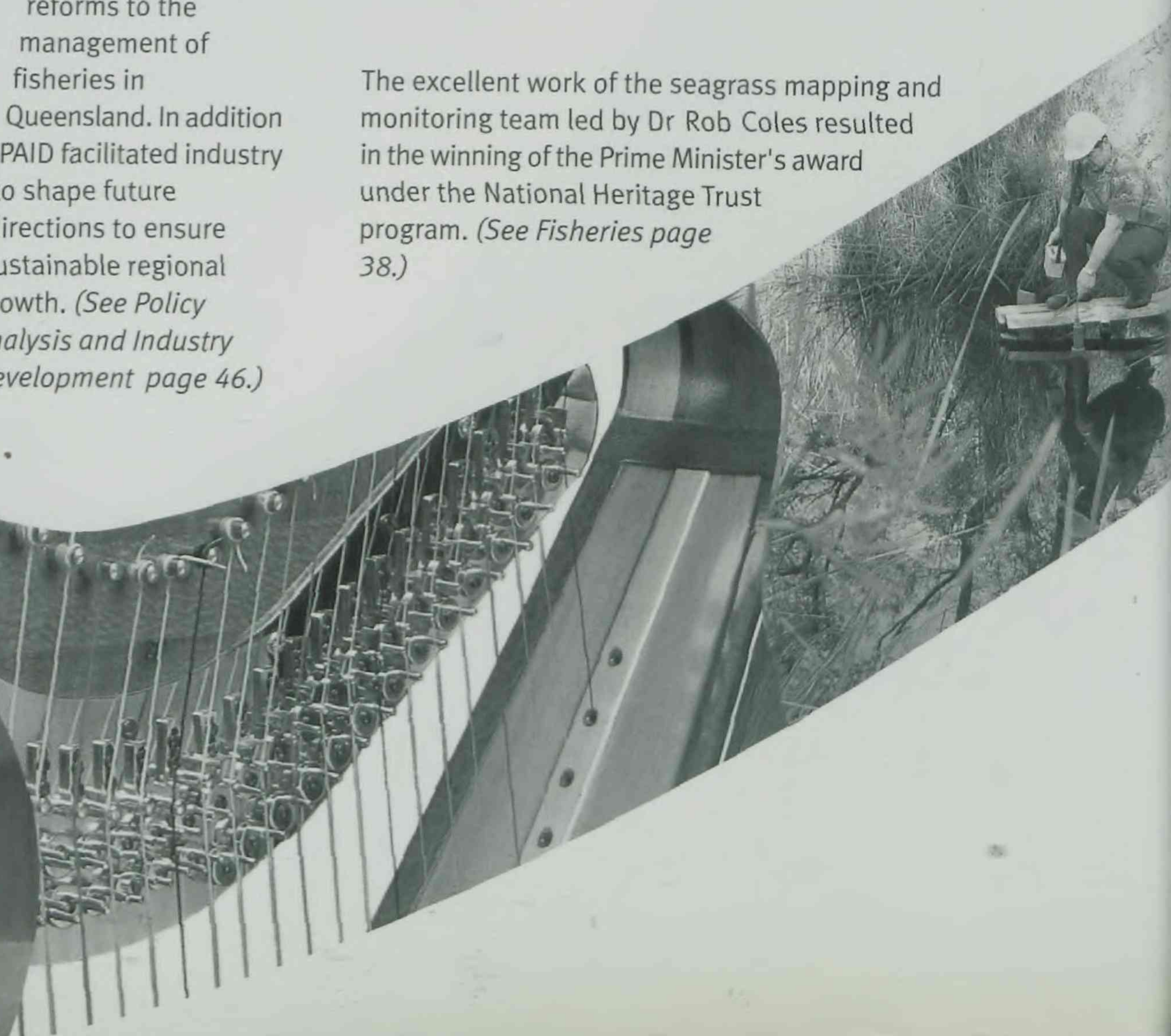
The Government's commitment to establish a world-class rural science organisation was met in December 1999 with the launch of the Agency for Food and Fibre Sciences and the commitment to the Queensland Food and Fibre Science and Innovation Council. Membership of the Council was announced in June 2000. (See *Food and Fibre Science and Innovation* page 25.)

Trade opportunities were increased and access to key markets was maintained by the successful implementation of Northwatch and a range of pest and disease surveillance systems for exotic fruit flies, animal diseases, Nipah virus and Newcastle disease virus in poultry. (See *Market Access and Development* page 34.)

There has been considerable emphasis during the year in meeting increasing demands from the Federal Government for Queensland to demonstrate that our fishing and aquaculture industries are being managed in an ecologically sustainable manner. The east-coast trawl fishery has been particularly scrutinised and the Fisheries Group participated in the Premier's Trawl Task Force on management and restructuring issues. (See *Fisheries* page 38.)

Policy Analysis and Industry Development sought a balanced approach to all-of-Government issues by representation, negotiation, joint policy development and identification of opportunities such as greenhouse, water use reform, natural resource management, biotechnology, cultural heritage and food and meat industry development. (See *Policy Analysis and Industry Development* page 46.)

The excellent work of the seagrass mapping and monitoring team led by Dr Rob Coles resulted in the winning of the Prime Minister's award under the National Heritage Trust program. (See *Fisheries* page 38.)



More than 200 producers attended 17 Managing for Climate Workshops to assist their decision-making. (See *Rural Community Development* page 30.)

A comprehensive review of legislation, included the *Agricultural Chemicals Distribution Control Act 1966* and the *Chemical Usage (Agricultural and Veterinary) Control Act 1988* administered by the Department in relation to Agvet chemical use. (See *Market Access and Development* page 34.)

Participants attending Building Rural Leaders Programs won a major contract to supply tropical fruit to Japan. Another participant formed a marketing alliance with a supermarket for an innovative way of packaging bananas. (See *Rural Community Development* page 30.)

An Investment Advisory Unit was established within Policy Analysis and Industry Development to provide strategic investment advice for enhanced transparency in the use of Departmental resources for the benefit of all Queenslanders and to promote and implement Government priorities. (See *Policy Analysis and Industry Development* page 46.)



Queensland and Australian leather garment manufacturers and fashion design students gained a greater understanding of ostrich, camel, crocodile and goat leathers. Market development work with a tanner in Gippsland and two manufacturers in Sydney produced samples of exotic skin handbags (retail value of A\$5000 each) for the Japanese market. (See *Market Access and Development* page 34.)



Another 11 Queensland Government Agent Program (QGAP) sites were opened to expand consumer access to Government information and services, bringing the network to 61 one-stop shops throughout the State. Internet and Intranet linkages to Government services through GovNet, the Government web site, were started for all QGAP sites. QGAP won the inaugural Premier's Award for the Management and Leadership Excellence Award in 1999 and was highly commended for services to regional and rural communities. (See *Rural Community Development* page 30.)

The newly-established Queensland Rural Ministerial Advisory Council (QRMAC) met twice. An election commitment, QRMAC gives rural Queenslanders an opportunity to participate in Queensland Government policy development and decision-making. (See *Rural Community Development* page 30.)

A firm foundation has been laid in implementing the South-East Queensland Forests Agreement with:

- the cessation of harvesting in the proposed 425 000 ha conservation estate;
- the maintenance of native forest hardwood sawlog supplies at previous levels under secure 25-year sales permits;
- hardwood plantation establishment work on an initial 880 ha;
- good progress on a supporting plantation hardwood research and development program. (See *Forestry* page 42.)

Since its inception six months ago, the Agency for Food and Fibre Sciences (AFFS) has demonstrated that its research is clearly focused on consumer demand. Stories in *A Queensland Table*, an AFFS quarterly newsletter, are being captured by the media and invitations to participate in 'food' events have grown dramatically. The launch of AFFS, while frankly about science, was described as the most positive and visionary food event ever in Queensland. (See *Food and Fibre Science and Innovation* page 25.)

# government and community priorities

DPI's Outputs result in Outcomes that meet

## Government Priorities

**Policy Analysis and Industry Development**  
 Policy analysis, assessment and advice on strategic all-of-Government and Departmental policy issues, related sustainable resource use and industry development; building strategic partnerships with Government, industry and rural communities and Industry Development Councils (IDCs) to enhance competitiveness of industries

### Valuing the Environment

**Forestry**  
 Manage and market State-owned plantation and native forest timber resources, quarry material resources, and other forestry-related services in a sustainable manner to earn commercial returns while meeting all environmental protection requirements

**Food and Fibre Science and Innovation**  
 Delivery of solutions along Queensland food-and-fibre chains to meet the economic, social and environmental expectations of consumers and the community through innovative research, development and extension

### More Jobs for Queenslanders

### Skilling Queensland

**Rural Community Development**  
 Rural Community Development (RCD) actively combats the economic and social decline experienced by many communities by promoting economic and social development, innovation, flexibility and independence. RCD provides increased access to Government services and information that enhance decision-making on social, economic and sustainability issues

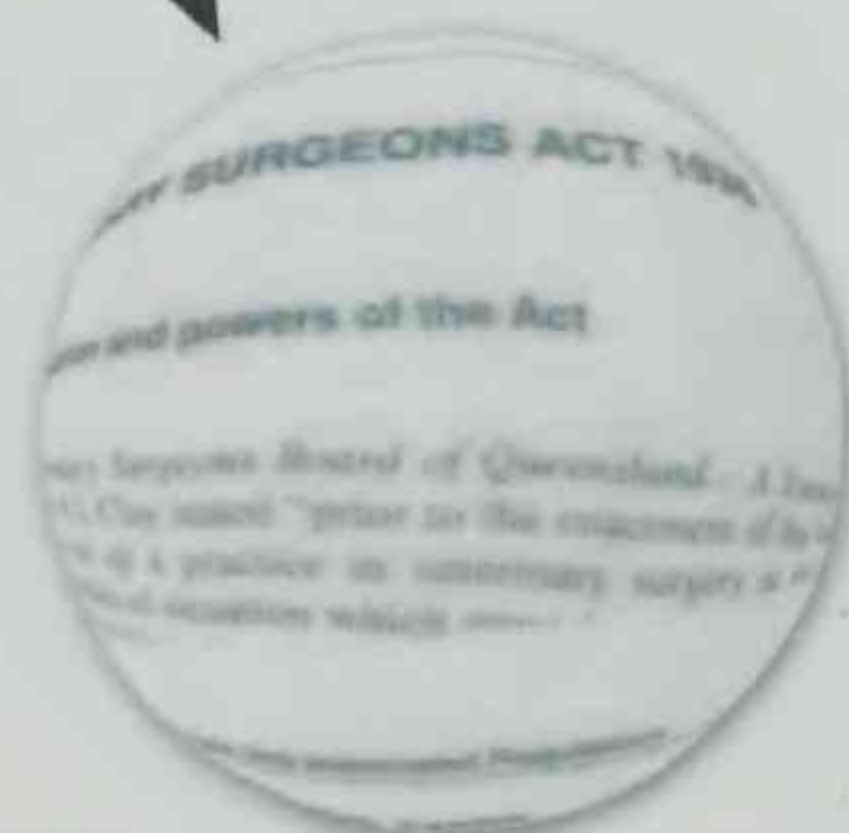
### Building Queensland's Regions

**Fisheries**  
 Research, development and management services to promote the sustainable development and competitiveness of Queensland's commercial and recreational fishing and aquaculture industries and protect the environment on which these industries depend

**Market Access and Development**  
 Increasing trade outcomes and domestic consumption through responsiveness to global trends, development of new market opportunities and maintenance of current markets, and world wide recognition of Queensland's consumer-focused supply, based on ethical, safe, demand-driven production

### Strong Government Leadership

### Safer and More Supportive Communities





Queensland's food and fibre industries are operating in an increasingly globalised environment dominated by international factors. Several of these factors have had a significant impact on the State's primary industries in 1999–2000 and are expected to do so during the coming year.

## >> 1999–2000 in review

### The global economy<sup>1</sup>

The global economy made a significant recovery from the economic and financial turmoil of 1997–98 and world trade is benefiting from stronger global economic activity. This positive stance has enhanced Australia's economic prosperity, particularly for export growth.

In 2000, world economic growth is expected to exceed 3%. This growth will be strong in Europe, and Asia is expected to offset the anticipated moderation in US growth. Australia's East Asian trading partners, which took 52% of Australian exports in 1999, are growing more strongly in 2000.

### Strong growth for Australian economy

The growth estimate for the Australian economy for 1999–2000 was 4.25%. This growth was broadly based across industry sectors with particularly strong growth in communications, property and business services.<sup>2</sup>

The Australian economy grew at or above 4% for the past 11 consecutive quarters—a growth rate unrivalled in the past 30 years. Consumer price index (CPI) inflation was contained at 3%.<sup>22</sup>

Figure 1 shows that Australia weathered the Asian economic crisis successfully and the improved international economic outlook will help underpin continued economic growth.<sup>6</sup>

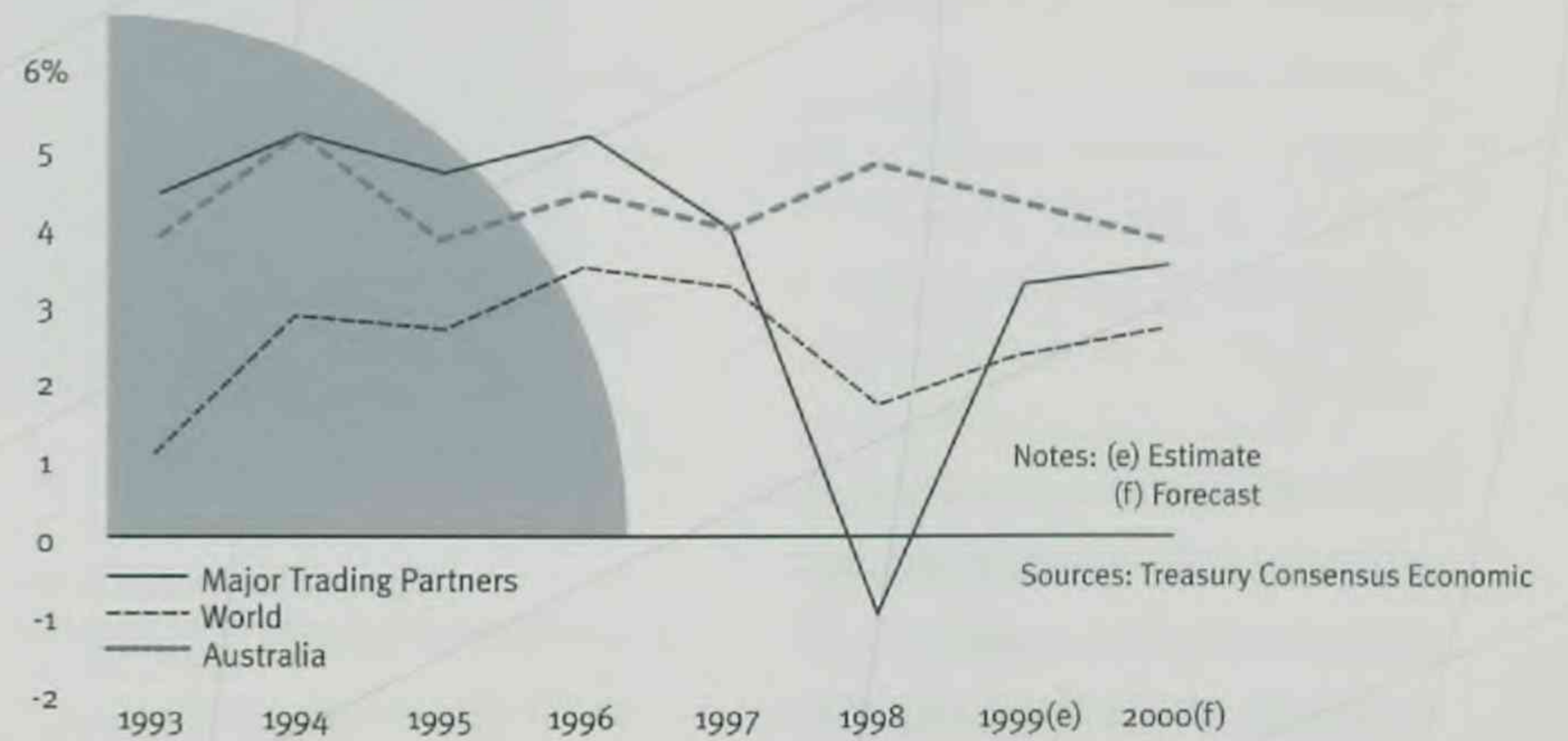


Figure 1. Australia's average annual GDP growth Australia's major trading partners, the world and Australia 1993–2000  
Note the dip during the East Asian economic crisis

Source: Department of Foreign Affairs and Trade.

Australia's success in strengthening its economy has been recognised internationally. The OECD stated in a recent Economic Survey that: *the resilience of the [Australian] economy in weathering the Asian downturn is largely the result of a judicious mix of sound macroeconomic and structural policies, which brought inflation down to a very low level, strengthened government finances and generated an acceleration of productivity growth.*

The benefits of consistently strong growth, along with a continuing commitment to economic reforms that promote a more robust, flexible and efficient economy, are reflected by other economic indicators. Australia has enjoyed strong growth in domestic demand, solid employment growth and record productivity improvements.

During early 2000, the Australian dollar declined sharply against the US dollar, more so than the other major currencies, providing a

substantial competitive boost to exporters. In mid-2000, it has been a bit steadier, while several other currencies weakened more noticeably against the US dollar.

Australia experienced underlying budget surpluses in 1997–98 and 1998–99 and is forecast to do so again in 1999–2000.

The current account deficit (CAD) reflects the gap between national investment and saving and is a watchpoint for foreign investors. Australia has averaged a CAD of around 4.5% of GDP over the past two decades. The CAD is expected to average 5.5% of GDP for 1999–2000.

Farm sector output is expected to have grown by 3% in 1999–2000, despite above average seasonal conditions and an increase in crop area sown.<sup>5</sup>

## Queensland

In 1998–99, Queensland's primary industries sector contributed 31% to the State's overseas exports, and 23% to Australia's total primary industries based exports.

Employment in Queensland's primary industries grew by 20% in the five years to 1998–99, more than twice the job growth rate of all other sectors combined.<sup>20</sup>

Queensland's gross value of primary industry output fell by less than 5% in 1999–2000 due to reductions in the gross value of sugarcane, cotton, several major fruit crops, and cattle and calf disposals.<sup>20</sup>

Despite the adverse effects of poor seasonal conditions and considerable marketing challenges in recent years, the gross value of Queensland's primary industries grew almost 5% in the six years to 1999–2000.<sup>20</sup>

## World commodity markets<sup>6</sup>

The Australian Government forecast 5% growth in Australia's goods and services export volumes for 1999–2000.

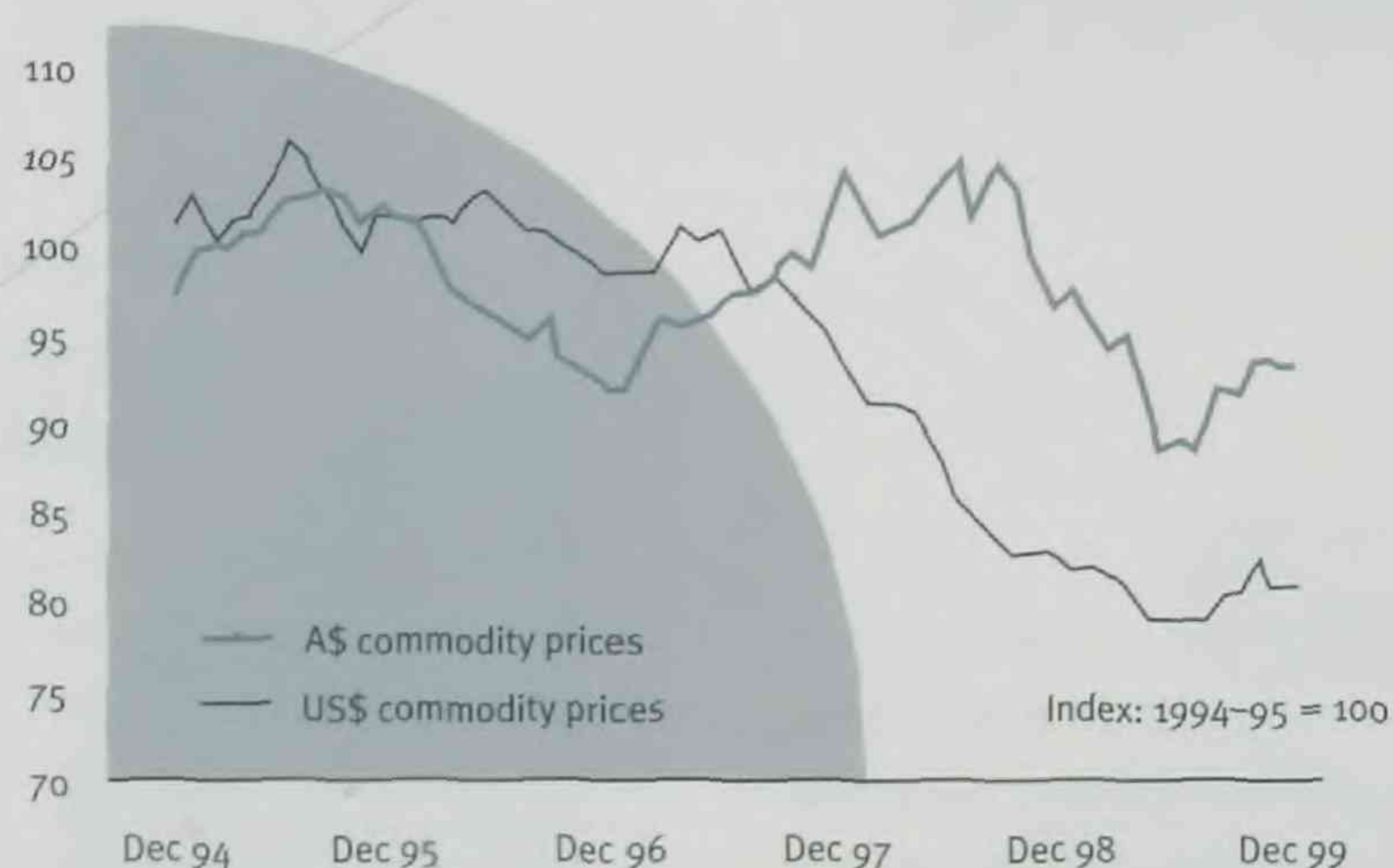


Figure 2. Commodity prices December 1994–December 1999  
Shows continuation of the long-term downward trend in commodity prices, as well as the recent pick-up in prices.

Source: Department of Foreign Affairs and Trade.

Figure 2 shows a continuation of the long-term downward trend in commodity prices but also shows the recent pick-up in prices. In 1999, rural exports rose 1%, with strong growth in meat and meat preparations exports and in 'other' rural exports—particularly oil seeds, crustaceans and live cattle. At the same time, wool exports fell significantly (down 20%).

The most recent forecasts of the Australian Bureau of Agricultural and Resource Economics (ABARE) project commodity export earnings to be up by almost 8% in 1999–2000.

Prospects for rural exports are assessed somewhat more cautiously, given the oversupply that continues to affect key agricultural commodities (for example, sugar). ABARE expects the value of rural exports to rise by between 3 and 4% for 1999–2000.

## East Asia recovers

The rebound of most of the crisis-afflicted economies exceeded expectations, and all economies in the region, including Indonesia, which suffered more than most, are forecast to grow in 2000 (Figure 3).

Korea's recovery was remarkable, with output in 1999 returning to pre-crisis levels. Singapore's economy rebounded strongly in 1999 with 5.4% gross domestic product (GDP) growth driven by strong exports and a recovery in domestic consumption.

Hong Kong emerged from recession on the back of strong exports and improvement in consumer spending buoyed by a rising stock market. Its GDP growth is expected to pick up further in 2000. Economic growth is also expected to strengthen in Taiwan to over 6% for 2000.

## Japan—our largest export market<sup>7</sup>

Japan has been Australia's largest export market since 1969, buying 45% of Australia's total beef exports. Domestic deregulation in Japan has provided niche markets for increased exports of Australian wine, cheese, fruits and vegetables.

Growth forecasts have been steadily revised up since the beginning of 1999, which is likely to be reflected in increased imports. Australia can still benefit by encouraging the Japanese to further open up markets and remove barriers through deregulation.

The economic recovery in Japan is fragile. Japan emerged from recession in June 1999, but technically slipped back into recession again after a second quarter of negative growth in October–December 1999. While positive growth was experienced in early 2000, there are still few signs of self-sustaining recovery in private sector demand.

### China's growth<sup>8</sup>

Growth and reform have brought on fundamental structural shifts in China's economy. Industrial and services sectors continue to grow at the expense of agriculture; and the contribution of the 'non-state' sector (including private enterprise) continues to prosper at the expense of large state-owned enterprises. The non-state sector now accounts for 75% of China's industrial production.

China has made significant progress in opening up many sectors of its economy to foreign investment and the competitive disciplines of the global economy. Nevertheless, key sectors such as telecommunications, finance and agriculture still need substantial reform and modernisation, and have so far remained off-limits to large-scale foreign investment.

Australia has traditionally been an important supplier of the industrial raw materials and foodstuffs China needs for its modernisation. Around 61% of Australian merchandise exports to China are primary products, principally wool, wheat, sugar, barley and cotton, and iron ore, alumina and coal. Australia sold wool worth A\$644 million to China in 1999, along with oil seeds worth A\$216 million.

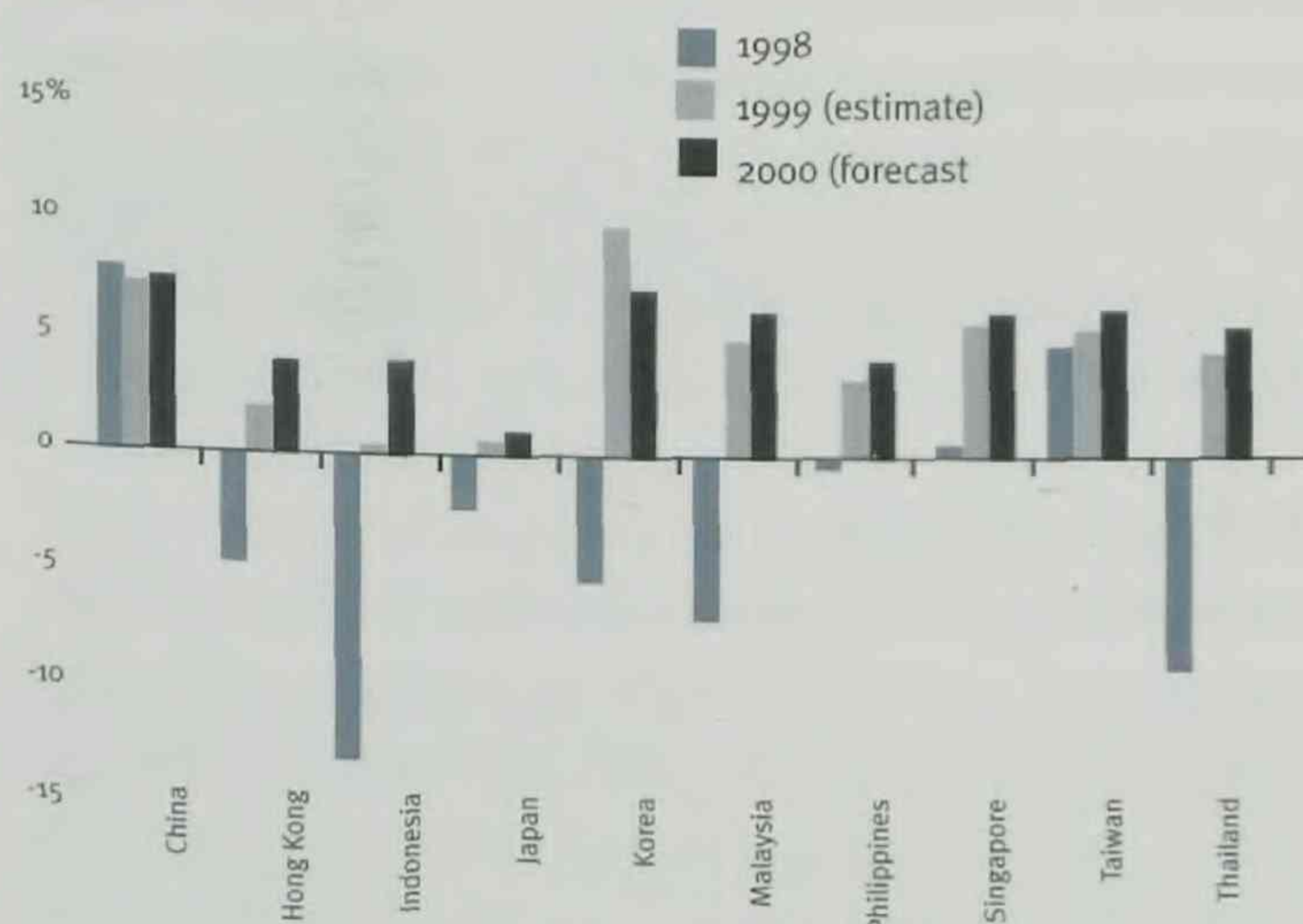


Figure 3. GDP growth in selected East Asian economies: actual and forecast  
East Asia recovers with most economies forecast to grow.  
Source: Department of Foreign Affairs and Trade.

### Australia–United States: a bilateral trade deficit

There is a substantial bilateral trade deficit between Australia and the US in favour of the US because of the low level of complementarity between the two economies, particularly between Australia's export mix and US import needs.

The US is a major producer of many of the food and fibre products Australia exports, and thus considerably less reliant on imports to satisfy domestic demand. Australian bovine meat worth A\$827 million was exported to the US in 1999.

On 7 July 1999, the US Administration announced its decision to impose tariff rate quotas on imported lamb for three years from 22 July 1999. The US decision effectively caps Australian exports at 1998 levels for three years, with a growth in volume of only about 5% over the period.

On 4 August 1999 the US Senate approved an emergency farm aid package that was set in October at US\$8.7 billion, and expanded further in May 2000 to US\$15.3 billion, equal to A\$28.6 billion.

### Europe<sup>10</sup>

The European Union (EU), as a single entity, is Australia's largest trading partner. In 1999, Australia's total merchandise trade with the EU was valued at A\$34 billion. The level of EU investment, both portfolio and direct, in Australia in June 1998 was A\$193.1 billion, up 7.1% on the previous year. Australian investment also grew strongly, up 19.8% in 1997–98. These figures demonstrate our substantial, mutually beneficial, economic relationship.

Trade with the UK made up over one-quarter of these figures, with A\$9 billion of trade recorded with Australia in 1999.

Australia watches developments in the Euro with great interest, given it has a direct effect on the value of our agricultural exports. The Euro's continued decline means that the limits placed by the Uruguay Round on the use of export subsidies may have less impact than would have been the case had the Euro been stronger. On the other hand, a weak Euro has undoubtedly contributed to stronger economic growth in the EU through making its exports more competitive.

Australia has been looking to the UK to stand strong against EU protectionism and to use its considerable influence to advance reform in agriculture and in other areas such as development assistance, to ensure that EU policies do not create trade-distorting outcomes globally.

### Potential in the Middle East<sup>9</sup>

Australia has established a very sound reputation as a reliable economic partner with the countries of the Middle East. The region has long been a major destination for our exports of wheat, live sheep, sugar and alumina, and now cars.

The potential of the Gulf States as a market for Australian products is most promising. In 1999, Australian exports to the Gulf totalled A\$2.4 billion, of which our exports to Saudi Arabia were over A\$1 billion and to the United Arab Emirates over A\$800 million.

### Other emerging markets

Latin American economies experienced a marginal contraction (0.3%) in 1999, but are expected to return to positive growth in 2000. After experiencing weak growth in 1999, Eastern European economies are also expected to strengthen, with growth of 2.5% forecast for 2000.

Although Russia's economy appears to have stabilised somewhat, the outlook for government finances is unclear and the economy remains vulnerable to outside pressures. India's economy has enjoyed robust growth, with the upturn in regional and global demand providing a boost for exporters. South Africa's economic growth is expected to rise strongly to more than 4% in 2000.

### Agricultural trade liberalisation and protectionism

The operation of the World Trade Organisation (WTO) is coming under greater scrutiny from many sources and is causing great concern within Australia. The continued protection of agriculture by the US and EU, while espousing the benefits of free trade, casts doubts about their sincerity.

The Third World Trade Organisation Ministerial Conference was held in Seattle, USA from 30 November to 3 December 1999. The conference did not succeed in launching a new round of multilateral trade negotiations.

### Some successes

Australia successfully concluded WTO accession negotiations with nine trading partners. This represented good progress, achieving significant improvements in market access across all sectors. Australia exports goods and services worth A\$9 billion to economies that are not members of the WTO. Our market access will expand and be far more secure once all 34 aspiring economies join the world organisation.

Australia and most other WTO members remain committed to the launch of a new round as soon as possible though differences between major developed countries, and between developed and developing countries, will have to be narrowed before a launch can be achieved.

Some important steps forward have been taken. Negotiations on agriculture and services mandated from the Uruguay Round began on 1 January 2000, with the first negotiating sessions taking place in February (services) and March (agriculture). Australia is seeking meaningful progress in these negotiations, which cover trade in two of the most important sectors of the Australian economy. Australia and the Cairns Group of agricultural exporting nations will continue to push for a substantial opening of agricultural export markets and the removal of export and other trade distorting subsidies.

There was broad support at Seattle on negotiating guidelines and objectives for the mandated WTO services negotiations, and prospects for moving ahead in this sector are encouraging. Australia supports the incorporation of the progress made in these mandated negotiations into a broader round.

Reports indicate that much of the funding behind the anti-free trade protests at the Seattle WTO summit came from US textile industry magnate Roger Millken. The US textile industry is one of the most heavily protected in the world.<sup>24</sup>

### Model uncertainty

The Australian Government considers the launch of a new round of multilateral trade negotiations as the best means of securing a better deal internationally for our farmers, manufacturing exporters and service industries. Key priorities for Australia in a new round will be reduced barriers to our exports of agricultural products, manufactures and services, stronger rules, fairer competition and ensuring that commitments made are honoured.

There is some concern, however, that the modelling of the benefits from free trade do not accurately reflect other distortions that will arise to replace protection mechanisms. The benefits to Australian farmers may be illusory.

Again in 1999, market and trade distorting support to agricultural production increased, according to the OECD.



## 2000–2001 outlook

### The global economy

The two most profound influences on Australian foreign and trade policy over the next few years will be globalisation and the continuing rise of East Asia.

The growing knowledge-based industries, and the impact of major new technologies such as Internet commerce and biotechnology, will have a big impact on the food and fibre industries. Other emerging forces include environmental awareness, consumer activism and the increasing influence consumers will have on the supply chain.

### World commodity markets

Stronger world economic growth and East Asia's economic recovery have improved the outlook for commodity exports. The most recent forecasts of ABARE project commodity export earnings to be up by a further 4% in 2000–01 to reach A\$72.4 billion in that year. Export values are expected to increase for 11 of the top 15 commodities in 2000–01.

### Australia's global economic outlook

Australia looks set to capitalise further on its domestic reforms and a strengthening global economy, with strong output growth of 3.75% forecast for 2000–01.

ABARE expects the value of rural exports to rise by between 3 and 4% in 2000–01.

Downside risks to this positive trade outlook include the potential for a slowdown in US or Japanese imports (which would be negative for both Australia and East Asia) and any renewed weakness in commodity prices.

Net exports are expected to make a large contribution to GDP growth (0.75%) in 2000–01, the first positive contribution since the East Asian financial crisis. This reflects stronger activity in the world economy and some moderation in domestic demand growth.

Farm output is expected to grow by just 1% in 2000–01, reflecting a return to more normal seasonal conditions and area planted, along with lower beef and veal production as the rebuilding of the herd continues.<sup>12</sup>

In 2000–01, economic growth in Australia is expected to be around 3.3%. This will mean a further year of very solid growth with relatively low inflation, resulting in the unemployment rate declining to the lowest levels in a decade.

With the international spotlight on Australia for the Sydney 2000 Olympic Games, GDP is expected to increase by A\$6 billion.

The CAD is forecast to decline relative to GDP to 4.75% (or A\$31.5 billion) in 2000–01, compared with around 5.5% in the previous two years. Without the boost to services exports in 2000–01 from the Olympics, the CAD would be expected to be closer to 5% of GDP.<sup>4</sup>

The gross value of Queensland's primary industry output is predicted to decrease marginally in 2000–01 due to the reductions in the price of milk following the 1 July 2000 deregulation and also to low world sugar prices.

### New Business Tax System

The New Business Tax System will provide a substantial boost to Australia's exports. Under the new tax system, exports will be free of Goods and Services Tax (GST), and when taxation currently imposed on exports is lifted, costs to all exporters will be cut by more than A\$3.5 billion a year. Reforms in Capital Gains Tax will add to the attractiveness of Australia for investment.

The total tax reform package, including the GST, is designed to stimulate stronger investment and boost growth, including in many key export sectors. Mining production is expected to rise by around 6.5%, manufacturing by 3.5% and agriculture by 2.5%.

### Globalisation<sup>11</sup>

Globalisation offers huge opportunities for internationally competitive economies, but also brings challenges for political and economic management. It has profound implications for trade policy. It blurs the division between foreign and domestic policy, increases competitive pressures in markets, and makes globally based trade rules and disciplines even more important.

## United States<sup>13</sup>

The US economy continues to grow strongly, with little evidence of the expected moderation from the impressive growth rates of recent years. Growth in 2000 is expected to continue at around the 4% achieved in 1999 before moderating in 2001. There is some evidence, however, of emerging supply-side constraints, particularly in the labour market, and there has been some tightening of monetary conditions. Structural productivity gains have contributed to strong earnings growth and price stability, though several inflationary pressures are emerging. Labour shortages and higher oil prices could push prices up, and downward movement in the US dollar would induce some imported inflation. High valuations in US asset markets are a potential source of volatility.

## European Union<sup>13</sup>

Although the EU economy grew only around 2% in 1999, there was a distinct lift in activity later in the year. This strength is expected to persist into 2000 to yield growth of around 3%. A lower Euro and robust domestic demand, combined with the strengthening world economy, are contributing to a more positive economic outlook. Consumer confidence is buoyant on the back of employment growth, while rising business sentiment reflects the recovery in industrial production and export orders.

## Japan

Economic issues remain fundamental to our relationship with Japan. While the relative stability of Australian exports to Japan is encouraging, Japan's weakened domestic economy means Australia cannot afford to be complacent about our trading partnership. Australia will have to take every opportunity to advance our market access objectives by encouraging Japan to accelerate domestic deregulation and by persuading Australian exporters to take advantage of the opportunities in the Japanese market.<sup>21</sup>

## China<sup>13</sup>

Fiscal stimulation has also been a key driver of China's economic growth, but questions remain over how long the stimulus will be maintained. China's reforms to the state-owned sector, and the economy's excess capacity, have contributed to deflation. While the subdued employment outlook is holding back private consumption, deflation has driven improvements in trade competitiveness and these are visible in China's strong pick-up in exports.

## East Asia

A sustained period of strong economic growth in most of the South-East Asian economies, rapid structural change and increasing affluence are causing rising South-East Asian demand for food and agricultural products. The probable continued strong economic performance in the region and a projected population of over 615 million by the year 2010 are also having an effect.<sup>14</sup>

## Biotechnology

The Federal Government has allocated A\$7.5 million over two years to speed the establishment of a national regulator of gene technology and A\$10 million over two years to establish Biotechnology Australia. This group will address immediate issues, including improved public awareness and better management of intellectual property, and will facilitate access for Australian farmers and food processors to new technologies, genes and products, especially those developed overseas.<sup>16</sup>

Biotechnology can enable sustained improvements in productivity, deliver previously unachievable or unaffordable health benefits and open opportunities for environmentally sustainable approaches in agriculture and industry.

Biotechnology is already contributing to export growth and will potentially become more important in Australia's export competitiveness.

It is important to make the most of Australian expertise in biotechnology, particularly in food and agriculture. Australia's food agricultural exports make up around a quarter of our exports and the international competitiveness of these exports could, in future, be related to the effectiveness of Australia's biotechnological applications.

## Current and potential biotechnology applications<sup>15</sup>

### Agriculture

- Improved food storage and nutritional quality.
- Improved pest and disease resistance.
- Selective herbicide tolerance.
- Tolerance of water, temperature and salinity extremes.
- Domestication of new wild or non-commercial plants.
- Vaccines and diagnostic tests for animal diseases.
- Production by plants or animals of specialty chemicals and novel products (therapeutics, and ingredients for oils and plastics).
- Improved animal welfare.
- Higher yields and quality.

### Forestry

- Faster tree growth.
- Improved fibre and wood quality.
- Disease resistance and salinity tolerance.
- Improved enzymatic treatment of pulp and processing wastes.

### Environment

- Bioremediation of heavy metals, oil and chemicals.
- Conversion of waste to energy.
- Contaminant testing.

### Food processing

- Improved quality.

### Beverages

- Improved maturation and preservation techniques.
- New and novel foods.

### Aquaculture

- Biomonitors (for example, using bioluminescence).
- New and improved varieties and management of aquaculture.

We recognise that it will be some years before there is a consistent global approach to trade in biotechnology production. The Federal Government is working in multilateral forums to ensure that:

- trade in biotechnology is transparent and fair, to allow all countries access to both the latest technology and markets;
- all national governments retain the right to put in place measures to address any threats that biotechnology may pose to human, plant or animal life.

As a result of consumer concerns over genetically modified (GM) food products and animals, markets are also emerging for GM-free products. Austrade has monitored the emergence of demand for GM-free products, in particular Western Europe and Japan (where already demand for non-GM soy products is leading to price differentials between certified GM-free and other soybeans).

Consumer concerns over the use of genetically modified organisms (GMO) in food continue to increase and affect buying habits. This trend has moved from Europe and Japan to the US, Canada and Australia. The widespread use of GMO crops in the US and Canada is creating market opportunities for Queensland produce into markets that were predominantly serviced by these two countries.

### Queensland's edge

The demand for non-GMO crops continues to grow and is giving Queensland companies a competitive edge, particularly in Japanese and EU markets. Organic demand continues to rise and move from a niche opportunity to mainstream markets. Studies by DPI have shown that Queensland has significant potential to supply these markets, requiring only further development of production.

### E-commerce

The rapid development and uptake of e-commerce is having a significant impact on business to business relationships. E-commerce is encouraging the development of closer relationships between businesses and the adoption of supply-chain management concepts. This technology is encouraging businesses to provide detailed information on their operations and production systems to customers through the worldwide web.

E-commerce, by its nature, does not recognise borders. While this means that small business can, for example, more easily export, it also

raises questions regarding security of transactions, standards, protection of intellectual property, taxation, trade law, privacy and many other issues. Governments and business alike need to understand the implication of increasing use of e-commerce, both national and international. It is also important to understand how policies and practices impact on the benefits of using e-commerce.

By February 2000, half (3.5 million) of the households in Australia had access to a computer at home. The number of households with home Internet access rose to 1.9 million, or 28% of all Australian households.

The proportion of households with home access for computers and the Internet continues to rise. Households with higher incomes, with children under 18 years, and located in metropolitan areas have higher levels of access.

Surveys abound on how many households are online throughout the world, but an 'educated guess' puts the number at 304.36 million, as of March 2000.<sup>17</sup>

Consumer purchases online are expected to be worth US\$380 billion in 2003, up from an estimated US\$31.2 billion in 1999.<sup>18</sup>

### **Consumers and the supply chain**

The increasing demand for an audit trail from production to the consumer and the need to differentiate product is driving the development of supply chains. DPI is fostering the development of global supply chains where retailers have established direct supply relationships with producers and producer groups around the world to ensure continuity and consistency of supply.

Consumer markets are becoming increasingly demanding and diverse, creating greater opportunities for product differentiation based on health, production systems (organic), branding, environmental issues (sustainability) and fair trade practices.

In addition, consumers are seeking more consistency and credibility, and are using brands and certification systems to achieve these requirements. Hazard Analysis and Critical Control Point (HACCP) and Quality Assurance

systems implemented throughout the supply chain are becoming essential ingredients for domestic and international market access.

### **International protocol**

Australia's commitments under international agreements such as the Kyoto Protocol, the UN Human Rights Treaty and the UN Oceans Policy will influence the activities of companies and ordinary people in Queensland.

The burgeoning interest worldwide in sustainable development will stimulate entrepreneurial Queenslanders to look for better ways to produce food and fibre products. The concept of intergenerational equity (that each generation must leave the natural environment to future generations in as good as or better condition than it is today) is likely to become more widely accepted and more deeply entrenched.

### **Triple bottom line performance**

The challenge facing sustainable economic development is promoting economic growth and international trade without increasing pressure on finite global resources and the environment. 'Sustainable' is defined as meeting the needs of the present without compromising those of future generations.

There is increasing international emphasis on the 'triple bottom line' — economic, social and environmental ethical management—in overall business strategies. These responsible business practices provide organisations with many benefits, including improved compliance with legislation, strengthened public image and reputation, improved corporate culture, and improved competitiveness.

### **Sustainable development<sup>19</sup>**

Triple bottom line performance in international markets means that Australia's environment management industry (EMI) is becoming crucial for mainstream Australian industries seeking to build international business.

The EMI has emerged as mainstream business comes to grips with environmental issues. It is a result of the move towards sustainable development as well as a mechanism to deliver on-the-ground solutions to environmental problems. It also represents a growing export sector as the industry's competitive strengths are starting to be recognised worldwide.

The EMI already services a domestic market of A\$8.6 billion and employs around 100 000 people in 2000 private and public sector businesses. The industry aims to sell to a global market that is worth around US\$480 billion (domestic and traded), and estimated to be growing at 3.2% a year.



## Multifunctionality

In the next multilateral trade negotiations, some countries have indicated they want to create exemptions for certain production-related support. These countries argue that agricultural production creates additional joint or spill-over benefits such as open space, wildlife habitat, biodiversity, an assured supply of food, and viable rural communities. This is being referred to as 'multifunctionality', that is, agriculture has multiple functions.<sup>25</sup>

Some of these functions are referred to as non-trade concerns (NTCs) in the WTO Agreement on Agriculture. NTCs may have implications for agricultural policy and the multilateral trading system. The NTCs will be taken into account in the continuation of the multilateral reform process. Negotiations are expected to start at the end of 2000.<sup>23</sup>

Until now 'multifunctionality' has not been a major theme in Queensland's food and fibre industries. However, primary producers are not only operating their properties for economic profit, they are the custodians of land and natural resources for present and future generations, operating in a global trading environment. It is highly likely that they will seek to have recognised agriculture's unpriced spill-over benefits for the whole community in addition to the provision of food and fibre.

## Implications for DPI

International markets are increasingly offering higher returns for quality food and fibre products, produced and processed to meet consumers' environmental and ethical values.

Queensland primary producers and rural communities have a unique opportunity to build on the best practices from the past, recognise those that are most sustainable or desirable with today's knowledge, and to develop new approaches that address long-term needs of all Queenslanders for social, economic and environmental balance.

The government has recognised these changes and DPI is directing projects to assist producers, communities and processors meet these challenges.

## Sources of information

The DPI would like to acknowledge the following sources of information and in particular the work done by the Department of Foreign Affairs and Trade.

<sup>1</sup>[www.dfat.gov.au/toos/toos\\_chapter2.html](http://www.dfat.gov.au/toos/toos_chapter2.html)

<sup>2</sup>[www.dfat.gov.au/budget/papers/bp1/html/bs2-02.htm](http://www.dfat.gov.au/budget/papers/bp1/html/bs2-02.htm)

<sup>3</sup>[www.dfat.gov.au/speeches/trade/00317](http://www.dfat.gov.au/speeches/trade/00317)

<sup>4</sup>[www.dfat.gov.au/budget/papers/bp1/html/bs2-02.htm](http://www.dfat.gov.au/budget/papers/bp1/html/bs2-02.htm)

<sup>5</sup>[www.dfat.gov.au/budget/papers/bp1/html/bs2-02.htm](http://www.dfat.gov.au/budget/papers/bp1/html/bs2-02.htm)

<sup>6</sup>[www.dfat.gov.au/toos/toos\\_chapter1.html](http://www.dfat.gov.au/toos/toos_chapter1.html)

<sup>7</sup>[www.dfat.gov.au/geo/japan/japan\\_brief\\_trade.html](http://www.dfat.gov.au/geo/japan/japan_brief_trade.html)

<sup>8</sup>[www.dfat.gov.au/geo/china](http://www.dfat.gov.au/geo/china)

<sup>9</sup>[www.dfat.gov.au/speeches/trade/00317](http://www.dfat.gov.au/speeches/trade/00317)

<sup>10</sup>Speech: Australian Minister for Foreign Affairs, Alexander Downer, Adelaide, 12 May 2000

<sup>11</sup>[www.dfat.gov.au/ini/overview.html](http://www.dfat.gov.au/ini/overview.html)

<sup>12</sup>[www.dfat.gov.au/budget/papers/bp1/html/bs2-02.htm](http://www.dfat.gov.au/budget/papers/bp1/html/bs2-02.htm)

<sup>13</sup>DFAT

<sup>14</sup>[www.dfat.gov.au/eaau/subsistence\\_to\\_supermarket.html](http://www.dfat.gov.au/eaau/subsistence_to_supermarket.html)

<sup>15</sup>[www.isr.gov.au/ba/Biotechnology/futures.html](http://www.isr.gov.au/ba/Biotechnology/futures.html)

<sup>16</sup>[www.isr.gov.au/ba/Council/affa\\_pr.html](http://www.isr.gov.au/ba/Council/affa_pr.html)

<sup>17</sup>Nua Internet Surveys

<sup>18</sup>[www.nua.ie/surveys](http://www.nua.ie/surveys)

<sup>19</sup>[www.dfat.gov.au/toos/toos\\_chapter6](http://www.dfat.gov.au/toos/toos_chapter6)

<sup>20</sup>Outlook for Queensland Primary Industries 2000 (DPI)

<sup>21</sup>[www.dfat.gov.au/geo/japan/japan\\_brief\\_bilateral.html](http://www.dfat.gov.au/geo/japan/japan_brief_bilateral.html)

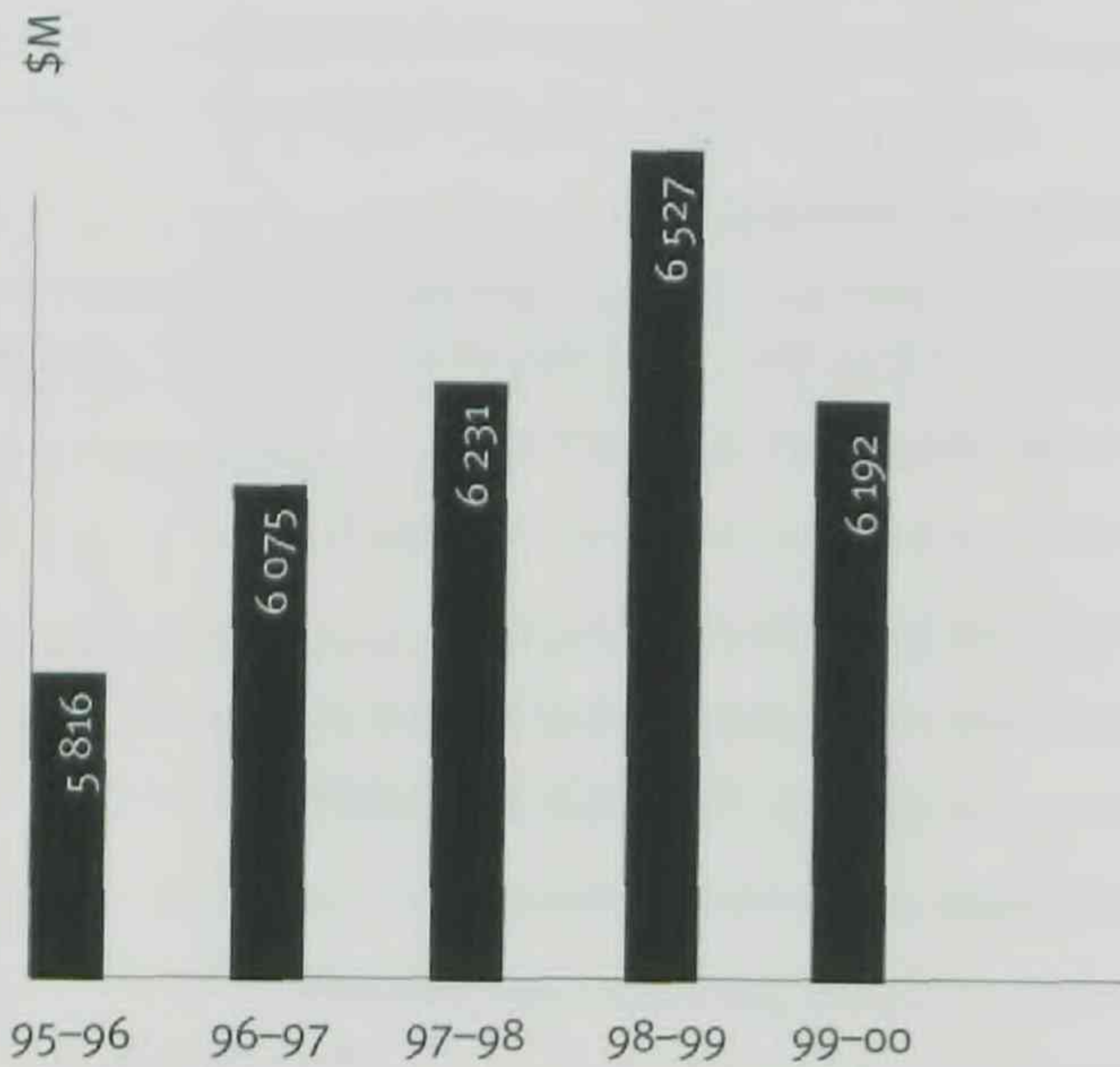
<sup>22</sup>BIS Shrapnel Economic Outlook [www.bis.com.au](http://www.bis.com.au)

<sup>23</sup>[www.landbruk.dep.no/multifunctionality/index.html](http://www.landbruk.dep.no/multifunctionality/index.html)

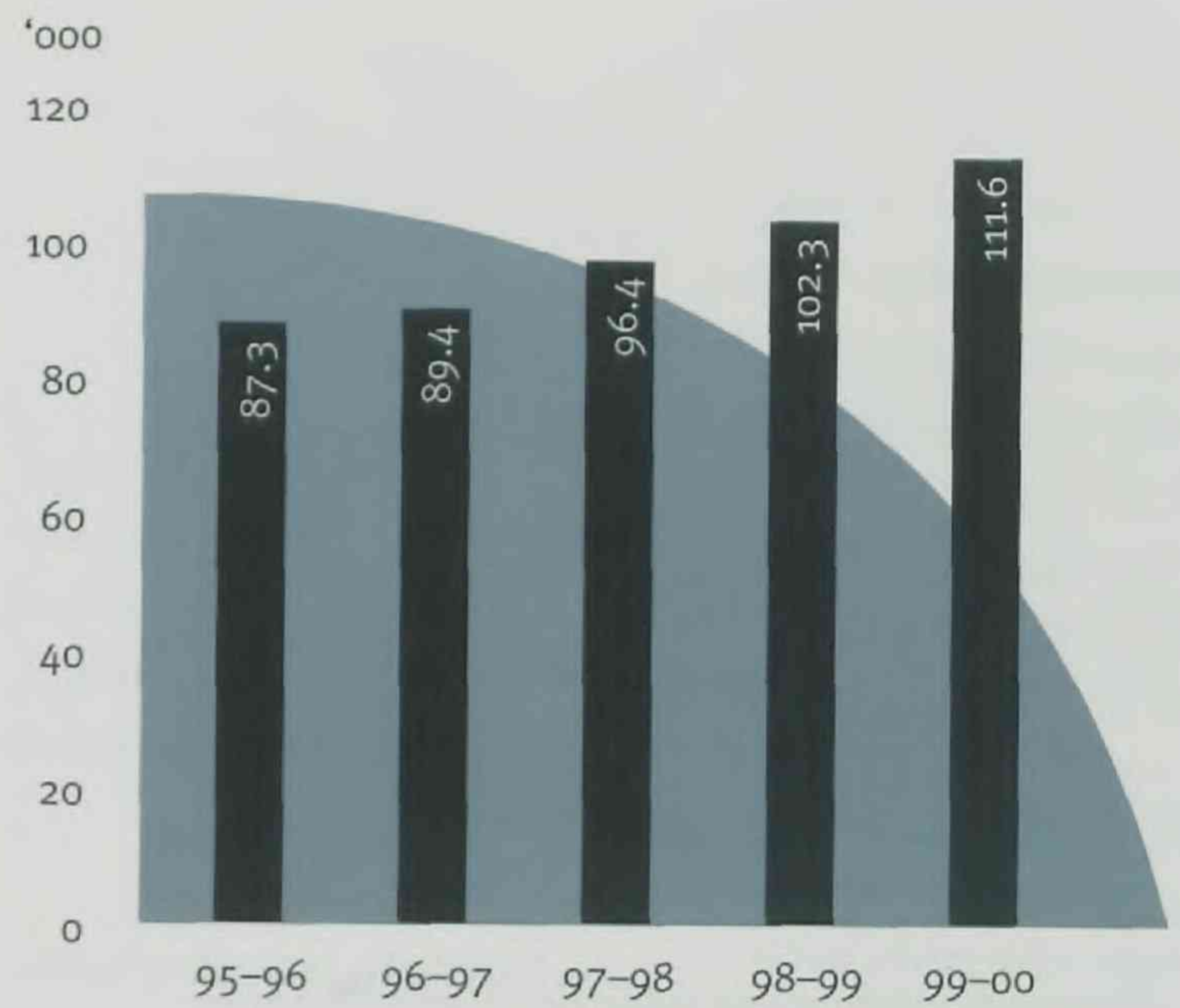
<sup>24</sup>'Big Money backed Seattle Protests' by Brendan Pearson, Australian Financial Review

<sup>25</sup>'The Use and Abuse of Multifunctionality', Economic Research Service USDA

DPI divided its business into 11 outputs in 1999–2000. To highlight our achievements, we have reported our outcomes and achievements in simpler categories.

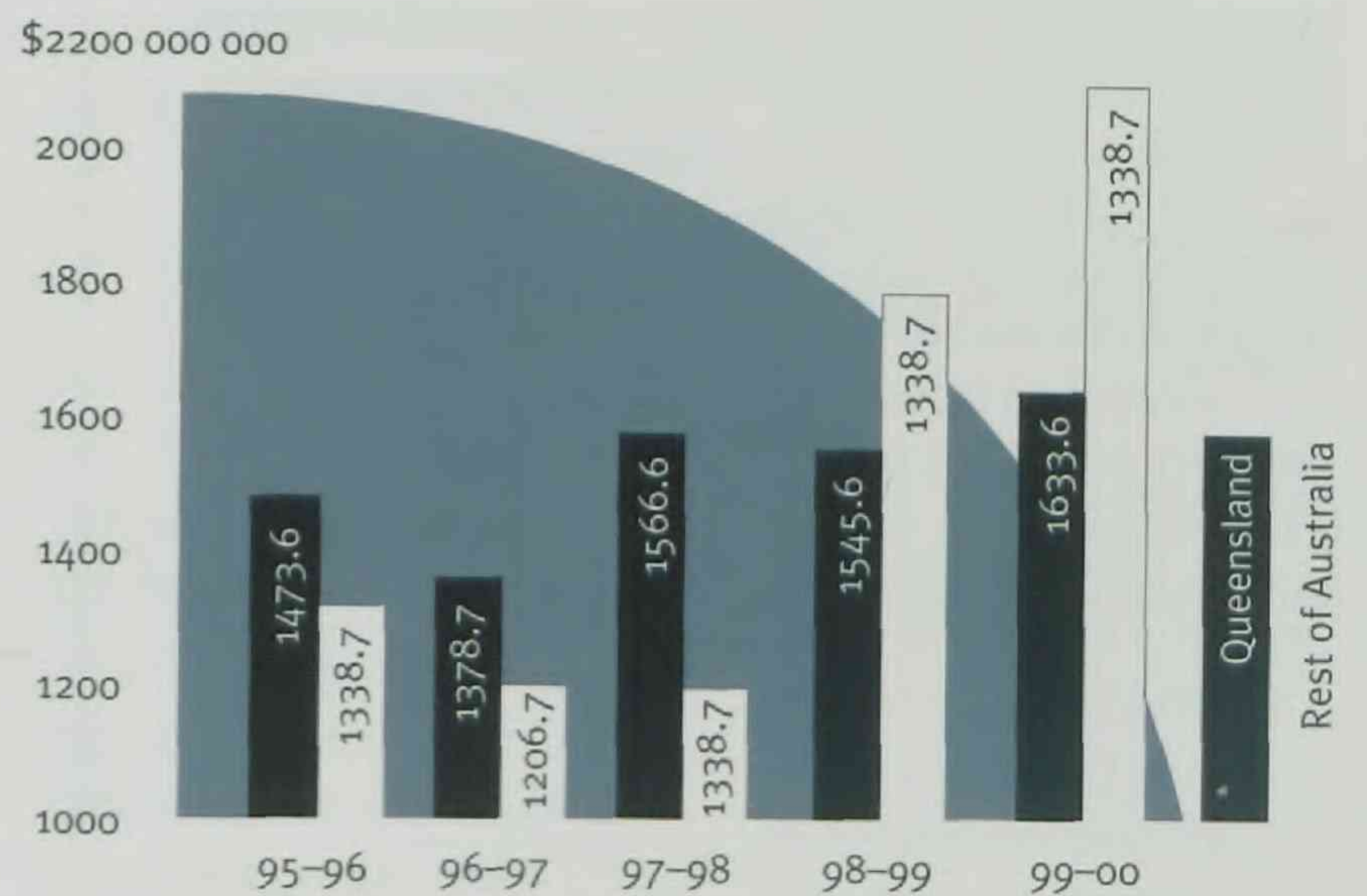


The **gross value of production** of the agriculture, forestry and fishing industries in Queensland fell to \$6.2 billion in 1999–2000, from \$6.5 billion in 1998–99. The fall can be attributed to lower value of production of cotton and sugar and to a lower value of cattle disposals.



In 1999–2000, **employment** increased in Queensland's agriculture, forestry and fishing industry by 9300 persons, an increase of 9.1%. Total Queensland employment increased during the year by 2.2%.

## outcomes

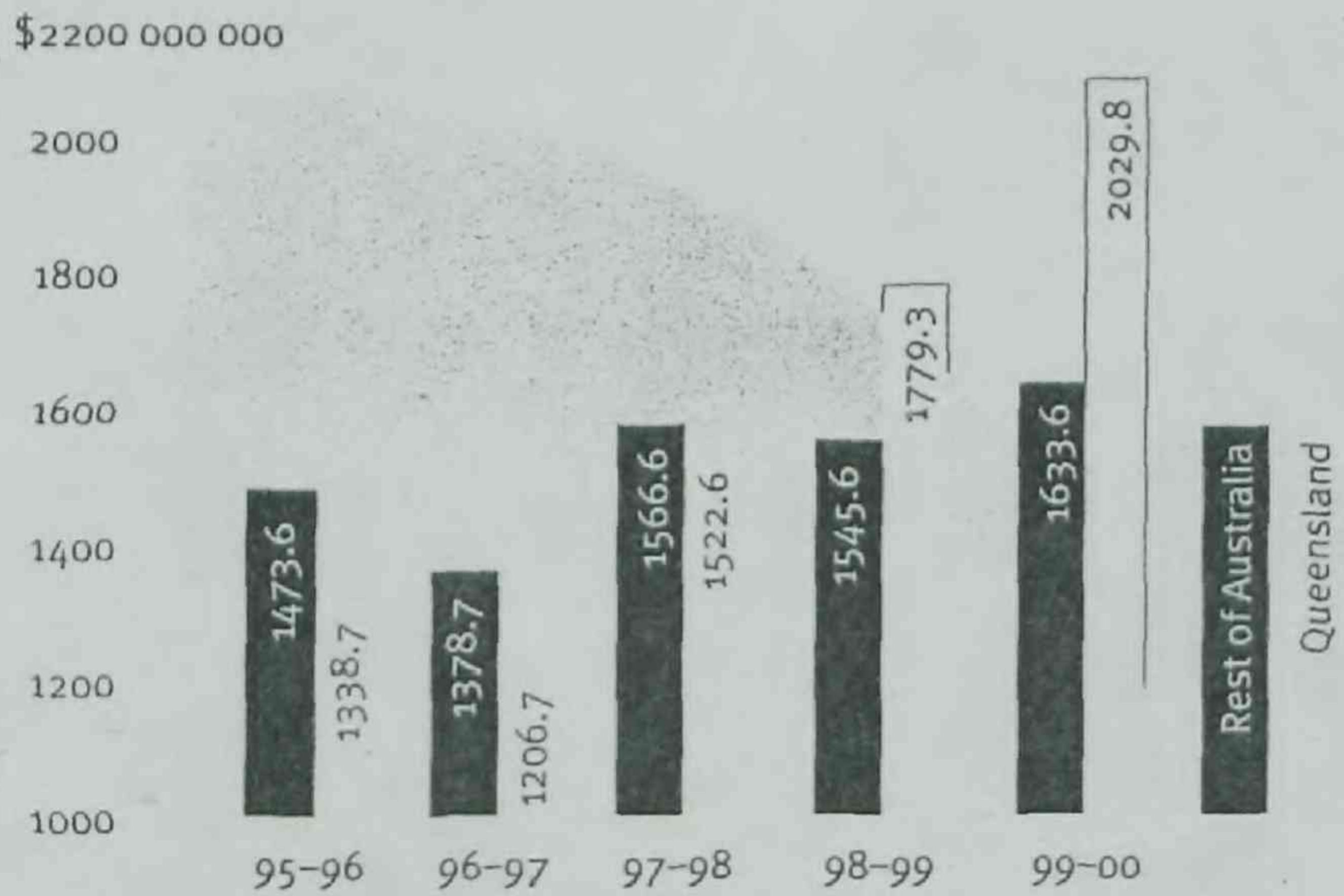


Queensland's **beef exports** exceeded \$2 billion in 1999–2000, exceeding beef exports by the rest of Australia for the second consecutive year.

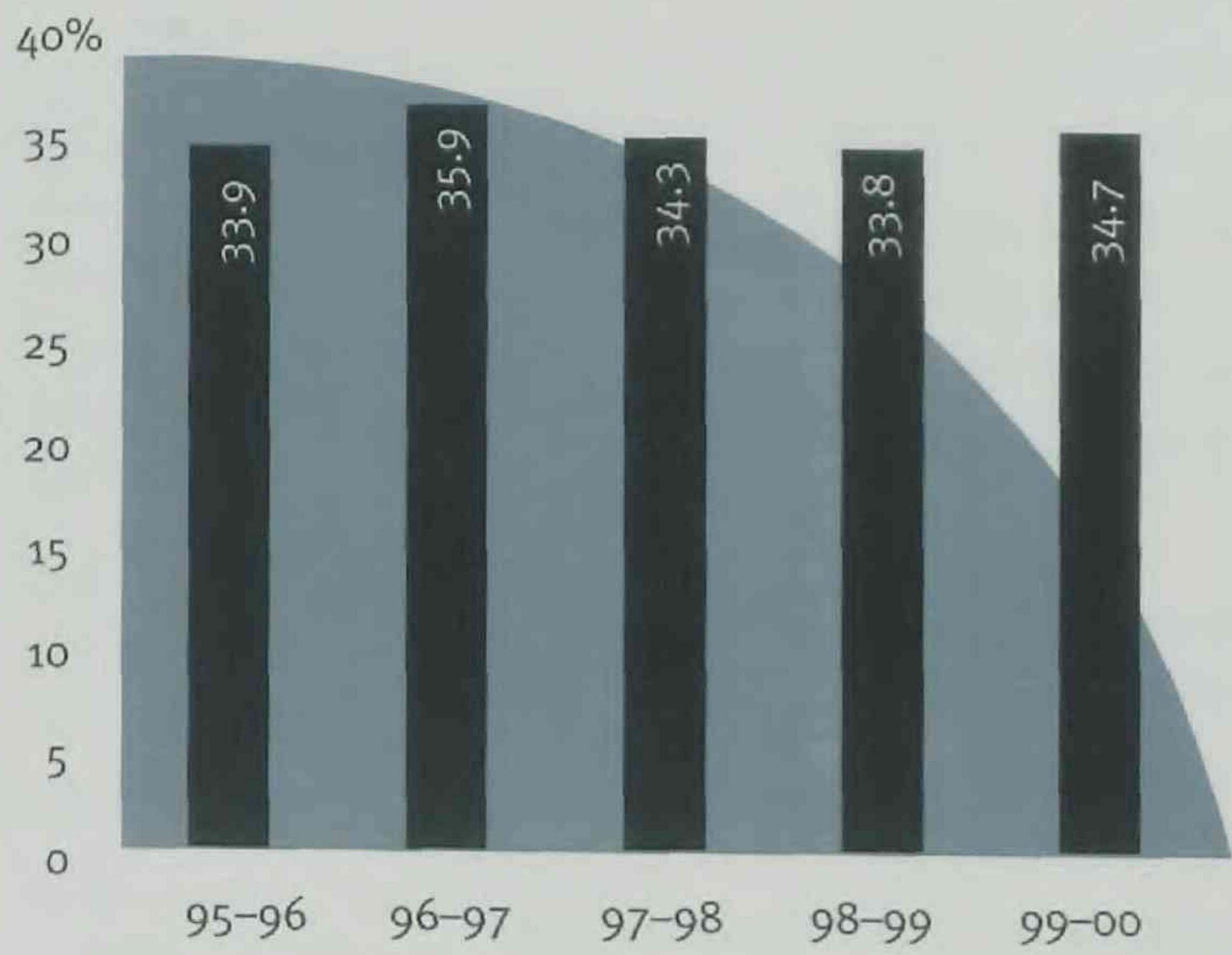
## AMENDMENT NOTICE

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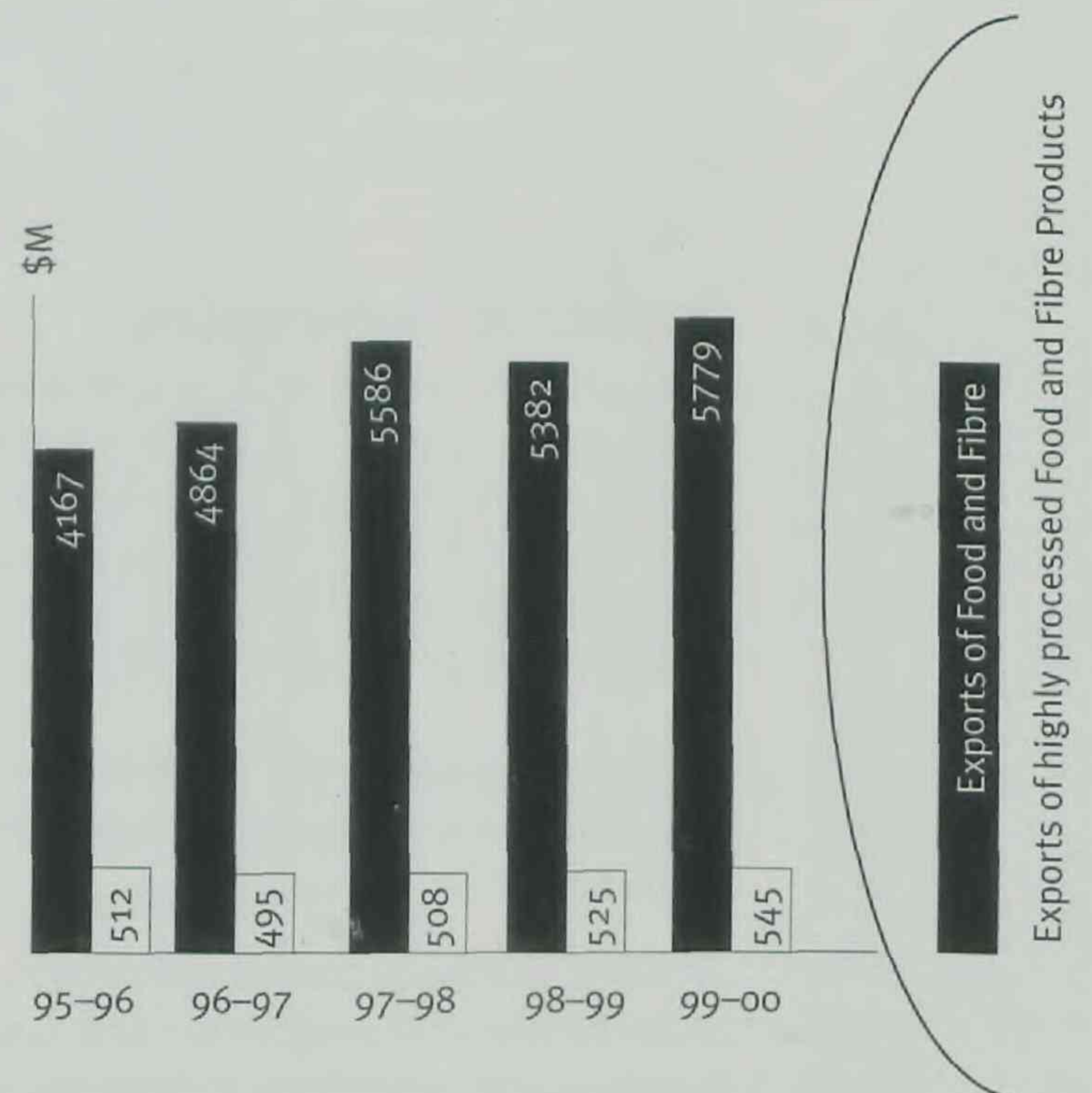
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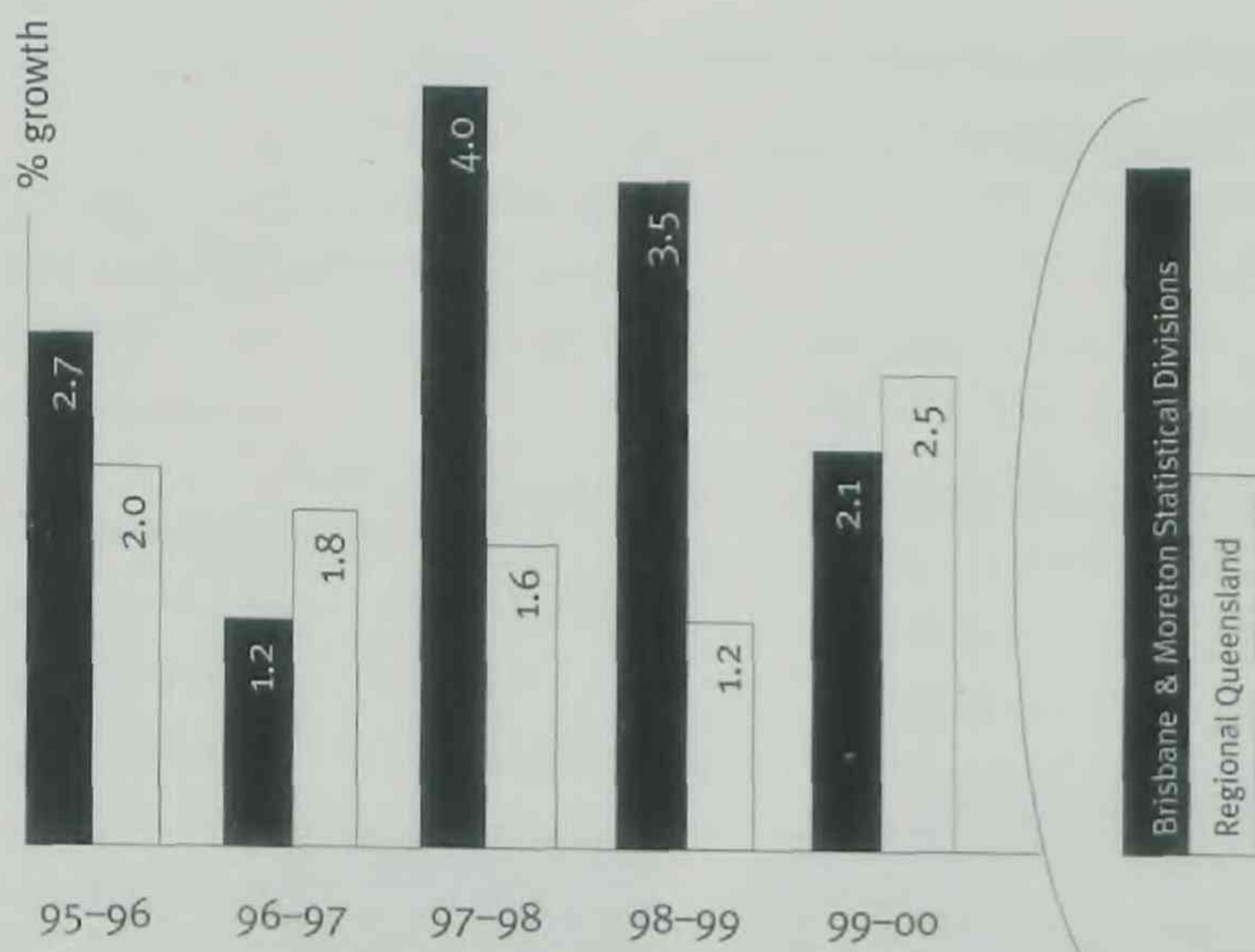
Queensland's **beef exports** exceeded \$2 billion in 1999-2000, exceeding beef exports by the rest of Australia for the second consecutive year.



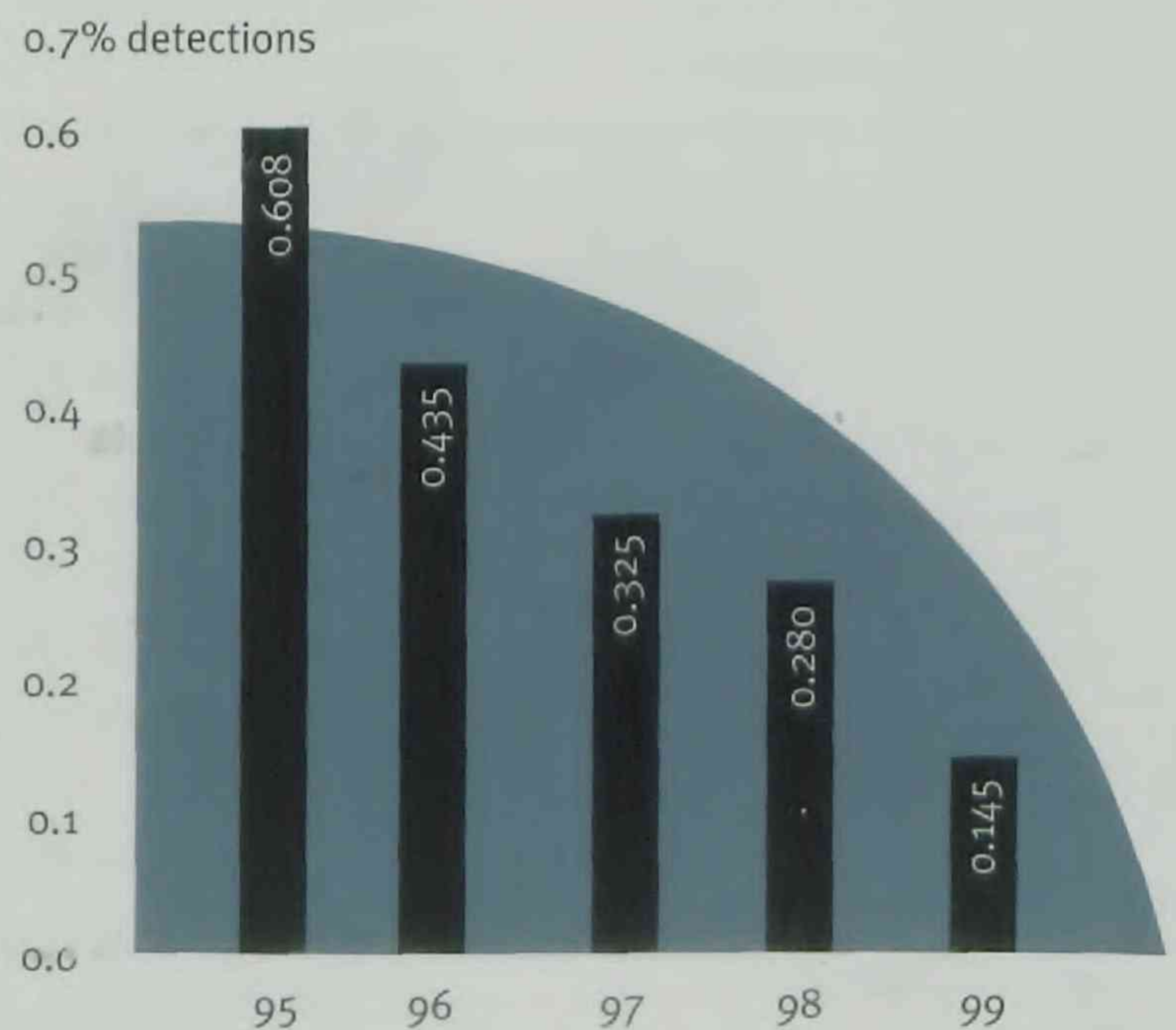
Food and fibre exports contributed more than one-third of total Queensland exports in each of the past five financial years.



The value of food and fibre exports from Queensland in 1999-2000 was \$5.8 billion, an increase of \$400 million from the previous year. Exports of highly processed food and fibre products contributed almost 10% of total food and fibre exports.



In 1999-2000, population growth in regional Queensland was 2.5%, the first time in three years that regional growth has exceeded growth in south-east Queensland.



Over the past five years the number of organochlorine detections that were greater than the minimum residue limit for beef exports have continued to fall.

# operating environment

## Corporate planning

During 1999–2000 DPI consolidated its new approach to service delivery. The Department continued to focus more on consumer needs, market demands and strengthening the food and fibre system. With the incorporation of the Office of Rural Communities into the Primary Industries portfolio, DPI has also focused more keenly on rural community development and adjustment.

Much of the thinking over the past year has culminated in a forward-looking corporate plan that breaks the mould of previous DPI documents and is in unprecedented demand.

## Performance reporting

In recent years the all-of-Government approach to Queensland priorities has put increased pressure on agencies to be more holistic in their approach to portfolio issues. For instance, it is no longer acceptable for one agency to concentrate solely on economic gain through industry while another agency concentrates solely on environmental protection. All agencies have to acknowledge their links with other departments to deliver the best service to the community.

DPI is no exception and, while retaining focus on food and fibre systems, is mindful of broader issues of economic, environmental and social sustainability in line with Government objectives.

This is also the rationale behind DPI's adoption of the 'balanced scorecard' approach to performance management and reporting. The concept behind the scorecard methodology, which is presently being implemented across DPI, is that strategies and performance reports should not be restricted solely to the services delivered. They should also include:

- the outcomes we are seeking to influence (for example, export growth);
- the quality of relationships we have with our clients and stakeholders;
- the way we encourage and develop our staff;
- our governance framework;
- the responsible way in which we use our resources.

DPI is committed to reporting regularly on its performance against each element of the balanced scorecard.



*DPI's performance management framework*

## Clients and community – meeting the needs of the people we serve

It is important that DPI's services are relevant to community and client needs. DPI has historically approached issues on an industry basis and there has been a growing recognition of the need to also consider issues on a regional basis.

An exciting service delivery pilot process has started in the Central Highlands (an area taking in Belyando, Peak Downs, Jericho, Emerald and Bauhinia Shire). By working closely

with the community, DPI has identified local priorities and changes in the industrial base—changes that have not been reflected in the mix of services we were providing.

The area is known for its beef production but potential new service priorities include DPI support for:

- low-water, low-chemical, high-value horticulture;
- establishing Emerald as a centre for rural leadership training;
- closed-system aquaculture designed specifically for the Asian market.

The challenge facing DPI is to implement service delivery shifts that have organisational, political and community support within an environment of budget constraints. Nevertheless this is a challenge DPI is willing to embrace and an expansion of the service delivery process to other specific localities is planned.

#### How we measured up

- The number of food and fibre processors who believe DPI is making a vital or great contribution to the efficiency and profitability of their business has nearly doubled since 1997.
- Both producers and processors have shown a general upward trend in satisfaction with DPI since 1997.
- DPI is continuing to provide a high level of service to about 95% of all producers and processors in Queensland.

### People, learning and growth—developing people and ideas

Given that DPI needs to be responsive to changes in the global environment, Government priorities and community needs, our key human resource focus was to develop the organisation's capability to respond to future challenges. Three core areas have been identified for attention:

#### *Developing future relevant skills and effective knowledge management*

- The first round of the Leaders on the Road Program was initiated as part of DPI's communication and leadership processes. Many of DPI's senior managers responsible for developing our policies and future direction are located in Brisbane, at some distance from statewide service delivery centres. As the name implies, Leaders on the Road is a program whereby these senior managers visit regional centres to present information and receive feedback. It facilitates common understanding of corporate and regional issues throughout the Department.

#### *Enhancing the flexibility and diversity of our workforce and workforce practices*

- Telecommuting guidelines were drafted.
- Joint research started with the University of Queensland to develop more effective strategies for enhancing flexibility and diversity of our workforce and workforce practices.
- A support network for Aboriginal and Torres Strait Islander staff was established.

#### *Developing and maintaining a constructive, achievement oriented culture*

- There was an increased focus on developing effective leadership and relationship building skills in senior leaders.
- Results from a second Organisational Culture Inventory staff survey indicated increasing constructive styles of behaviour within DPI.

#### How we measured up

- Over 60 staff attended leadership development programs.
- Expenditure on training and development exceeded the target of 5% of our salary expenditure.
- Twenty-nine trainees, with an emphasis on recruiting from historically disadvantaged groups (women, Aboriginal people and Torres Strait Islanders, people with disabilities and people from a non-English speaking background), joined DPI.

### Internal business processes—continuously improving our business performance

Foresight, a methodology that considers possible futures, continues to be an essential component of DPI's internal business planning processes. The Positioning DPI for the Future project successfully challenged staff and management to consider global trends, plausible scenarios and their implications for Queensland's food and fibre, rural communities and DPI's business.

The level of success of the project is indicated by our new-look, new direction corporate plan, developed during 1999–2000 for the five-year period starting July 2000.

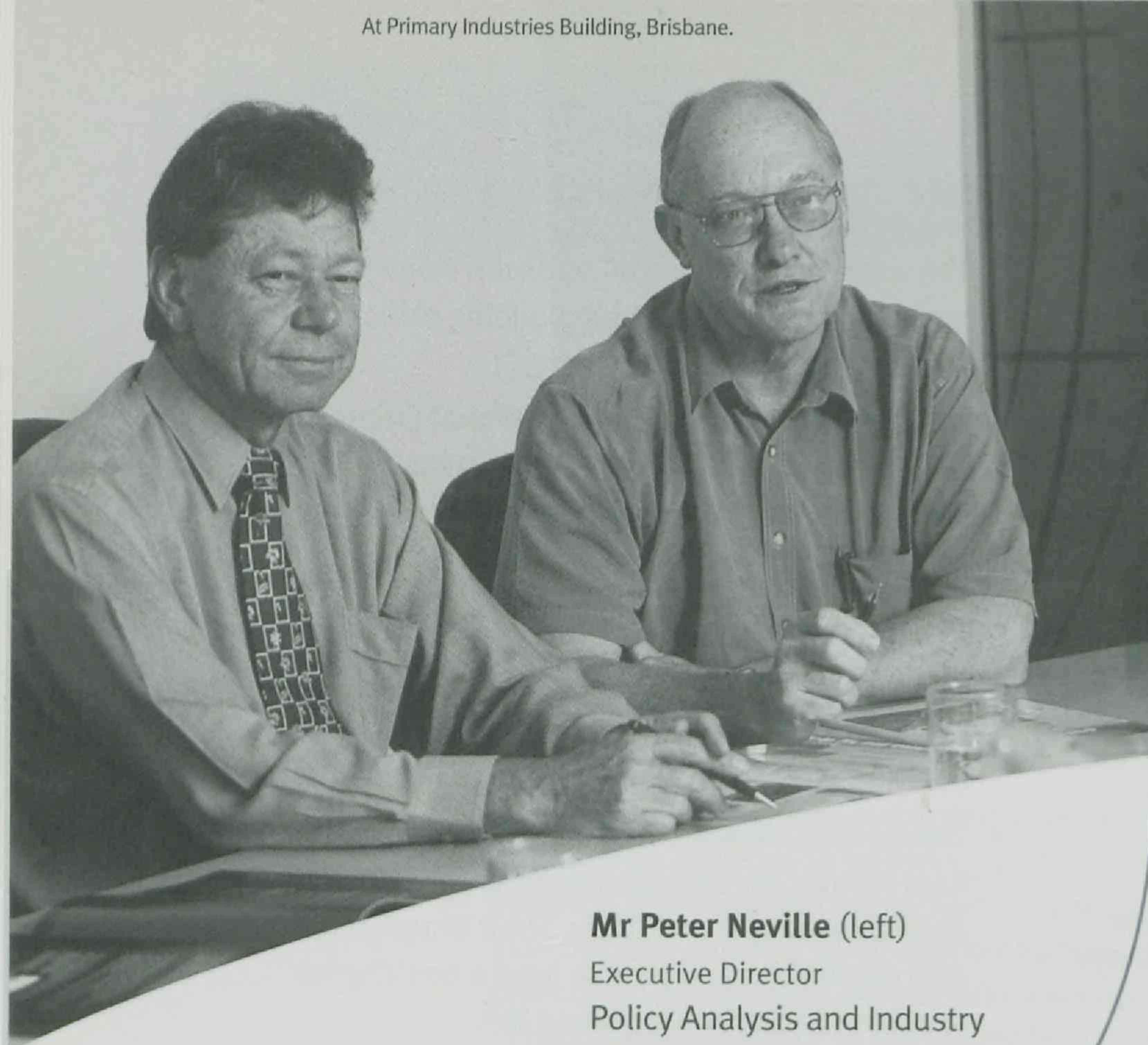
Hand in hand with improved planning processes is improved measurement of DPI achievements. Preparation of a comprehensive performance management system was undertaken during the year. The new system will track data relating to specific DPI activities and strategy implementation, as well as high level indicators relating to Queensland's trade.

#### How we measured up

- Most of the top six rated risk exposures identified on DPI's Threat Exposure Register were addressed. A review of the items rated at lower levels of risk will be completed in the coming year.
- An unqualified audit was attained for the 1998–99 financial year.

### Business intelligence system

*Resource management—using our resources wisely*  
The Government's move to accrual accounting has encouraged intense scrutiny of the way assets are used to support service delivery. Many assets had formerly been perceived as a corporate cost, but with business units now paying directly for the assets they use there is a trend towards rationalisation and sharing of assets between business units. This encourages the full use of assets to obtain best value for money. We expect that this trend will continue into the coming year.



**Mr Peter Neville** (left)  
Executive Director  
Policy Analysis and Industry  
Development

**Mr John Pollock**  
Executive Director  
Fisheries



**Dr Joe Baker** (left)  
Chief Scientist

**Dr Peter White**  
Executive Director  
Rural Industry Business  
Services

**Dr Rosemary Clarkson**  
Executive Director  
Agency for Food and Fibre  
Sciences

**Mr Kevin Dunn**  
Executive Director  
Animal and Plant Health  
Service

**Mr Ron Beck** (left)  
Executive Director  
Forestry

**Dr Warren Hoey**  
Director-General

**Mr Terry Johnston**  
Deputy Director-General

**Mr John Skinner**  
Executive Director  
Corporate Performance

## senior management

1999-2000



At Farm  
Market  
Brisbane

# staff

## Achievement highlights

- Over 60 staff attended leadership development programs during 1999–2000.
- Exceeded the 5% minimum target for expenditure on training and development.
- Implemented draft guidelines for telecommuting.
- Started a joint DPI–University of Queensland research project to develop more effective strategies for enhancing flexibility and diversity in the workforce.
- Piloted a Post Retirement Employment Scheme to assist staff make the transition to retirement.
- Employed 29 trainees, including four Aboriginal and Torres Strait Islanders (ATSI).
- Established a support network for ATSI staff and conducted six cultural awareness workshops and four ATSI training skills workshops.
- Conducted the second Organisational Culture Inventory (OCI) staff survey. Results indicated increasing constructive styles of behaviour within DPI.
- Successfully managed significant organisational change over the past 12 months, including establishment of the Agency for Food and Fibre Sciences, Policy Analysis and Industry Development and the Queensland Fisheries Service business groups.
- Initiated first round of Leaders on the Road as part of DPI's communication and leadership processes.





## Our people

During 1999–2000, DPI made significant shifts in strategic direction and organisational structures. Supporting our staff during this period and assisting them in responding to future challenges was a key priority. We focused on three core areas to achieve this:

- Developing future-relevant skills and effective knowledge management.
- Enhancing the flexibility and diversity of our workforce and workforce practices.
- Developing and maintaining a constructive achievement oriented culture.

### Future-relevant skills and effective knowledge management

DPI maintained its commitment to staff development, with 5% of salary budgets being spent on targeted training and development activities for staff.

There was an increased emphasis on developing effective leadership and relationship building skills in senior staff. Over 60 DPI staff attended leadership development programs during the year and this focus will continue during 2000–01. Several in-house Leaders in Action Programs will be held in addition to other Queensland Public Service and DPI leadership programs.

Priority future skills for DPI have been identified and development activities will focus on building the capability of staff in these areas during the coming year.

### Enhancing the flexibility and diversity of our workforce and workforce practices

DPI recognises that building a diverse and flexible workforce is an effective business practice.

The successful launch of the ATSI Employment Strategy was consolidated during the year. Six cultural awareness workshops were conducted and support network and skills training programs were established for ATSI staff.

Twenty-nine trainees were employed during the year, of whom four are Aboriginal people or Torres Strait Islanders, one has a disability, two are from non-English speaking backgrounds and 23 are women.

DPI and the University of Queensland have established a three-year joint research project to investigate and develop more effective strategies for enhancing flexibility and diversity in the workforce.

We piloted several new processes during the year to promote greater workforce flexibility and diversity, including a Post Retirement Employment Scheme to assist staff make the transition to retirement.

### Developing and maintaining a constructive achievement oriented culture

Results from the second OCI staff survey indicated increasing constructive styles of behaviour within DPI.

We successfully managed significant organisational change over the past 12 months, including establishment of the Agency for Food and Fibre Sciences, Policy Analysis and Industry Development and the Queensland Fisheries Service business groups.

Communication to staff and their involvement were an active part of the process.

The first round of Leaders on the Road was initiated as part of DPI's communication and leadership processes. The second round is planned for September 2000.

The Department offers its condolences to the family and friends of Barry Wilson, of Passchendaele, and Roger Burgess, of Gallangowan, who passed away during the year.



### Ethics and whistleblowers protection

DPI continues to implement the *Public Sector Ethics Act 1994*. Our Code of Conduct, which was published in 1996, provides standards of conduct for its public officials consistent with the ethics obligations in the Act. All DPI staff have received extensive education and all new staff are educated on the Code's requirements. Electronic versions of the Code are available to all staff.

DPI's whistleblowers protection policy details the support and protection for whistleblowers and acts as a guide for making and handling public interest disclosures. Staff are aware of their entitlements and training kits have been issued to all managers. In 1999–2000, no public interest disclosures were reported to the Director-General under the *Whistleblowers Protection Act 1994*.

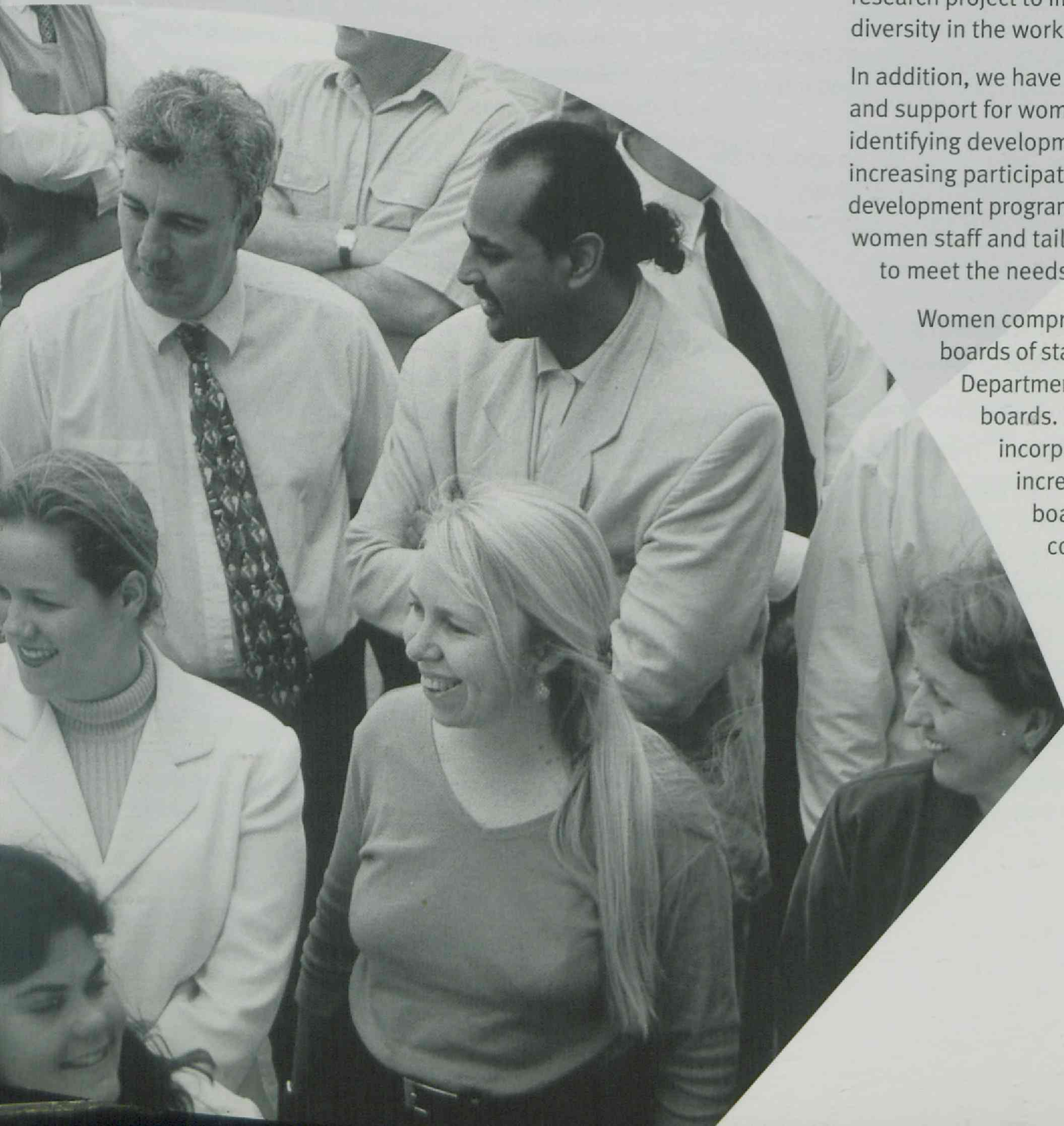
### Women

Women comprise 15% of Senior Executive Service and Senior Officer Positions and 16.7% of AO6 and above positions in DPI.

Building on its comprehensive Work and Family Policy, DPI has implemented a policy for telecommuting and is participating in a joint DPI–University of Queensland research project to improve strategies for flexibility and diversity in the workforce.

In addition, we have focused on career development and support for women staff members. These include: identifying development needs of senior women, increasing participation of women in leadership-development programs, electronic discussion group for women staff and tailoring the DPI mentoring scheme to meet the needs of women.

Women comprise only 1.95% of members of the boards of statutory bodies associated with the Department and just 14.4% on non-statutory boards. DPI has developed a policy, which incorporates best practice strategies for increasing the number of women on boards, for selection of board and committee members.



# corporate governance

The major role of the Board of Corporate Governance is to assist the Director-General in ensuring that corporate management performs effectively, achieving its objectives while managing risk.

## Functions of the Board

The Board's functions are to:

- review strategic direction;
- monitor implementation of business plans;
- ensure compliance with statutory requirements;
- manage risk by identifying the principle risks of the business and ensuring the implementation of systems to manage those risks;
- monitor organisational performance against strategies to ensure the suitability of those strategies and the performance of management;
- continually review comprehensive operating information, especially financial information, to understand at all times the health of the Department;
- ensure the Department and its officers act legally, responsibly and ethically on all matters, endorsing the Code of Conduct;
- determine that the Department has instituted adequate reporting systems and internal controls;
- ensure the Department has an appropriate policy that enables it to effectively communicate with stakeholders and the public.

## Board membership

Board membership in 1999–2000 was:

- Dr Warren Hoey, Director-General and Chair
- Terry Johnston, Deputy Director-General
- Peter Neville, Deputy Director-General (Queensland Fisheries Service)
- John Skipner, Executive Director (Corporate Performance)
- Roger McComiskie, Partner (Pricewaterhouse Coopers)
- Pauline Pender, Managing Director (Corporate Impact Australia) — member until 15 May 2000
- Jenny Parker, Partner (Arthur Anderson) — member from 15 May 2000.

## Board of Corporate Governance committees

The five committees within the Board of Corporate Governance were:

- Risk management
- Legislation
- Internal audit
- Finance
- Workplace health and safety.

## Risk management

### Achievement highlights

The Integrated Environmental Management Compliance System (IEMCS) project was progressed and is nearly completed. Acceptance testing is due to start in the latter part of 2000. This system will enhance DPI's capacity for environmental management.

A Corporate Threat Exposure Register was established and maintained by the Risk Management Coordinating Committee (RMCC). The register identified a priority list of threats faced by the Department. Issues on the register were included as key goals for risk-management activities throughout the year and will form the basis for ongoing work in this area.

The RMCC (through the Environmental Working Group) supported planning and training in several areas related to protection of the environment. These activities included training programs for DPI staff on legislative requirements under the *Environmental Protection Act 1994*. Other related matters included the promotion of increased awareness of safety in the management and handling of hazardous substances across the Department.

The Emergency Response Management Task Force (ERMTF) maintained its level of preparedness throughout the year. The ERMTF also participated in planning for a major trial of national arrangements for responding to animal health emergencies in cooperation with Western Australia, the Northern Territory, the Australian Quarantine and Inspection Service, and the Defence Forces.

## Legislation

The Legislation Committee determines the priority of proposed legislation for the Department's legislation program and ensures smooth passage of that legislation.

### Achievement highlights

Six primary industry Acts were passed by Parliament this year and a seventh was introduced. The passage of these Bills represented the culmination of an extensive and diverse reform program, with each of the seven items of legislation containing significant new policy initiatives.

In the sugar industry, the Sugar Industry Review Working Party Report of 1996 was implemented in 1999, giving the sugar industry a more commercial focus and increased responsibility in managing its own affairs. In 2000 the process was continued through transfer of the marketing and bulk sugar management functions of the Queensland Sugar Corporation to industry-owned companies.

New dairy industry legislation allowed the Queensland dairy industry to participate in the Commonwealth Dairy Industry Adjustment Program.

Deregulation of the industry was forced on Queensland by the deregulation that occurred in Victoria.

Legislation was passed to facilitate the transition of statutory primary producer representative bodies to non-statutory legal entities.

In the fishing industry, the Queensland Fisheries Management Authority was abolished and new institutional arrangements for fisheries were implemented in the Department. The national docketing system, to detect illegally collected abalone, was also introduced.

The Brisbane Market Authority became a corporation and national competition reviews of chicken and grain legislation were implemented.

In addition, a Bill was introduced to ensure that primary produce produced in Queensland is safe for consumption.

## Internal Audit

### Achievement highlights

The Internal Audit Committee undertook a self-assessment of its composition and activities as measured by the guide *Audit Committees – Good Practices for Meeting Market Expectations*. The results indicated it was successfully meeting its objectives. The committee also:

- reviewed, approved and monitored Internal Audit's 1999–2000 audit plan;
- reviewed reports by Internal Audit to ensure that long-term corrective actions were taken;
- maintained the Departmental focus on self-assessment;
- held regular meetings with staff from the Queensland Audit Office;
- reviewed all reports from the Queensland Audit Office and the action taken to deal with the matters raised;
- monitored risk areas facing the Department;
- reported on high-risk areas in terms of financial accountability, and reported on them to the Board of Corporate Governance;
- reviewed and endorsed the Department's financial statements before signing by the Director-General.

## Finance

The Finance Committee continued to oversee the financial management of the Department and to report any important issues or concerns to the Board of Corporate Governance. From time to time their deliberations included statutory bodies in the Minister's portfolio.

### Achievement highlights

- Prepared, monitored and reallocated the Budget.
- Implemented strategies to meet financial performance targets.
- Examined business risks and implemented associated strategies.
- Analysed the monthly performance of business groups.
- Examined and approved corporate financial policies.

## Workplace health and safety

Workplace health and safety (WH&S) focused on training and awareness, and the continuation of prevention, participation and consultation in WH&S practices.

The Workplace Health and Safety Action Committee continued to identify areas for improvement and implemented mechanisms to increase knowledge and awareness of health and safety issues throughout the Department.

### Achievement highlights

- Successfully managed Y2K.
- Organised the Workplace Health and Safety Officers Conference 2000 throughout the Department for WH&S officers and work site supervisors.
- Surveyed WH&S staff to identify resource and education needs.
- Continued DPI Safety Week concept.
- Released management procedures for Hazardous Substances and Dangerous Goods Guide.
- Incorporated information on WH&S practices into DPI's Intranet Induction Package for new employees.

## Investing in knowledge economy

DPI's commitment to science and technology is significantly greater than that of any other Queensland Government department. In 1999–2000 we invested over \$100 million in research and development (R&D) and this investment will ensure that technology-based innovation continues to enhance sustainable production and employment growth in Queensland's food and fibre sector.

DPI's Office of the Chief Scientist was established in 1998–99 to maximise the effectiveness and efficiency of our investment in science and technology, and to inject a stronger science and technology perspective into Government policy analysis. With the appointment of Dr Joe Baker as Chief Scientist in June 1999, the work of the Office of the Chief Scientist developed momentum in 1999–2000.

The Queensland Food and Fibre Science and Innovation Council was established to provide independent strategic advice to the Government on priorities for food and fibre science and innovation, and to facilitate alliances with research and business organisations in Australia and overseas. Thirteen members with wide-ranging experience in business, industry, academia, government and the community were appointed to the Council, which is chaired by the Minister for Primary Industries.

Dr Baker carried out two reviews in the last half of 1999. The first was a review of five DPI Institutes. The review highlighted aspects of Institute operations that were working well and identified improvements that were introduced as these Institutes were incorporated into the Agency for Food and Fibre Sciences.

The second review was of the alignment of DPI's R&D effort with Government priorities. This review found that DPI's R&D effort was generally aligned with Government priorities, but that our effort needed to be more responsive to shifts in Government and Departmental priorities. The review also highlighted the need to increase DPI's commitment to strategic research to strengthen the future success of our applied research. Both issues are being addressed.

In addition, the Office of the Chief Scientist provided professional support to an all-of-Government R&D review that was initiated by the Department of the Premier and Cabinet.

DPI continued to emphasise its commitment to regional Queensland and to ecologically sustainable development. These commitments required close collaboration with many other government agencies and organisations.

The Office of the Chief Scientist coordinated DPI's involvement in 27 projects sponsored by the Australian Centre for International Agricultural Research (ACIAR) and the Australian Agency for International Development (AusAID). These organisations contributed over \$3 million in external funding to DPI and the project work has benefited both Queensland industry and developing countries.

Dr Baker travelled within Australia and overseas to promote the Queensland Government, DPI and industry's interests. He attended the National Innovation Summit in Melbourne, which focused on how the results of research and development could be more effectively transferred to commercial and community benefits. He also delivered the keynote address to the 350th Anniversary of the Russian Academy of Sciences in Vladivostok.

Sustainability is part of the triple bottom line—economic, social and environmental—of the Queensland Government and DPI is collaborating with other organisations on the development of indicators of progress towards sustainable development.

# chief scientist


# food and fibre science and innovation

Food and fibre science and innovation deliver solutions along food and fibre supply chains to meet the economic, social and environmental expectations of consumers and the community through innovative research.

Technical innovation has been shown to be the single most important determinant in long-term economic growth. DPI has brought together all food-and-fibre related research, development and extension into an integrated technical environment—the Agency for Food and Fibre Sciences—with more than 1500 staff in 150 centres.

The new agency was created to more effectively implement and coordinate Government policy for the consumers of food and fibre products. As a result, Queensland will now be recognised as a source of new, attractive, safe and ethically produced food and fibre products tailored to the needs of domestic and world markets.

Handcrafted harp from laminated Queensland beefwood.





Wool—the natural fibre for today's lifestyle.

## Achievement highlights

### Emerging and innovative science and technology

- A probiotic drench, which has friendly bacteria for healthy digestion was commercialised. It prevents acidosis in feedlot cattle and improves feed usage. This greatly improved economic and environmental returns.
- Low-heat disinfestation technology was developed for non-chemical treatments for pests and diseases for horticulture exports.
- A paper mulch film was produced to replace plastic mulch for intensive vegetable production.

### Biotechnology

- Resistance to virus in lettuce and peanuts was increased and blemishes such as blackheart in pineapples eliminated.
- User-friendlier, protective tick fever vaccines for cattle were introduced, resulting in fewer losses for producers and reduced use of chemicals.

### Landscape management

Managing for a sustainable environment will become the cornerstone of our food and fibre industries and communities.

Information from 130 permanent vegetation management sites was combined with powerful software modelling tools to assess different management strategies for the land. The results have caused an international 'rethink' on methodologies for carbon accounting and carbon trading.

A \$1.22 million project on grazing management and landscape viability of the floodplains of the Channel Country was started. Widespread floods early in 2000 gave this project, which will develop improved practices, an exceptional start. Elsewhere, run-off from grazing land and the downstream impacts in the Burdekin

catchment were analysed to enhance management and links between the co-dependant beef, agriculture, fishing and tourism industries.

The *Giant Rats Tail Grass Best Practice Manual* has supported a combined effort to train thousands of people in government, grazing industries, local authorities, public utilities, agribusiness and community groups to recognise and eradicate this undesirable weed.

### Food integrity

Food integrity is what consumers think about food in terms of where it comes from, what is added to it and how it is handled and produced. AFFS has:

- improved understanding of the spread of some bacteria and contributed to safer chicken meat for human consumption;
- as a partner in the Cooperative Research Centre for Beef Quality, developed and licensed producers to supply to a beef eating quality label known as 'Meat Standards Australia';
- initiated a successful on-farm food safety program for marketing fresh horticulture produce.

### Value enhancement

Capilano's MediHoney, Australia's first registered wound-healing honey, was released. The product is sold nationally through pharmacies.

The new B74 mango variety, with its sunset red cheek, fabulous flavour and fibre-free texture, sold for up to \$35 a fruit in trial exports to France. The high-yielding, early strawberry variety Karbarla, bred by AFFS, achieved \$5 a punnet, an indicator of the market premiums available for customised products.

Three new wheat varieties have boosted trade opportunities in bread and noodle markets in Australia and overseas, and strengthened Queensland's reputation as a major supplier to the \$570 million per year yellow alkaline noodle market in Asia.

### Trade and market development

The rare and endangered Wollemi pine, or 'dinosaur tree', is being propagated in Queensland for the international plant market in a royalty-based commercial agreement. In 2005, the pine will become a multi-million dollar export, targeting South-East Asia's indoor plant market.

In other developments:

- Olive growers in the Burnett, Kolan and other regions have targeted extra virgin olive oil production with world's best quality assurance as a marketing edge.
- A Chinese feedlot consortium has contracted AFFS scientists to provide technical support to a new 'model' feedlot in China. Most of the annual exports of 25 000 cattle for the project will come from Queensland and be shipped through our ports.

## Extension

A new publication, *Frost Risk in Eastern Australia*, will save hundreds of thousands of dollars through management of frost risk. More than 10 000 copies of two new books in the successful Grazier Guide series (*Managing Grazing in Northern Australia* and *Managing Grazing in the Semi-Arid Woodlands*) and the two volume set, *Pasture Plants of North West Queensland* and *Trees and Shrubs of North West Queensland*, were also printed.

Other highlights included:

- a teaching garden with TAFE at AFFS's Centre for Amenity and Environmental Horticulture, Redlands, from Centenary of Federation funding;
- accreditation by the Vocational Education Training and Employment Commission of a climate risk course for vocational education prepared by the Queensland Centre for Climate Applications, part of AFFS;
- continuing work to develop a nutrition education package for training modules for beef producers for Meat Livestock Australia.

## The future

Both innovation and customisation will determine Queensland's global competitive advantage in the 21st century. This knowledge will see AFFS making the following strategic shifts in direction.

- **Biotechnology:** Focus on innovation that can be applied across several industries, vaccine development and plant breeding.
- **Agricultural engineering:** Emerging areas of precision agriculture.
- **Landscape management:** Application of climate forecasting to greenhouse initiatives and carbon sequestration (soil and plants); waste minimisation and use; multiple use of water and water efficiency; areas of regenerative agriculture.
- **Extension:** Focus on supply-chain management and development, and strategic, planned extension in support of community development initiatives in regions.

- **Food integrity:** Food safety on farm; consumer demand for organic products and ethical attributes.
- **Community development:** Increasing community and industry knowledge and skills to encourage uptake of new technologies, marketing and strategic business alliances.

During 2000–01, AFFS outputs will include many wide-ranging activities.

## Emerging and innovative science and technology

Near-infra-red technology will be a major tool in precision farming, sensing crop requirements for water, nutrients or biopesticides, and animal nutrition with real-time analysis of dung. Producers will also be using 'smart mapping' technology (analysing yield, protein level and soil type) to enhance precision in applying fertilisers and monitoring and directing chemical sprays.

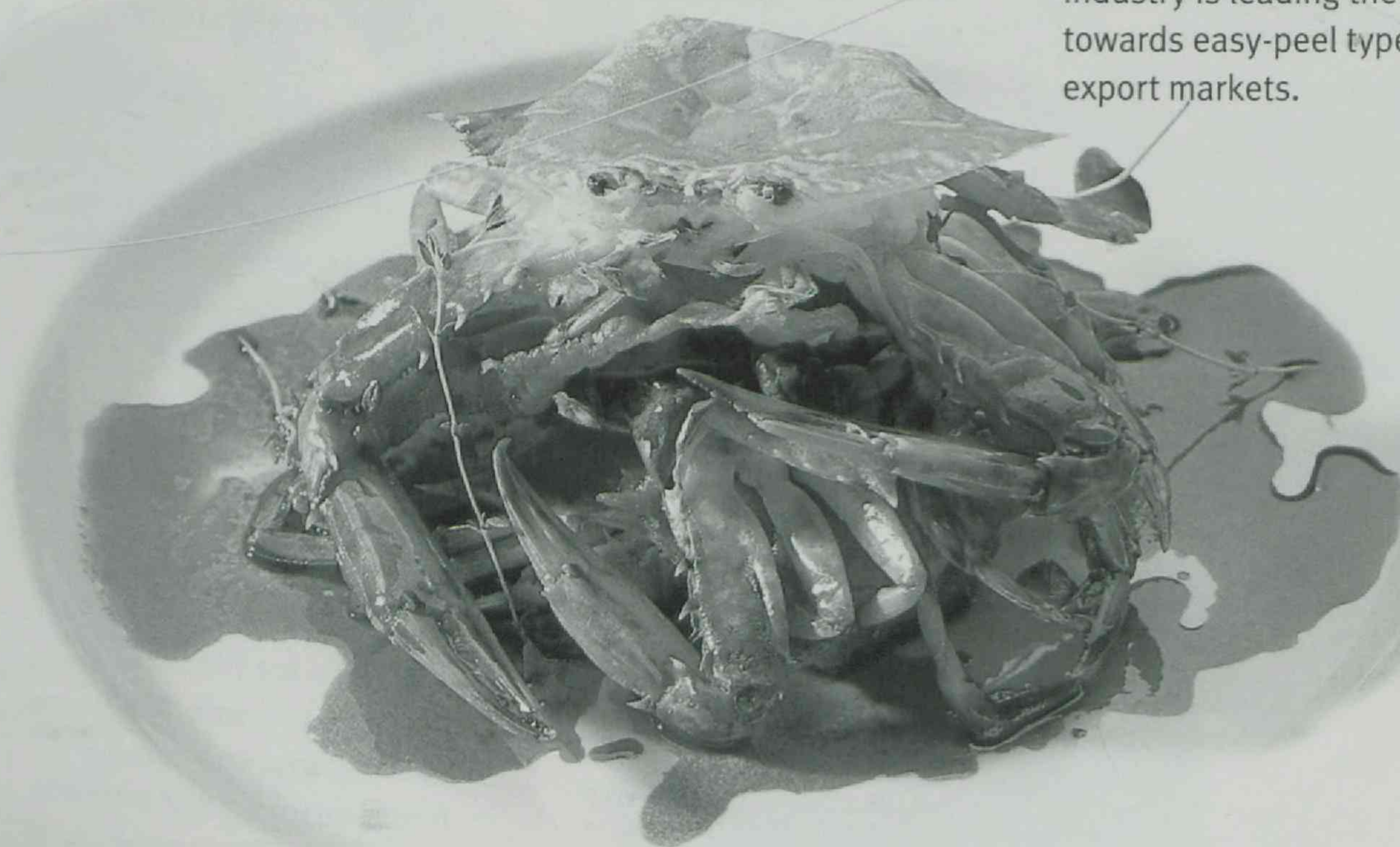
The influence of astronomical tidal systems will be studied to forecast climate and temperature decades ahead. In this way, risk from frost or high temperatures can be reduced for horticulture production.

Other prospects include:

- special feeds to meet efficiency, health and effluent standards for intensive livestock industries and transfer of native mammalian gut microbes to beef cattle to improve the efficiency of grazing on native grasses;
- vaccines for the control of sheep blowfly, and technology for producing finer wool for 'lifestyle' fabrics;
- biopesticides to give producers more options for the effective management of crop-damaging insects and to add highly desired environment-friendly attributes to retail products.

## Biotechnology

Field trials of transformed pineapples will start with uniform flowering and resistance to the disease blackheart. A low-seed variety of Murcott mandarins will also be commercialised. The Queensland mandarin industry is leading the Australian industry in its move towards easy-peel types, particularly those sought on export markets.



Soft-shelled blue swimmer crabs – a highly prized delicacy.



Cattle health will be improved and greater productivity will result from the development of live-viral vaccines to combat respiratory disease in feedlot cattle and bovine herpes and pesti viruses.

Development of higher yielding and more disease resistant wheat and barley varieties will be faster, thanks to doubled haploid technology which accelerates the breeding process significantly.

New technology to detect the disease barramundi nodavirus will remove the nodavirus from production systems and reduce the risk of transmission to native freshwater fishes.

### Expert decision systems

Expert decision systems will allow efficient, low impact and high margin food production.

The Regional Commodity Forecasting System (RCFS) that can forecast the yield of wheat before it is planted will now be tested for sorghum. In pigs, the PigPulse production decision support system will be enhanced.

Work on Global Positioning Systems and technically advanced fish finding equipment will enhance the ability to locate fish aggregations and improve effective fishing effort.

### Landscape management

Environmental management is part of the triple bottom line—economic, social and environmental—of responsible government. In 1999–2000, AFFS will:

- link improved long range climate forecasting, breakthroughs in extrapolating historical climate events, and computer modelling to reduce degradation and losses from failed crops, and to improve plant breeding to withstand extreme variations in climate;
- establish a special laboratory for research into natural defence compounds against disease in horticulture crops;
- measure odour emissions and other factors to develop suitable control measures to harmonise co-location of intensive animal industries with surrounding communities;
- investigate the biological, economic and social implications of more intensive dairy farming to assist the Queensland industry adjust to deregulation;

- encourage agro-forestry in degraded river frontages to reduce run-off and sedimentation, increase the carbon store and have minimal impact on beef production;
- explore the use of finfish to improve water quality in nutrient rich wastewaters such as aquaculture operations, sewage treatment plants and catchment lagoons;
- revegetate roadsides with commercial native grasses to reduce labour costs for maintenance.

### Water

The effectiveness of spreading effluent and sludge from intensive animal industries onto the land to increase the absorption of organic phosphorus and reduce the run-off into watercourses will be studied. Toxic bluegreen algae, which bloom in phosphorus-rich waters, are a frequent problem in our watercourses.

The efficiency of irrigation water use will also be examined and methods studied to minimise nutrient and water losses from dairy, horticulture and cotton systems.

Freshwater flow requirements of ecosystems in the Port Curtis and Fitzroy River estuaries will be investigated and, in the longer term, used in Water Allocation Management Plans.

Wastewater will be used on subtropical turf grasses for open space parklands, sporting grounds and residential development.

### Food integrity

Consumers want food and fibre that is produced ethically and with minimal harm to the soil or system in which it was grown. This will be met through:

- an increased understanding of *Campylobacter* sp. strains and transmission methods in meat chickens to reduce carcass contamination and food poisoning;
- modifying farm practices to offset the effect of climatic conditions and forage characteristics on protein levels in drinking milk and in milk for cheese making;
- meeting international standards for control of insects in stored grain through grain cooling, drying and quality monitoring;
- developing a coccidiosis parasite vaccine for young poultry to reduce chemical medication and support free range systems.

### Value enhancement

The increased demand for food technology led to the establishment of a Centre for Food Technology presence in Cairns. In addition a showpiece Centre of Excellence in Food Science and Technology for Queensland is planned.

By 2003 we anticipate a 25% growth in fee-for-service revenue with 10% of all external revenue coming from electronic and Internet forms (e-commerce) of service delivery.

New meat sheep breeds for innovative meat products, potatoes for pasta, rock lobsters raised under aquaculture systems, low-seed mandarins, young apples stencilled with New Year Greetings ripened for the Chinese New Year market and low-chill stonefruits for Asian palates are all on the drawing board.

### Trade and market development

New markets for live cattle and processed beef will be developed in Papua New Guinea, Malaysia, Thailand and Mexico, bringing benefits to rural communities, especially those in north Queensland.

### Rural community development

The Cape York Beef Strategy will empower local communities to build stronger more informed beef production communities with a greater knowledge of market options.

At the request of the National Farmers' Federation, DPI developed and will deliver a workshop for rural communities on climate variability, greenhouse issues and strategies to adapt to a changing world.

The viability of a cotton industry in north Queensland, based on transgenic varieties and Integrated Pest Management to meet or exceed environmental expectations, will be explored.

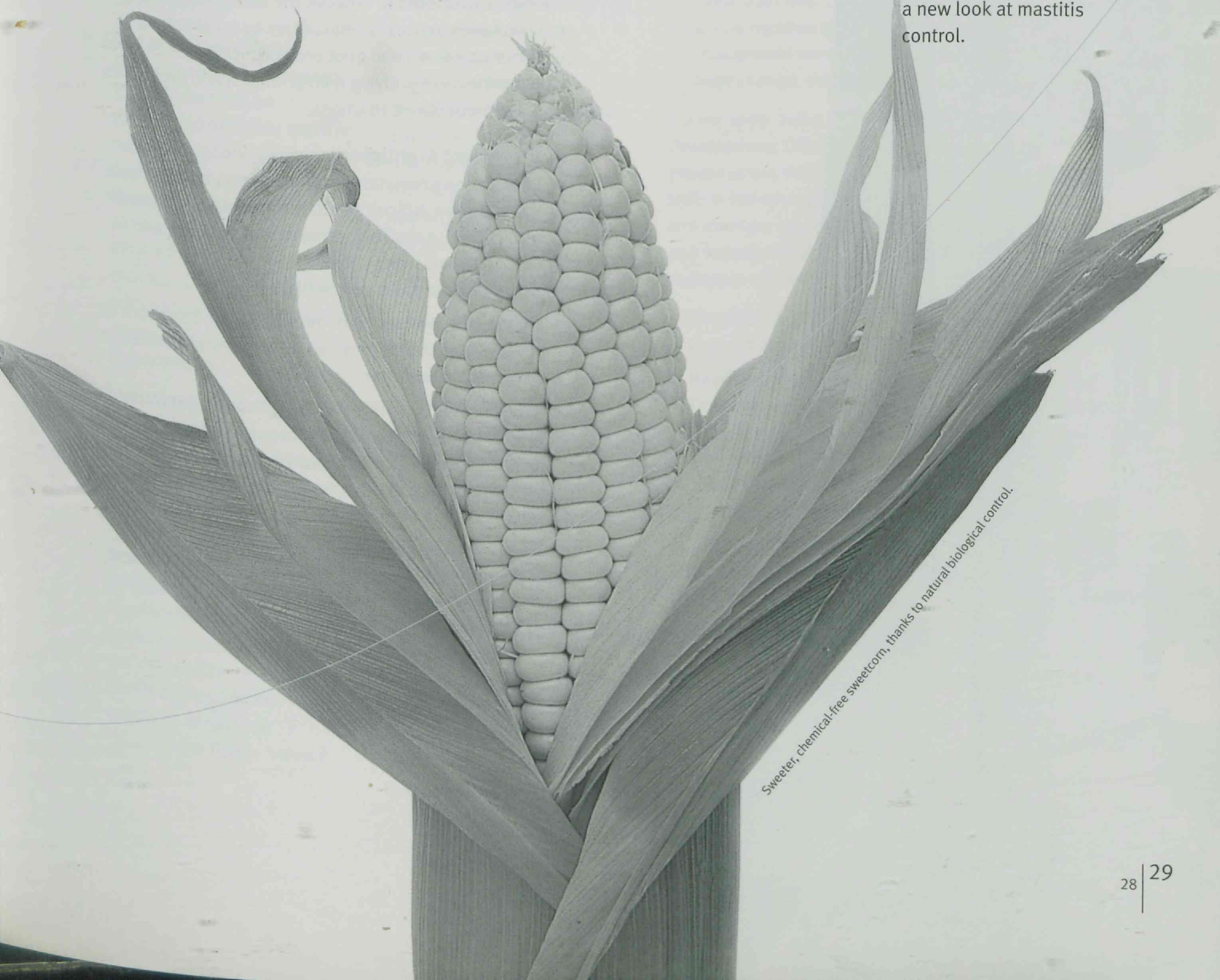
Strategies for stocking of silver perch, golden perch, bass, barramundi and mangrove jack in dams and impoundments are being explored as part of the Recreational Fisheries Enhancement Program.

### Extension

New ways of spreading the results of DPI's food and fibre research are being developed. They will include:

- a grazing land management education training package to complement the cattle nutrition and education training package developed for beef producers;

- combining awareness of climate variability, seasonal forecasts and adaptive grazing management practices—a 20% adoption rate will increase the annual value of production in Queensland's rangelands by \$55 million;
- Seafood Services Australia, a one-stop information shop for the seafood industry to satisfy their needs for postharvest technology, information, food safety and quality systems;
- new extension programs to assist dairy farmers adjust to deregulation and application of new technologies, such as 'Countdown Downunder', a new look at mastitis control.



Sweeter, chemical-free sweetcorn, thanks to natural biological control.



# rural community development

Primary industries and local rural communities face similar issues in their desire to build growing and more viable rural communities. In recognition of the links between the economic, social and ecological framework, the Rural Community Development (RCD) Output was formed in 1999–2000 to allow the DPI to take a whole-systems approach to significant issues in rural Queensland.

RCD draws on the strengths of the Office of Rural Communities (ORC) and the Rural Industry Business Services (RIBS) to build stronger rural communities. Its services support wider consumer participation in industry innovation, community-building and Government decision-making.

## Office of Rural Communities

The ORC is an important link into the State Government for Queensland's rural communities. It provides access to Government information and services and coordinates forums to address and report on rural issues. In addition, the ORC endeavours to improve the social and economic opportunities for rural communities by establishing effective processes and pilot projects, which assist rural communities in identifying their priorities, and promotion of community-based solutions.

## Achievement highlights

- Information promoting rural living in 31 towns where it has proven difficult to attract and retain qualified public service staff appeared on the Government's Rural Lifestyles web page:  
<http://www.dpi.qld.gov.au/rlq/body.html>
- Improved coordination of information and services to rural Queensland through 61 QGAP sites and *The Bush Telegraph* newsletter.
- The fourth annual Positive Rural Futures Conference was held in Cooktown in May in partnership with RIBS and the Priority Country Area Program. At this conference, the Warroo, Surat, Gayndah and Boonah Shires outlined the positive changes in their communities as a result of exposure to rural development and capacity-building ideas and concepts at previous conferences in Charters Towers, Biloela, Goondiwindi and Cooktown.

## The future

Another 10 towns where it has proven difficult to attract and retain qualified public service staff will be added to the Rural Lifestyles web page.

The annual Positive Rural Futures Conference will be convened in conjunction with RIBS. This fifth conference will build on the successes to date and provide a key forum for innovative, community-driven solutions to the challenges and changes confronting rural Queensland.

Three Queensland Rural Ministerial Advisory Council meetings will be held in 2000-01 to provide the Government with advice on employment, and economic and social development, as well as diversification of industry and sustainable development.

Five new Queensland Government Agent Program (QGAP) sites will be established to further improve rural community access to Government services and information. The introduction of electronic service delivery in QGAP's one-stop shops will provide rural Queenslanders with online transactions to a range of Government departments.

Community Capacity Building (CCB) within communities will be supported and promoted to enable rural towns to enjoy sustainable economic growth. The ORC provides the secretariat for the CCB Cluster. The Cluster will take a significant policy and coordination role to promote understanding of regional communities and key practices across the Queensland Public Service

(QPS). The Cluster aims to seek Cabinet endorsement of CCB practise and to develop a framework and implementation plan for CCB in the QPS.

## Rural Industry Business Services

Rural Industry Business Services (RIBS) has a strong commitment to working in partnership with Queensland's rural communities and primary industries. The group delivers a host of services that enable rural groups to identify and build on the skills and resources available to them. These services include change management and group facilitations; leadership, business and risk management training; information technology; market intelligence and development; and strategic planning. The results are positive community and industry groups seizing opportunities and taking charge of their future.

### Achievement highlights

**Leadership and innovation**  
RIBS takes a collaborative approach to regional development, focusing on leadership, innovation and consultation.

The FutureProfit and Building Rural Leaders (BRL) Programs help develop people who are trained in leadership, personal and interpersonal effectiveness, team building, strategic business management and media presentation, and who have confidence in leadership. As a result of attending BRL Programs this year:

- A North Queenslander is a teacher in Samoa for an AusAID in-country training program on fruit production, thanks to skills gained on BRL.
- A banana grower was voted North Queensland Inventor of the Year for an innovative banana harvester.
- Eleven participants were elected to serve on their local council.
- Another participant formed an alliance with a major supermarket to market bananas using innovative packaging for consumers.
- Other participants accepted positions on industry boards.
- After returning from an international study tour, three participants plan to integrate many of the innovative business ideas they saw into their operations.

### Rural economic development

RIBS helps Queenslanders build their expertise in business, resource and risk management by assisting them to make more informed decisions on how best to run their business. The Rural Partnerships Unit provides rural and regional groups with information, advice, facilitation and networking assistance to help them manage change, take action and identify opportunities.

During 1999-2000, the DPI's seven Rural Partnership Development Officers (RPDOs) worked with over 40 groups across the State. The groups now have additional skills in identifying new industries and potential markets, and stronger economic development networks within and between their communities. The following are examples of their successes:

- **Kingaroy.** Assisted the Kumbia Low Chill Stone Fruit Growers to market product successfully into Asia.
- **Nambour.** Facilitated alliances between the Kangaflora Flower Cooperative, a flower wholesaler and a transport company, and assisted the group to access marketing expertise, to identify market opportunities and to sell more product. Assisted an avocado cooperative on the Sunshine Coast to develop a successful application for Commonwealth funding for a market exploration and development trip to Hong Kong and Singapore.
- **Biloela.** Facilitated the development of a project plan for the establishment of a herb processing facility in the region which will employ more than 40 full-time staff.

- **Longreach.** Assisted several field harvesters of kangaroos and wild pigs in western Queensland to form a group to diversify their product range and develop business and marketing plans to expand their businesses.

RPDOs have also worked with local groups developing revitalisation strategies to improve the social, economic and environmental wellbeing of residents in their towns. Examples included Pittsworth, Boondah and several mining communities in Central Queensland.

### **Risk management**

With the impending national deregulation of the dairy industry, DPI developed a range of strategies, programs and services to assist dairy producers and industry workers, and support businesses and dairying communities with the adjustment process. These included:

- supporting the Minister's negotiations with the Commonwealth to secure an additional \$45 million nationally for the Dairy Regional Assistance Program;
- securing agreement for a Commonwealth–State Taskforce to monitor the impacts of deregulation, advise on unintended impacts, and develop recommendations to address these;
- working with the dairy industry, the Dairying Beyond 2000 Program and the Dairy Assist Program to ensure that the industry has the best information and a sound decision-making framework on which to make their future farm, family and financial decisions;
- supporting the development of local and regional responses which capitalise on local opportunities and maximise the use of available local, State and national resources.

With the return of good seasonal conditions in Queensland, risk management strategies, including the Managing for Climate Workshops, were promoted. Over 215 producers attended 17 workshops across Queensland. The value of these workshops is being monitored and results indicate that producers are using the knowledge gained in their decision making.

Other risk reducing strategies to manage climatic and market uncertainty, such as those used by producers in the Burnett region during the 1990s drought, were encapsulated in the booklet *Successful Strategies for Managing Hard Times—Stories from the Burnett*. Due to its popularity similar products are being prepared for other regions.

One of the key requirements in business is being able to identify opportunities in the ever-changing global marketplace. The objective of FarmBis is to increase producer participation in learning activities relating to business, resource management, marketing and human capital. Farmer participation in training increased significantly during 1999–2000, with FarmBis directly subsidising over 14 000 producers undertaking learning activities or engaging professional advice to improve the performance of their business.

### **Diversity in decision-making**

The creation of a dedicated Women in Rural Industries Unit (WiRIU) in November 1999 unified the Department's activities to encourage and support women's participation in decision-making and leadership in primary industries. The unit has built up expertise, networks and information, which support individuals as well as industry, business, government and community organisations to look for opportunities, rather than accept the status quo.

Some of the activities and programs included:

- World Rural Women's Day celebrations in October, which linked 300 women at nine sites across Queensland and highlighted the use of technologies through DPI's Farmlink Internet chatroom to share information and break down the tyranny of distance.

- The inaugural Queensland Women's Industry Network (QWIN) meeting in Brisbane and five workshops at Maroochydore, Bundaberg, Mackay, Townsville and Cairns, in which women from the seafood community met to discuss their industry's future.
- The Rural Industries Research and Development Corporation's (RIRDC) Rural Women's Award, which attracted 31 innovative and diverse nominations from across the State. Launched in October, the award recognises and encourages the vital contribution women make to rural Australia. In addition to the Queensland winner receiving RIRDC's \$20 000 bursary, WiRIU gave the two finalists \$3000 each towards skills training and personal development of their choice. WiRIU continues to assist the RIRDC applicants to progress their projects.
- A monthly *Women in Rural Industries* newsletter with the latest information on training, funding and new business opportunities posted to over 1000 addresses throughout Queensland.
- Sponsorship of leadership training with the Australian Council of Business Women in regional areas.

## Information delivery

*"Modern life is irreversibly dependent on the ubiquitous presence of IT."* R. Howdin in *Getting the Most from Information Technology, Directions in Government*, August 1993.

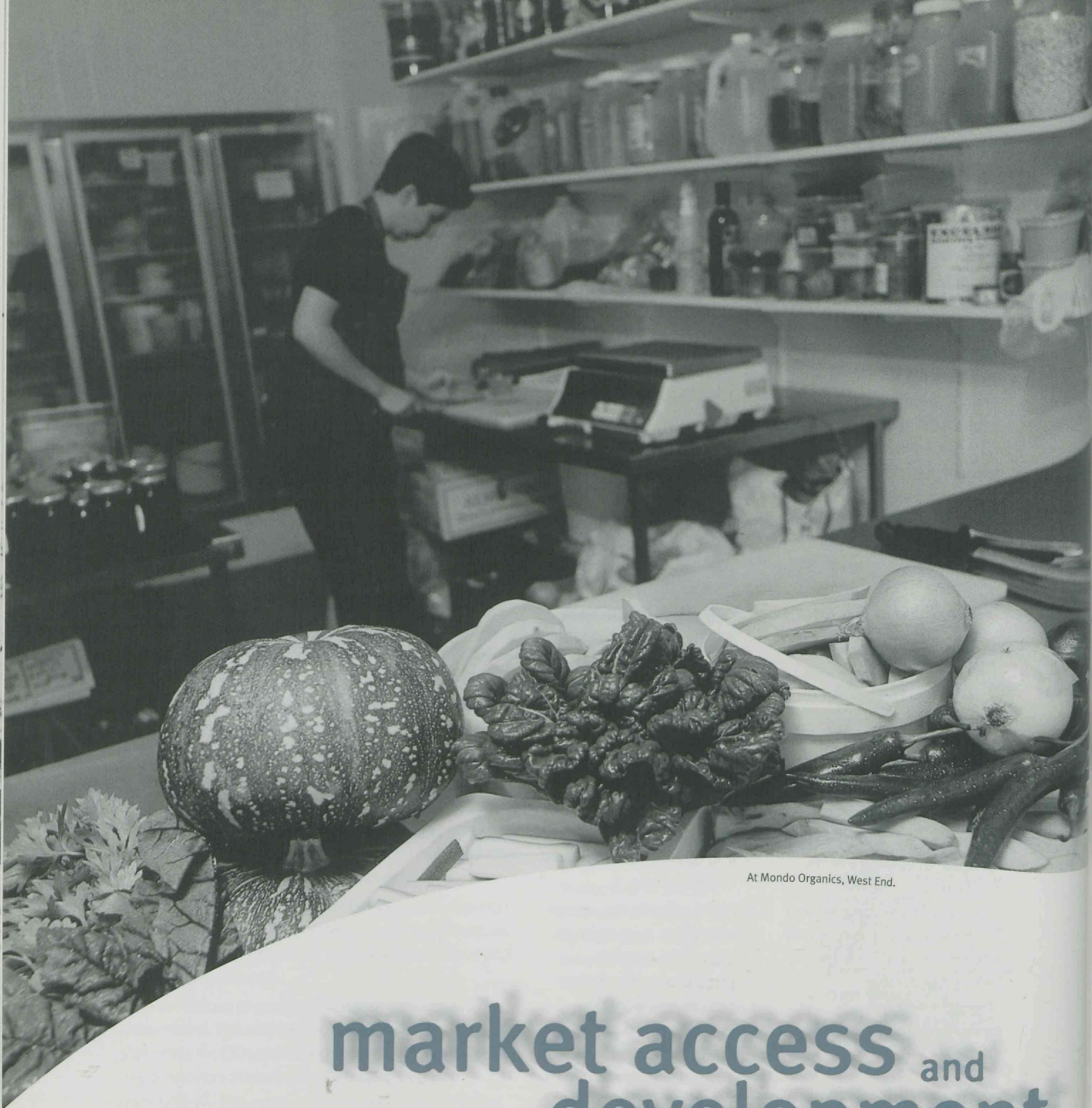
The information revolution has brought about extensive changes to the way we live, educate, work, shop and play. The impact of information technology on industries, businesses and communities has been and will continue to be consequential. Information sharing and skills transfer is vital to farm profitability, rural development and vibrant communities.

RIBS assisted rural communities to adjust and use information technology to their advantage. More and more people throughout the State are using electronic information. DPI's redeveloped web site ensures faster access to information, products and services are easier to locate and there is a calendar of coming events. Staff can also use the automated publishing system on the web site to create and update information from any DPI centre, further strengthening our commitment to information sharing.

## The future

- The Rural Partnerships Unit will partner over 40 community and industry groups to explore their future, looking at diversification opportunities, revitalisation strategies, and community-capacity building activities which foster self-reliance. These partnerships will identify new products and markets, establish cooperative arrangements amongst producers, and strengthen agri-chains, agri-enterprises and associated communities.
- An increase in the uptake of training opportunities offered by FarmBis throughout all industry sectors will increase innovation and diversification in business and resource management, use of new technologies, and sophistication in market development.
- Applicants and winners in RIRDC's Rural Women's Award 2000 and 2001 will form an alliance to access business information and support for the realisation of their projects.
- The Building Rural Leaders Program will be customised to provide a leadership program specifically for rural youth and for indigenous communities.





At Mondo Organics, West End.

# market access and development

The three key strategic areas delivered by DPI through this output are market access, market development, and safe and ethical production systems.

**Market access** is achieved by developing markets based on agriproducts meeting national and international standards. This is delivered by effective pest and disease surveillance, response and management systems (including chemical residues); and by building and satisfying alliances and agreements essential to trade relationships.

**Market development** involves strengthening the expertise of producers and processors in supply-chain management and market access through the provision of market intelligence and analysis of global trends, strategic market innovations and trade opportunities. Another important aspect is facilitating critical chain alliances and bridging the gap between production capability and market demand.

**Safe and ethical production systems** promote Queensland's trade reputation by ensuring our agricultural practices are consistent with consumer values and expectations for safe and ethical production.

## Risk management and biosecurity

DPI is adopting an overall risk management approach towards biosecurity, that is the management of biological risks to our food-and-fibre systems and flow-ons to market access. Risk management increases our ability to respond quickly and effectively to new biological threats.

Formal risk analysis was used in 1999–2000 to underpin decisions for the control of black sigatoka in bananas, branched broomrape in grain-growing areas and asparagus rust.

## Market access

### Pest and disease surveillance

#### *Exotic fruit flies*

Maintenance of an extensive fruit fly monitoring program, developed during the successful eradication of papaya fruit fly, contributed to horticultural produce worth \$35 million being exported to the growing multi-million-dollar markets in Japan, the USA and New Zealand. The program consists of a network of fruit fly traps strategically placed on a grid pattern in risk areas of the State. A revised program is planned for 2000–01.

#### *Northwatch*

The Northwatch program conducted surveillance for high priority plant pests and animal diseases in the remote, high-risk areas of north Queensland. Key targeted activity in 1999–2000 included identification of pest host locations, maintenance of exotic fruit fly trapping, mango pest surveillance, and operating the Coen Information and Inspection

Centre. A community awareness program in over 30 communities increased their understanding of the importance of these pests and diseases and how to recognise them.

#### *Transmissible spongiform encephalopathies—TSE (scrapie in sheep and mad cow disease in cattle)*

One-hundred-and-ninety-two cattle and 35 sheep brains from likely TSE-affected animals were sampled in Queensland to continue the national case for freedom from these diseases. The achievement of free status allows Australia's meat products direct access to the European Union and confirms the reputation of our red meats in all international markets.

#### *Nipah virus*

A retrospective surveillance in bat and other wildlife species for the new Nipah virus, which first appeared in Malaysia in 1998, started. Queensland's continued freedom means our pork products can access markets in Singapore, which has contributed to a 15% increase in gross value of pigmeat sales.

#### *Newcastle disease virus*

One-hundred-and-nine commercial poultry flocks were sampled and tested throughout Queensland as part of a national survey of Australian poultry. This will help clarify the market position following several recent outbreaks of virulent Newcastle disease in New South Wales.

#### **The future**

- Implement a new pilot Laboratory Information Management System to increase our capacity to

supply quality assured disease surveillance information.

- Build a new surveillance system for ongoing demonstration of Nipah virus freedom.

## Responses to significant pests and diseases

DPI implemented response plans to pests and diseases that have significant impact on the retention of market access.

### Achievement highlights—rapid emergency responses

During the year, rapid emergency responses were conducted after detection of:

- exotic bee species on three separate occasions at Brisbane wharves;
- plant pests such as asparagus rust, avocado fruit borer, melon thrips, olive bud-mite, palm leaf beetle and soybean aphid. These pests were either new to Queensland or outside their normal range.

Queensland provided considerable resources to the national Newcastle disease eradication program in poultry and the Department's emergency response systems were extended to the aquaculture industry.

#### *Stepping up the fight against exotic fruit fly in the islands of Torres Strait*

Sizeable incursions of exotic papaya fruit fly and melon fly from heavily infested areas to the north of the Torres Strait were detected in 1998 and early 1999 in southern Torres Strait Islands. DPI, working closely with the Commonwealth under the Northern Australia Quarantine Strategy, positioned lethal male attractant blocks on northern islands in the 1999–2000 wet season, successfully reducing the risk of flies becoming established on the mainland. This strategy will continue in 2000–01.

#### *Completing plans within specifications*

- Specific areas of Queensland remained free from cattle tick, banana Panama disease, banana bunchy top and papaya ring spot virus.
- The strategic release of encarsia wasps at Cairns, Townsville and Normanton minimised the commercial impact of spiraling whitefly on horticultural crops.
- The Interstate Certification Assurance (ICA) scheme for horticultural produce was expanded to cover certification for pests other than fruit fly. This included inspection and property freedom for spiraling whitefly and melon thrips.

#### **The future**

- Finalise eradication of bovine tuberculosis by 2003.
- Develop alternative service delivery systems for cattle tick control and eradication, and ICA.

## Chemical residue management programs

Surveys of Australia's agriproducts undertaken by the National Residues Survey or the Australian and New Zealand Food Authority during the period indicated that our food has a very high level of compliance with food standards.



However, red meats traded on the highly competitive international market continued to be heavily scrutinised for residues. More stringent controls were placed on the use of endosulfan within the cotton industry to help protect beef markets after residues were detected in beef in the 1998–99 growing season.

During the year the European Union also increased specifications for assurance of meat free from hormonal growth promotants.

#### **Achievement highlights—residue programs meet market challenges**

##### *Endosulfan residues in beef*

The Department undertook an endosulfan residue management program supported by cotton and beef industry funds. The program delivered:

- increased awareness amongst the rural community of the new endosulfan control systems;
- implementation of a monitoring program for use of endosulfan, including audits of cotton growers;
- a testing program of cattle from cotton-growing districts.

Further monitoring is planned for 2000–01 and is likely to include horticultural uses.

##### *Control of hormonal growth promotants (HGP)*

The Department assisted the beef industry to retain its \$100 million European Union market by:

- administering the Queensland components of the new national HGP system for property accreditation;
- administering the auditing of accredited livestock properties, and auditing retailers and users of HGPs;
- providing inputs to the National Livestock Identification System (NLIS) to improve traceability for several quality assurance programs in the livestock industries.

The level of compliance being shown within this program is placing concern at Australia's ability to retain this market.

##### *National Organochlorine Residue Management (NORM) Program*

Progress continued within NORM which, together with other activities such as Cattlecare, resulted in the lowest rate of organochlorine residues in beef on record.

The DPI's sniffer dog worked successfully on 120 properties, providing support for NORM activities and quality assurance assistance for primary producers.

##### *Antimicrobial residue programs for beef and pigs*

A total of 2800 beef samples were tested under the National Antimicrobial Residue Minimisation (NARM) Program.

#### **The future**

- Increase awareness amongst livestock producers of compliance with the HGP control system.
- Facilitate producer uptake of the National Livestock Identification System.
- Continue to research and develop new residue-detection techniques.
- Work closely with community awareness programs for chemical residues and initiatives for responsible use of chemicals.

#### **Market development**

The Rural Market Development Group works with businesses and regions to develop critical chain alliances and bridge the gap between production capability and market demand by enabling industries and communities to plan strategically for the future

#### **Achievement highlights**

##### *Bundaberg supply chain*

The formation of Aus Food Exports in Bundaberg provided a successful supply-chain model for businesses in regional Queensland. An alliance of 14 Burnett food producers and processors from the beef, pork, tomato, chilli and aloe vera industries, the company won a contract to supply a major Hong Kong supermarket chain with several containers of food exports each week. As a result, it can now employ an export manager.

##### *Signature Dish*

Queensland chefs and the dining public are acutely aware of the many creative ways to prepare high-quality Queensland primary products following the inaugural

Queensland Signature Dish competition. Launched during Primary Industries Week, the competition attracted 75 entries from across the State. The winning Signature Dish from a Gold Coast chef featured Darling Downs boar and Stanthorpe pears.

##### *Profitable barramundi*

Investors and operators in fish farming enterprises now know the true costs and benefits of investment in this growing agribusiness. With the help of *Barraprofit*—a computer decision model on CD—producers can readily assess the profitability of production and marketing opportunities in barramundi farming. The CD also contains information published by DPI Fisheries and other reference material, such as the industry's code of practice, harvesting and processing checklists, and recipes. Similar computer aids are being developed for silver perch, prawns, redclaw and groupers.

#### **The future**

- Encourage domestic and international investment and joint ventures by rural business people.
- Increase our work in the value chain through to international retailers and distributors.
- Promote the market benefits of organics and assist producers to change.
- Gather data on the economics of alternative rural systems and the true cost of environmental responsibility, and analyse policies developed by the World Trade Organisation to ensure the Minister can provide effective input at the national level.

## Safe and ethical systems

### Key aim

- Agriproducts that meet community and market expectations for microbiological and chemical safety, and ethical production standards, such as animal welfare.

### Core services

- Responsible use of agricultural and veterinary (Agvet) chemicals.
- Animal welfare and animal ethics.
- Food safety systems for agriproducts.

### Strategic issues operating in 1999–2000 and beyond

Food and fibre production in Queensland relies on the availability of effective chemicals. Consumers, however, are becoming more aware of the wholesomeness of food and fibre, and the safety and ethical standards associated with production. Our trading partners are also placing greater importance on the environmental aspects associated with agricultural and veterinary chemical use.

### Achievement highlights

A comprehensive review of legislation, including the *Agricultural Chemicals Distribution Control Act 1966* and the *Chemical Usage (Agricultural and Veterinary) Control Act 1988* administered by the Department in relation to Agvet chemical use, was completed. One-hundred-and-eleven submissions were received. These were analysed and reviewed by the Review Committee and the Reference Panel in May 2000, with key recommendations to be considered.

Highlights of the recommendations were:

- legislative provisions to be incorporated into a single act;

- retention of most of the fundamental principles of existing legislation with recognition that control of use by legislation be continued in the public interest;
- introduction of competency standards for users;
- a higher penalty for contravention of the legislation.

### The future

- Implement the recommendations of the legislation review based on acceptance from Government and compliance with the National Strategy for Management of Agvet Chemicals.
- Provide increased level of public awareness and strategic community group involvement in responsible chemical use.
- Facilitate the reduced reliance on chemicals through coordination of integrated pest management strategies.

### Animal welfare and animal ethics

DPI addresses animal welfare and animal ethics issues through legislation and through codes of practice and animal care statements that achieve consensus on standards based on scientific principles and practicality.

Animal welfare standards are being incorporated into market requirements and intensive animal production systems, particularly layer hens in battery cages, are subject to close community scrutiny on welfare grounds.

### Achievement highlights

- Progression of new animal welfare legislation with policies endorsed by the Queensland Government. Drafting of the legislation has started.

- An awareness program to increase producers' understanding of animal welfare principles and codes of practice.
- Establishment of a new network of animal ethics committees for assessing applications to use animals for scientific purposes. Some of these are joint committees with other Government departments, agricultural colleges or both.

### The future

- Introduce new animal welfare legislation.
- Identify and start monitoring compliance procedures for higher risk areas of animal welfare practices within specific industries, communities or businesses, and widen the scope and content of categories that are covered by codes of practice.
- Assist industry incorporate animal welfare standards into quality systems.
- Provide input to a national policy on layer hen housing.

### Food safety

Australia has a good reputation for its safe food production. Nevertheless, our management of food safety is being reformed to build on this reputation. The Department, through its scientifically-based skills and expertise, assists industry and the community to identify and manage the risks associated with the safe production of food products. It does this by:

- building risk-management practices along the food supply chain;
- providing input to the setting of standards at international and national levels;
- incorporating skills of disease surveillance, emergency response, eradication and control techniques into food safety.

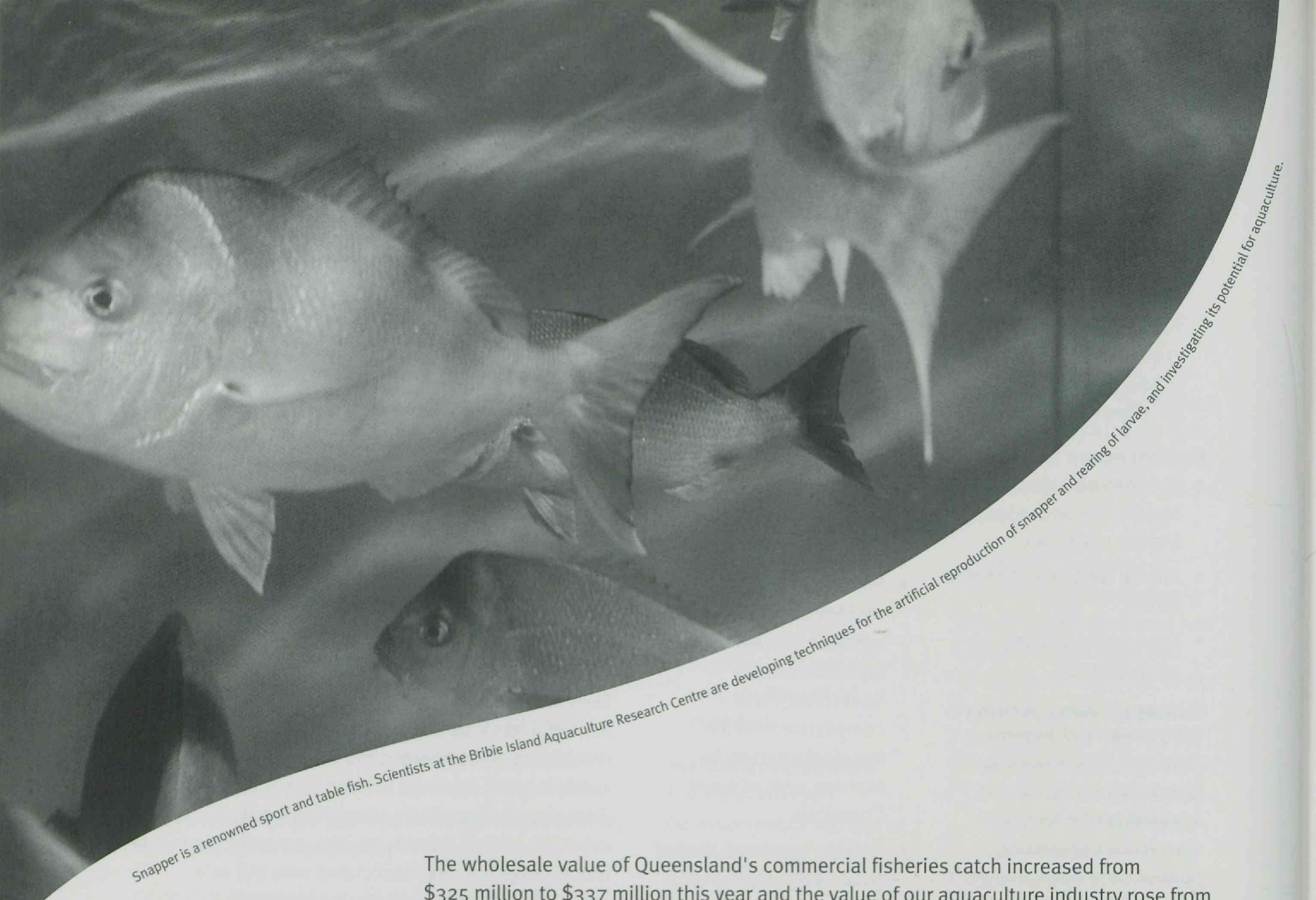
### Achievement highlights

The Department worked closely with other State departments and the Commonwealth to reform food safety legislation and to develop food safety systems incorporating model food provisions and national food safety standards.

Legislation to establish Safe Food Production Queensland (SFPQ) as a food safety authority in the primary industry sector was developed. Once established, SFPQ will absorb the Queensland Livestock and Meat Authority and food safety functions of the Queensland Dairy Authority, and extend food safety requirements into other sectors such as seafood and eggs.

### The future

- Establish SFPQ with supporting legislation and have it operating.
- Participate in the development of risk profiles of agricultural or farming practices, or both, including those involving seafood.



Snapper is a renowned sport and table fish. Scientists at the Bribie Island Aquaculture Research Centre are developing techniques for the artificial reproduction of snapper and rearing of larvae, and investigating its potential for aquaculture.

The wholesale value of Queensland's commercial fisheries catch increased from \$325 million to \$337 million this year and the value of our aquaculture industry rose from \$40 million to \$45 million. These figures translated into retail sales of over \$700 million.

Recreational fishing continued to grow as a pastime and an industry, assisted by an expansion of the freshwater fish stocking program.

Fisheries management plans were being developed for the reef line and stout whiting fisheries in consultation with the community.

Increasing demands for access to Queensland's fisheries resources, particularly in densely populated coastal areas, have led to increased community involvement in resolving conflicts between users. The need to demonstrate ecologically sustainable use of resources has resulted in increased interaction with other agencies, particularly the Commonwealth Government and the Great Barrier Reef Marine Park Authority.

### **Achievement highlights**

A review of the *Fisheries Act 1994* was completed under national competition policy principles.

The sustainability of Queensland's fisheries was enhanced by the adoption of turtle excluder and bycatch reduction devices, and the introduction of an electronic vessel monitoring system in the trawl fishery. A long-term monitoring team was formed to provide more enhanced information on the status of the State's fisheries resources.

Compliance strategies were strengthened by the introduction of the Fisheries Infringement Notices Scheme and expansion of the Voluntary Fisheries Liaison Officers Scheme. Queensland Boating and Fisheries Patrol (QBFP) officers achieved a continued high degree of compliance with fisheries and small craft safety laws.

# fisheries

Aquaculture pond management and effluent treatment studies aimed at discharging high-quality water from aquaculture operations remained a priority. Major new projects started on constructed mangrove wetlands for treating aquaculture water discharge (with additional value being provided through mangrove timber and mud crab production), zero discharge systems, and pond management systems.

The Trinity Inlet adjustment scheme was implemented and all commercial net fishing within the inlet has ceased, following a Government-funded adjustment scheme.

### Protection of marine and freshwater habitats

The program of declaration of Fish Habitat Areas (FHA) continued, with the declaration of the new Burdekin FHA (Burdekin River Delta and Upstart Bay to Cape Bowling Green).

Consultation on the proposed Annan River FHA near Cooktown is near completion, with declaration expected in mid to late 2000. Fourteen existing FHA plans were redrafted in digital format to enhance boundary identification, with some contiguous FHAs amalgamated into single plans. A further 12 existing FHAs are being redrawn to digital format. Some 690 000 ha are now declared FHAs.

A Fish Habitat Code of Practice for routine maintenance of facilities in tidal areas was finalised. Codes covering drain maintenance by cane growers and local governments were finalised and will complement marine plant permits. A Drain

Maintenance Code was implemented and workshops were held to accredit over 400 cane growers. Auditing and monitoring strategies will be developed.

Mapping of important coastal fish habitats using satellite remote sensing continued. Tidal vegetation along more than 70% of the coast has been assessed and maps with digital (Geographic Information System) data are available. These provide a baseline for assessing changes in fisheries habitats caused by people and natural events.

A Coastal Habitat Resources Information System project has been established. This web-enabled database integrates existing fish habitat and fisheries resource information and will be accessible to the public through the Fishweb Internet site.

Successful fishways were constructed on dams or weirs and data were gathered for the design of nine other fishways. Protection of access to habitats by fish continued through an approvals process for dams and weirs and associated fishway assessment.

Involvement in the Water Allocation Management Planning process continued, to ensure that flows are available to maintain ecological processes and associated fisheries values in freshwater and downstream marine habitats.

The Freshwater Strategy for the Control of Exotic Pest Fish is almost complete. Community information

includes an awareness program, an education module and web site, and the development of regional plans for the Upper Barron, Brisbane, Logan and Albert catchments.

### Aquaculture and industry development

Departmental and industry support for continued aquaculture development contributed to ongoing industry growth to \$45 million in 1998-99, from \$40 million in 1997-98.

This financial year saw increased collaboration and cooperation between the Aquaculture Group, DPI and other Queensland Government departments including the Environmental Protection Agency, State Development, Department of Communication and Information, Local Government and Planning, Department of Natural Resources and Department of the Premier and Cabinet.

Soft-shelled crabs developed by the Bribie Island Aquaculture Research Centre were a highly prized delicacy overseas. These crabs are harvested immediately after shedding their hard outer shell and the whole crab can be eaten. Good progress was also achieved on other research projects including reef fish and tropical rock lobster. Flowery cod was successfully spawned for the first time in Australia and new live prey types developed for reef fish. Successful growout trials demonstrated feasibility of farming lobster to market size in 12 months.

The National Heritage Trust approved funding for research into recirculating and reusing pond water, mangroves and filter feeding fish to improve water discharge quality from prawn farms. A trainee project officer was recruited to develop initiatives on indigenous fisheries and aquaculture.

Further planning, policy and field work was undertaken in collaboration with the oyster industry to address management and operational issues for marking and tidiness of oyster leases.

The fish health and food safety initiative reported on last year has been highly successful, with a disease emergency simulation exercise being conducted with the Department's Animal Plant and Health Service, industry and the Commonwealth Government's 'Aquaplan'.

## Commercial fisheries management and development

Analysis and interpretation of commercial and recreational fisheries data continued in preparation for the next report on the status and trends in Queensland's fisheries resources. Contributions on resource status were made to other Queensland and Commonwealth reports.

Databases were developed from information collected through the Long-Term Monitoring Program. Surveys of major commercial and recreational species have started throughout Queensland and the results are being collated and will be available to fisheries managers, industry and the community next year.

Research on marine and freshwater fisheries continued. Stock assessment procedures for the major fisheries were reviewed, population models for key species developed, and work on biodiversity, age structures, relative vulnerability and sustainability indicators progressed.

Trinity Inlet in Cairns was closed to commercial net fishing. The closure was accompanied by an adjustment scheme that provided affected fishers with individual financial settlements. Some fishing licences and specific fishery entitlements were bought out to prevent the displacement of fishing effort to adjacent areas or to other fisheries.

The Barron River and Trinity Bay were also closed to net fishing, except for a small number of fishers who have traditionally operated in those areas and who chose to continue fishing under a non-transferable 'sunset' arrangement.

The data-collection phase of a detailed economic study of the commercial fishing industry was completed. Further analysis of the information gained from this study is continuing and will support future Government policy on restructuring of the commercial fishing industry, fisheries management planning, and industry and regional development.

A project to encourage regional community development through community focus groups was implemented. This project has included supporting fish stocking, artificial reefs, fish hatcheries, seafood promotion such as seafood festivals, an Australian Fisheries Museum and a publication *Fishing the Bundaberg Region—a Guide to the Hotspots*.

## Recreational fisheries – productivity and development

A National Recreational and Indigenous Fishing Survey has started to provide estimates of indigenous, interstate and international visitor fishing activity in Queensland, complementing previous biannual telephone and diary surveys. The data gathered will be used for planning and management purposes.

Management and research under the Strategy for Freshwater Fisheries in Queensland is being implemented through annual plans developed through feedback from annual workshops with fisheries staff, stakeholder and client groups across Queensland.

Stocking of recreational fisheries in freshwater impoundments and rivers expanded during the year, with 72 community fish stocking groups working with DPI to stock 95 waterbodies. DPI provided 945 000 fingerlings and more were contributed by community stocking groups. Monitoring and research included fingerling size for release and release locations for optimum survival.

The recovery plan for the endangered Mary River cod continued, with research into the biology and hatchery production of genetically appropriate cod fingerlings. Production rose from 10 000 fingerlings a year in previous years to over 52 000 this year. Research into the biology of the protected Queensland lungfish continued in the Burnett River to determine sustainable water management needed for its survival.

Mangrove jack fingerlings released into Copperlode Dam last year were recaptured and measured, and showed acceptable growth rates. Fingerlings have also been released into a recreational impoundment fishery at Tinaroo Falls Dam. A three-year research project has

started into the biology and genetic stocks of mangrove jack to allow proper management of stocking throughout Queensland.

Annual recreational fishing and stocking workshops were held in Monto and Charters Towers, providing a forum for consultation with community stocking and recreational fishing groups to plan future activities and initiatives.

## Fisheries resource protection

The QBFP continued to work closely with recreational, commercial and indigenous fishers, charter industry operators and aquaculturists to ensure compliance with boating and fisheries legislation.

Compliance with fisheries laws was 94.4% for recreational fishers and 88.8% for commercial fishers, similar to the previous year. Compliance with small craft safety laws was 86.2%, slightly higher than in 1998–99.

In March QBFP appointed an officer in Cairns to provide better links with Cape York Aboriginal communities.

QBFP staff were transferred to a new interim industrial agreement, all new appointees now require a tertiary qualification and existing staff have been trained to a similar standard. Thirteen new officers were appointed in January. Accommodation at Mooloolaba, Hervey Bay, Noosa and Rosslyn Bay was upgraded and new residential accommodation was built at Weipa.

The vessel monitoring system introduced in 1997–98 now operates on more than 700 vessels, permitting more effective surveillance planning and protection of scallop replenishment zones. This system will be a key tool for monitoring effort in the east-coast trawl fishery.

On-the-spot fines have continued to reduce court workloads and increase the time staff spend on field duties.

Protection and sustainability of Queensland's fisheries resources continued to be supported by extension and information, with a focus on increased education. The 139 Fishcare volunteers increased contacts with recreational fishers from 650 in 1998–99 to 1086 this year.

### The future

- Progression of a new award for the QBFP and further investigation into the development of a patrol base at Cooktown.
- Implementation of the Reef Line and Stout Whiting Fisheries Management Plans.
- Implementation of an amended Trawl Fishery Management Plan to reduce

immediate and long-term fishing effort (intensity of fishing activity) and address bycatch and other key environmental issues.

- Management of data collected through logbooks and the National Recreational Indigenous Fishing Survey to ensure the best available information is provided to our fisheries managers.
- Increased indigenous involvement in aquaculture and fisheries management through the appointment of an indigenous aquaculture trainee officer, consultation with communities and the further development of indigenous aquaculture strategies. In addition, Aboriginal community rangers will be trained in boating and fishing activities to operate in the State's far north.
- Additional reports on the condition and trend of fisheries habitat and wild-caught fisheries resources.
- Development of management strategies to ensure the implementation of amendments to the *Fisheries Act 1994*, resulting from the five-year review during 1999–2000.

### Pan-fried whitefish with new potatoes, heart tomato, tapenade and anchovy

#### Ingredients

6 x 180 g snapper portions, skin on and scaled  
Olive oil  
Salt and pepper  
Lemon wedges  
100 g rocket, washed  
1 Spanish onion, sliced  
9 anchovies, sliced  
1 tablespoon salted capers, rinsed  
Half bunch basil, washed, dried and torn  
2 ox heart tomatoes, sliced  
100 g blanched green beans  
600 g boiled new potatoes (warm)  
Red wine vinaigrette  
120 g tapenade

#### Method

Combine all ingredients (except tapenade) for salad and moisten with the vinaigrette.

#### Snapper

Heat thick-based pan over heat and add a little olive oil.

Season snapper skin with salt and pepper.

Place fish in pan, skin side down, and when good colour is achieved, reduce heat to moderate.

Turn and cook other side.

#### To plate

Place a large spoonful of salad in each bowl.

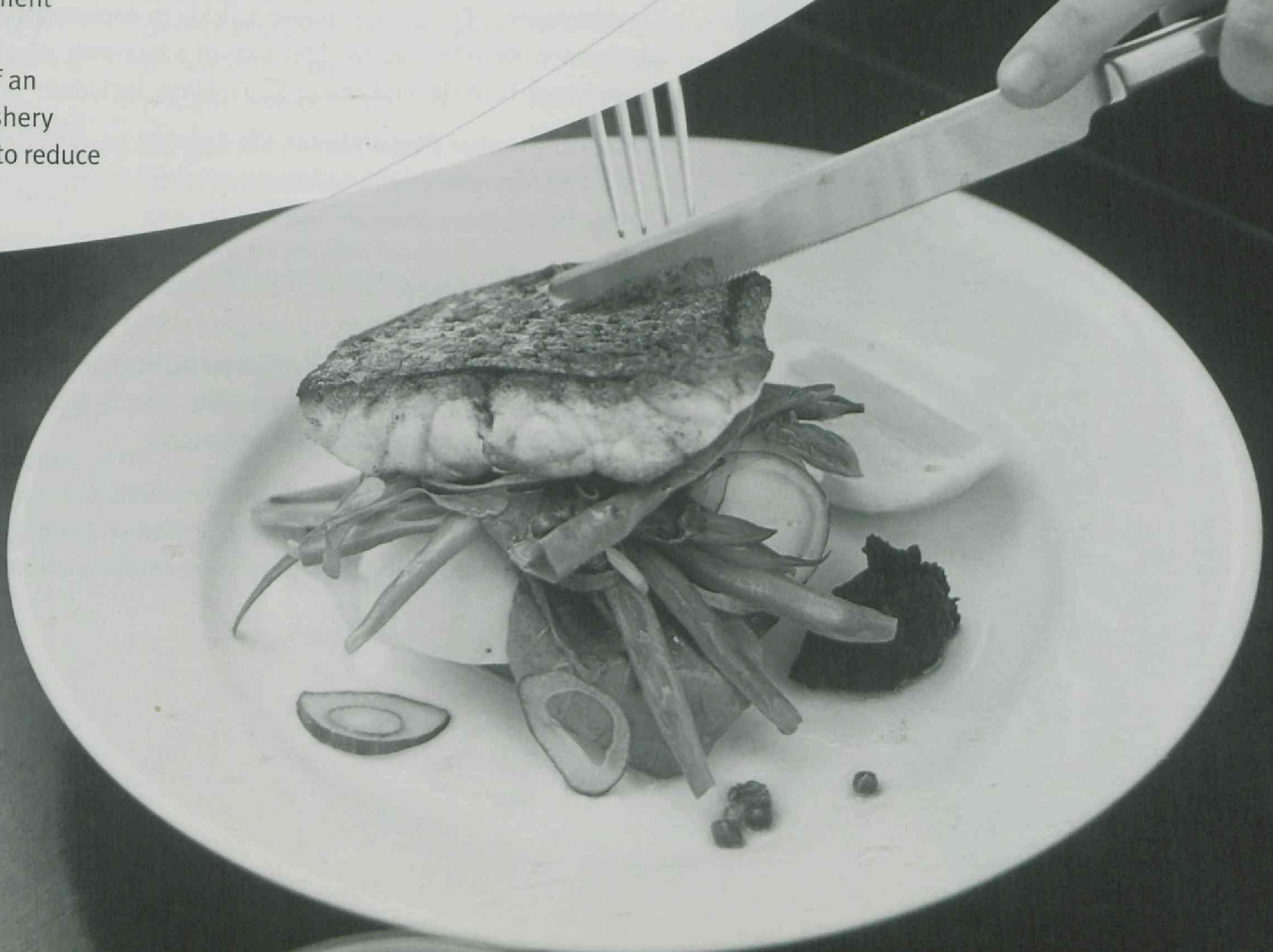
Spoon on tapenade.

Lay a snapper portion on top of salad.

Serve with a wedge of lemon.

Serves six

Created and prepared by P. McMillan, ARC Bistro, New Farm.





# forestry

DPI Forestry is a commercialised business group responsible for managing and marketing State-owned forest and quarry material resources to earn commercial returns while ensuring that State-owned forests are managed as a renewable resource for future generations.

As Queensland's principal forest grower, DPI Forestry supplies more than 80% of the log timber used each year by the State's forest and timber industry—an industry which employs more than 17 000 people and plays a major role in sustaining regional businesses and communities.

Customers include the timber processing industry, quarry operators, graziers and pastoralists, foliage collectors, apiarists, research organisations, other Government agencies and the wider community. Core business segments are plantations, native forests, quarries and other business ventures, with plantations generating around 70% of annual revenue.

## Overview

### Sustainable production

Major advances were made during 1999–2000 towards a secure and expanding forest and timber industry in Queensland, based on sustainable production.

The principal development was the Government's South-East Queensland Forests Agreement in September 1999 with key industry and conservation stakeholders. This agreement provided a plan for a seamless transition from a hardwood timber industry based on Crown native forests to one based on plantations over a 25-year period. As part of the agreement another 425 000 ha were added to the conservation estate in south-east Queensland, and a 25-year timber-supply guarantee was given to hardwood sawmillers in the region, thereby providing investment security for their regionally-based businesses.

Under a multi-agency program coordinated by the Department of State Development, DPI Forestry moved quickly to implement its key role under the agreement. Results from the first year of a four-year program, supported by a Government funding package of \$29 million, included:

- finalising timber production on the 425 000 ha set aside for addition to conservation reserves and sourcing of native forest timber supplies at previous levels from other Crown resources;
- establishing secure 25-year sales permits with most eligible hardwood sawmillers in the region;
- initiating a four-year, 5000 ha hardwood plantation program through establishment work on 880 ha under joint venture arrangements with other landholders and some planting on Crown land;
- starting a four-year, \$8 million hardwood research, development and extension program through the Queensland Forestry Research Institute (QFRI) to build on the existing knowledge base supporting successful hardwood plantation growing and processing.

A sawlog haulage rebate system is also being implemented by DPI Forestry. The rebates will compensate several sawmills in south-east Queensland who are required to transport logs longer distances as a result of cessation of harvesting in various native forest areas under the South-East Queensland Forests Agreement.

In addition, DPI Forestry is continuing road maintenance, fire protection and pest management on the proposed 425 000 ha conservation estate until full management responsibility is taken by the Department of Natural Resources and the Queensland Parks and Wildlife Service following necessary tenure changes.

A Government commitment to enhance security of access for cypress sawmillers to Crown timber resources was also fulfilled when DPI Forestry finalised 15-year wood-supply agreements with 19 cypress sawmillers in south-west Queensland. Business confidence and employment opportunities in the industry were further enhanced when DPI Forestry offered an additional 100 000 cubic metres (over 12 years) of uncommitted cypress sawlog to a major sawmiller in the region who proposes to establish a new mill at Tambo. This followed calls for expressions of interest in the timber in mid-1999.

The competitive position of the hoop pine processing industry was also bolstered by the provision of new short-term price arrangements for sawlog resources. Over the past few years, the hoop pine processing sector has experienced intense competition in its traditional sawn timber markets, leading to a significant erosion of market prices for these products. DPI Forestry, the Queensland Timber Board and key timber processors reached agreement during the year on new price arrangements, utilisation standards and more flexible operating arrangements. This agreement led to the formation of the Araucaria Australia Group to pursue re-positioning of hoop pine as a premium species. The group has already achieved some early successes in targeted export markets.

In line with Queensland's commitment to the Plantations Australia 2020 Vision to treble Australia's plantation estate, the Department continued to pursue plantation expansion on suitable Crown and privately owned lands throughout the State. DPI Forestry bought an additional 1100 ha of freehold land adjacent to existing State-owned plantations at Byfield, near Yeppoon, and will start planting softwood species on this land during 2000-01.

DPI Forestry, with its plantation growing expertise and capabilities, is also working closely with the Department of State Development to foster plantation expansion by local and international investors seeking to establish plantations as carbon sinks. Interest is growing in the potential of plantations to provide tradeable carbon sequestration credits to offset, in some degree, greenhouse gas emissions from industry.

To provide for future timber supplies, DPI Forestry planted 3343 ha of State-owned plantation during the year, down 29% on the previous year due to protracted wet weather in key plantation areas. The group is also planning a 5500 ha planting program during 2000-01 to catch up on planting and to establish newly acquired areas, making it the largest commercially-funded planting program undertaken by DPI Forestry since it was established as a commercialised agency in 1995. A further 2000 ha of new hardwood plantation will be established on Crown and private land under the Government's South-East Queensland Forests Agreement funding package.

DPI Forestry's Environmental Management System (EMS) was independently certified to AS/NZS ISO 14001. Certification relates to environmental aspects and impacts associated with selective harvesting of native forests; establishment, development and maintenance of plantations; and establishment and maintenance of forest infrastructure such as roads.

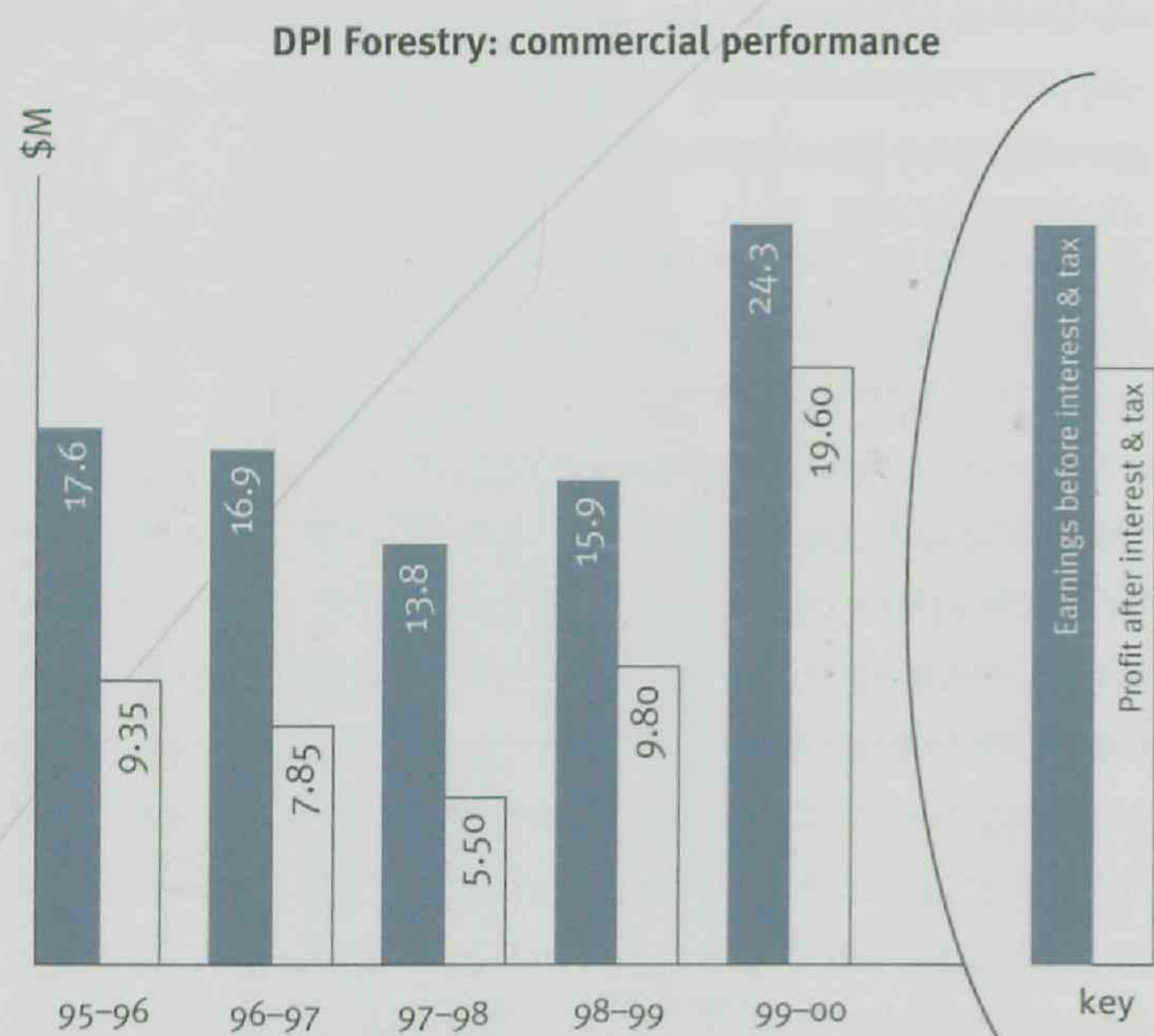
Certification of the EMS recognises DPI Forestry's commitment to a high standard of environmental management. It will help Queensland's timber processors sell products sourced from State-owned forests into export markets that increasingly demand timber to be sourced from sustainably-managed forests.

### Commercial performance

DPI Forestry put in a strong commercial performance during 1999-2000, with earnings before interest, tax and timber revaluation up 53% on the previous year to a record \$24.3 million. This result reflected both reduced costs and increased revenue.

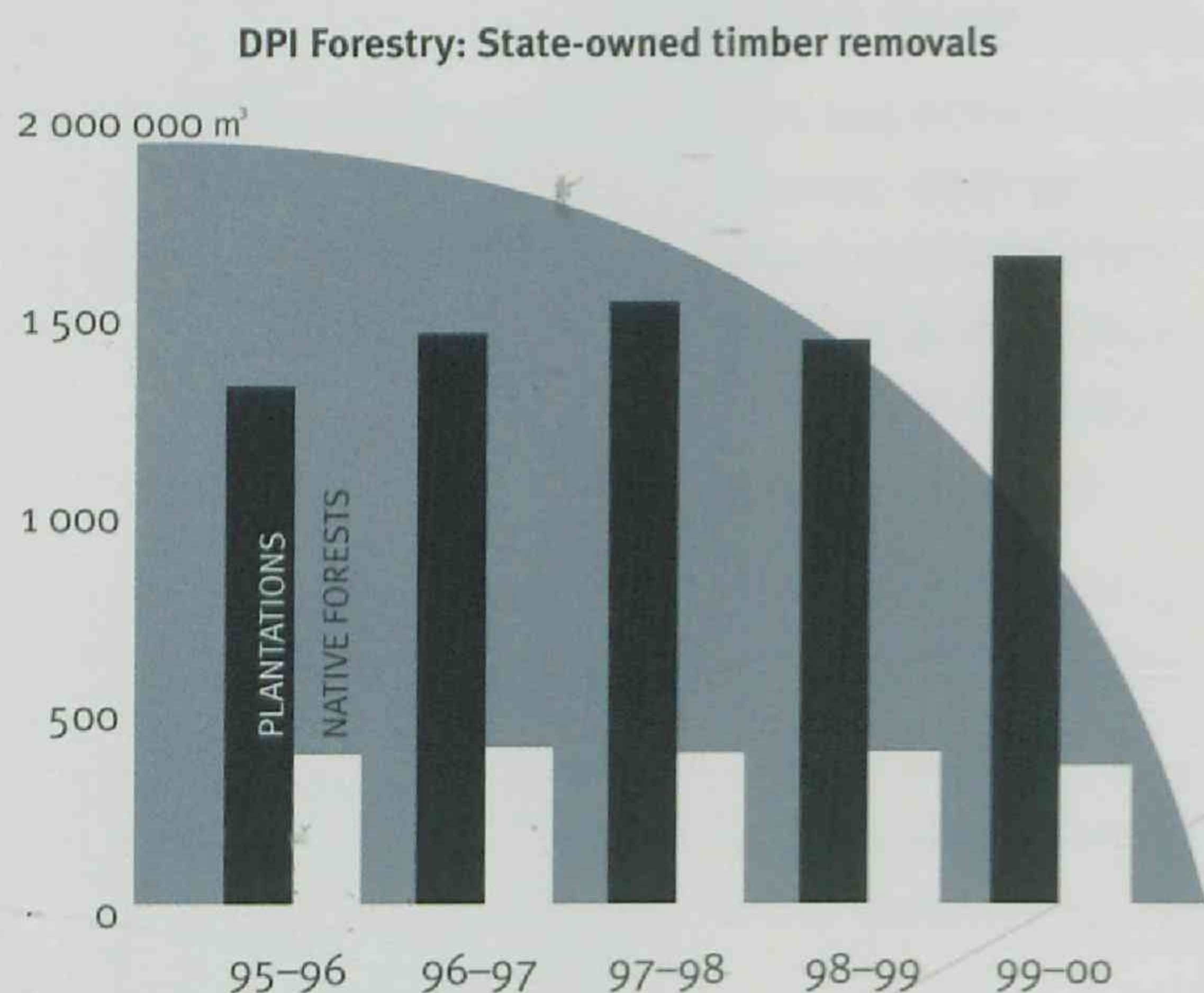


DPI Forestry: commercial performance



Costs were contained through efficiency improvement measures across all areas, including substantial productivity improvements under DPI Forestry's enterprise agreement. Plantation establishment and maintenance expenditure was also lower than expected due to wet-weather delays in certain plantation centres.

Forest product sales were \$7 million higher than the previous year, buoyed by strong customer demand for timber due to a pre-Goods and Services Tax surge in building activity. Plantation timber sales were particularly strong, with removals up 15% on the previous year to a record 1.64 million cubic metres. Crown native forest timber removals also remained firm at 0.35 million cubic metres, 9% below the previous year.



Operating revenue	\$94.2M	\$83.4M
Earnings before interest, tax and timber revaluation (EBITR)	\$24.3M	\$15.9M
Profit after interest and tax	\$19.6M	\$9.8M
Profit (EBITR) margin on sales	26%	19%
Economic rate of return	7.1%	7.1%
Dividend	\$10M	\$4.6M
Interest on borrowings	\$4.7M	\$6.1M
Current ratio	2	1.8
Revenue per employee (FTE)	\$116,729	\$91,456

99-00  
98-99

The resulting economic rate of return of 7.1% represents a sound return on funds invested in the business. Returns to the State from the year's trading in the form of dividend, debt servicing and tax equivalents are expected to be almost \$17 million.

DPI Forestry successfully established necessary systems and procedures to meet the requirements of the new tax system and implement the Goods and Services Tax from 1 July 2000. These arrangements included registering a separate ABN. After a cost modelling process and consultation with the Australian Competition and Consumer Commission, DPI Forestry also passed on to its customers cost savings associated with the elimination of the Wholesale Sales Tax, through a 1.1% reduction in the price of forest products.

DPI Forestry's 'EB2' Enterprise Agreement was successfully finalised on 30 June 2000. All key targets under the agreement were met, including:

- achievement of productivity savings of more than \$10 million (over three years);
- refinement of environmental management systems and practices enabling DPI Forestry to achieve independent certification of its Environmental Management System;

- implementation of a commercial customer service policy;
- implementation of more flexible and commercially-focused employment practices;
- payment of scheduled pay increases and bonus payments.

QFRI and its 135 staff, formerly part of DPI Forestry, was fully integrated into the Department's new Agency for Food and Fibre Sciences from 1 July 2000. By year-end, QFRI's accounting and administrative systems had been successfully separated from DPI Forestry's and integrated into broader Departmental systems.

Research by QFRI has placed Queensland at the leading edge of forestry science, particularly in growing high-value short-rotation plantations of eucalypt and softwood species. Continued advancement in these and related areas by QFRI in collaboration with DPI Forestry will provide a major competitive advantage for Queensland's forest and timber industry in years to come.

## The future

For 2000–01, DPI Forestry is targeting earnings before interest, tax and timber revaluation of \$15.7 million. This will be down on the previous year due to a major 80% increase in commercially-funded plantation establishment and an expected decline in building activity, and therefore demand for timber, during 2001.

Key initiatives for the future include:

- implementation of Departmental projects under the South-East Queensland Forests Agreement, including planting of a further 4000 ha of hardwood plantations supported by Government funding;
- expansion of Queensland's plantation estate through further commercially-funded land purchases and joint venture projects, including projects aimed at carbon sequestration to offset greenhouse gas emissions;
- pursuit of productivity and environmental management improvements through continuous review and refinement of operational policies, practices and systems;

- further progress towards operational establishment of high-value short-rotation exotic pine plantations through clonal forestry;
- marketing of uncommitted timber resources including plantation timber near Cardwell in North Queensland and further spot-sales of plantation resources in south-east Queensland;
- development of workforce capabilities and employment conditions to meet emerging business and operational needs.

## 100 years on

The year 2000 marks the centenary of the establishment of the first State Government forest agency in Queensland. Building on the firm foundation established over this period, the Department is pursuing a range of collaborative initiatives with the private sector which promise an exciting future for the forest industry built around sustainable management, innovation and growth.



Food and fibre industries and rural communities are being challenged regularly to enhance their economic viability through improved production efficiencies, integration and networking among industry participants; to compete successfully in global markets; and to supply high-quality, ethically produced products that consumers want.

The community also expects these industries to manage Queensland's natural resources in a sustainable manner and to maintain the valuable social framework of regional communities to support food and fibre production.

Along with these pressures, the food and fibre industries are expected to remain profitable and viable in an increasingly dynamic world while also capitalising on diverse and often non-traditional opportunities.

The Policy Analysis and Industry Development Group (PAID) assists the Queensland Government to develop and implement appropriate policy, institutional and legislative frameworks to promote and support industry advancement, growth and use of natural resources for future generations. Our focus is on strategic issues that influence the whole supply chain and industry development in regional communities. We also concentrate on aligning sustainable resource management with community expectations and implementing Government policy objectives that will benefit the community.

Given the strategic nature of these issues, PAID must forge strong networks to obtain specialist knowledge when necessary and assume both lead and supporting roles in developing significant policy advice and legislation within Departmental and all-of-Government contexts, and between State and Commonwealth Government.

world market. Reform of the sugar industry, through legislative developments and amendments, will provide greater flexibility in grower-miller relations, more focused marketing arrangements and a more efficient cost structure. The industry now controls its marketing through transfer of single desk vesting powers to Queensland Sugar Ltd and the transfer of Queensland's seven bulk sugar terminals to industry ownership.

- The Queensland Sugar Industry Foresighting Project, fostered by the Sugar Industry Development Advisory Committee, set about developing a view of the future for addressing key issues and potential strategies.
- Legislation to bring about structural adjustment of the dairy industry and the introduction of a substantial regional assistance package to ensure that the industry was aligned with market and national legislative changes.
- Review of organisational and administrative arrangements and resource management in our fisheries to form a single organisation, the Queensland Fisheries Service, to manage the industry in a sustainable way and in line with national competition policy principles.
- Resolution of a difficult constitutional issue regarding the primary producer statutory levies of five existing statutory

## policy analysis & industry development

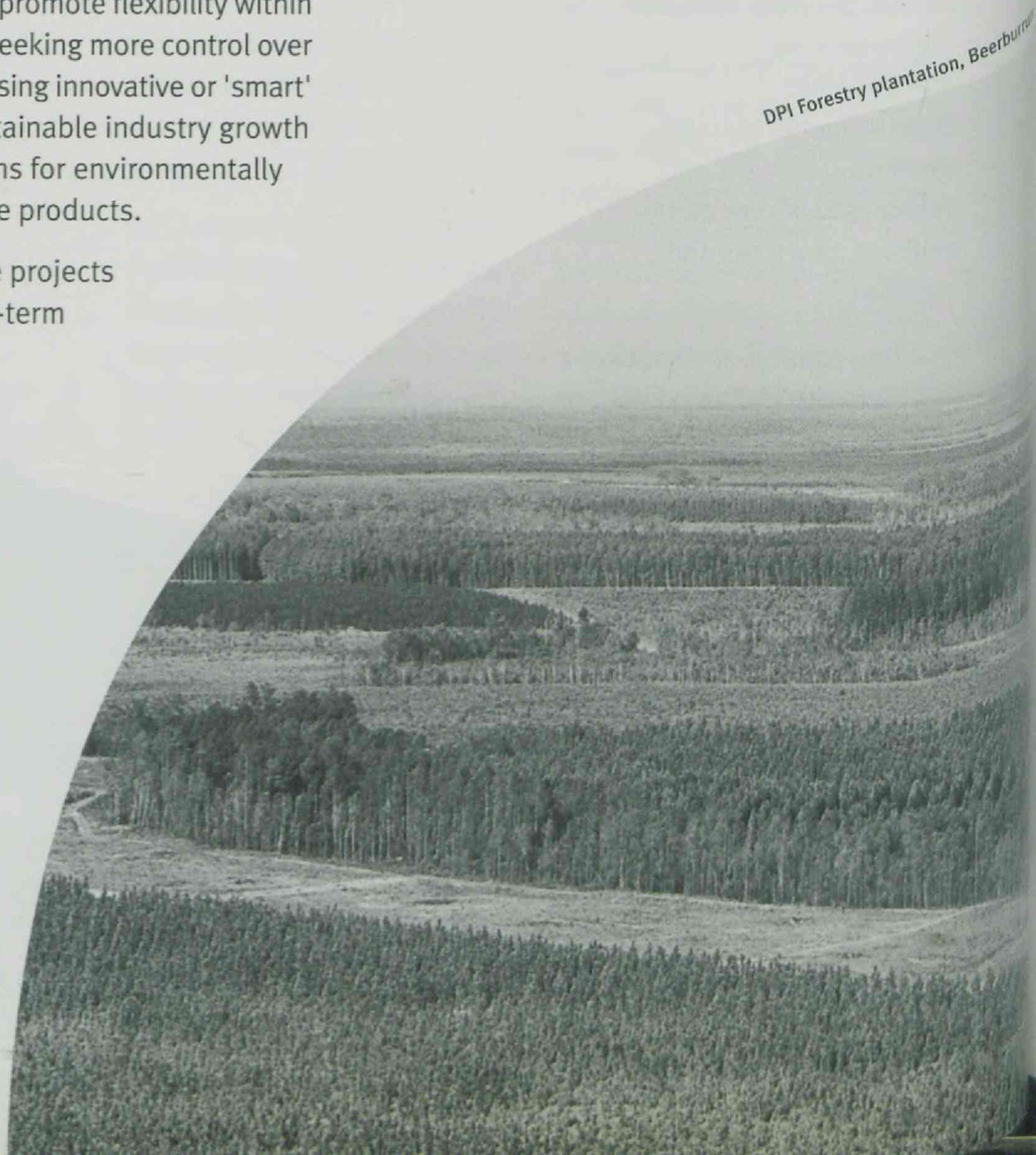
### Achievement highlights

The key to addressing challenges placed on Queensland's industries and rural communities is to minimise impediments and promote flexibility within their structures and operations. These groups are seeking more control over their future directions by being entrepreneurs and using innovative or 'smart' business tactics. These tactics will encourage sustainable industry growth to meet domestic and world consumer expectations for environmentally safe, ethically produced and healthy food and fibre products.

Several Significant industry and legislative projects completed during the year aimed to promote long-term industry advancement. They included:

- Modernisation of horticultural marketing arrangements by repealing the *Farm Produce Marketing Act 1964* and changing the Brisbane Market Authority to a corporation to establish greater commercial focus and autonomy. To increase the business acumen of the horticulture industry and to introduce an industry code of practice, training seminars were convened throughout Queensland.
- *The Sugar Industry Act 1999*, which aims to enhance Queensland's position on the highly competitive

DPI Forestry plantation, Beerbur...



bodies in the fishing, dairy, cane growers, pork and horticulture industries by conversion to non-statutory corporations.

- Reviews of national competition policy and legislative amendments in the veterinary surgeons profession, agriculture and veterinary chemicals, sawmill licensing and fisheries industry. Legislative reforms were also completed for chicken meat, timber research and banana disease control industries.

The Queensland Government wants industry to take a proactive approach to influence future directions, to address issues that impact on the whole supply chain and on the regional community, to foresee developments in the industries concerned, and to capture new emerging opportunities. Stronger Government and industry partnerships and alliances during the year have assisted this objective. For example:

- The successful operation of Industry Development Councils (IDCs) for the major primary industries and the establishment of a Meat Industry Development Council reflected the appropriate activities of the food and fibre production chain.
- Future directions planning by the IDCs will culminate in new and efficient ways to foster industry and community development to meet demanding consumer markets.
- Strategic advice was given on organic and ethically produced food and fibre products, and biotechnology. Economic impact analysis of fruit and vegetable imports, food industry development and safety strategies were provided and contributions made to the all-of-Government food and meat taskforce.
- A Rural Carbon Sinks Unit, which will identify new opportunities for financial benefits from sustainable resource management practices in Queensland.
- A new investment advisory function, which will enhance transparency and use of Departmental resources to realise Government priorities.

Greater community environmental awareness and global action to address greenhouse and water use efficiency offer challenges and opportunities, whereas resources, waste and by-products provide tangible assets and commodities to manage, grow and trade.

Primary producers have the opportunity to use rapidly expanding knowledge of ecological systems and innovative techniques to alter production and manage the State's natural resources on behalf of all Queenslanders. PAID has contributed to

ensuring rural development in Queensland is based on ecologically sustainable principles. It has also promoted a viable and sustainable forest industry in Queensland by:

- representing and negotiating Departmental interests on Commonwealth, State and inter-agency forums on natural resource management, water reform, greenhouse, cultural heritage and control of weeds and pests;
- servicing many Commonwealth Ministerial Councils, national committees and contributing to community consultation, particularly on management of the Great Artesian Basin, Landcare Catchment Management and National Heritage Trust;
- assisting with industry expansion through development plans and training requirements in accordance with the *Integrated Planning Act 1997*;
- establishing and maintaining, by the Queensland Government, 880 ha of forest plantations on public land and as joint ventures on private land during the previous year as part of the South-East Queensland Forest Agreement;
- establishing about 2000 ha of private plantations during 1999–2000 in response to Government encouragement by providing advice and support to prospective investors, rebating stamp duty on commercial joint venture arrangements between investors and landholders, and removing legislative and policy impediments to investment;
- jointly developing a Queensland Forest Practices System that will ensure harvest security and sustainable management of private forests by implementing self-regulation by industry.

### The future

PAID will continue to deliver policy advice which contributes to strengthening rural communities, regions and industries, and managing natural endowments through sustainable development.

Analysing strategic information and consulting closely with agribusiness, community groups, business groups within the Department, other departments, and Commonwealth agencies constitute an important role of the group. PAID will also place more emphasis and value adding on developing integrated policies, all-of-Government positions and applying a regional growth-all-of-supply-chain focus.

# financial snapshot

## Operating Expenses

DPI continued its support of research and development in primary industries with grants and subsidies totalling \$11.1 million during the year (\$12.7 million in 1998-99). Note 14 to the Financial Statements shows grants and subsidies by organisation for each DPI output.

While employee expenses were higher than last year, the ratio to total operating expenses was less than last year at 54.4% (56.7% in 1998-99).

Increases in motor vehicle expenses have resulted in an increase in supplies and services on last year's expense. However, the proportion of supplies and services to total operating expenses has remained steady at 27.6% (27.4% in 1998-99).

Overhead costs (after adjustments for equity return) have also remained steady at \$65.96 million (\$65.96 million in 1998-99).

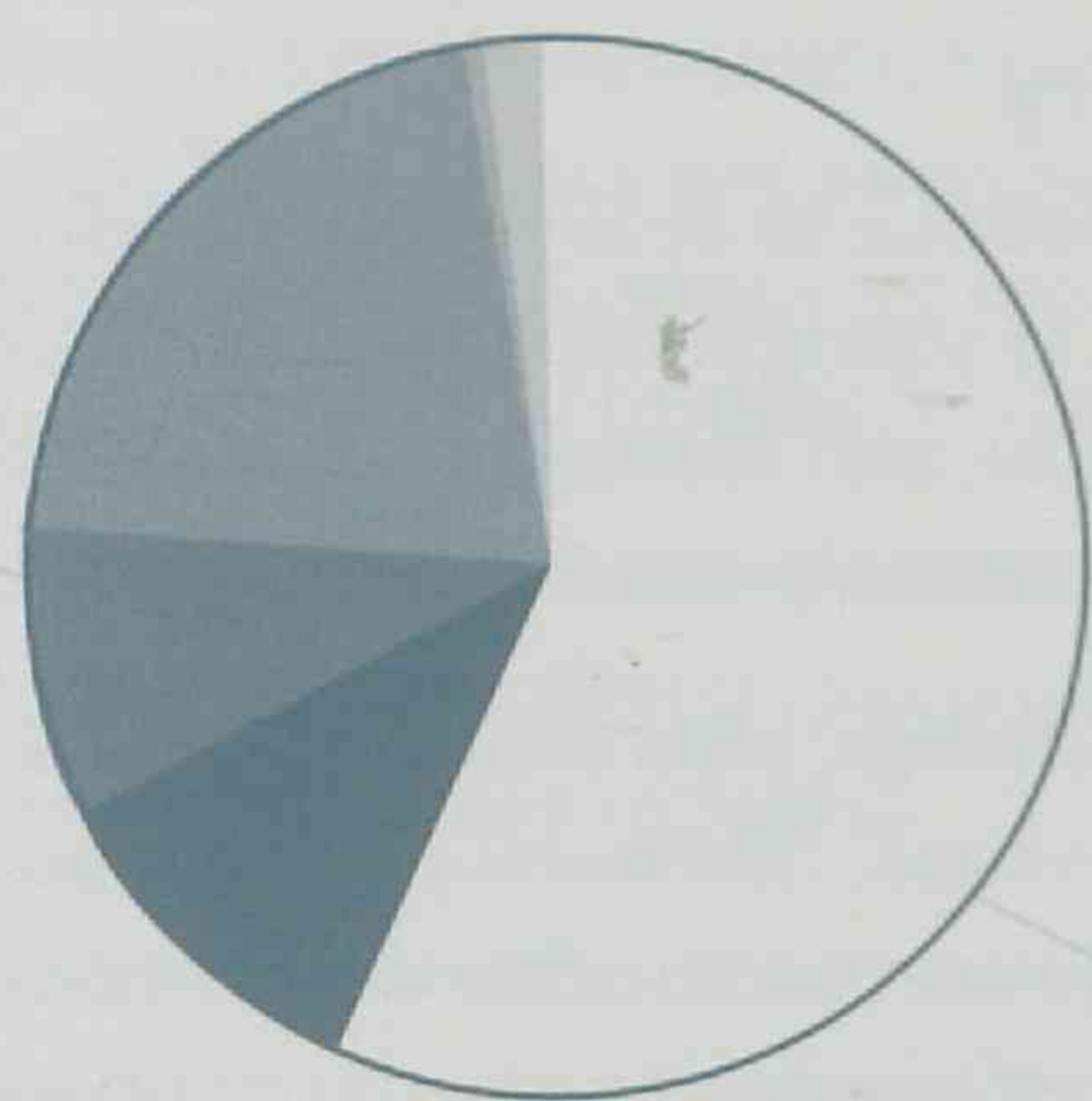
## Operating Revenues

Appropriation revenue from Treasury is reported as operating revenue for the first time in 1999-2000 and is the largest source of revenue for the Department, at 57.36% of total operating revenue (56.13% in 1998-99).

Royalties and other territorial revenue continued to be a major source of revenue for the Department at 21.14% of total operating revenue (19.82% in 1998-99).

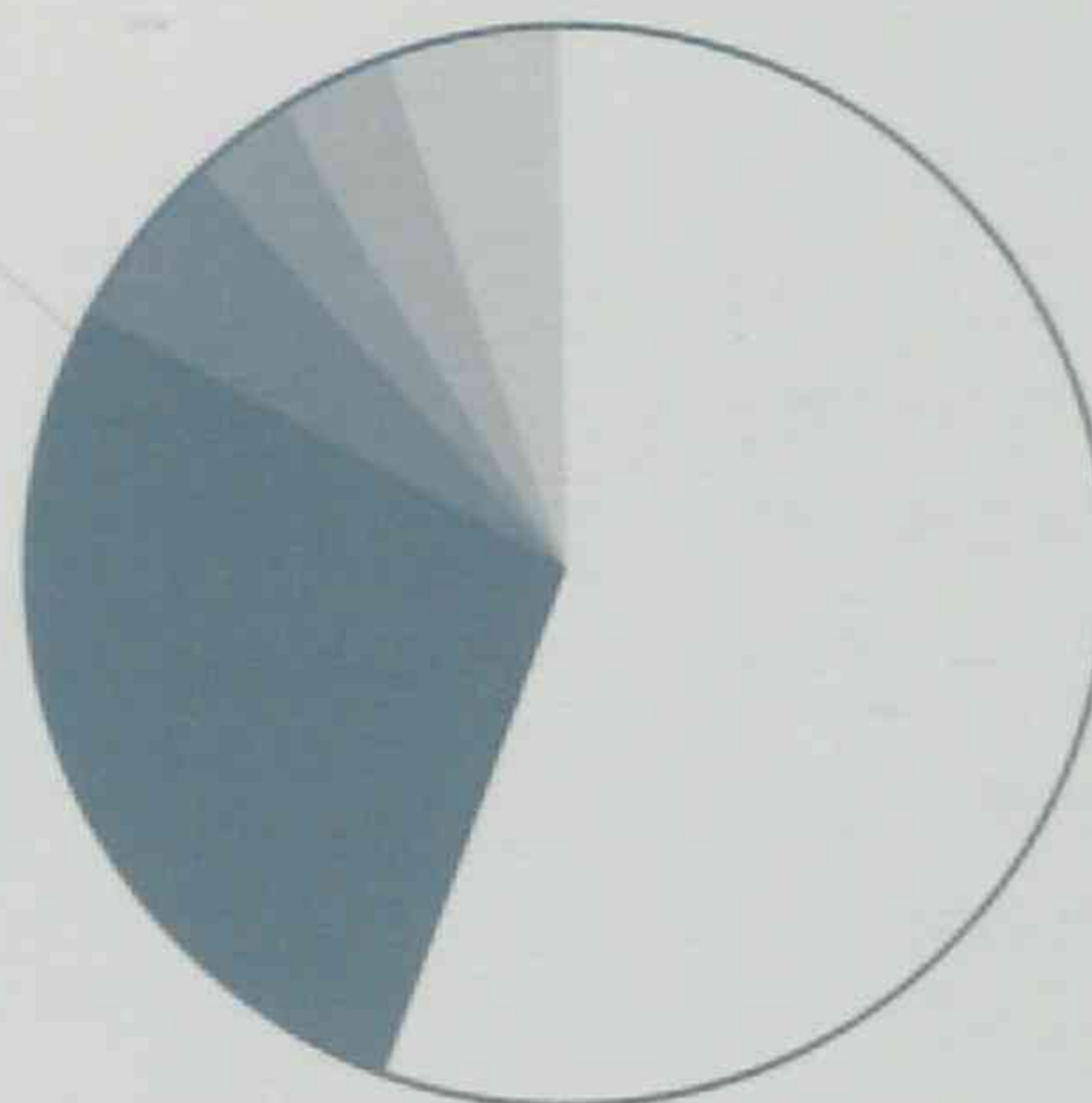
	2000 \$'000	1999 \$'000	1998 \$'000	Change 1999-00	Change 1998-99
<b>Financial position as at 30 June 2000</b>					
Total Assets	1 348 043	1 296 046	1 227 178	4.0%	5.6%
Total Liabilities	130 197	158 178	161 188	-17.7%	-1.9%
Total Equity	1 217 846	1 137 868	1 065 966	7.0%	6.7%
<b>Operating result for the year ended 30 June 2000</b>					
Total Revenues	379 082	367 704	343 525	3.1%	7.0%
Total Expenses	372 022	347 349	366 889	7.1%	-5.3%
Operating Result	7 060	20 355	(23 412)	-65.3%	186.9%

## DPI CONSOLIDATED 1999-2000 OPERATING REVENUE



- Appropriations Revenue
- User Chares, Taxes, Fees and Fines
- Grants Revenue
- Royalties & Other Territorial Revenue
- Property Income
- Other Revenue

## DPI CONSOLIDATED 1999-2000 OPERATING EXPENSES



- Employee Expenses
- Supplies & Services
- Depreciation Expenses
- Grants & Subsidies
- Equity Return
- Other Expenses

# Appendixes

**Acts, regulations, plans, standards and orders****Acts**

*Agricultural and Veterinary Chemicals (Queensland) Act 1994*  
*Agricultural Chemicals Distribution Control Act 1966*  
*Agricultural Standards Act 1994*  
*Animals Protection Act 1925*  
*Apiaries Act 1982*  
*Banana Industry Protection Act 1989*  
*Biological Control Act 1987 (except with respect to control of declared plants and animals under the Rural Lands Protection Act 1985)*  
*Brands Act 1915*  
*Chemical Usage (Agricultural and Veterinary) Control Act 1988*  
*Chicken Meat Industry Committee Act 1976*  
*Dairy Adjustment Program Agreement Act 1976*  
*Dairy Adjustment Program Agreement Act 1977*  
*Dairy Industry Act 1993*  
*Diseases in Timber Act 1975*  
*Exotic Diseases in Animals Act 1981*  
*Fisheries Act 1994*  
*Forestry Act 1959 (as it relates to the responsibilities of the Minister for Primary Industries and Rural Communities)*  
*Grain Industry (Restructuring) Act 1991*  
*Grain Research Foundation Act 1976*  
*Meat Industry Act 1993*  
*Plant Protection Act 1989*  
*Primary Industries Bodies Reform Act 1999*  
*Sawmills Licensing Act 1936*  
*Stock Act 1915*  
*Sugar Industry Act 1999*  
*Timber Utilisation and Marketing Act 1987*  
*Torres Strait Fisheries Act 1984*  
*Veterinary Surgeons Act 1936*  
*Wheat Marketing (Facilitation) Act 1989*

**Regulations**

*Agricultural Chemicals Distribution Control Regulation 1998*  
*Agricultural Standards Regulation 1997*  
*Animals Protection Regulation 1991*  
*Apiaries Regulation 1998*  
*Banana Industry Protection Regulation 2000*  
*Brands Regulation 1998*  
*Chemical Usage (Agricultural and Veterinary) Control Regulation 1999*  
*Dairy Industry Regulation 1993*  
*Diseases in Timber Regulation 1997*  
*Exotic Diseases in Animals Regulation 1998*  
*Fisheries Regulation 1995*  
*Forestry Regulation 1998*

*Forestry (State Forests) Regulation 1987*  
*Grain Industry Regulation 1994*  
*Meat Industry Regulation 1994*  
*Plant Protection (Bactrocera Philippinensis Introduction Prohibition) Regulation 1998*  
*Plant Protection (Banana Black Sigatoka) Quarantine Regulation 1999*  
*Plant Protection (Mango Leafhopper Introduction Prohibition) Regulation 1997*  
*Plant Protection (Mango Leafhopper) Quarantine Regulation 1997*  
*Plant Protection (Prescription of Pests) Regulation 1993*  
*Plant Protection (Spiraling Whitefly) Regulation 1998*  
*Plant Protection (Sugarcane Smut) Quarantine Regulation 1998*  
*Plant Protection Regulation 1990*  
*Sawmills Licensing Regulation 1965*  
*Stock Identification Regulation 1985 (previously called Identification of Stock Regulation 1985)*  
*Stock (Maximum Chemical Residue Limits) Regulation 1989*  
*Stock Regulation 1988*  
*Sugar Industry Regulation 1999*  
*Timber Utilisation and Marketing Regulation 1998*  
*Veterinary Surgeons Regulation 1991*

**Plans**

*Fisheries (East Coast Trawl) Management Plan 1999*  
*Fisheries (Freshwater) Management Plan 1999*  
*Fisheries (Gulf of Carpentaria Inshore Fin Fish) Management Plan 1999*  
*Fisheries (Spanner Crab) Management Plan 1999*

**Standards**

*Dairy Industry Standard 1993*  
*Meat Industry Standard 1994*  
*Meat Industry (Construction of Premises Processing Animals for Human Consumption) Standard 1996*  
*Meat Industry (Construction of Premises Processing Meat for Human Consumption) Standard 1996*  
*Meat Industry (Hygienic Production of Game Meat for Human Consumption) Standard 1998*  
*Meat Industry (Hygienic Production of Meat for Human Consumption) Standard 1996*  
*Meat Industry (Hygienic Production of Poultry Meat for Human Consumption) Standard 1998*  
*Meat Industry (Hygienic Production of Rabbit Meat for Human Consumption) Standard 1998*  
*Meat Industry (Transportation of Meat for Human Consumption) Standard 1996*

**Orders**

*Dairy Industry (Market Milk Prices) Order 1999*  
*Dairy Industry (Scheme for Restructuring Distribution) Order 1993*  
*Stock (Camelidae) Order 1991*

**Acts repealed during 1999–2000***City of Brisbane Market Act 1960**Dairy Industry (Implementation of National Adjustment Arrangements) Amendment Act 2000**Farm Produce Marketing Act 1964**Forestry Amendment Act 2000**Fruit Marketing Organisation Act 1923**Primary Industries and Natural Resources Legislation Amendment Act 2000**Primary Industries Legislation Amendment Act 1999**Primary Industries Corporation Act 1992**Primary Producers' Organisation and Marketing Act 1926**Sugar Industry Amendment Act 2000**Sugar Industry Act 1991**Sugar Milling Rationalisation Act 1991**Fruit Marketing Organisation Act 1923*

The name of the Committee of Direction was changed to Queensland Fruit and Vegetable Growers (QFVG). The name of the Act was changed because the organisation is no longer involved in marketing and is a grower representative body. In addition, dormant marketing provisions were repealed. Several procedural or consequential amendments were also provided.

*Grain Industry (Restructuring) Act 1991*

The Act implemented the agreed outcome of the National Competition Policy review of this Act and made further changes arising from a review of the accountability requirements in the Act applying to Grainco.

The Act implemented the following recommendations of this National Competition Policy Review:

- deregulate all domestic trading of grain (wheat, barley and sorghum including seed wheat and seed barley);
- repeal all regulations pertaining to sorghum produced in Central Queensland;
- preserve as inactive legislation the provisions relating to the regulation of export wheat, subject to the outcome of the review of the Commonwealth's *Wheat Marketing Act 1989*;
- maintain for three years the statutory "single desk selling" by Grainco in relation to export barley.

*Meat Industry Act 1993*

The amendments clarified the appeal process for appeals made to the Meat Industry Tribunal. They also clarified that the Tribunal is empowered to charge fees for an appeal made to it.

*Primary Producers' Organisation and Marketing Act 1926*

The amendments removed references to marketing provisions from the title of the Act to reflect that the Act now dealt only with grower representative organisations. Amendments also repealed dormant provisions relating to commodity marketing boards. Several amendments were made relating to election processes and organisational structure of the canegrower representative bodies.

*Sugar Industry Act 1999**Date of assent: 18 November 1999**Date of commencement: 18 November 1999*

The principle objective of the *Sugar Industry Act 1999* was to facilitate an internationally competitive, export oriented sugar industry based on sustainable production that benefits the people involved in the sugar industry and the wider community.

The review of industry, carried out by the Sugar Industry Review Working Party (SIRWP), identified several areas within the industry for reform. The SIRWP's report, published in November 1996, reviewed major policy areas and contained 74 recommendations for reform. The report indicated that the Queensland Sugar Corporation ("the corporation") should be restructured to provide an increased focus on export and domestic marketing arrangements and reduced regulatory powers. These powers should be transferred to local industry bodies and to the sugar industry commissioner, whose office is created under the Act.

The Act's objectives were developed following extensive consideration of the SIRWP's report by implementation and legislation committees established by the DPI and consisting of industry and Government representatives.

**Legislation enacted during 1999–2000***Primary Industries Legislation Amendment Act 1999\***Date of assent: 17 September 1999**Date of commencement: 17 September 1999*

This Act amended the following acts administered by the Minister for Primary Industries and Rural Communities accordingly:

*Agricultural Standards Act 1994*

The Act removed certain words that were inserted as a result of an error in the *Primary Industries Legislation Amendment Act 1999*.

*Chicken Meat Industry Committee Act 1976*

The Act implemented the recommendations of a National Competition Policy review of this Act. The Review Committee recommended that a legislative arrangement be retained, central to which is the ability of growers to undertake contract negotiations directly, both collectively and independently, with individual processors, and that a clear dispute resolution process be established.

*City of Brisbane Market Act 1960*

The Act amended and repealed the *City of Brisbane Market Act 1960* to facilitate the establishment of the Brisbane Market Authority as a corporation.

The new entity became a "statutory Government Owned Corporation" and subsequently became a "company Government Owned Corporation" under the *Government Owned Corporations Act 1993*. The corporation is a registered company subject to corporations law.

*Fisheries Act 1994*

The amendments implement Queensland participation in an agreed National Docketing System (NDS). These extend the current docket keeping requirements in the Act to wholesale sellers and buyers, and processors of abalone. In addition, the amendments created an offence where a person unlawfully possesses fish in Queensland knowing the fish have been taken in contravention of fisheries legislation of another State. The documentation will provide the means of tracing the abalone to its source to determine whether it has been lawfully taken.

The amendments also provide for inspectors to obtain a "monitoring warrant" to gain access to places other than dwelling houses for a period of up to two months to monitor compliance with the Act. Several safeguards will apply to ensure sufficient control over the issue and content of the warrant.

Amendments also provide better protection for mangroves and other marine plants and increase the associated maximum penalty from 2000 to 3000 penalty units.



The extensive legislative changes proposed by the committees made it more reasonable to draft a new Act and repeal existing sugar industry legislation than attempt to amend existing legislation. This action was supported by all sectors of the sugar industry.

*Forestry Amendment Act 2000\**

*Date of assent: 14 December 1999*

*Date of commencement: 14 December 1999*

The principle objective of this Act was to amend the *Forestry Act 1959* to give effect to the Queensland Government plan for the South-East Queensland Regional Forest Agreement.

The Agreement provides, inter alia, for the grant of 25-year wood supply agreements in the form of sales permits (ending 2024), with respect to Crown native forest hardwood sawlogs, for most current allocation sawlog holders in south-east Queensland.

Further, the Agreement provides that the 25-year agreements will provide for compensation in certain circumstances (to be set out in the sales permits) and that the agreements will also be tradeable instruments. Where a mill seeks to sell their wood supply agreement or their business, the Queensland Government will have the first right of refusal over buying the agreement and business.

*Primary Industries Bodies Reform Act 1999*

*Date of assent: 21 December 1999*

*Date of commencement: 21 December 1999*

The *Primary Industry Bodies Reform Act 1999* facilitated the:

- transition of primary producer representative bodies (producer bodies) under the *Primary Producers' Organisation and Marketing Act 1926* and the *Fruit Marketing Organisation Act 1923* to non-statutory legal entities (replacement corporations);
- winding-up of the Queensland Abattoir Corporation (QAC) by amending the *Meat Industry Act 1993* to empower:
- the corporation to sell assets and land other than for meat processing activities;
- the corporation to deal generally in land, including the power to lease and sub-divide land for its own use as well as that of third parties, including seeking planning approvals;
- the corporation to transfer its assets to another entity for redevelopment;
- the Minister to appoint an administrator to simplify the administration of the QAC when the term of the current board expires.

*Sugar Industry Amendment Act 2000\**

*Date of assent: 27 June 2000*

*Date of commencement: 27 June 2000*

The *Sugar Industry Amendment Act 2000* amended the following Acts administered by the Minister for Primary Industries accordingly:

*Sugar Industry Act 1999*

These amendments addressed two of the recommendations made by the Sugar Industry Review Working Party regarding the restructuring of the Queensland Sugar Corporation and the return of the Bulk Sugar Terminal assets to industry control.

The Act contained amendments to provide for the incorporation of the Queensland Sugar Corporation as an industry-owned marketing company and the establishment of an oversighting statutory authority. The Act also covered the transfer of the Bulk Sugar Terminal assets to industry, the option of incorporation for Cane Protection and Productivity Boards (CPPBs) and several other amendments.

*Primary Industry Bodies Reform Act 1999*

A minor amendment was required to clarify a policy intention that the growers eligible under the locally funded assets held in trust by the Queensland Cane Growers Organisation Ltd, were those growing cane in the district from time to time.

An amendment was also required to rectify an anomaly in the Act. Under the Act, assets of secondary bodies were required to be held in trust by their principal bodies but the employees of those secondary bodies were transferred to the principal bodies. This anomaly threatened the autonomy of local areas and would result in the payment of additional payroll tax. This anomaly was rectified by retrospectively transferring the employees to the trust that holds the assets to pay them.

*Primary Industries and Natural Resources Legislation Amendment Act 2000\**

*Date of assent: 27 June 2000*

*Date of commencement: 27 June 2000*

The objectives of the *Primary Industries and Natural Resources Legislation Amendment Act 2000* were to:

- amend the *Fisheries Act 1994* to abolish the Queensland Fisheries Management Authority and facilitate new institutional arrangements relating to fisheries within the DPI;
- amend the *Forestry Act 1959* to enable the conversion of the Timber Research and Development Advisory Council into a non-statutory body;
- repeal the *Primary Industries Corporation Act 1992*, and to make consequential amendments to 17 pieces of legislation, made necessary by the repeal of the *Primary Industries Corporation Act 1992*.

*Dairy Industry (Implementation of National Adjustment Arrangements) Amendment Act 2000\**

*Date of assent: 27 June 2000*

*Date of commencement: 1 July 2000*

The *Dairy Industry (Implementation of National Adjustment Arrangements) Amendment Act 2000* amended the *Dairy Industry Act 1993* to:

- allow for the Queensland dairy industry to participate in the Commonwealth Dairy Industry Adjustment Program (designed to assist with structural adjustment of the dairy industry nationally) by removing regulated market milk controls on the producing sector of the Queensland dairy industry;
- refocus the purpose of the legislation and the role of the Queensland Dairy Authority ("the Authority") away from restructuring of the dairy industry to focusing primarily on providing industry quality and safety standards for dairy produce and licensing;
- allow for structural change and the eventual winding-up of the Authority, if required, after the functions of the Authority are reduced when regulated market milk controls are removed.

\*Repealed once its provisions affecting other legislation had taken effect—see Appendix 3.

## Statutory bodies associated with the Department

Body <sup>1</sup>	Body corporate, corporation, or instrumentality	Constituting Act	Annual reporting arrangements
Agricultural Chemicals Distribution Control Board	Instrumentality	<i>Agricultural Chemicals Distribution</i>	Included in this appendix under 'Notes' <i>Control Act 1966</i>
Banana Industry Protection Board	Instrumentality	<i>Banana Industry Protection Act 1989</i>	Included in this appendix under 'Notes'
Brisbane Market Authority <sup>2</sup>	Body corporate	<i>City of Brisbane Market Act 1960</i>	Annual report to Parliament
Brisbane Market Corporation <sup>3</sup>	Corporation	<i>Government Owned Corporations Act 1993</i>	Annual report to Parliament
Bureau of Sugar Experiment Stations	Body corporate	<i>Sugar Industry Act 1999<sup>4</sup></i>	Annual report to Parliament
Cane production boards (25) <sup>5</sup>	Instrumentalities	<i>Sugar Industry Act 1999</i>	Included in annual report of Queensland Sugar Corporation
Cane protection and productivity boards (20)	Bodies corporate	<i>Sugar Industry Act 1999</i>	Annual report to Parliament
Chicken Meat Industry Committee	Instrumentality	<i>Chicken Meat Industry Committee Act 1976</i>	Annual report to Parliament
Committee of Direction of Fruit Marketing <sup>6</sup>	Body corporate	<i>Fruit Marketing Organisation Act 1923</i>	Annual report to Parliament
Dairy Industry Tribunal	Instrumentality	<i>Dairy Industry Act 1993</i>	Included in annual report of Queensland Dairy Authority
Fisheries Tribunal	Instrumentality	<i>Fisheries Act 1994</i>	Included in annual report of Queensland Fisheries Management Authority
Grain Research Foundation	Body corporate	<i>Grain Research Foundation Act 1976</i>	Annual report to Parliament
Grainco Ltd	Corporation	<i>Corporations Law 1991; Grain Industry (Restructuring) Act 1991</i>	Annual report to Parliament
Marketing boards	Instrumentalities	<i>Primary Producers' Organisation and Marketing Act 1926<sup>7</sup></i>	Included in this appendix under 'Notes'
Meat Industry Tribunal	Instrumentality	<i>Meat Industry Act 1993</i>	Included in annual report of Queensland Livestock and Meat Authority
Negotiating teams (25)	Instrumentalities	<i>Sugar Industry Act 1999</i>	Included in annual report of Queensland Sugar Corporation
Primary Industries Corporation <sup>8</sup>	Corporation sole	<i>Primary Industries Corporation Act 1992</i>	Included in this appendix under 'Statutory body notes'
Queensland Abattoir Corporation	Body corporate	<i>Meat Industry Act 1993</i>	Annual report to Parliament
Queensland Cane Growers' Council <sup>9</sup>	Body corporate	<i>Primary Producers' Organisation and Marketing Act 1926</i>	Annual report to Parliament
Queensland Commercial Fishermen's State Council <sup>10</sup>	Body corporate	<i>Primary Producers' Organisation and Marketing Act 1926</i>	Annual report to Parliament
Queensland Dairy Authority	Body corporate	<i>Dairy Industry Act 1993</i>	Annual report to Parliament
Queensland Dairyfarmers' State Council <sup>11</sup>	Body corporate	<i>Primary Producers' Organisation and Marketing Act 1926</i>	Annual report to Parliament
Queensland Fisheries Management Authority <sup>12</sup>	Body corporate	<i>Fisheries Act 1994</i>	Annual report to Parliament
Queensland Livestock and Meat Authority	Body corporate	<i>Meat Industry Act 1993</i>	Annual report to Parliament
Queensland Pork Producers' State Council <sup>13</sup>	Body corporate	<i>Primary Producers' Organisation and Marketing Act 1926</i>	Annual report to Parliament
Queensland Sugar Corporation	Body corporate	<i>Sugar Industry Act 1999</i>	Annual report to Parliament
Sugar Industry Tribunal <sup>14</sup>	Instrumentality	<i>Sugar Industry Act 1991</i>	Included in annual report of Queensland Sugar Corporation
Timber Research and Development Advisory Council of Queensland <sup>15</sup>	Body corporate	<i>Forestry Act 1959</i>	Annual report to Parliament

Body <sup>1</sup>	Body corporate, corporation, or instrumentality	Constituting Act	Annual reporting arrangements
Veterinary Surgeons Board of Queensland	Body corporate	<i>Veterinary Surgeons Act 1936</i>	Included in this appendix under 'Notes'
Veterinary Tribunal of Queensland	Instrumentality	<i>Veterinary Surgeons Act 1936</i>	Included in this appendix under 'Notes'

<sup>1</sup> Numbers in brackets ( ) represent the number of individual statutory bodies in a particular class.

<sup>2</sup> The Brisbane Market Authority was established as a corporation and replaced by the Brisbane Market Corporation from 13 December 1999.

<sup>3</sup> The Brisbane Market Corporation was established on 13 December 1999 and replaced the former Brisbane Market Authority.

<sup>4</sup> The *Sugar Industry Act 1999* was assented to on 18 November 1999 and the *Sugar Industry Act 1991* repealed.

<sup>5</sup> Cane production boards were established by the *Sugar Industry Act 1999* and replaced the former local boards established under the *Sugar Industry Act 1991*.

<sup>6</sup> The *Fruit Marketing Organisation Act 1923* was repealed by the *Primary Industry Bodies Reform Act 1999* from 21 January 2000 and the Committee of Direction replaced by Queensland Fruit and Vegetable Growers' Ltd.

<sup>7</sup> The *Primary Producers' Organisation and Marketing Act 1926* was repealed by the *Primary Industry Bodies Reform Act 1999* from 21 January 2000.

<sup>8</sup> The Primary Industries Corporation was dissolved from 30 June 2000 by the *Primary Industries and Natural Resources Legislation Amendment Act 2000*.

<sup>9</sup> The *Primary Producers' Organisation and Marketing Act 1926* was repealed by the *Primary Industry Bodies Reform Act 1999* from 21 January 2000 and the Council replaced by Queensland Cane Growers Organisation Ltd.

<sup>10</sup> The *Primary Producers' Organisation and Marketing Act 1926* was repealed by the *Primary Industry Bodies Reform Act 1999* from 21 January 2000 and the Council replaced by Queensland Seafood Industry Association Inc.

<sup>11</sup> The *Primary Producers' Organisation and Marketing Act 1926* was repealed by the *Primary Industry Bodies Reform Act 1999* from 21 January 2000 and the Council replaced by Queensland Dairyfarmers' Organisation Ltd.

<sup>12</sup> The Queensland Fisheries Management Authority was amalgamated with the Fisheries Business Group of the DPI to form the Queensland Fisheries Service and ceased to exist as a separate entity from 30 June 2000.

<sup>13</sup> The *Primary Producers' Organisation and Marketing Act 1926* was repealed by the *Primary Industry Bodies Reform Act 1999* from 21 January 2000 and the Council replaced by Queensland Pork Producers' Inc.

<sup>14</sup> Under the provisions of the *Sugar Industry Act 1999*, the Tribunal was to continue in existence only until all applications made to it, before the repeal of the *Sugar Industry Act 1991*, had been disposed of. As at 30 June 2000, all outstanding applications had been disposed of.

<sup>15</sup> The Timber Research and Development Advisory Council of Queensland was dissolved from 30 June 2000 by the *Primary Industries and Natural Resources Legislation Amendment Act 2000*.

## Notes

Statutory bodies that do not submit a separate annual report and are not included in the annual report of another body are briefly described below.

### Agricultural Chemicals Distribution Control Board

The board is constituted under the *Agricultural Chemicals Distribution Control Act 1966*. It licenses commercial spray applicators (aerial and ground) and regulates their distribution of agricultural chemicals.

The board issued 887 new commercial operator licences, 13 new pilot chemical rating licences and renewed 4500 commercial operator licences and 101 pilot chemical rating licences. In addition, the board issued five new, and renewed 50, aerial distribution contractor licences. The board also considered reports on the investigation of spray drift complaints and issued 48 statements to growers.

### Banana Industry Protection Board

The board is constituted under the *Banana Industry Protection Act 1989*. Its main function is to develop policies and regulations to protect the Queensland banana industry against the introduction, spread and proliferation of serious diseases, insects or other pests. In 1999–2000, the board continued to ensure the enforcement of regulations governing the planting and movement of banana planting material, and sponsored research and development projects to control banana pests and diseases, including the management of and surveillance for banana black sigatoka in Queensland. Total expenditure from the banana industry fund was \$1.04 million.

### Marketing boards

The *Primary Producers' Organisation and Marketing Act 1926*, which provided for the establishment of commodity marketing boards, was

repealed from 21 January 2000 by the *Primary Industry Bodies Reform Act 1999*.

### Primary Industries Corporation

The corporation was established on 19 June 1992 under the *Primary Industries Corporation Act 1992*. The corporation carried out such functions as were conferred on it by the Act, the *Forestry Act 1959*, and any other Act; and acted as agent for the State on matters administered by the Minister. The corporation also acted as agent for the State on matters administered by the Minister for Natural Resources. The corporation was dissolved from 30 June 2000 by the *Primary Industries and Natural Resources Legislation Amendment Act 2000*.

### Veterinary Surgeons Board of Queensland and Veterinary Tribunal of Queensland

The board is constituted under the *Veterinary Surgeons Act 1936* and acts in the public interest to ensure domestic and international consumer protection, and animal welfare, in the delivery of veterinary services. This is achieved by ensuring that the providers of veterinary services are suitably qualified and by the registration of qualified persons to practise veterinary science. For 2000, 1799 registered veterinarians are recorded on the Roll of Veterinary Surgeons of Queensland and 42 registered veterinary specialists are recorded on the Roll of Veterinary Specialists of Queensland. The board met on eight occasions to deliberate on complaints made against registered veterinary surgeons and to consider the registration of veterinarians and veterinary premises. No charges of professional misconduct against a registered veterinary surgeon were referred to the Veterinary Tribunal of Queensland for hearing.

**Departmental consultancy expenditure**

The cost of consultancy services to the Department in 1999–2000 totalled \$1.062 million. This figure includes \$310 000 relating to DPI Forestry activities.

<b>Total by category</b>	<b>\$'000</b>
Information technology	77
Professional/technical	315
Management	198
Communications	316
Finance/accounting	37
Human resource management	119
<b>Total</b>	<b>1062</b>

## Appendix 6

**Energy consumption, expenditure and measures implemented to control energy use.**

Electrical energy is a significant budgetary item for the Department, with total expenditure during 1999–2000 being \$1 975 077, an increase of only 1.3% on the previous year's expenditure. As the Department achieved a 7.3% reduction in expenditure in 1998–99, the continued support of energy conservation has sustained lower costs.

All areas of the Department have been encouraged to support the use of energy efficient systems, by monitoring consumption wherever possible and by encouraging staff to implement and use energy-saving practices. These include turning off office and meeting room lights, and office and laboratory equipment, when these items are not in use.

Whenever any new facility or refurbishment is contemplated, energy-efficiency is carefully considered. The Department has employed best practice methods including the use of more energy-efficient lighting arrangements, such as zonal lighting and tri-phosphorous tubes.

The Department has maintained a watching brief on the deregulation of the energy market and from the start of 2001 it will be able to choose its energy retailer at all sites. Savings on energy expenditure are anticipated through competitive tenders for the supply and delivery of energy to selected Departmental sites, particularly those close to Brisbane.

**Overseas Travel**

During 1999–2000 the Department maintained a strong international profile that promoted Queensland's leadership in food and fibre systems and community business development.

Altogether 194 officers of the Department undertook 252 trips. Their time spent overseas totalled 3684 days.

External sources were used to fund totally or partially the costs associated with 205 overseas trips (81% of the total number). Only 47 trips were wholly funded from consolidated revenue.

Some major outcomes from this travel are highlighted below.

**Michelle Hollaway—New Zealand**

This study tour increased knowledge and understanding of techniques for gathering information from stocked fisheries and in implementing a licensing system for freshwater recreational fishing.

**Peter Peterson—Israel**

Development and management initiatives for aquaculture in inland Queensland were studied, including farm design, management and multiple water use techniques. There is potential for increased Israeli development and joint venture interest in the State's aquaculture industry.

**Hayden Hodges—Netherlands**

This study mission, led by Agriculture, Fisheries and Forestry–Australia, sought insights into approaches to improving the competitiveness of agricultural value chains. Three key issues were identified as a basis for improvement: chain reversal, value chain learning and learning networks. An important part of the Dutch Government's role is investment in new thinking—disseminating information and knowledge to influence industry's thinking.

**Peter Cronin—USA**

Forty-two delegates from Queensland, led by the Premier, Mr Peter Beattie, attended the BIO 2000 conference. This was not a scientific conference but rather an international biotechnology meeting and exhibition which promoted the biotechnology industry and facilitated business opportunities. Queensland will reap long-term benefits for agricultural biotechnology opportunities in this State.

**Geoff Kent—Taiwan**

Increased sales of Queensland State-owned sandalwood were promoted.

**Keith Gould, Edrian Hazelman, Graeme Palmer—China, Japan**

Queensland-grown and processed hoop pine was promoted and product attributes appropriate to these export markets identified.

**Warwick Easdown—Philippines**

The Rural Extension Centre provided a training program on the management of agricultural information services for the Philippines Council for Agriculture, Forestry and Natural Resources Research and Development. A pilot project based on the Queensland Government Agent Program concept run by the Office of Rural Communities is being developed in the southern Philippines.

**Dennis Murphy—Netherlands**

At the 4th International Conference on Chain Management in Agribusiness, some outstanding examples of small numbers of producers with low critical mass entering alliances with large supermarkets were given. These alliances were successful due to innovation and good human relationships. The role of governments in chain management was identified as that of third parties in a facilitatory and a participatory capacity.

**Peter Green—Indonesia, Rudolf Urech—Indonesia, Malaysia**

Increased knowledge of screwworm fly (*Chrysomya bezziana*), in particular its behavioural responses to lures and traps, will enhance our surveillance capabilities by the deployment of improved trapping systems along the northern Australian coastline.

**Hume Field—USA**

Key topics at the International Conference on Emerging Infectious Diseases included the emergence, impact and management of major animal and poultry diseases; innovative early-warning surveillance methodologies; control technologies; bioterrorism; and food safety.

**Jeanette Mifflin—USA**

A paper presented at a workshop on *Campylobacter*, *Helicobacter* and related organisms raised international awareness of DPI's *Campylobacter* research, which will assist the chicken meat industry in Queensland achieve best practice by minimising contamination with these food-borne pathogens.

**David George—India**

An invited paper presented at the International Conference on Managing Natural Resources for Sustainable Agricultural Production in the 21st Century highlighted the international expertise of the Queensland Centre for Climate Applications. The State is among the world leaders for its expertise in applying seasonal climate forecasts in agricultural management.

**Stephen Fuller—Papua New Guinea**

A consultancy with the Papua New Guinea Coffee Industry Corporation enhanced the capacity of the Centre for Food Technology to assist and develop the north Queensland coffee industry.

**Clive Keenan—Philippines, Vietnam, Singapore**

Aquaculture techniques for the valuable mud crab industry were developed as part of this Australian Centre for International Agricultural Research project. This new technology was introduced to aquaculture production methods for other crab species and the development of soft-shelled crabs. Other direct benefits included development of markets for barramundi fingerlings into Singapore.

## Accessing information and reviews

### Arrangements for community participation in the formulation of DPI policy and the exercise of DPI functions.

Members of the community are encouraged to contact their local DPI office, Call Centre, DPI's Administrative Review Coordinator or Director-General concerning DPI's policies and functions, and ways in which they can participate in the formulation of DPI policy and the exercise of DPI functions.

### Information and documents held by DPI

Publications. DPI produces many free or saleable publications:

- Books—over 350 easy-to-read, professional titles on plants, animals, land, management, environment, food and history.
- Bulletins and reports—including resource assessments, planning reports and technical guidelines.
- Computer software—DPI software programs, which are IBM compatible, provide solutions to the challenges of everyday farming, from simple loan repayment calculations to advanced farm management techniques.
- DPI Notes and other free publications—a range of topics relevant to DPI's primary production (including pests and diseases, conservation, and economic issues).
- Maps and plans—aerial photographs, forestry and recreational maps.
- Videos—educational videos for rent or purchase on animal health, consumer interests, dairying, farm management and fisheries.

**Public registers.** DPI holds a number of registers containing information about various primary industries. Although privacy and confidentiality issues prevent disclosure of some information, the public may access other information either free or on payment of a fee. Registers include:

- Agricultural Chemical Distribution Control Licensing
- Apiary Permits
- Banana Tissue Culture
- Banana Industry Protection
- Brands
- Cattle Feedlots
- Client Sales List (Forestry)
- Deer Farm Licences
- Drought and Disaster Assistance Management
- Farm Produce Commercial Sellers
- Fisheries
- Plant Health Inspections
- Property Holdings
- Queensland Beekeeping Registration
- Queensland Government Fodder
- Sawmill Licences
- Sheep Stud
- Stock Grazing Permits
- Victorian Accreditation
- Western Australian Accreditation
- Woolgrowers Guide to Queensland Merino Studs.

**Policy documents.** DPI has developed rules, policies, and guidelines to enable Departmental officers to perform their functions. These

documents are available for inspection and/or purchase by the community. While there is no cost to inspect a policy document, photocopies cost 50 cents per A4 page.

**DPI's community information services and programs.** DPI develops or participates in various programs that assist those working within, or interested in, the primary sector. Contact your local DPI office to discuss possibilities, which include:

- **Agrifonnet**—a national program offering export market 'snapshots' and a computerised service linking producers, importers and investors to trade and investment opportunities, nationally and internationally.
- **Seafood Services**—commercial information service, provided by the Centre for Food Technology, to the Queensland food industry.
- **Business Advisory Services Scheme**—a network providing access to rural business assistance from Government.
- **Business Briefs**—economic and marketing intelligence, including product data on national and international markets, enterprise selections and crop production costs and returns. Available by mail or fax.
- **DPI Client Information Centres**—'walk-in', strategic information centres based in the regions.
- **DPI Library**—integrated with State and national library systems, providing up-to-date information for DPI officers.
- **DPI Prime Notes**—extension material (production, environmental, economic) accessed via CD ROM or Internet.
- **DPI Rural Information Specialists**—information extension officers operating as the interface between the Department and rural producers. These officers promote rural sector access to business, marketing and technical information, and assist DPI officers to package material to meet specific client needs.
- **DPI Today and Prime News**—newsletters for DPI staff profiling our achievements, events and activities.
- **FarmFax & SOI Fax**—subscription-based, daily updates for farmers and providing information on weather forecasts, commodities, etc.
- **Growsearch**—provides business, technical and marketing information to the nursery industry, Australia-wide.
- **Infosearch**—commercial information service for agriculture clients.
- **PIB Information Centre**—'walk-in' information centre for self-directed research based in the Primary Industries Building, 80 Ann Street, Brisbane.
- **Public affairs**—provides information to the media and promotes DPI's profile and image in the public arena.

Documents held by DPI concerning the performance of its business, activities and functions. In accordance with the *Libraries and Archives Act 1988*, DPI maintains a comprehensive records management system that holds all documents created and received by the Department during the course of the performance of its business, activities, and functions. Any member of the community may apply for access to these documents.

### Access to information about DPI

**Contact DPI's Call Centre on 13 25 23** to access all DPI services between 8:00 a.m. to 8:00 p.m. Monday to Friday except public holidays for the cost of a local call.

Visit DPI online at [www.dpi.qld.gov.au](http://www.dpi.qld.gov.au)

**Contact DPI Publications** for a free catalogue or to buy publications from:

DPI Bookshop  
Ground Floor, Primary Industries Building  
80 Ann Street, Brisbane  
GPO Box 46, Brisbane Q 4001  
Toll free telephone: 1800 816 541; Facsimile: (07) 3239 6509  
Email: [books@dpi.qld.gov.au](mailto:books@dpi.qld.gov.au)  
Web: <http://dpiweb.mh.dpi.qld.gov.au>

#### **Access to documents held by DPI**

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

**How to apply for access to documents.** Applications under the FOI Act must be made in writing and provide such information as is reasonably necessary to enable a responsible DPI officer to identify the documents. To lodge an FOI application, to obtain general information about the FOI Act, or to access policy documents, contact:

Administrative Review Coordinator  
Access and Administrative Review, DPI  
7th Floor Primary Industries Building  
80 Ann Street, Brisbane  
GPO Box 46, Brisbane Q 4001  
Telephone: (07) 3239 3865; Toll free telephone: 1800 061 938  
Facsimile: (07) 3239 3879; Toll free facsimile: 1800 627 469  
Mobile: 0409 055 465  
Email: [adminreview@dpi.qld.gov.au](mailto:adminreview@dpi.qld.gov.au)

**FOI fees and charges.** A \$31.00 application fee is payable for FOI applications not concerning personal affairs. A 50 cents per A4 page photocopying charge is payable for non-personal documents released under the FOI Act. No fees or charges are payable for personal affairs applications. FOI fees and charges are GST free.

**Time limits for processing FOI applications.** Under the FOI Act, DPI must acknowledge receipt of an application within 14 days of its receipt. Applications must be processed within a period of between 45 and 75 days. (All applications are to be processed within 45 days, but additional 15 processing days may be taken if DPI consults a third party about disclosure of a document and/or if non-personal documents were created before November 1987).

**Review rights.** Applicants or third parties who are dissatisfied with any decision made by the initial FOI decision-maker may apply for an internal review. An officer no less senior than the initial decision maker conducts the internal review. Requests for internal review must be made within 28 days of receiving the original decision. The internal review will be conducted within 14 days.

Applicants or third parties who remain dissatisfied with the outcome of the internal review, or who do not receive a decision on their FOI application by the statutory time limit, may apply to the Information Commissioner for an external review of the decision. Applications to the Information Commissioner must be made in writing and should be sent to:

Information Commissioner  
Level 25, 288 Edward Street, Brisbane Q 4000  
Telephone: (07) 3005 7100; toll-free telephone: 1800 068 908  
Email: [infocomm@infocomm.qld.gov.au](mailto:infocomm@infocomm.qld.gov.au)

#### **Amendment of personal information**

Under the FOI Act, persons who have accessed a document concerning their personal affairs may seek an amendment of that document if

the document is out-of-date, misleading, inaccurate or incomplete. Amendment applications must be made in writing and specify an address where notifications can be sent, give particulars of the out-of-date, misleading, inaccurate or incomplete information, and specify the amendment required. Contact DPI's Administrative Review Coordinator for more information.

#### **Review of administrative decisions**

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

To discuss your review options, please contact DPI's Administrative Review Coordinator or the officer who made the decision. Alternatively, write to the DPI Director-General at GPO Box 46, Brisbane Q 4001.

**Judicial Review Act 1991 (JR Act).** The JR Act gives aggrieved persons two fundamental legal rights:

- the right to seek a statement of reasons for certain administrative decisions; and
- the right to seek a Supreme Court review of an administrative decision on legal grounds.

An aggrieved person may seek a written statement of reasons from the decision-maker as to why a decision was made. Any such request must be made in writing and be addressed to the decision-maker. If the decision was communicated to the aggrieved person in writing, the aggrieved person has 28 days within which to lodge a request for a statement of reasons. If the decision was not in writing, then the request for reasons must be made within a reasonable time. If reasons are required, the decision-maker must provide a statement of reasons within 28 days of receiving the request.

An aggrieved person may apply to the Supreme Court for a statutory order of review of the decision, whether it concerns the actual decision or conduct related to the decision-making process. A statement of reasons must be obtained before applying for a statutory order of review.

**Complaints to the Ombudsman.** The Parliamentary Commissioner for Administrative Investigations (commonly referred to as the "Ombudsman") has power to investigate any administrative action taken by, in or on behalf of, DPI. Any Ombudsman complaint should be made in writing and sent to:

Parliamentary Commissioner for Administrative Investigations  
25th Floor, 288 Edward Street Brisbane Q 4000  
Telephone: (07) 3005 7000; Toll free telephone: 1800 068 908  
Email: [ombudsman@pcai.qld.gov.au](mailto:ombudsman@pcai.qld.gov.au)

#### **Freedom of Information statistics**

##### **Freedom of Information Act 1992**

Personal applications received in 1999–2000	8
Non-personal applications received in 1999–2000	85
Applications for amendment of personal affairs information	0
<b>Total applications processed in 1999–2000</b>	<b>93</b>

No. of applications withdrawn or transferred	8
No. of documents access granted in full	33 268
No. of documents access refused in full	2 670
No. of documents access granted in part	1 220
<b>Total no. of documents considered</b>	<b>37 158</b>

Internal reviews made in 1999–2000	10
External reviews made in 1999–2000	3

## Ethics

### *Public Sector Ethics Act 1994*

DPI continues to implement the *Public Sector Ethics Act 1994*. DPI's Code of Conduct, which was published in 1996, provides standards of conduct for its public officials consistent with the ethics obligations in the Act. All DPI staff have received extensive education on the Code's requirements and all new staff are educated on the requirements. Electronic versions of the Code are available to all staff. The Department continues to use the Code as a guide to client service and good management practice.

## Whistleblowers protection

### *Whistleblowers Protection Act 1994*

DPI's whistleblowers protection policy details the support and protection for whistleblowers and acts as a guide for making and handling public interest disclosures. Staff are aware of their entitlements and training kits have been issued to all managers. In 1999–2000, no public interest disclosures were reported to the Director-General under the *Whistleblowers Protection Act 1994*.

## Corporate sponsorships

### *Queensland Government Sponsorship Policy*

The Department compiles detailed documentation on sponsorships over \$10 000. Information about DPI's Corporate Sponsorships is available from DPI's Public Affairs Manager.

## Committees and advisory groups associated with DPI

- Agribusiness Exporters Quality Assurance Scheme
- Agrifonet Reference Group
- Animal Health Policy Working Group
- Apple Industry Development Committee
- Australasian Pig Institute Board
- Australian Tropical Dairy Institute Board
- Avocado Industry Development Committee
- Ayr Research Station Committee
- Banana Industry Development Committee
- Beef Industry Development Advisory Council
- Bee Industry Consultative Committee
- Bowen District Vegetable Research and Development Committee
- Bundaberg and District Tree Crop Industry Committee
- Bundaberg and District Vegetable Industry Committee
- Central Burnett Horticulture Committee
- Centre for Food Technology Advisory Group
- Centre for Food Technology Industry Board
- Chemical Residues Coordinating Committee
- Citrus Industry Development Committee
- Consultative Committee on Exotic Animal Disease
- Cotton Industry Development Council
- Cooperative Research Council Users Advisory Committee
- Dairy Industry Development Council
- Darling Downs Chemical Liaison Committee
- Drought Management Coordination Committee
- Environmental Code of Practice for Piggeries Task Force
- Environmental Code of Practice for Poultry Farming Task Force
- Emu Industry Development Council
- Far North Queensland 2010 Planning Committee
- Farming Systems Institute Board
- Feedlot Advisory Committee
- Financial Counselling Advisory Committee
- Fishing Industry Development Council
- Food Industry Forum
- FutureProfit Advisory Council
- Grain Industry Development Council
- Grain Research Foundation Research Advisory Committees
- Grape Industry Development Committee
- Gympie/Sunshine Coast Horticultural Industry Committee
- Heavy Produce Industry Development Committee
- Hinchinbrook Planning Advisory Committee
- Horticulture Industry Development Council
- Horticulture Industry Policy Council
- Industry Drought Working Group
- Industrial Hemp Advisory Committee
- Live Cattle Export Advisory Committee
- Macadamia Industry Development Committee
- Mango Industry Development Committee
- Ministerial Advisory Committee on Brucellosis and Tuberculosis Eradication Campaign (BTEC)
- North Queensland Aquaculture Development Advisory Committee
- North Queensland Banana Industry Liaison Group
- Nursery and Flower Industry Development Committee
- Pig Industry Development Council
- Pineapple Industry Development Committee
- Poultry Health Liaison Group
- Property Management Planning Committee
- Queensland Animal Health Council
- Queensland Aquaculture Development Advisory Committee
- Queensland Beef Industry Institute Board
- Queensland Cotton Industry Policy Council
- Queensland Dairy Industry Policy Council
- Queensland Export Development Scheme Board
- Queensland Horticulture Institute Board
- Queensland Fisheries Policy Council
- Queensland Fishing Industry Research Advisory Committee
- Queensland Forest Industry Policy Council
- Queensland Grain Industry Policy Council
- Queensland Grain Regulatory Review Council
- Queensland Horticulture Export Council
- Queensland Livestock and Meat Industry Policy Council
- Queensland Poultry Research and Development Centre Board
- Queensland Residue Management Committee
- Queensland Sugar Industry Policy Council
- Rural Extension Centre Board of Management
- Regional Beef Research Committees
- Rural Affairs Advisory Committee
- Standing Committee on Agriculture and Resource Management (SCARM) Women in Agriculture
- Shark Focus Groups
- Sheep and Wool Institute Board
- Southern Queensland Vegetable Industry Consultative Committee
- South Queensland Aquaculture Development Advisory Committee



- Stonefruit Industry Development Committee
- Strawberry Industry Development Committee
- Stumpage Review Committee
- Sugar Industry Review Working Party (SIRWP)
- Sugar Value Adding Working Party
- Tick Control Advisory Committee
- Tick Eradication Implementation Committee
- Timber Research Liaison Committee
- Tomato Industry Development Committee
- Torres Strait Fisheries Scientific Advisory Committee
- Trinity Inlet Management Planning Committee
- Vegetable Industry Development Committee
- Wildlife Farming Reference Group

#### **DPI's policy documents**

- ABC System of Timber Utilisation and Marketing Act (TUMA) Sampling (Forestry)
- Access Fees (Fisheries)
- Animal and Plant Health Service Regulatory Policy
- Animal Welfare Policy
- Beekeeper Access to Crown Land
- Biodiversity (Fisheries)
- Bringing it Together
- Brucellosis and Tuberculosis Eradication Campaign (BTEC)
- By Catch
- Cattle Tick Control
- Cattle Tick Eradication
- Charter of Operations for DPI Horticulture Institute
- Charter of Operation for Sheep and Wool Institute
- Chemical Residues
- Client Information Service Statement
- Cost Recovery (Fisheries)
- Departmental Procedures for Permit Applications, Assessment and Approvals
- Digital Plantation Mapping User Manual
- Disease Investigation Policy
- Disease Surveillance and Reporting
- Client Consultation Policy and Guidelines
- Client Training Strategy
- Client Information Services Statement
- Code of Conduct
- Corporate Standards
- Extension Strategy Statement
- Drought Subsidy Administration
- Drought Relief Assistance Scheme
- Drought and Managing for Self Reliance-Review of Rural Adjustment Scheme (RAS) in Queensland
- Endemic Diseases Policy
- Equine Health
- Exotic Diseases
- Exotic Pine Silvicultural Manual
- Farming Systems Institute Charter of Initial Arrangements
- Feedlot Licence Guidelines

- Field Procedures Manual
- Fire Manual (Forestry)
- Fish Stocking
- Forest Resource Operators Guide
- Freeholding Manual
- Harvest Marketing and Resource Management Manual (Forestry)
- Health Certification Artificial Breeding
- Herbicide Mixing Training Manual
- Hoop Pine Silvicultural Manual
- Hormonal Growth Promotants
- Inspection of Treated Timber Outlets
- Laboratory Development
- Leases and Permits Manual (Forestry)
- Management Advisory Committee and Zonal Advisory Committees
- Management Programs for Sandalwood for Crown Lands in Queensland
- Marketing Administration Manual (Forestry)
- National Competition Policy
- Native Forest Permanent Plot Establishment Manual
- Native Forest Permanent Plot Remeasure Manual
- Offshore Constitutional Settlement: Arrangements for Queensland Fisheries
- Plantation Resource Assessment Manual
- Plantation Yield Simulation System (PLYSIM) User Manual
- Policy and Guidelines for Use of Firearms within Animal and Plant Health Service Environment
- Release and Marketing of Plant Varieties and Other Germplasm
- Priority 2000 Series
- Quality Assurance (Forestry) Engineering Services Workshop Manual
- Quarry Material Extraction
- Queensland Beef Industry Institute Recommended Start-up Arrangements
- Queensland Beef Industry Institute Charter of Operations
- Regulatory Procedures for Animal Health and Welfare Bureau
- Research and Extension Management in DPI
- Sales Administration Manual (Forestry)
- Sked (Yield Scheduling) Manual (Forestry)
- Sked Operating Manual (Forestry)
- Timber Inventory Manual
- Translocation (Fisheries)
- Weeds User Manual
- Weeds Management Silviculture Manual
- Wildlife Farming Policy
- Workplace Health and Safety for Animal and Plant Health
- Zoonoses.

# Financial Statements

for the year ended 30 June 2000

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**OPERATING STATEMENT**  
for the Year Ended 30 June 2000

	Notes*	DPI Consolidated		DPI Parent Entity	
		2000	1999	2000	1999
		\$'000	\$'000	\$'000	\$'000
<b>OPERATING REVENUES</b>					
Appropriations for Outputs	4	217,434	206,386	217,434	206,386
User Charges, Taxes, Fees and Fines	5	38,980	37,790	32,374	33,414
Grants and Other Contributions	6	34,395	34,314	33,230	34,123
Royalties and Other Territorial Revenue	7	80,120	72,886	500	587
Property Income	8	1,025	1,218	631	915
Assets Assumed / Liabilities Transferred	9	371	2,923	286	2,473
Other	10	6,723	12,187	9,970	13,109
<b>Total Operating Revenues</b>		<b>379,048</b>	<b>367,704</b>	<b>294,425</b>	<b>291,007</b>
<b>OPERATING EXPENSES</b>					
Employee Expenses	11	202,136	196,958	163,614	158,243
Supplies and Services	12	98,213	95,000	78,042	77,879
Depreciation and Amortisation	13	20,578	19,317	15,300	14,242
Grants and Subsidies	14	11,103	12,704	10,748	12,160
Equity Return	15	11,257	-	11,257	-
Assets Transferred / Liabilities Assumed	16	480	520	452	569
Other	17	18,221	22,850	17,534	17,395
<b>Total Operating Expenses</b>		<b>361,988</b>	<b>347,349</b>	<b>296,947</b>	<b>280,488</b>
<b>OPERATING RESULT</b>	<b>33</b>	<b>17,060</b>	<b>20,355</b>	<b>(2,522)</b>	<b>10,519</b>
Income Tax on Operating Result	41	-	-	-	-
<b>Increase / (Decrease) in Net Assets before Dividends</b>		<b>17,060</b>	<b>20,355</b>	<b>(2,522)</b>	<b>10,519</b>
Dividends Provided for		(10,000)	(4,633)	-	-
<b>Increase / (Decrease) in Net Assets</b>	<b>31</b>	<b>7,060</b>	<b>15,722</b>	<b>(2,522)</b>	<b>10,519</b>

\*The accompanying Notes on Pages 76 - 109 form an integral part of the Financial Statements.

**OPERATING STATEMENT (Continued)**  
for the Year Ended 30 June 2000

**EXPENSES AND REVENUES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT**

	Notes*	DPI Consolidated		DPI Parent Entity	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>REVENUES</b>					
User Charges, Taxes, Fees and Fines	5	796	661	796	661
Property Income	8	640	796	640	796
Administered Item Revenue	4	837	1,259	837	1,259
<b>Total Revenues</b>		<b>2,273</b>	<b>2,716</b>	<b>2,273</b>	<b>2,716</b>
<b>EXPENSES</b>					
Grants and Subsidies	14	768	1,226	768	1,226
Assets Transferred	9	1,413	1,471	1,413	1,471
<b>Total Expenses</b>		<b>2,181</b>	<b>2,697</b>	<b>2,181</b>	<b>2,697</b>
<b>Increase in Administered Net Assets</b>	<b>31</b>	<b>92</b>	<b>19</b>	<b>92</b>	<b>19</b>

\*The accompanying Notes on Pages 76 - 109 form an integral part of the Financial Statements.

**STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2000

	Notes*	DPI Consolidated		DPI Parent Entity	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>CURRENT ASSETS</b>					
Cash	19	37,100	9,990	18,879	1,775
Receivables	20	20,522	34,513	6,048	22,422
Inventories	22	5,413	4,808	2,238	2,093
Other	23	3,085	1,994	2,903	1,736
<b>Total Current Assets</b>		<b>66,120</b>	<b>51,305</b>	<b>30,068</b>	<b>28,026</b>
<b>NON-CURRENT ASSETS</b>					
Receivables	20	329	471	-	47
Investments	21	69	79	69	79
Inventories	22	62	68	62	68
Property, Plant and Equipment	24	260,681	256,422	192,317	190,200
Intangibles	25	4,546	4,031	4,444	4,031
<b>Total Non-Current Assets</b>		<b>265,687</b>	<b>261,071</b>	<b>196,892</b>	<b>194,425</b>
<b>SELF-GENERATING AND REGENERATING ASSETS</b>					
Plantation Growing Timber		1,012,617	980,952	-	-
Livestock		3,269	2,718	3,269	2,718
<b>Total Self-Generating and Regenerating Assets</b>		<b>1,015,886</b>	<b>983,670</b>	<b>3,269</b>	<b>2,718</b>
<b>TOTAL ASSETS</b>		<b>1,347,693</b>	<b>1,296,046</b>	<b>230,229</b>	<b>225,169</b>
<b>CURRENT LIABILITIES</b>					
Creditors	27	10,407	10,004	6,632	8,170
Borrowings	28	168	574	168	574
Provisions	29	30,767	26,358	17,144	17,423
Other	30	12,103	9,409	11,328	7,632
<b>Total Current Liabilities</b>		<b>53,445</b>	<b>46,345</b>	<b>35,272</b>	<b>33,799</b>
<b>NON-CURRENT LIABILITIES</b>					
Creditors	27	332	409	332	409
Borrowings	28	76,420	76,578	-	158
Provisions	29	-	34,846	-	26,796
<b>Total Non-Current Liabilities</b>		<b>76,752</b>	<b>111,833</b>	<b>332</b>	<b>27,363</b>
<b>TOTAL LIABILITIES</b>		<b>130,197</b>	<b>158,178</b>	<b>35,604</b>	<b>61,162</b>
<b>NET ASSETS</b>		<b>1,217,496</b>	<b>1,137,868</b>	<b>194,625</b>	<b>164,007</b>
<b>EQUITY</b>					
General Equity	32	37,951	-	30,451	-
Accumulated Surplus	31	1,092,481	1,082,773	160,133	160,841
Reserves:					
- Asset Revaluation Reserve	31	5,273	4,969	4,041	3,166
- Plantation Growing Timber Revaluation Reserve	31	81,791	50,126	-	-
<b>TOTAL EQUITY</b>		<b>1,217,496</b>	<b>1,137,868</b>	<b>194,625</b>	<b>164,007</b>

\*The accompanying Notes on Pages 76 - 109 form an integral part of the Financial Statements.

**STATEMENT OF FINANCIAL POSITION (Continued)**  
as at 30 June 2000

ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT					
	Notes*	DPI Consolidated		DPI Parent Entity	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>CURRENT ASSETS</b>					
Cash	19	(47)	-	(47)	-
Receivables	20	145	75	145	75
<b>Total Current Assets</b>		<b>98</b>	<b>75</b>	<b>98</b>	<b>75</b>
<b>TOTAL ADMINISTERED ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Creditors	27	13	82	13	82
<b>Total Current Liabilities</b>		<b>13</b>	<b>82</b>	<b>13</b>	<b>82</b>
<b>TOTAL ADMINISTERED LIABILITIES</b>					
<b>ADMINISTERED NET ASSETS (LIABILITIES)</b>					
<b>EQUITY</b>					
Accumulated Surplus / (Deficit)	31	85	(7)	85	(7)
<b>TOTAL ADMINISTERED EQUITY</b>		<b>85</b>	<b>(7)</b>	<b>85</b>	<b>(7)</b>

\*The accompanying Notes on Pages 76 - 109 form an integral part of the Financial Statements.

**STATEMENT OF CASH FLOWS**  
for the Year Ended 30 June 2000

	Notes*	DPI Consolidated		DPI Parent Entity	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows:</i>					
User Charges, Taxes, Fees and Fines		122,855	113,960	36,420	30,769
Grants and Other Contributions		34,534	35,129	33,229	35,048
Interest		435	419	-	-
Appropriations for Outputs Receipts		234,123	217,227	234,123	217,227
GST Collected on Sales		8	-	6	-
Other		11,216	2,480	8,462	2,480
<i>Outflows:</i>					
Employee Expenses		(202,149)	(191,812)	(162,340)	(153,218)
Supplies and Services		(106,541)	(102,896)	(82,796)	(72,925)
Grants and Subsidies		(11,424)	(12,585)	(10,749)	(12,041)
Interest and Other Costs of Finance		(3,785)	(6,227)	(82)	(106)
Equity Return		(11,257)	-	(11,257)	-
Taxation Equivalents		(235)	(235)	-	-
Transfers to Government		-	(8,970)	-	(9,080)
GST Paid on Purchases		(181)	-	(176)	-
Other		(11,777)	(8,423)	(11,415)	(10,932)
<b>Net Cash Provided by Operating Activities</b>	<b>33</b>	<b>55,822</b>	<b>38,067</b>	<b>33,425</b>	<b>27,222</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<i>Inflows:</i>					
Proceeds from Sale of Property, Plant and Equipment		1,159	2,589	710	1,209
Investments Redeemed		10	-	10	-
Loans and Advances		27	28	27	28
<i>Outflows:</i>					
Purchases of Property, Plant and Equipment		(24,759)	(29,290)	(17,929)	(25,733)
<b>Net Cash Used in Investing Activities</b>		<b>(23,563)</b>	<b>(26,673)</b>	<b>(17,182)</b>	<b>(24,496)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<i>Inflows:</i>					
Equity Injection		1,515	-	1,515	-
<i>Outflows:</i>					
Repayment of Borrowings		(564)	(5,207)	(564)	(764)
Lease Payments		(90)	(65)	(90)	(65)
Equity Returned		(1,377)	-	-	-
Dividends Paid		(4,633)	(3,868)	-	-
<b>Net Cash Provided by (Used in) Financing Activities</b>		<b>(5,149)</b>	<b>(9,140)</b>	<b>861</b>	<b>(829)</b>
<b>Net Increase in Cash Held</b>		<b>27,110</b>	<b>2,254</b>	<b>17,104</b>	<b>1,897</b>
<b>Cash at the Beginning of the Financial Year</b>		<b>9,990</b>	<b>7,736</b>	<b>1,775</b>	<b>(122)</b>
<b>Cash at the End of the Financial Year</b>	<b>19</b>	<b>37,100</b>	<b>9,990</b>	<b>18,879</b>	<b>1,775</b>
<b>Non-Cash Financing and Investing Activities</b>	<b>34</b>				

\*The accompanying Notes on Pages 76 - 109 form an integral part of the Financial Statements.

**STATEMENT OF CASH FLOWS (Continued)**  
for the Year Ended 30 June 2000

		DPI Consolidated		DPI Parent Entity	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT</b>					
	Notes*				
<b>Inflows:</b>					
User Charges, Taxes, Fees and Fines		796	662	796	662
Royalties and Other Territorial Revenue		8	33	8	33
Property Income		586	776	586	776
Administered Item Receipts		812	1,880	812	1,880
<b>Total Administered Cash Inflows</b>		<b>2,202</b>	<b>3,351</b>	<b>2,202</b>	<b>3,351</b>
<b>Outflows:</b>					
Grants and Other Contributions		(836)	(1,209)	(836)	(1,209)
Transfers to Government		(1,413)	(2,142)	(1,413)	(2,142)
<b>Total Administered Cash Outflows</b>		<b>(2,249)</b>	<b>(3,351)</b>	<b>(2,249)</b>	<b>(3,351)</b>
<b>Net Decrease in Administered Cash Held</b>		<b>(47)</b>	<b>-</b>	<b>(47)</b>	<b>-</b>
<b>Cash at the Beginning of the Financial Year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash at the End of the Financial Year</b>	19	<b>(47)</b>	<b>-</b>	<b>(47)</b>	<b>-</b>

\*The accompanying Notes on Pages 76 - 109 form an integral part of the Financial Statements.



**OPERATING STATEMENT BY OUTPUTS / MAJOR ACTIVITIES**  
for the Year Ended 30 June 2000

	Agriculture Industry Development		Rural Industry Business Services		Fisheries Industry Development		Animal and Plant Health Services		Beef Industry Services		Farming Systems Services		Food Technology Services	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>OPERATING REVENUES</b>														
Appropriations for Outputs	39,408	36,662	33,362	28,215	37,796	38,676	31,694	34,333	15,144	14,411	19,235	16,754	6,237	5,773
User Charges, Taxes, Fees and Fines	3,934	4,732	1,607	1,214	1,768	1,697	4,554	3,814	4,014	2,546	932	620	2,100	1,834
Grants and Other Contributions	3,567	2,587	1,531	1,376	3,810	3,942	993	3,244	1,732	2,423	12,124	11,478	1,890	2,112
Royalties and Other Territorial Revenue	412	152	3	-	2	3	-	-	30	90	289	204	-	-
Property Income	59	101	13	37	286	203	13	133	9	175	185	185	-	-
Assets Assumed / Liabilities Transferred	42,207	8,018	4,630	317	29,135	300	21,886	2,425	8,582	918	21,699	4,088	4,709	292
Other	513	1,628	1,220	1,557	175	1,054	1,175	719	2,713	2,412	645	822	88	61
<b>Total Operating Revenues</b>	<b>89,800</b>	<b>53,880</b>	<b>42,366</b>	<b>32,716</b>	<b>72,972</b>	<b>45,875</b>	<b>60,315</b>	<b>44,668</b>	<b>32,224</b>	<b>22,975</b>	<b>55,109</b>	<b>34,151</b>	<b>15,024</b>	<b>10,072</b>
<b>OPERATING EXPENSES</b>														
Employee Expenses	24,292	17,392	20,518	17,605	22,998	21,017	21,998	24,974	12,887	12,210	19,527	18,747	6,920	6,681
Supplies and Services	14,938	12,386	9,547	9,476	12,873	13,828	8,224	10,922	6,921	6,417	7,262	7,702	2,508	2,361
Depreciation and Amortisation	2,119	1,958	845	795	2,584	2,090	1,581	1,635	1,104	1,161	2,789	2,502	487	531
Grants and Subsidies	5,141	5,147	1,074	364	2,694	2,962	513	756	88	213	549	1,522	154	192
Equity Return	1,892	-	47	-	1,773	-	1,236	-	1,054	-	2,407	-	263	-
Assets Transferred / Liabilities Assumed	25,017	11,842	558	704	19,405	375	18,010	480	14,704	6,879	32,780	811	3,665	1,317
Other	(945)	5,767	2,964	1,378	2,839	2,175	3,705	2,736	2,555	2,118	3,492	1,852	302	130
<b>Total Operating Expenses</b>	<b>72,454</b>	<b>54,492</b>	<b>35,553</b>	<b>30,322</b>	<b>65,166</b>	<b>42,447</b>	<b>55,267</b>	<b>41,503</b>	<b>39,313</b>	<b>28,998</b>	<b>68,806</b>	<b>33,136</b>	<b>14,299</b>	<b>11,212</b>
<b>OPERATING RESULT BEFORE ABNORMAL AND EXTRAORDINARY ITEMS</b>	<b>17,346</b>	<b>(612)</b>	<b>6,813</b>	<b>2,394</b>	<b>7,806</b>	<b>3,428</b>	<b>5,048</b>	<b>3,165</b>	<b>(7,089)</b>	<b>(6,023)</b>	<b>(13,697)</b>	<b>1,015</b>	<b>725</b>	<b>(1,140)</b>
Dividend Provided for	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>INCREASE / (DECREASE) IN NET ASSETS AFTER ABNORMAL ITEMS AND DIVIDENDS</b>	<b>17,346</b>	<b>(612)</b>	<b>6,813</b>	<b>2,394</b>	<b>7,806</b>	<b>3,428</b>	<b>5,048</b>	<b>3,165</b>	<b>(7,089)</b>	<b>(6,023)</b>	<b>(13,697)</b>	<b>1,015</b>	<b>725</b>	<b>(1,140)</b>

\*The accompanying Notes on Pages 76 - 109 form an integral part of the Financial Statements.

**OPERATING STATEMENT BY OUTPUTS / MAJOR ACTIVITIES (Continued)**  
for the Year Ended 30 June 2000

	Horticulture Industry Services		Policy and Legal Services		Sheep and Wool Industry Services		Forestry Commercial		General - Not Attributed		Inter-Output Eliminations		Total	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>OPERATING REVENUES</b>														
Appropriations for Outputs	22,773	20,320	5,244	4,878	6,541	6,364	-	-	-	-	-	-	217,434	206,386
User Charges, Taxes, Fees and Fines	1,397	1,160	23	23	247	217	8,236	8,927	11,798	15,557	(1,630)	(4,551)	38,980	37,790
Grants and Other Contributions	6,914	6,491	7	-	654	470	1,305	498	8	-	(140)	(307)	34,395	34,314
Royalties and Other Territorial Revenue	58	138	-	-	6	-	79,634	72,636	-	-	(14)	(337)	80,120	72,886
Property Income	54	75	-	-	7	5	398	344	5	1	(4)	(41)	1,025	1,218
Assets Assumed / Liabilities Transferred	14,365	6,814	1,446	37	1,978	77	85	450	228	2,467	(150,579)	(23,280)	371	2,923
Other	502	1,090	348	398	16	358	4,805	2,001	2,575	3,010	(8,052)	(2,923)	6,723	12,187
<b>Total Operating Revenues</b>	<b>46,063</b>	<b>36,088</b>	<b>7,068</b>	<b>5,336</b>	<b>9,449</b>	<b>7,491</b>	<b>94,463</b>	<b>84,856</b>	<b>14,614</b>	<b>21,035</b>	<b>(160,419)</b>	<b>(31,439)</b>	<b>379,048</b>	<b>367,704</b>
<b>OPERATING EXPENSES</b>														
Employee Expenses	19,124	18,298	3,162	2,968	4,653	4,471	38,577	38,719	7,535	13,879	(55)	(3)	202,136	196,958
Supplies and Services	6,291	7,285	1,450	1,516	1,607	1,709	24,653	20,396	6,421	4,278	(4,482)	(3,276)	98,213	95,000
Depreciation and Amortisation	2,443	2,138	75	101	395	472	5,278	5,075	878	859	-	-	20,578	19,317
Grants and Subsidies	520	892	-	-	15	112	456	599	-	-	(101)	(55)	11,103	12,704
Equity Return	2,164	-	40	-	381	-	-	-	-	-	-	-	11,257	-
Assets Transferred / Liabilities Assumed	31,720	1,010	23	123	5,030	83	28	61	119	225	(150,579)	(23,390)	480	520
Other	2,607	1,479	138	149	689	586	5,889	10,170	(812)	(975)	(5,202)	(4,715)	18,221	22,850
<b>Total Operating Expenses</b>	<b>64,869</b>	<b>31,102</b>	<b>4,888</b>	<b>4,857</b>	<b>12,770</b>	<b>7,433</b>	<b>74,881</b>	<b>75,020</b>	<b>14,141</b>	<b>18,266</b>	<b>(160,419)</b>	<b>(31,439)</b>	<b>361,988</b>	<b>347,349</b>
<b>OPERATING RESULT BEFORE ABNORMAL AND EXTRAORDINARY ITEMS</b>	<b>(18,806)</b>	<b>4,986</b>	<b>2,180</b>	<b>479</b>	<b>(3,321)</b>	<b>58</b>	<b>19,582</b>	<b>9,836</b>	<b>473</b>	<b>2,769</b>	<b>-</b>	<b>-</b>	<b>17,060</b>	<b>20,355</b>
Dividend Provided for	-	-	-	-	-	-	(10,000)	(4,633)	-	-	-	-	(10,000)	(4,633)
<b>INCREASE / (DECREASE) IN NET ASSETS AFTER ABNORMAL ITEMS AND DIVIDENDS</b>	<b>(18,806)</b>	<b>4,986</b>	<b>2,180</b>	<b>479</b>	<b>(3,321)</b>	<b>58</b>	<b>9,582</b>	<b>5,203</b>	<b>473</b>	<b>2,769</b>	<b>-</b>	<b>-</b>	<b>7,060</b>	<b>15,722</b>

68 \*The accompanying Notes on Pages 76 - 109 form an integral part of the Financial Statements.

**OPERATING STATEMENT BY OUTPUTS / MAJOR ACTIVITIES (Continued)**  
for the Year Ended 30 June 2000

**MAJOR ACTIVITIES - EXPENSES AND REVENUES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT**

	Agriculture Industry Development		Rural Industry Business Services		Fisheries Industry Development		Animal and Plant Health Services		Beef Industry Services		Farming Systems Services		Food Technology Services	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>ADMINISTERED REVENUES</b>														
User Charges, Taxes, Fees and Fines	98	284	-	-	16	-	538	344	-	-	143	33	-	-
Property Income	81	326	-	1	12	1	402	321	17	52	112	78	-	-
Administered Item Revenue	591	622	246	637	-	-	-	-	-	-	-	-	-	-
<b>Total Administered Revenues</b>	<b>770</b>	<b>1,232</b>	<b>246</b>	<b>638</b>	<b>28</b>	<b>1</b>	<b>940</b>	<b>665</b>	<b>17</b>	<b>52</b>	<b>255</b>	<b>111</b>	<b>-</b>	<b>-</b>
<b>ADMINISTERED EXPENSES</b>														
Grants and Subsidies	554	608	214	618	-	-	-	-	-	-	-	-	-	-
Assets Transferred	185	613	1	1	28	1	911	667	19	51	253	119	-	-
<b>Total Administered Expenses</b>	<b>739</b>	<b>1,221</b>	<b>215</b>	<b>619</b>	<b>28</b>	<b>1</b>	<b>911</b>	<b>667</b>	<b>19</b>	<b>51</b>	<b>253</b>	<b>119</b>	<b>-</b>	<b>-</b>
<b>INCREASE / (DECREASE) IN ADMINISTERED NET ASSETS</b>	<b>31</b>	<b>11</b>	<b>31</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>(2)</b>	<b>(2)</b>	<b>1</b>	<b>2</b>	<b>(8)</b>	<b>-</b>	<b>-</b>

**OPERATING STATEMENT BY OUTPUTS / MAJOR ACTIVITIES (Continued)**  
**for the Year Ended 30 June 2000**

MAJOR ACTIVITIES - EXPENSES AND REVENUES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT														
	Horticulture Industry Services		Policy and Legal Services		Sheep and Wool Industry Services		Forestry Commercial		General - Not Attributed		Inter-Output Eliminations		Total	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>ADMINISTERED REVENUES</b>														
User Charges, Taxes, Fees and Fines	-	-	1	-	-	-	-	-	-	-	-	-	796	661
Property Income	1	(1)	-	-	15	18	-	-	-	-	-	-	640	796
Administered Item Revenue	-	-	-	-	-	-	-	-	-	-	-	-	837	1,259
<b>Total Administered Revenues</b>	<b>1</b>	<b>(1)</b>	<b>1</b>	<b>-</b>	<b>15</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,273</b>	<b>2,716</b>
<b>ADMINISTERED EXPENSES</b>														
Grants and Subsidies	-	-	-	-	-	-	-	-	-	-	-	-	768	1,226
Assets Transferred	-	-	-	-	16	19	-	-	-	-	-	-	1,413	1,471
<b>Total Administered Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,181</b>	<b>2,697</b>
<b>INCREASE / (DECREASE) IN ADMINISTERED NET ASSETS</b>	<b>1</b>	<b>(1)</b>	<b>1</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92</b>	<b>19</b>

\*The accompanying Notes on Pages 76 - 109 form an integral part of the Financial Statements.

**STATEMENT OF FINANCIAL POSITION BY OUTPUTS / MAJOR ACTIVITIES**  
as at 30 June 2000

	Agriculture Industry Development		Rural Industry Business Services		Fisheries Industry Development		Animal and Plant Health Services		Beef Industry Services		Farming Systems Services		Food Technology Services	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>CURRENT ASSETS</b>														
Cash	6,314	2,299	952	210	852	156	1,774	(434)	23	(216)	5,586	105	627	154
Receivables	1,226	2,701	832	2,111	588	2,240	616	4,544	544	1,558	548	3,047	512	575
Inventories	185	311	619	709	371	352	361	181	233	186	133	79	-	-
Other	240	170	995	131	79	299	38	147	192	69	38	89	22	31
<b>Total Current Assets</b>	<b>7,965</b>	<b>5,481</b>	<b>3,398</b>	<b>3,161</b>	<b>1,890</b>	<b>3,047</b>	<b>2,789</b>	<b>4,438</b>	<b>992</b>	<b>1,597</b>	<b>6,305</b>	<b>3,320</b>	<b>1,161</b>	<b>760</b>
<b>NON-CURRENT ASSETS</b>														
Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	62	68	-	-	-	-
Property, Plant and Equipment	21,498	23,863	1,868	1,946	24,013	23,890	16,846	17,277	13,183	14,141	31,993	32,975	4,204	4,380
Intangibles	-	-	307	-	181	-	237	-	40	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>21,498</b>	<b>23,863</b>	<b>2,175</b>	<b>1,946</b>	<b>24,194</b>	<b>23,890</b>	<b>17,083</b>	<b>17,277</b>	<b>13,285</b>	<b>14,209</b>	<b>31,993</b>	<b>32,975</b>	<b>4,204</b>	<b>4,380</b>
<b>SELF-GENERATING AND REGENERATING ASSETS</b>														
Plantation Growing Timber	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Livestock	380	400	-	-	-	-	30	34	2,437	1,983	-	-	-	-
<b>Total Self-Generating and Regenerating Assets</b>	<b>380</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>34</b>	<b>2,437</b>	<b>1,983</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>29,843</b>	<b>29,744</b>	<b>5,573</b>	<b>5,107</b>	<b>26,084</b>	<b>26,937</b>	<b>19,902</b>	<b>21,749</b>	<b>16,714</b>	<b>17,789</b>	<b>38,298</b>	<b>36,295</b>	<b>5,365</b>	<b>5,140</b>
<b>CURRENT LIABILITIES</b>														
Creditors	999	805	751	685	595	469	532	582	290	429	529	653	206	122
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	2,223	1,890	1,734	1,454	2,119	2,077	1,984	2,420	1,352	1,547	1,772	1,809	574	622
Other	1,426	1,265	909	458	1,298	648	146	240	1,111	613	3,606	2,529	282	213
<b>Total Current Liabilities</b>	<b>4,648</b>	<b>3,960</b>	<b>3,394</b>	<b>2,597</b>	<b>4,012</b>	<b>3,194</b>	<b>2,662</b>	<b>3,242</b>	<b>2,753</b>	<b>2,589</b>	<b>5,907</b>	<b>4,991</b>	<b>1,062</b>	<b>957</b>
<b>NON-CURRENT LIABILITIES</b>														
Creditors	2	4	46	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	158	-	-
Provisions	-	3,404	-	1,957	-	2,773	-	3,882	-	2,739	-	2,834	-	1,076
<b>Total Non-Current Liabilities</b>	<b>2</b>	<b>3,408</b>	<b>46</b>	<b>1,957</b>	<b>-</b>	<b>2,773</b>	<b>-</b>	<b>3,882</b>	<b>-</b>	<b>2,739</b>	<b>-</b>	<b>2,992</b>	<b>-</b>	<b>1,076</b>
<b>TOTAL LIABILITIES</b>	<b>4,650</b>	<b>7,368</b>	<b>3,440</b>	<b>4,554</b>	<b>4,012</b>	<b>5,967</b>	<b>2,662</b>	<b>7,124</b>	<b>2,753</b>	<b>5,328</b>	<b>5,907</b>	<b>7,983</b>	<b>1,062</b>	<b>2,033</b>
<b>NET ASSETS BEFORE ALLOCATION OF CORPORATE SERVICES</b>	<b>25,193</b>	<b>22,376</b>	<b>2,133</b>	<b>553</b>	<b>22,072</b>	<b>20,970</b>	<b>17,240</b>	<b>14,625</b>	<b>13,961</b>	<b>12,461</b>	<b>32,391</b>	<b>28,312</b>	<b>4,303</b>	<b>3,107</b>
Corporate Services Allocation	18,544	(533)	7,401	1,731	9,618	1,456	7,058	1,480	(5,546)	(1,068)	(14,421)	(1,075)	707	(532)
<b>NET ASSETS</b>	<b>43,737</b>	<b>21,843</b>	<b>9,534</b>	<b>2,284</b>	<b>31,690</b>	<b>22,426</b>	<b>24,298</b>	<b>16,105</b>	<b>8,415</b>	<b>11,393</b>	<b>17,970</b>	<b>27,237</b>	<b>5,010</b>	<b>2,575</b>
<b>EQUITY</b>														
General Equity	3,737	-	2,122	-	3,035	-	4,288	-	3,025	-	3,116	-	1,183	-
Accumulated Surplus Reserves:	39,631	21,473	7,412	2,284	28,333	22,096	19,629	15,724	5,161	11,155	14,228	26,611	3,702	2,450
- Asset Revaluation Reserve	-	370	-	-	322	330	381	381	229	238	626	626	125	-
- Plantation Growing Timber Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EQUITY</b>	<b>43,737</b>	<b>21,843</b>	<b>9,534</b>	<b>2,284</b>	<b>31,690</b>	<b>22,426</b>	<b>24,298</b>	<b>16,105</b>	<b>8,415</b>	<b>11,393</b>	<b>17,970</b>	<b>27,237</b>	<b>5,010</b>	<b>2,575</b>

**STATEMENT OF FINANCIAL POSITION BY OUTPUTS / MAJOR ACTIVITIES (Continued)**  
as at 30 June 2000

	Horticulture		Policy and Legal		Sheep and		Forestry		General - Not		Inter-Output		Total	
	Industry	Services	Services	Services	Wool Industry	Services	Commercial	Attributed	Eliminations	2000	1999	2000		1999
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>														
Cash	1,959	(242)	405	(26)	464	(12)	18,221	8,215	(77)	(219)	-	37,100	9,990	
Receivables	406	1,863	4	117	67	645	14,474	12,477	705	3,021	(386)	20,522	34,513	
Inventories	201	111	-	-	28	46	3,175	2,715	107	118	-	5,413	4,808	
Other	41	73	10	14	1	18	182	258	1,247	695	-	3,085	1,994	
<b>Total Current Assets</b>	<b>2,607</b>	<b>1,805</b>	<b>419</b>	<b>105</b>	<b>560</b>	<b>697</b>	<b>36,052</b>	<b>23,665</b>	<b>1,982</b>	<b>3,615</b>	<b>(386)</b>	<b>66,120</b>	<b>51,305</b>	
<b>NON-CURRENT ASSETS</b>														
Receivables	-	-	-	-	-	-	329	424	-	47	-	329	471	
Investments	-	-	-	-	-	-	-	-	69	79	-	69	79	
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	68	
Property, Plant and Equipment	32,453	30,383	115	164	3,747	4,985	68,364	66,222	42,397	36,196	-	260,881	236,422	
Intangibles	63	-	-	-	-	-	102	-	3,616	4,031	-	4,546	4,031	
<b>Total Non-Current Assets</b>	<b>32,516</b>	<b>30,383</b>	<b>115</b>	<b>164</b>	<b>3,747</b>	<b>4,985</b>	<b>68,795</b>	<b>66,646</b>	<b>46,082</b>	<b>40,353</b>	<b>-</b>	<b>265,687</b>	<b>261,071</b>	
<b>SELF-GENERATING AND REGENERATING ASSETS</b>														
Plantation Growing Timber	-	-	-	-	-	-	1,012,617	980,952	-	-	-	1,012,617	980,952	
Livestock	-	-	-	-	422	301	-	-	-	-	-	3,269	2,718	
<b>Total Self-Generating and Regenerating Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>422</b>	<b>301</b>	<b>1,012,617</b>	<b>980,952</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,015,886</b>	<b>983,670</b>	
<b>TOTAL ASSETS</b>	<b>35,123</b>	<b>32,188</b>	<b>534</b>	<b>269</b>	<b>4,729</b>	<b>5,983</b>	<b>1,117,464</b>	<b>1,071,263</b>	<b>48,064</b>	<b>43,968</b>	<b>(386)</b>	<b>1,347,693</b>	<b>1,296,046</b>	
<b>CURRENT LIABILITIES</b>														
Creditors	374	412	95	87	79	102	3,775	2,220	2,182	3,824	(386)	10,407	10,004	
Borrowings	-	-	-	-	-	-	-	-	168	574	-	168	574	
Provisions	1,682	1,871	278	280	436	428	13,623	8,935	2,990	3,025	-	30,767	26,358	
Other	2,188	1,271	-	-	361	394	775	1,777	1	1	-	12,103	9,409	
<b>Total Current Liabilities</b>	<b>4,244</b>	<b>3,554</b>	<b>373</b>	<b>367</b>	<b>876</b>	<b>924</b>	<b>18,173</b>	<b>12,932</b>	<b>5,341</b>	<b>7,424</b>	<b>(386)</b>	<b>53,445</b>	<b>46,345</b>	
<b>NON-CURRENT LIABILITIES</b>														
Creditors	-	-	-	-	-	-	-	-	284	405	-	332	409	
Borrowings	-	-	-	-	-	-	76,420	76,420	-	-	-	76,420	76,578	
Provisions	-	3,032	-	373	-	551	-	8,050	-	4,175	-	-	34,846	
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>3,032</b>	<b>-</b>	<b>373</b>	<b>-</b>	<b>551</b>	<b>76,420</b>	<b>84,470</b>	<b>284</b>	<b>4,580</b>	<b>-</b>	<b>76,752</b>	<b>111,833</b>	
<b>TOTAL LIABILITIES</b>	<b>4,244</b>	<b>6,586</b>	<b>373</b>	<b>740</b>	<b>876</b>	<b>1,475</b>	<b>94,593</b>	<b>97,402</b>	<b>5,625</b>	<b>12,004</b>	<b>(386)</b>	<b>130,197</b>	<b>158,178</b>	
<b>NET ASSETS BEFORE ALLOCATION OF CORPORATE SERVICES</b>	<b>30,879</b>	<b>25,602</b>	<b>161</b>	<b>(471)</b>	<b>3,853</b>	<b>4,508</b>	<b>1,022,871</b>	<b>973,861</b>	<b>42,439</b>	<b>31,964</b>	<b>-</b>	<b>1,217,496</b>	<b>1,137,868</b>	
Corporate Services Allocation	(20,679)	316	1,958	421	(2,058)	453	-	-	(2,582)	(2,649)	-	-	-	
<b>NET ASSETS</b>	<b>10,200</b>	<b>25,918</b>	<b>2,119</b>	<b>(50)</b>	<b>1,795</b>	<b>4,961</b>	<b>1,022,871</b>	<b>973,861</b>	<b>39,857</b>	<b>29,315</b>	<b>-</b>	<b>1,217,496</b>	<b>1,137,868</b>	
<b>EQUITY</b>														
General Equity	3,336	-	413	-	602	-	7,500	-	5,594	-	-	37,951	-	
Accumulated Surplus	6,255	25,294	1,706	(50)	1,146	4,914	932,348	921,932	32,930	28,890	-	1,092,481	1,082,773	
Reserves:														
- Asset Revaluation Reserve	609	624	-	-	47	47	1,232	1,803	1,333	425	-	5,273	4,969	
- Plantation Growing Timber Revaluation Reserve	-	-	-	-	-	-	81,791	50,126	-	-	-	81,791	50,126	
<b>TOTAL EQUITY</b>	<b>10,200</b>	<b>25,918</b>	<b>2,119</b>	<b>(50)</b>	<b>1,795</b>	<b>4,961</b>	<b>1,022,871</b>	<b>973,861</b>	<b>39,857</b>	<b>29,315</b>	<b>-</b>	<b>1,217,496</b>	<b>1,137,868</b>	

\*The accompanying Notes on Pages 76 - 109 form an integral part of the Financial Statements.

**STATEMENT OF FINANCIAL POSITION BY OUTPUTS / MAJOR ACTIVITIES (Continued)**  
*as at 30 June 2000*

MAJOR ACTIVITIES - ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT		Agriculture Industry Development		Rural Industry Business Services		Fisheries Industry Development		Animal and Plant Health Services		Beef Industry Services		Farming Systems Services		Food Technology Services	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>CURRENT ASSETS</b>															
Cash	(12)	-	(11)	-	-	-	-	(27)	-	1	2	-	-	-	-
Receivables	77	71	11	-	-	-	57	1	-	-	-	3	-	-	-
<b>Total Current Assets</b>	65	71	-	-	-	-	30	1	1	1	2	3	-	-	-
<b>TOTAL ADMINISTERED ASSETS</b>	65	71	-	-	-	-	30	1	1	1	2	3	-	-	-
<b>CURRENT LIABILITIES</b>															
Creditors	13	50	-	31	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	13	50	-	31	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ADMINISTERED LIABILITIES</b>	13	50	-	31	-	-	-	-	-	-	-	-	-	-	-
<b>ADMINISTERED NET (LIABILITIES) / ASSETS</b>	52	21	-	(31)	-	-	30	1	1	1	2	3	-	-	-
<b>EQUITY</b>															
Accumulated Surplus / (Deficit)	52	21	-	(31)	-	-	30	1	1	1	2	3	-	-	-
<b>TOTAL EQUITY</b>	52	21	-	(31)	-	-	30	1	1	1	2	3	-	-	-

\*The accompanying Notes on Pages 76 - 109 form an integral part of the Financial Statements.

**STATEMENT OF FINANCIAL POSITION BY OUTPUTS / MAJOR ACTIVITIES (Continued)**  
**as at 30 June 2000**

	Horticulture Industry Services		Policy and Legal Services		Sheep and Wool Industry Services		Forestry Commercial		General - Not Attributed		Inter-Output Eliminations		Total	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>MAJOR ACTIVITIES - ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT</b>														
<b>CURRENT ASSETS</b>														
Cash	-	-	1	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	(1)	-	-	-	-	-	-	(47)	-
<b>Total Current Assets</b>	-	-	1	-	-	(1)	-	-	-	-	-	-	145	75
<b>TOTAL ADMINISTERED ASSETS</b>	-	-	1	-	-	(1)	-	-	-	-	-	-	98	75
<b>CURRENT LIABILITIES</b>														
Creditors	-	1	-	-	-	-	-	-	-	-	-	-	-	13
<b>Total Current Liabilities</b>	-	1	-	-	-	-	-	-	-	-	-	-	-	13
<b>TOTAL ADMINISTERED LIABILITIES</b>	-	1	-	-	-	-	-	-	-	-	-	-	-	13
<b>ADMINISTERED NET (LIABILITIES) / ASSETS</b>	-	(1)	1	-	-	(1)	-	-	-	-	-	-	85	(7)
<b>EQUITY</b>														
Accumulated Surplus / (Deficit)	-	(1)	1	-	-	(1)	-	-	-	-	-	-	85	(7)
<b>TOTAL EQUITY</b>	-	(1)	1	-	-	(1)	-	-	-	-	-	-	85	(7)

\*The accompanying Notes on Pages 76 - 109 form an integral part of the Financial Statements.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the Year Ended 30 June 2000**

**1. Objectives of the Department**

The Department of Primary Industries (DPI) is focusing on meeting the needs of the consumers of food and fibre products through :-

- an emphasis on environmentally friendly, safe and healthy food production and processing; and
- a response to global consumer expectations and market demands by supporting the development of new sustainable industries along the agribusiness demand chain.

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

**2. Summary of Significant Accounting Policies**

The Significant Accounting Policies, which have been adopted in the preparation of the General Purpose Departmental Financial Statements, are:

**2.1 Basis of Accounting**

The financial statements are a general purpose financial report and have been prepared in accordance with the *Financial Administration and Audit Act 1977*, the *Financial Management Standard 1997*, applicable Australian Accounting Standards, in particular Australian Accounting Standard AAS 29 "*Financial Reporting by Government Departments*", Statements of Accounting Concepts, Urgent Issues Group Abstracts, the *Treasurer's Minimum Reporting Requirements for the Preparation of Departmental General Purpose Financial Statements for 1999-2000* and other prescribed requirements.

Except where stated, the financial statements have been prepared in accordance with the historical cost convention. The accounting policies adopted are generally consistent with those of the previous year except in respect of Machinery of Government Changes, Long Service Leave and Leasehold Improvements. Further disclosure in this regard is provided in notes 18, 29 and 2.19.1. The accrual basis of accounting has been adopted for both controlled transactions and balances and those administered on a whole of Government basis.

Net adjustments required to the carrying amounts of assets and liabilities as at the beginning of the financial year have been made against Equity in accordance with Section 15.3 of Australian Accounting Standard (AAS) 29 "*Financial Reporting by Government Departments*", as shown in Note 31.

**2.2 The Reporting Entity**

The Financial Statements include all assets, liabilities, equities, revenues and expenses of the Department, including DPI Forestry. By Cabinet Decision number 4637 dated 15 May 1995, the DPI Forest Service was restructured to operate as a Commercial Business Group (DPI Forestry) of the Department from 1 July 1995.

In order to provide enhanced disclosure, the Department has adopted the principles outlined in Australian Accounting Standard (AAS) 24 "*Consolidated Financial Reports*". This approach is considered appropriate as it reflects the relationship between the Department's core business activities and those of its commercial business unit, DPI Forestry. In this context, the core activities of the Department are indicated in these Financial Statements as the DPI Parent Entity, while consolidated results provide information in relation to the whole Department, including DPI Forestry.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

**2. Summary of Significant Accounting Policies (continued)**

**2.2 The Reporting Entity (continued)**

In the process of reporting on the Department as a single economic entity, all transactions and balances between the DPI Parent Entity and DPI Forestry have been eliminated in full. Except where otherwise stated, DPI Forestry and the remainder of the Department employed consistent Accounting Policies in the preparation and presentation of the Financial Statements.

**2.2.1 Transactions and Balances Administered on a Whole-of-Government Basis**

The Department administers, but does not control, certain resources on behalf of the Government as a whole. It is accountable for the transactions involving such administered resources, but does not have the discretion to deploy these resources for the achievement of the Department's objectives. For these resources, the Department acts only on behalf of the Queensland State Government. Transactions and balances relating to administered resources are not recognised as Departmental revenues, expenses, assets or liabilities, but are disclosed separately in the shaded Administered Statements and associated Notes.

**2.2.2 Fiduciary Trust Transactions and Balances**

The Department administers transactions and balances in a trust or fiduciary capacity, as set out in Note 37. As the Department performs only a custodial role in respect of these transactions and balances, they are not recognised as Departmental revenues, expenses, assets or liabilities, and are disclosed in the Financial Statements by way of Note only.

**2.3 Grants, Benefits and Contributions**

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

Where non-reciprocal contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, they are reported as Unearned Revenue in Note 30. Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangements.

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

**2.4 User Charges, Taxes, Fees and Fines**

User charges, taxes, fees and fines controlled by the Department are recognised as revenues. These revenues are considered to be controlled by the Department where they can be deployed for the achievement of the Departmental objectives.

User charges, taxes, fees and fines collected by the Department, but not controlled by it, are not recognised as Departmental revenues, but are reported as revenues administered on behalf of the Whole of Government and disclosed separately in the shaded Administered Statements and associated Notes.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

**2. Summary of Significant Accounting Policies (continued)**

**2.5 Output Revenue / Administered Item Revenue**

Output revenue is recognised in accordance with either the original budget estimate or the most recent performance review, taking into account the delivery of agency outputs and administered items in terms of quality, quantity, timeliness, cost and location.

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

**2.6 Cash**

“Cash” is defined in AAS 28 “*Statement of Cash Flows*”. For financial reporting purposes, cash includes cash on hand comprising petty cash, postage and change imprest balances; cash at bank and similar financial assets, which are readily convertible to cash, and are used in the day to day cash management function of the Department.

**2.7 Receivables**

Receivables are recognised at the amount due to the Department at the time of sale or provision of service. The collectability of receivables is periodically assessed with adequate provision being made for doubtful debts. All known bad debts have been written off. Receivables are reported net of any doubtful debts. The settlement term for trade debtors is generally 30 days, while loans and advances range from seven days to one year.

**2.8 Financial Investments**

Financial investments are brought to account at the lower of cost and net recoverable amount. Dividend income is recognised when received. Financial investments are also disclosed at their fair values in Note 39.

**2.9 Inventories**

Inventories are valued at the lower of cost and net realisable value, except for sundry crops, saleable semen, and saleable vaccine, which are valued at net realisable value. Costs are assigned based on the First-In-First-Out (FIFO) method. The carrying amounts of Inventories are disclosed in Note 22.

Seedlings and certain consumable stores in respect of DPI Forestry are not recognised as Inventories for the following reasons:

- Seedlings used in plantation production are produced on a seasonal basis for use in the plantation establishment process. Plantation timber is not valued until it reaches merchantable age and accordingly, seedlings produced for DPI Forestry’s plantation production are not recognised as Inventories.
- Minor consumable stores held at certain sites and nurseries, purchased for immediate use, are not recognised as inventories.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

**2. Summary of Significant Accounting Policies (continued)**

**2.10 Self Generating and Regenerating Assets**

**2.10.1 Plantation Growing Timber**

The net realisable value (NRV) methodology has been adopted by DPI Forestry for the valuation of plantation growing timber. NRV is the amount that could be expected to be received from the disposal of an asset in an orderly market after deducting costs expected to be incurred in realising the proceeds of such a disposal. Under this methodology, value changes arise mainly from:

- changes in timber volume associated with growth and also changes to the overall estate as a result of annual planting and harvesting activity; and
- changes in timber prices.

Volume increments are determined both by periodic re-measurement of samples of plantations and by modelling growth from the date of the most recent measurement to the valuation date. The market valuation is prepared by appropriately qualified staff employed by DPI Forestry using advanced modelling techniques/methods accepted by the forestry industry. Current market prices have been applied in determining the plantation growing timber valuation. Realisation costs are based on weighted average costs of existing sales.

DPI Forestry revalues plantation growing timber annually. Only merchantable stands of timber have been included in the valuation and comprise stands 20 years and older for hoop pine and 15 years and older for exotic pine species. Other plantation areas excluded, for the purposes of the valuation, include:

- plantations containing minor species;
- areas subject to experimental treatments;
- small, fragmented plantation areas; and
- hardwood plantations of merchantable age pending the outcome of the Regional Forest Agreement (RFA).

The change in the Net Realisable Value of Plantation Growing Timber from the beginning to the end of the financial year is not recognised in the Operating Statement, but is treated as an adjustment to the Plantation Growing Timber Revaluation Reserve, as disclosed in Note 31. The only exception to this treatment is where a decrement in value exceeds the balance of the Plantation Growing Timber Revaluation Reserve. In this case, the amount to be adjusted in excess of the balance is expensed in the Operating Statement.

Costs incurred in relation to pine plantations establishment and maintenance are expensed as incurred, with the exception of access roads construction and upgrade, which are capitalised.

**2.10.2 Livestock**

Livestock is valued at net realisable value.

**2.11 Native Forests**

DPI Forestry's asset in native forests is its right to harvest forest products in certain crown owned native forests in order to further its commercial objectives. Valuation difficulties arise as a consequence of the need to assess volume and growth characteristics across an extensive range of forest types and areas. In addition, ongoing resource availability is dependent upon the outcome of various regional forest management studies and the progressive implementation of environmental standards and controls such as harvesting "Codes of Practice". These factors raise reliability problems for any asset valuation approach and have resulted in native forest property rights not being valued in the Financial Statements for the year ended 30 June 2000.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

**2. Summary of Significant Accounting Policies (continued)**

**2.12 Quarries**

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

**2.13 Acquisition of Assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Department. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition and all other costs incurred in preparing the assets ready for use.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

**2.14 Property, Plant and Equipment**

All items of property, plant and equipment with a cost, or other value, of \$1,000 or greater, are capitalised in the year of acquisition, except for DPI Forestry, which applies an asset recognition threshold of \$500. All other items with a cost, or other value, less than the asset recognition thresholds are expensed.

Items, or components, which form an integral part of an asset, are recognised as a single asset (functional asset unit). The capitalisation threshold is applied to the aggregate cost, or other value, of each functional asset unit.

Capital works in progress represent costs incurred in respect of assets under construction.

**2.15 Amortisation and Depreciation of Property, Plant and Equipment**

Property, plant and equipment, other than land, are depreciated at rates based on their estimated economic lives, using the straight line method, so as to write off the cost, or other value, of each depreciable asset, less its estimated residual value, progressively over its estimated useful life.

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

<b>Asset Class</b>	<b>Average Estimated Useful Life in Years</b>
Land Improvements	28
Buildings	34
Access Roads	33
Plant and Equipment	7

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

2. **Summary of Significant Accounting Policies (continued)**

**2.16 Revaluation of Non-Current Physical Assets**

Non-current physical assets are valued on the deprival basis in accordance with the *Financial Management Standard 1997* and the Queensland Treasury's Guidelines "*Recording and Valuation of Non-Current Physical Assets in the Queensland Public Sector*". Under the deprival value concept, assets are valued at an amount that represents the entire loss that might be expected to be incurred if the Department was deprived of the future economic benefits of these assets at the reporting date. It is contrasted to the financial or propriety approach that values an entity's assets on a net worth basis from the owners' perspective.

In December 1999, the Australian Accounting Standards Board issued two new Accounting Standards – AAS 38 "*Revaluation of Non-Current Assets*" and AAS 10 "*Recoverable Amounts of Non-Current Assets*", which are effective from 1 July 2000. These standards introduce the concept of valuing non-current assets at 'fair value'. At present, the Department's non-current physical assets are valued in accordance with the deprival value methodology prescribed by the Financial Management Standard. Due to the uncertainty within the accounting profession of the impact of applying a valuation based on fair value in lieu of the deprival value methodology currently prescribed, it is not possible at present to determine the consequential impact of the application of these standards (when prescribed) on asset values as reported in these financial statements.

For the purpose of revaluation of non-current physical assets, the Department established the following revaluation thresholds by class of assets:

<b>Asset Class:</b>	<b>\$'000</b>
Land	200
Land Improvements	700
Buildings	100
Access Roads	1,000
Plant and Equipment	1,000

Non-current physical assets having an estimated value greater than the appropriate revaluation threshold, and an estimated useful life of three years or more, are periodically revalued. Comprehensive revaluations of these assets are performed at five-year intervals on a rolling basis. Annual indexations are performed between the comprehensive revaluations.

**2.17 Leases**

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

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

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

Disclosure of Finance and Operating Lease commitments, inclusive of GST, is made in Note 35.

**2.18 Library Materials**

Purchases of library materials are expensed as incurred.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

**2. Summary of Significant Accounting Policies (continued)**

**2.19 Leasehold Improvements**

**2.19.1 Change in Accounting Policy**

During the current financial year the Department changed its Policy on accounting for the cost of Leasehold Improvements. The new policy is to capitalise the expenditure incurred on Leasehold Improvements that meet the definition and recognition criteria for assets as set out in Statement of Accounting Concepts (SAC) 4 "Definition and Recognition of the Elements of Financial Statements". Previously, the expenditure on Leasehold Improvements was expensed in the period in which it was incurred. The change in Policy has been adopted to comply with the *Treasurer's Minimum Reporting Requirements for the Preparation of General Purpose Financial Statements of Government Departments for 1999-2000*.

However, its application is being phased in with all Leasehold Improvements meeting the asset recognition criteria to be recognised by 30 June 2001. Consequently, for the year ended 30 June 2000, only current year's expenditure has been capitalised.

Leasehold Improvements with a cost, or other value, of \$1,000 or greater, are capitalised in the year of acquisition. All other items with a cost, or other value, less than the asset recognition threshold, are expensed. Each asset is amortised over its estimated useful life.

Other significant leasehold improvements will be investigated during the financial year ending 30 June 2001, to determine whether they qualify for capitalisation as an asset in terms of the established policy.

**2.20 Intangibles**

All intangible assets with a cost or value greater than \$50,000 are recognised as assets, items with a lesser value, being expensed. Each intangible asset is amortised over its estimated useful life.

The carrying values of intangibles recognised in the financial statements are reviewed annually by management to determine whether they are still appropriate.

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

From 1 July 1999, the Department increased its threshold for the recognition of intangible assets from \$5,000 to \$50,000. There being only one capitalised intangible asset at that time with a value in excess of the new threshold, the change had no financial effect.

Also from that date, the Department recognised a number of non-current intangible assets not previously capitalised. These assets were valued at estimated gross replacement cost except where that could not be reliably assessed, and an historical cost was then applied. No asset was valued on a capitalised income basis. The net (amortised) carrying value of the newly recognised intangible assets was \$1.062 million, and was adjusted against Accumulated Surplus.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

**2. Summary of Significant Accounting Policies (continued)**

**2.21 Insurance**

In accordance with the Queensland Treasurer's Policy "Guidelines on Risk Management and Insurance", the Department's assets are not insured, and losses are treated as an expense as they are incurred. Workers' compensation insurance premiums are paid to WorkCover Queensland. In certain research activity circumstances, where insurance of such activities is required by legislation, or an agreement for provision of such specific services exists, insurance premiums are paid to specific insurance providers, with a prior approval granted by the Treasurer, in accordance with the Policy Guidelines.

**2.22 Creditors**

Creditors are recognised at the amount to be paid in the future for goods and services received by the Department on or before the end of the reporting period.

**2.23 Borrowings**

Loans payable are generally recognised at book value, with interest expense recognised when accrued. Borrowings are also disclosed at their fair value in Note 39.

**2.24 Dividends**

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

**2.25 Employee Entitlements**

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

**2.25.1 Wages and Salaries, Annual Leave and Sick Leave**

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date, and include related on-costs. The pattern of sick leave taken is expected to be stable in the future, and as sick leave entitlements do not vest with employees, no provision has been made for sick leave entitlements. Sick leave is charged as an expense in the period in which it is taken.

**2.25.2 Long Service Leave**

In 1999-2000, a new long service leave scheme became operative whereby a levy is made on the Department to cover this expense and amounts paid to employees for long service leave are claimed from the scheme as a reimbursement. The balance of the provision for long service leave at 30 June 1999 has been adjusted against General Equity as at the commencement of the current reporting period. Further disclosure is provided in Note 29 and 32. In the case of DPI Forestry, the balance of the provision for long service leave that existed at 30 June 1999 has been adjusted (as at the commencement of the current reporting period) primarily against General Equity, with the post commercialisation component (ie 1 July 1995) of the liability being remitted in cash to the Government Superannuation Office which administers the scheme.

**2.25.3 Superannuation**

Employer contributions for superannuation expenses are determined by the Queensland State Actuary, and are expensed as accrued. No liability is recognised for accruing superannuation benefits in the Statement of Financial Position, as this liability is held on a Whole of Government basis, and reported in the Whole of Government Financial Statements prepared in accordance with AAS 31 "Financial Reporting by Governments".



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

**2. Summary of Significant Accounting Policies (continued)**

**2.26 Taxation**

The Department's activities are exempt from all forms of Commonwealth taxation, except for Fringe Benefits Tax and Goods and Services Tax ("GST"). Even though the GST did not commence until 1 July 2000, some transactions that span the current and next financial years will be subject to GST. As such, input tax credits receivable and GST payable from / to the Australian Tax Office have been recognised and accrued in this financial year. (Refer Note 20)

Agreements have been reached with Queensland Treasury for DPI Forestry, as a commercialised Business Unit of the Department, to pay an Income Tax Equivalent and Sales Tax Equivalent in accordance with the requirements of the *Queensland Government Tax Equivalents Regime*.

Pursuant to Australian Accounting Standard (AAS 3) "*Accounting for Income Taxes (Tax-effect Accounting)*", Income Tax Equivalent expense is calculated on the operating profit after adjusting for permanent differences.

The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the Statement of Financial Position as a future tax equivalent benefit, or a provision for deferred income tax equivalents. Future income tax equivalent benefits are not brought to account unless realisation of the benefit is virtually certain.

No liability has been provided for the payment of future Capital Gains Tax Equivalents that may arise on the disposal of assets. Such liability is provided at the time of disposal of the assets. Where assets are revalued no provision for potential Capital Gains Tax Equivalents has been made.

**2.27 Resources Received Free of Charge or for Nominal Value**

Resources received free of charge, or for nominal value, which the Department would otherwise have purchased, are recognised as revenues, and as expenses or assets, as appropriate, where they can be reliably measured.

**2.28 Allocation of Overheads to Departmental Activities**

The Department has the necessary information systems to allocate items to outputs / activities and this is reflected in the Statements of Outputs / Major Activities. The revenues and expenses of the Department's corporate services are allocated to outputs / activities on a cost recovery basis.

**2.29 Joint Ventures**

The Department is involved in a number of Joint Venture arrangements, which predominantly relate to research and development activities and the establishment of commercially viable timber plantations on private land. The Department's interests in Joint Ventures are disclosed in Note 42.

**2.30 Rounding**

Amounts included in the Financial Statements have been rounded to the nearest one thousand dollars. Where necessary, minor rounding adjustments have been made to line item totals, to ensure that columns add to the correct rounded total.

**2.31 Comparative Amounts**

Certain figures of the prior year have been restated in order to provide a valid comparison with the current year's disclosures.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

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

The identity and purpose of each Output / Major Activity undertaken by the Department during the reporting period is summarised as follows:

**3.1 Policy and Legal Services**

This Output's activities involve policy and legislation development, legal and contractual advice on strategic rural industry and community issues impacting on rural economic development and community growth.

**3.2 Animal and Plant Health Services**

This Output's activities involve surveillance for and response to pests and diseases of animals and plants, the promotion of responsible chemical usage and acceptable animal welfare standards to maintain and expand export and domestic markets and subsequent industry growth.

**3.3 Fisheries Industry Development**

This Output's activities involve research, development and management services to promote the sustainable development and competitiveness of Queensland's commercial and recreational fishing and aquaculture industries and protect the environment on which these industries depend.

**3.4 Rural Industry Business Services**

This Output's activities involve industry and rural community development services including agribusiness development partnerships, capacity building in leadership and business management, market development, and information management to enhance the capacity of Queensland agribusiness to profitably operate in global markets.

As a result of the *Public Services Departmental Arrangements Notice (No. 4) 1999*, dated 16 December 1999 with effect from 31 December 1999, the Office of Rural Communities was transferred from the Department of Communication and Information, Local Government, Planning and Sport to the Department. The Office of Rural Communities forms part of the Rural Industries Business Services Output. Refer Note 18.

**3.5 Food Technology Services**

This Output's activities involve research, development and consultancy services to promote market development and the export of processed food products within the agriculture and fisheries industries through product and process innovation and quality improvement.

**3.6 Agriculture Industry Development**

This Output's activities involve policy and technical advice and services, research and extension services, and building strategic partnerships with Government and industry through Industry Development Councils (IDC) to enhance the viability, sustainability, and competitiveness of Primary Industries.

**3.7 Beef Industry Services**

This Output's activities involve research, development and extension services in beef production, market access and resource management to boost the productivity, profitability and resource sustainability of the Queensland beef industry and to enhance the viability of associated rural communities.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

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

**3.8 Farming Systems Services**

This Output's activities involve research, promotion of new technology and improved farming practices to increase the competitiveness, profitability and resource sustainability of Queensland's field crops industries and enhance the viability of associated rural communities.

**3.9 Horticulture Industry Services**

This Output's activities involve information and technologies on production, post handling, processing and market access issues to improve competitiveness, profitability and resource sustainability of Queensland's horticulture industries, and enhance the viability of associated rural communities.

**3.10 Sheep and Wool Industry Services**

This Output's activities involve research, development and extension services to enhance market access and increase the productivity, profitability and resource sustainability of the sheep, wool and goat industries, and to enhance the viability of associated rural communities.

**3.11 Forestry Commercial**

This Output's activities aim to manage and market State-owned plantation and native forest timber resources, quarry material resources, and other forestry-related services in a sustainable manner to earn commercial returns while meeting all environmental protection requirements.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

	DPI Consolidated		DPI Parent Entity	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>4. Reconciliation to payments from Consolidated Fund</b>				
<b>Appropriations for Outputs</b>				
Budget Output Appropriation	219,469		219,469	
Plus Transfers from / to Other Departments (Section 23A)	2,597		2,597	
Plus Treasurer's Advance (Section 24A)	-		-	
Plus Supplementary Appropriations (Section 25)	8,991		8,991	
Plus Transfers from / to Other Headings (Section 24)	3,066		3,066	
<b>Total Appropriations for Outputs Receipts</b>	<b>234,123</b>		<b>234,123</b>	
Less Opening Balance of Output Revenue Receivable	16,689		16,689	
Plus Closing Balance of Output Revenue Receivable	-		-	
<b>Appropriations for Outputs recognised in Operating Statement (1)</b>	<b>217,434</b>		<b>217,434</b>	
<b>Equity Adjustment</b>				
Budgeted Equity Adjustment Appropriation	3,703		3,703	
Plus Transfer from / to Other Departments (Section 23A)	20		20	
Plus Transfers from / to Other Headings (Section 24)	-		-	
Plus Treasurer's Advances (Section 24A)	(2,208)		(2,208)	
Less Lapsed Equity Adjustment Appropriation (Section 22A(6))	-		-	
Plus Supplementary Appropriations (Section 25)	-		-	
Less Repayments of Incorrectly Paid Amounts (Section 28)	-		-	
<b>Total Equity Receipts</b>	<b>1,515</b>		<b>1,515</b>	
Less Opening Balance of Equity Adjustment Receivable	473		473	
Plus Closing Balance of Equity Adjustment Receivable	-		-	
<b>Equity Adjustment (1) (Refer Note 32)</b>	<b>1,042</b>		<b>1,042</b>	
<b>APPROPRIATIONS FOR OTHER ITEMS ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT</b>				
Budget Output Appropriation	1,670		1,670	
Plus Transfer from / to Other Departments	-		-	
Plus Transfers from / to Other Headings	-		-	
Plus Treasurer's Advances	-		-	
Less Lapsed Equity Adjustment Appropriation (Section 22A(6))	-		-	
Plus Supplementary Appropriations (Section 25)	-		-	
Less Repayments of Incorrectly Paid Amounts (Section 28)	(858)		(858)	
<b>Total Administered Item Receipts</b>	<b>812</b>		<b>812</b>	
Less Opening Balance of Equity Adjustment Receivable	48		48	
Plus Closing Balance of Equity Adjustment Receivable	73		73	
<b>Appropriations for Outputs recognised in Operating Statement (1)</b>	<b>837</b>		<b>837</b>	

1. 1999-2000 was the first year in which Appropriations were paid on the basis of Departmental Outputs. Accordingly, the amount stated for Output Revenue in 1999-2000 is not comparable with 1998-99 and as such 1998-99 amounts are not disclosed.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

	DPI Consolidated		DPI Parent Entity	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>5. User Charges, Taxes, Fees and Fines</b>				
Fee for Service	29,779	29,697	23,520	25,965
Sale of Goods	8,027	6,478	8,050	6,247
Taxes, Fees and Fines	1,174	1,615	804	1,202
<b>Total</b>	<b>38,980</b>	<b>37,790</b>	<b>32,374</b>	<b>33,414</b>

**USER CHARGES, TAXES, FEES AND FINES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT**

**User Charges, Taxes, Fees and Fines**

Taxes, Fees and Fines	796	661	796	661
<b>Total</b>	<b>796</b>	<b>661</b>	<b>796</b>	<b>661</b>

**6. Grants and Other Contributions Revenue**

Grants	20,613	20,475	19,448	20,284
Industry Contributions	13,782	13,839	13,782	13,839
<b>Total</b>	<b>34,395</b>	<b>34,314</b>	<b>33,230</b>	<b>34,123</b>

**7. Royalties and Other Territorial Revenue**

Royalties	80,120	72,886	500	587
<b>Total</b>	<b>80,120</b>	<b>72,886</b>	<b>500</b>	<b>587</b>

**8. Property Income**

Gain on Sale of Property, Plant and Equipment	617	785	439	728
Rental Income	408	433	192	187
<b>Total</b>	<b>1,025</b>	<b>1,218</b>	<b>631</b>	<b>915</b>

**PROPERTY INCOME ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT**

Rental Income	640	796	640	796
<b>Total</b>	<b>640</b>	<b>796</b>	<b>640</b>	<b>796</b>

**9. Assets Assumed / Liabilities Transferred**

Net Assets assumed from other Queensland Government Agencies

The following represents assets assumed / liabilities transferred to other Agencies during the financial year other than as a result of a restructure of Administrative Arrangements :

Assets Assumed	-	2,820	-	2,370
Liabilities Transferred	371	103	286	103
<b>Net Assets</b>	<b>371</b>	<b>2,923</b>	<b>286</b>	<b>2,473</b>

**ASSETS ASSUMED / LIABILITIES TRANSFERRED ON BEHALF OF THE WHOLE OF GOVERNMENT**

Net Assets Transferred	1,413	1,471	1,413	1,471
<b>Total</b>	<b>1,413</b>	<b>1,471</b>	<b>1,413</b>	<b>1,471</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
for the Year Ended 30 June 2000

	DPI Consolidated		DPI Parent Entity	
	2000 S'000	1999 S'000	2000 S'000	1999 S'000
<b>10. Other Revenue</b>				
<i>Resources Received Below Fair Value:</i>				
- Maintenance Services	313	4,566	313	4,566
- Accommodation	1,302	1,126	165	1,126
- Archiving Services	104	109	104	109
- Quarantine Services	9	7	9	7
- Other	598	31	598	31
	<b>2,326</b>	<b>5,839</b>	<b>1,189</b>	<b>5,839</b>
Contract Services - DPI Forestry	-	-	4,112	2,682
Increase in Value of Livestock	1,544	1,050	1,544	1,050
Interest	621	387	-	4
Diesel Fuel Rebate	312	369	-	-
Other	1,920	4,542	3,125	3,534
<b>Total</b>	<b>6,723</b>	<b>12,187</b>	<b>9,970</b>	<b>13,109</b>
<b>11. Employee Expenses</b>				
Wages and Salaries	152,199	150,842	122,904	120,537
Superannuation	20,060	20,076	16,577	16,564
Annual Leave	15,601	12,209	13,020	9,424
Long Service Leave	2,249	4,516	1,817	3,633
Other	12,027	9,315	9,296	8,085
<b>Total</b>	<b>202,136</b>	<b>196,958</b>	<b>163,614</b>	<b>158,243</b>
<b>12. Supplies and Services</b>				
Consultants and Contractors	16,258	18,265	9,292	13,127
Motor Vehicle Expenses	13,935	10,513	10,963	9,687
Materials	10,402	10,262	8,736	8,582
Travel	8,362	9,224	7,377	8,224
Repairs and Maintenance	7,424	8,149	7,435	6,891
Electricity and Telephone (1)	8,788	7,020	7,855	6,060
Computer Expenses	5,817	6,710	5,639	6,188
Forest Maintenance	1,653	2,098	-	-
Primary Production Costs	3,989	2,176	3,924	2,180
Legal Expenses	525	923	525	926
Other	21,060	19,660	16,296	16,014
<b>Total</b>	<b>98,213</b>	<b>95,000</b>	<b>78,042</b>	<b>77,879</b>

(1) Included above is an amount of \$2.391 million, being payment of the share allocated to the Department of Primary Industries for closure of the Interim Telecommunications Management Agreement and settlement of Government debt in accordance with Cabinet Budget Review Committee decision of 22 February 2000.

**13. Depreciation and Amortisation Expenses**

*Depreciation and Amortisation Expenses for the Financial Year were charged in respect of:*

Land Improvements	795	698	631	561
Buildings	3,989	3,503	3,272	2,854
Access Roads	1,167	1,072	73	71
Plant and Equipment (1)	13,243	13,585	9,975	10,297
Intangibles	1,328	459	1,302	459
Leasehold Improvements	56	-	47	-
<b>Total</b>	<b>20,578</b>	<b>19,317</b>	<b>15,300</b>	<b>14,242</b>

(1) Included above is Amortisation of Plant and Equipment under Finance Lease of \$0.121 million, (\$0.114 million in 1998-99).



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

**14. Grants and Subsidies**

	Horticulture		Policy and Legal Services		Sheep and Wool Industry Services		Forestry Commercial		General Not Attributed		Inter-Output Eliminations		Total	
	Industry Services		Services		Services		Commercial		Attributed		Eliminations		Total	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Recurrent</b>														
Animal Welfare Organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Australian Centre for International Agricultural Research Projects (ACIAR)	426	520	-	-	-	-	-	-	-	-	-	-	197	345
Bureau of Sugar Experiment Stations (BSES)	-	-	-	-	-	-	-	-	-	-	-	-	1,093	1,418
Commonwealth Government Bodies & Authorities (Incl CSIRO)	-	33	-	-	-	106	179	141	-	-	-	-	3,824	3,821
Farm and Rural Financial Counsellor's Subsidies	-	-	-	-	-	-	-	-	-	-	-	-	224	364
Fish Stocking Associations and Societies	-	-	-	-	-	-	-	-	-	-	-	-	263	263
Fisheries Research & Development	-	18	-	-	-	-	-	-	-	-	-	-	30	37
Grain Research & Development	-	-	-	-	-	-	-	-	-	-	-	-	350	467
Landcare	-	-	-	-	-	-	-	-	-	-	-	-	160	952
Horticultural Research and Development	8	281	-	-	-	5	-	-	-	-	-	-	80	-
Land and Water Resources Research	-	-	-	-	-	-	-	-	-	-	-	-	191	415
Queensland Fisheries Management Authority (QFMA)	-	-	-	-	-	-	-	-	-	-	-	-	76	22
Queensland Government Departments	20	-	-	-	-	1	-	-	-	-	-	-	1,930	2,073
Non Queensland Government Departments	-	-	-	-	-	-	-	50	-	-	-	-	627	51
Queensland Livestock and Meat Authority (QLMA)	-	-	-	-	-	-	-	-	-	-	-	-	54	-
Regional Drought Initiative	-	-	-	-	-	-	-	-	-	-	-	-	550	600
Sunfish (Qld) Inc.	-	-	-	-	-	-	-	-	-	-	-	-	3	16
Town, City and Shire Councils	-	-	-	-	-	-	-	-	-	-	-	-	170	160
Tuberculosis Freedom Assistance Program (TFAP)	-	-	-	-	-	-	-	5	-	-	-	-	14	35
Universities in Other States	-	-	-	-	-	-	-	-	-	-	-	-	100	314
Universities in Queensland	4	11	-	-	-	-	79	85	-	-	-	-	79	166
Other	-	25	-	-	-	-	66	104	-	-	-	-	271	462
	-	-	-	-	-	15	132	214	-	-	-	(101)	705	713
<b>Total Recurrent</b>	<b>458</b>	<b>888</b>	-	-	<b>15</b>	<b>112</b>	<b>456</b>	<b>599</b>	-	-	<b>(101)</b>	<b>(55)</b>	<b>10,991</b>	<b>12,694</b>
<b>Capital</b>														
Australian Centre for International Agricultural Research Projects (ACIAR)	53	-	-	-	-	-	-	-	-	-	-	-	53	-
Grain Research & Development Corporation (GRDC)	-	-	-	-	-	-	-	-	-	-	-	-	39	6
Horticultural Research and Development	-	4	-	-	-	-	-	-	-	-	-	-	-	4
Queensland Government Departments	9	-	-	-	-	-	-	-	-	-	-	-	20	-
<b>Total Capital</b>	<b>62</b>	<b>4</b>	-	-	-	-	-	-	-	-	-	-	<b>112</b>	<b>10</b>
<b>TOTAL</b>	<b>520</b>	<b>892</b>	-	-	<b>15</b>	<b>112</b>	<b>456</b>	<b>599</b>	-	-	<b>(101)</b>	<b>(55)</b>	<b>11,103</b>	<b>12,704</b>

**GRANTS AND SUBSIDIES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT**

Drought Relief Freight Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	214	618
Agribusiness Export Quality Assurance Subsidy Scheme (AEQAS)	-	-	-	-	-	-	-	-	-	-	-	-	554	608
<b>TOTAL</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>768</b>	<b>1,226</b>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

	DPI Consolidated		DPI Parent Entity	
	2000 S'000	1999 S'000	2000 S'000	1999 S'000
15. Equity Return	11,257	-	11,257	-

An equity return rate of 6 percent has been set by the Government for 1999-2000. Queensland Treasury invoices the Department for this amount on a quarterly basis. The return is calculated on a pro-rata daily basis using the opening net asset position of the Department for each quarter, plus or minus equity injections or withdrawals.

**16. Assets Transferred / Liabilities Assumed**

Net Assets transferred to other Queensland Government Agencies

The following represents assets transferred / liabilities assumed from other Agencies during the financial year other than as a result of a restructure of Administrative Arrangements :

Assets Transferred	259	520	259	569
Liabilities Assumed	221	-	193	-
<b>Net Assets</b>	<b>480</b>	<b>520</b>	<b>452</b>	<b>569</b>

**17. Other Expenses**

Interest and Other Costs of Finance	4,855	6,212	82	113
Operating Leases	9,277	8,536	9,296	8,551
Contract Services - DPI Forestry	-	-	5,276	4,389
Leasehold Improvements	-	721	-	721
Audit Fees (Queensland Audit Office)	358	324	212	204
Licence Fees and Permits	174	189	119	189
Loss on Sale or Disposal of Property, Plant and Equipment	1,296	1,794	950	1,794
Bad and Doubtful Debts	(118)	88	(132)	24
Miscellaneous Expenses	1,398	3,290	751	754
Timber Research and Development Advisory Council (TRADAC)	-	1,037	-	-
Losses:				
- Public Money	51	121	51	121
- Public Property	16	39	16	39
Special Payments :				
- Donations and Gifts	274	212	273	209
- Ex-gratia Payments	640	287	640	287
<b>Total</b>	<b>18,221</b>	<b>22,850</b>	<b>17,534</b>	<b>17,395</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

DPI Consolidated		DPI Parent Entity	
2000	1999	2000	1999
\$'000	\$'000	\$'000	\$'000

18. Restructuring of Administrative Arrangements

As a result of *Public Service Departmental Arrangements Notice (No. 4) 1999* dated 16 December 1999, the Office of Rural Communities was transferred from the Department of Communication and Information, Local Government, Planning and Sport to the Department.

Consequent on the above changes in administrative arrangement, the following assets and liabilities were assumed from the Department of Communication and Information, Local Government, Planning and Sport (DCILGPS).

	2000 \$'000
<b>Assets</b>	
<i>Current</i>	
Prepayments	3
<i>Non Current</i>	
Property, Plant & Equipment	126
<b>Liabilities</b>	
<i>Current</i>	
Provisions	(132)
<b>Net Assets / (Liabilities)</b>	<u><u>(3)</u></u>

The following are revenues and expenses for the Office of Rural Communities for the full financial year.

	Balances to to 31/12/99 DCILGPS \$'000	Balances 1/1/00 to 30/6/00 DPI \$'000
<b>Revenue</b>		
Appropriations for Outputs	1,733	2,610
User Charges	9	50
Grants and Other Contributions	3	-
Other Revenues	1	8
<b>Total Revenues</b>	<u><u>1,746</u></u>	<u><u>2,668</u></u>
<b>Expenses</b>		
Employee Expenses	776	770
Supplies & Services	435	492
Depreciation	43	28
Grants & Subsidies	398	410
Other Expenses	94	116
<b>Total Expenses</b>	<u><u>1,746</u></u>	<u><u>1,816</u></u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

	DPI Consolidated		DPI Parent Entity	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>19. Cash</b>				
Cash on Hand	173	173	139	139
Cash at Bank	36,927	(328)	18,740	572
Trust Fund Balances	-	10,145	-	1,064
<b>Total</b>	<b>37,100</b>	<b>9,990</b>	<b>18,879</b>	<b>1,775</b>

CASH ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT				
Cash at Bank	(47)	-	(47)	-
<b>Total</b>	<b>(47)</b>	<b>-</b>	<b>(47)</b>	<b>-</b>

**20. Receivables**

**Current**

Revenue Receivable from Treasury	-	15,498	-	15,498
Trade Debtors	17,835	16,848	5,571	6,031
Less: Provision for Doubtful Debts	(515)	(640)	(395)	(521)
Loans	20	56	20	56
Less: Provision for Doubtful Debts	-	(6)	-	(6)
Freehold Selection Debtors (1)	167	245	-	-
Less: Provision for Doubtful Debts	(3)	(4)	-	-
Carryovers of Appropriation	-	1,145	-	1,145
LSL Reimbursement	736	-	563	-
Interest Receivable	186	-	-	-
GST Input Tax Credits Receivable	181	-	176	-
GST Payable	(8)	-	(6)	-
<b>Net GST Receivable</b>	<b>173</b>	<b>-</b>	<b>170</b>	<b>-</b>
Other Debtors	1,923	1,371	119	219
<b>Total</b>	<b>20,522</b>	<b>34,513</b>	<b>6,048</b>	<b>22,422</b>

**Non-Current**

Freehold Selection Debtors (1)	329	424	-	47
Other Debtors	-	47	-	-
<b>Total</b>	<b>329</b>	<b>471</b>	<b>-</b>	<b>47</b>

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

RECEIVABLES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT				
<b>Current</b>				
Trade Debtors	72	27	72	27
Carryovers of Appropriation	73	48	73	48
<b>Total</b>	<b>145</b>	<b>75</b>	<b>145</b>	<b>75</b>

**21. Investments**

**Non-Current**

Shares and Units (1)	69	79	69	79
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(1) Investments comprise equity in primary producer cooperatives. The Net Fair Value of Investments is disclosed in Note 39.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

	DPI Consolidated		DPI Parent Entity	
	2000 S'000	1999 S'000	2000 S'000	1999 S'000
<b>22. Inventories</b>				
<b>Current</b>				
<i>Inventory Held for Sale:</i>				
Finished Goods	2,983	2,761	1,171	1,118
Work in Progress	113	73	-	-
<i>Inventory not Held for Sale:</i>				
Raw Materials and Stores	2,317	1,974	1,067	975
<b>Total</b>	<b>5,413</b>	<b>4,808</b>	<b>2,238</b>	<b>2,093</b>
<b>Non-Current</b>				
<i>Inventory Held for Sale:</i>				
Finished Goods	62	68	62	68
<b>Total</b>	<b>62</b>	<b>68</b>	<b>62</b>	<b>68</b>
<b>23. Other Assets</b>				
<b>Current</b>				
Prepayments	2,675	1,530	2,493	1,272
Advances	410	403	410	403
Other	-	61	-	61
<b>Total</b>	<b>3,085</b>	<b>1,994</b>	<b>2,903</b>	<b>1,736</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

	DPI Consolidated		DPI Parent Entity	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>24. Property, Plant and Equipment</b>				
<b>Non-Current</b>				
<b>24.1 Land</b>				
At Cost (1)	1,015	3,566	355	357
At Independent Valuation 1996	40,598	41,007	39,513	39,922
At Independent Valuation 2000	3,135	-	-	-
<b>Total Land</b>	<b>44,748</b>	<b>44,573</b>	<b>39,868</b>	<b>40,279</b>
(1) DPI Forestry carries out its forestry establishment, management and marketing operations principally on Crown land allocated for forest production purposes by the Department of Natural Resources (DNR). While DNR retains control over this land, DPI Forestry is granted access to carry out its operations in accordance with the <i>Forestry Act 1959</i> .				
Only land controlled by the Department has been brought to Account.				
<b>24.2 Land improvements</b>				
At Cost	3,714	3,026	2,237	1,681
At Independent Valuation 1995	1,699	1,643	-	-
At Independent Valuation 1996	10,480	10,340	10,480	10,340
At Independent Valuation 1997	347	347	4	4
At Management Valuation 1996	5	5	-	-
At Management Valuation 1997	56	55	42	42
At Management Valuation 1998	2	2	-	-
Accumulated Depreciation	(3,792)	(3,012)	(2,651)	(2,033)
<b>Total Land Improvements - Net Book Value</b>	<b>12,511</b>	<b>12,406</b>	<b>10,112</b>	<b>10,034</b>
<b>24.3 Buildings</b>				
At Cost	29,533	22,755	28,037	22,117
At Independent Valuation 1995	9,197	17,993	-	-
At Independent Valuation 1996	84,622	83,525	84,622	83,525
At Independent Valuation 2000	11,813	-	-	-
At Management Valuation 1996	18	18	18	18
At Management Valuation 1997	4	4	-	-
Accumulated Depreciation	(18,580)	(12,063)	(12,443)	(9,196)
<b>Total Buildings - Net Book Value</b>	<b>116,607</b>	<b>112,232</b>	<b>100,234</b>	<b>96,464</b>
<b>24.4 Access Roads</b>				
At Cost	1,232	1,160	76	53
At Independent Valuation 1995	32,365	31,609	-	-
At Independent Valuation 1996	2,213	2,210	2,213	2,210
Accumulated Depreciation	(6,268)	(5,102)	(321)	(248)
<b>Total Access Roads - Net Book Value</b>	<b>29,542</b>	<b>29,877</b>	<b>1,968</b>	<b>2,015</b>
<b>24.5 Plant and Equipment</b>				
At Cost	103,481	96,757	80,639	76,532
At Independent Valuation 1996	395	500	395	500
At Independent Valuation 1997	20,627	23,590	13,764	15,207
At Management Valuation 1996	20	27	20	27
At Management Valuation 1997	803	976	258	271
At Management Valuation 1998	127	126	24	25
Accumulated Depreciation	(75,568)	(70,953)	(59,799)	(55,717)
<b>Total Plant and Equipment - Net Book Value</b>	<b>49,885</b>	<b>51,023</b>	<b>35,301</b>	<b>36,845</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

	DPI Consolidated		DPI Parent Entity	
	2000 S'000	1999 S'000	2000 S'000	1999 S'000
<b>24. Property, Plant and Equipment (continued)</b>				
<b>24.6 Leased Plant and Equipment</b>				
At cost	771	711	771	711
Accumulated Amortisation	(342)	(221)	(342)	(221)
<b>Total Leased Plant and Equipment - Net Book Value</b>	<b>429</b>	<b>490</b>	<b>429</b>	<b>490</b>
<b>24.7 Leasehold Improvements</b>				
At cost	2,547	-	1,903	-
Accumulated Amortisation	(56)	-	(47)	-
<b>Total Leasehold Improvements - Net Book Value</b>	<b>2,491</b>	<b>-</b>	<b>1,856</b>	<b>-</b>
<b>24.8 Capital Works in Progress</b>				
At Cost	4,468	5,821	2,549	4,073
<b>Total Property, Plant and Equipment - Net Book Value</b>	<b>260,681</b>	<b>256,422</b>	<b>192,317</b>	<b>190,200</b>
<b>Property, Plant and Equipment</b>				
At Cost	146,761	133,796	116,567	105,524
At Independent Valuation 1995	43,261	51,245	-	-
At Independent Valuation 1996	138,308	137,582	137,223	136,497
At Independent Valuation 1997	20,974	23,937	13,768	15,211
At Independent Valuation 2000	14,948	-	-	-
At Management Valuation 1996	43	50	38	45
At Management Valuation 1997	863	1,035	300	313
At Management Valuation 1998	129	128	24	25
Accumulated Depreciation and Amortisation	(104,606)	(91,351)	(75,603)	(67,415)
<b>Total Property, Plant and Equipment - Net Book Value</b>	<b>260,681</b>	<b>256,422</b>	<b>192,317</b>	<b>190,200</b>

**24.9 Valuation of Property, Plant and Equipment**

Property, Plant and Equipment have been valued on the deprival basis in accordance with Queensland Treasury's Guidelines "Recording and Valuation of Non-Current Physical Assets in the Queensland Public Sector."

**24.9.1 Land, Land Improvements, Buildings, and Access Roads**

Land, Land Improvements, Buildings and Access Roads were valued as at 1 January 1995, 1 January 1996, 30 June 1997 and 30 June 2000 by the following independent expert valuers:

**Australian Valuation Office**

J F Mc Auliffe, L.F.V.L.E. (Val. & Econ.), C J Tuttle, Dip. Val., F.V.L.E. (Val. & Econ.), R N Mullins, F.V.L.E. (Val.) LL.B. and A Roberts, A.V.L.E. (Val.)

**24.9.2 Plant & Equipment**

Plant and Equipment assets with a historical or current replacement cost over \$50,000 were valued as at 30 June 1997 by the following independent expert valuer:

**Edward Rushton Australia Pty Limited**

S. Greenstock, F.V.L.E. (P & M)

The Department undertook an analysis of its other Plant and Equipment assets and concluded that the historical cost or management valuation assigned to these assets reasonably represents deprival value, in accordance with Queensland Treasury's Guidelines.

**24.9.3 Interim Revaluation**

Interim revaluations (by indexation) of assets above the established revaluation thresholds and with an estimated useful life of three years or more (Note 2.16) were carried out as at 30 June 2000.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

	DPI Consolidated		DPI Parent Entity	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>25. Intangibles</b>				
<b>25.1 Computer Software</b>				
At Cost	6,367	4,490	6,028	4,490
Accumulated Amortisation	(2,278)	(459)	(2,041)	(459)
<b>Total Computer Software - Net Book Value</b>	<b>4,089</b>	<b>4,031</b>	<b>3,987</b>	<b>4,031</b>
<b>25.2 Capital Works in Progress</b>				
At Cost	457	-	457	-
<b>Total Intangibles - Net Book Value</b>	<b>4,546</b>	<b>4,031</b>	<b>4,444</b>	<b>4,031</b>
<b>26. Restricted Assets</b>				
The Department has included a number of assets in the Accounts which are classified as restricted assets. These are assets, the uses of which are wholly or partially restricted, by legislation or other externally imposed requirements. These include:				
<b>26.1 Current Restricted Assets</b>				
Funds Held by Treasury	-	5,088	-	5,088
Cash at Bank	7,714	-	7,714	-
<b>Total Current Restricted Assets</b>	<b>7,714</b>	<b>5,088</b>	<b>7,714</b>	<b>5,088</b>
(These Funds are restricted for use in specified research areas or specified building initiatives.)				
<b>26.2 Property, Plant and Equipment</b>				
At Cost	7,677	8,652	7,677	8,652
At Independent Valuation 1997	6,714	6,871	6,714	6,871
At Management Valuation 1997	6	23	6	23
Accumulated Depreciation	(5,725)	(5,836)	(5,725)	(5,836)
<b>Total Property, Plant and Equipment - Net Book Value</b>	<b>8,672</b>	<b>9,710</b>	<b>8,672</b>	<b>9,710</b>
(The control over these assets is restricted. The assets may only be used for specific purposes of the Projects funded by the External Funding Bodies.)				
<b>Total</b>	<b>16,386</b>	<b>14,798</b>	<b>16,386</b>	<b>14,798</b>
<b>27. Creditors</b>				
<b>Current</b>				
Trade Creditors	4,609	4,587	3,930	4,390
Accrued Salaries and Wages	299	1,121	71	524
Accrued Interest and Other Costs of Finance	1,466	273	3	14
Lease Liability (1)	132	134	132	134
Other Creditors	3,901	3,889	2,496	3,108
<b>Total</b>	<b>10,407</b>	<b>10,004</b>	<b>6,632</b>	<b>8,170</b>
<b>Non-Current</b>				
Lease Liability (1)	332	409	332	409
<b>Total</b>	<b>332</b>	<b>409</b>	<b>332</b>	<b>409</b>

(1) Amounts are exclusive of GST. Refer Note 35.

<b>CREDITORS ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT</b>				
<b>Current</b>				
Trade Creditors	13	82	13	82
<b>Total</b>	<b>13</b>	<b>82</b>	<b>13</b>	<b>82</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

	DPI Consolidated		DPI Parent Entity	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>28. Borrowings</b>				
<b>Current</b>				
Treasury Borrowings	-	574	-	574
QTC Borrowings	168	-	168	-
<b>Total</b>	<b>168</b>	<b>574</b>	<b>168</b>	<b>574</b>
<b>Non-Current</b>				
QTC Borrowings (1)	76,420	76,420	-	-
Treasury Borrowings	-	158	-	158
<b>Total</b>	<b>76,420</b>	<b>76,578</b>	<b>-</b>	<b>158</b>

(1) No part of the DPI Forestry's borrowings has been reported as current as a consequence of the Treasurer approving that the loan be adjusted to an "interest only" basis for a period of two years commencing 1999-2000. The term of the loan has been extended for a period of two years.

<b>29. Provisions</b>				
<b>Current</b>				
Recreation Leave	20,767	18,281	17,144	14,806
Long Service Leave (1)	-	3,444	-	2,617
Provision for Dividend (2)	10,000	4,633	-	-
<b>Total</b>	<b>30,767</b>	<b>26,358</b>	<b>17,144</b>	<b>17,423</b>
<b>Non-Current</b>				
Long Service Leave (1)	-	34,846	-	26,796

**Aggregate Employee Entitlements**

<b>Current</b>				
Recreation Leave	20,767	18,281	17,144	14,806
Long Service Leave (1)	-	3,444	-	2,617
Accrued Salaries and Wages (3)	299	1,121	71	524
<b>Total</b>	<b>21,066</b>	<b>22,846</b>	<b>17,215</b>	<b>17,947</b>
<b>Non-Current</b>				
Long Service Leave (1)	-	34,846	-	26,796

(1) Refer Note 2.25.2 - Long Service Leave. Of the closing balance of the prior period's provision for long service leave, \$36.912 million has been eliminated against General Equity and \$1.377 million against Cash at Bank. It is not practicable to determine the cumulative financial effect up to the end of the preceding reporting period of the change in the accounting policy.

(2) The Dividend of \$10.000 million (\$4.633 million in 1998-99) provided for is payable to the Queensland Government.

(3) Accrued Salaries and Wages, including Employer Contributions for Superannuation Payable, are disclosed in the Financial Statements as Creditors - Note 27.

**30. Other Liabilities**

<b>Current</b>				
Unearned Revenue	12,103	8,528	11,328	7,632
Other	-	881	-	-
<b>Total</b>	<b>12,103</b>	<b>9,409</b>	<b>11,328</b>	<b>7,632</b>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

**31. Changes in Equity**

	Accumulated Surplus		DPI Parent Entity		Asset Revaluation Reserve		DPI Parent Entity		Plantation Growing Timber Revaluation Reserve	
	DPI Consolidated	2000	1999	2000	DPI Consolidated	1999	2000	1999	DPI Consolidated	2000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at the Beginning of the Financial Year	1,082,773	1,062,542	145,319	160,841	4,969	3,448	3,166	2,320	50,126	-
Opening Balance Adjustments	1,896	4,509	1,781	5,003	-	-	-	-	-	-
Increase / (Decrease) in Net Assets	7,060	15,722	(2,522)	10,519	-	-	-	-	-	-
Transfer between Reserves										
Sale of Revalued Assets	752	-	33	-	(752)	-	(33)	-	-	-
Increment / (Decrement) on Revaluation of:										
Land	-	-	-	-	-	684	-	-	-	-
Land Improvements	-	-	-	-	39	50	39	50	-	-
Buildings	-	-	-	-	1,097	796	869	796	-	-
Plant and Equipment	-	-	-	-	(80)	(9)	-	-	-	-
Plantation Growing Timber	-	-	-	-	-	-	-	-	31,665	50,126
<b>Balance at the End of the Financial Year</b>	<b>1,092,481</b>	<b>1,082,773</b>	<b>160,133</b>	<b>160,841</b>	<b>5,273</b>	<b>4,969</b>	<b>4,041</b>	<b>3,166</b>	<b>81,791</b>	<b>50,126</b>

**EQUITY ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT**

	Accumulated (Deficit) / Surplus		DPI Parent Entity	
	DPI Consolidated	2000	1999	2000
	\$'000	\$'000	\$'000	\$'000
Balance at the Beginning of the Financial Year	(7)	(26)	(7)	(26)
Increase in Net Assets	92	19	92	19
<b>Balance at the End of the Financial Year</b>	<b>85</b>	<b>(7)</b>	<b>85</b>	<b>(7)</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
for the Year Ended 30 June 2000

	DPI Consolidated		DPI Parent Entity	
	2000 S'000	1999 S'000	2000 S'000	1999 S'000
<b>32. General Equity</b>				
Opening Balance	-	-	-	-
Equity Injections	1,042	-	1,042	-
Adjustment due to Elimination of Opening Balance of Provision for Long Service Leave	36,912	-	29,412	-
Administrative Restructure	(3)	-	(3)	-
<b>Closing Balance</b>	<b>37,951</b>	<b>-</b>	<b>30,451</b>	<b>-</b>
<b>33. Reconciliation of Operating Result to Net Cash Provided by (Used in) Operating Activities</b>				
<b>Operating Result</b>	<b>17,060</b>	<b>20,355</b>	<b>(2,522)</b>	<b>10,519</b>
<i>Non-Cash Items:</i>				
Depreciation and Amortisation	20,578	19,317	15,300	14,242
Capitalisation of Non-Current Assets Received Below Fair Value	(1,377)	-	(299)	-
Loss / (Gain) on Sale or Disposal of Property, Plant and Equipment	679	968	511	1,066
Finance Charges	45	46	45	46
Inventories Written Off	(319)	-	-	-
Loss on Sale of Investments	18	-	18	-
Non-Current Assets Written Off	16	39	16	39
Bad and Doubtful Debts	(146)	88	(132)	24
Equity Adjustments	519	-	519	-
<i>Change in Assets and Liabilities</i>				
(Increase) / Decrease in Receivables	14,346	(5,070)	16,252	(1,904)
(Increase) / Decrease in Inventories	(279)	771	(139)	606
(Increase) / Decrease in Livestock	(551)	(282)	(551)	(282)
(Increase) / Decrease in Other Assets	(638)	1,716	(732)	1,267
Increase / (Decrease) in Creditors	1,235	(2,746)	(987)	(753)
Increase / (Decrease) in Employee Entitlements	1,136	3,620	2,430	3,107
Increase / (Decrease) in Other Liabilities	3,500	(755)	3,696	(755)
	<b>38,762</b>	<b>17,712</b>	<b>35,947</b>	<b>16,703</b>
<b>Net Cash Provided By Operating Activities</b>	<b>55,822</b>	<b>38,067</b>	<b>33,425</b>	<b>27,222</b>
<b>34. Non-Cash Financing and Investing Activities</b>				
Revenues, expenses, assets and liabilities assumed, or transferred by the Department are disclosed in Note 9 and Note 16.				
<b>35. Commitments for Expenditure</b>				
<b>(a) Finance Leases</b>				
<i>Lease liabilities recognised in the Statement of Financial Position:</i>				
Current - Note 27.	145	134	145	134
Non-Current - Note 27.	365	409	365	409
<b>Total (Inclusive of GST)</b>	<b>510</b>	<b>543</b>	<b>510</b>	<b>543</b>
<i>Commitments in Relation to Finance Leases at the Reporting Date are Payable as follows:</i>				
Not later than one year	188	190	188	190
Later than one year and not later than five years	413	474	413	474
<b>Minimum Lease Payments</b>	<b>601</b>	<b>664</b>	<b>601</b>	<b>664</b>
Less: Future Finance Charges	91	121	91	121
<b>Total (Inclusive of GST)</b>	<b>510</b>	<b>543</b>	<b>510</b>	<b>543</b>
<b>GST - Input Tax Credits to be received in respect of the above commitments</b>	<b>46</b>	<b>-</b>	<b>46</b>	<b>-</b>

The Department has a total of eight (8) finance leases, all of which relate to photocopiers. Refer Note 39 (a) (ii) for terms of leases.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

	DPI Consolidated		DPI Parent Entity	
	2000 S'000	1999 S'000	2000 S'000	1999 S'000
<b>35. Commitments for Expenditure (continued)</b>				
<b>(b) Non-Cancellable Operating Leases</b>				
<i>Commitments in Relation to Non-Cancellable Operating Leases at the Reporting Date are Payable as follows:</i>				
Not later than one year	134	125	134	125
Later than one year and not later than five years	412	175	412	175
Later than five years	141	160	141	160
<b>Total Inclusive of GST</b>	<b>687</b>	<b>460</b>	<b>687</b>	<b>460</b>
<b>GST - Input Tax Credits to be received in respect of the above commitments</b>	<b>62</b>	<b>-</b>	<b>62</b>	<b>-</b>

The Department has a total of twelve (12) Non-Cancellable Operating Leases principally relating to Land, Buildings and Laboratories. The average term of the leases is 12 years.

**(c) Expenditure Commitments**

*Material Expenditure Commitments Contracted for but not Recognised are Payable as follows:*

Buildings	375	853	375	853
Land Improvements	-	310	-	300
Plant and Equipment	1,422	1,537	985	1,480
Supplies and Services	3,173	4,855	3,173	4,855
Other	118	142	118	86
<b>Total Inclusive of GST</b>	<b>5,088</b>	<b>7,697</b>	<b>4,651</b>	<b>7,574</b>
Not later than one year	4,635	7,029	4,198	6,906
Later than one year and not later than five years	453	668	453	668
<b>Total Inclusive of GST</b>	<b>5,088</b>	<b>7,697</b>	<b>4,651</b>	<b>7,574</b>
<b>GST - Input Tax Credits to be received in respect of the above commitments</b>	<b>459</b>	<b>-</b>	<b>423</b>	<b>-</b>

**(d) Grants and Subsidies**

*Commitments in Relation to Grants and Subsidies are as follows:*

Bureau of Sugar Experiment Stations	4,180	3,800	4,180	3,800
Other	3,039	3,468	2,990	3,077
<b>Total Inclusive of GST (1)</b>	<b>7,219</b>	<b>7,268</b>	<b>7,170</b>	<b>6,877</b>
<i>Commitments in Relation to Grants and Subsidies at the reporting date are payable as follows:</i>				
Not later than one year	6,004	5,796	5,955	5,602
Later than one year and not later than five years	1,215	1,463	1,215	1,266
Later than five years	-	9	-	9
<b>Total Inclusive of GST (1)</b>	<b>7,219</b>	<b>7,268</b>	<b>7,170</b>	<b>6,877</b>
<b>GST - Input Tax Credits to be received in respect of the above commitments</b>	<b>644</b>	<b>-</b>	<b>640</b>	<b>-</b>

(1) Pursuant to a Cabinet decision made in December 1991, the Department provides funding to the Bureau of Sugar Experiment Stations to the amount of \$3.800 million per annum. The figure above includes one year's funding only for this item.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

DPI Consolidated		DPI Parent Entity	
2000	1999	2000	1999

**36. Contingent Liabilities**

**(a) Litigation in Progress**

The following cases were filed in the courts as at 30 June 2000:

	<i>No of Cases</i>	<i>No of Cases</i>	<i>No of Cases</i>	<i>No of Cases</i>
Supreme Court	7	12	4	7
District Court	3	4	1	2
Magistrates Court	1	-	-	-
<b>Total</b>	<b>11</b>	<b>16</b>	<b>5</b>	<b>9</b>

The Department's legal advisors and management believe it would be misleading to estimate the final amounts payable, if any, in respect of the litigation filed in the Courts.

The Department has also received notifications of seven (7) other cases, which are not yet subject to Court actions.

**(b) Native Title Claims over Departmental Land**

As at 30 June 2000, Native Title Claims have been made on Departmental land, but as yet, no claims involving Departmental land have been determined by the National Native Title Tribunal.

**(c) Financial Guarantees and Undertakings**

The Department has not provided any Financial Guarantees or Undertakings during the reporting period.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

**37. Fiduciary Trust Transactions and Balances**

As the Department performs only a custodial role in respect of these transactions and balances, they are not recognised in the Financial Statements, but are disclosed here for information purposes. The transactions and balances are subject to audit by the Auditor-General.

FIDUCIARY TRUST ASSETS AND LIABILITIES	DPI Consolidated		DPI Parent Entity	
	2000 S'000	1999 S'000	2000 S'000	1999 S'000
<b>ADMINISTERED ASSETS</b>				
Monies Held in Trust (Security Deposits)	729	757	31	30
Agency Collections	-	76	-	76
<b>TOTAL ADMINISTERED ASSETS</b>	<b>729</b>	<b>833</b>	<b>31</b>	<b>106</b>
<b>ADMINISTERED LIABILITIES</b>				
Monies Held in Trust (Security Deposits)	729	757	31	30
Agency Collections	-	76	-	76
<b>TOTAL ADMINISTERED LIABILITIES</b>	<b>729</b>	<b>833</b>	<b>31</b>	<b>106</b>

CASH FLOWS ADMINISTERED ON BEHALF OF ENTITIES OTHER THAN THE WHOLE OF GOVERNMENT				
<b>Inflows:</b>				
Security Deposits	128	546	23	314
Agency Collections	437	1,293	437	1,293
<b>Total Inflows</b>	<b>565</b>	<b>1,839</b>	<b>460</b>	<b>1,607</b>
<b>Outflows:</b>				
Security Deposits	(156)	(531)	(22)	(297)
Agency Collections	(513)	(1,294)	(513)	(1,294)
<b>Total Outflows</b>	<b>(669)</b>	<b>(1,825)</b>	<b>(535)</b>	<b>(1,591)</b>
<b>Net Administered Cash Inflows / (Outflows)</b>	<b>(104)</b>	<b>14</b>	<b>(75)</b>	<b>16</b>
<b>Administered Cash at the Beginning of the Financial Year</b>	<b>833</b>	<b>819</b>	<b>106</b>	<b>90</b>
<b>Administered Cash at the End of the Financial Year</b>	<b>729</b>	<b>833</b>	<b>31</b>	<b>106</b>

**38. Events Subsequent to Balance Date**

1. Effective 1 July 2000, the Department transferred the operational responsibilities for the Corporate Services Agency (CSA) to the Department of Natural Resources (DNR), in accordance with the *Public Service Departmental Arrangements Notice (No. 1) 2000*, dated 30 June 2000. The balances of all related assets, liabilities and equity were transferred to DNR on 1 July 2000.

2. The Department assumed the operational responsibilities for the Queensland Fisheries Management Authority (QFMA) as at 1 July 2000, in accordance with the *Primary Industries and Natural Resources Legislation Amendment Act 2000*. The balances of all related assets, liabilities and equity were assumed on 1 July 2000.

3. On 1 July 2000, the Department assumed the responsibilities for the administrative arrangements for the Queensland Rural Adjustment Authority (QRAA) from Queensland Treasury. Future funding for QRAA will be provided by Queensland Treasury and be administered on behalf of the Whole of Government.

4. After balance date, DPI Forestry, as a Commercial Business Group of the Department, applied a change in accounting policy, in accordance with the Australian Accounting Standard (AAS) 35 "Self-Generating and Regenerating Assets" (SGARA's) to the accounting for Plantation Growing Timber. This Standard, which deals comprehensively with valuation, accounting and disclosure requirements for SGARA's, is expected to produce significant changes to the valuation, accounting and reporting on these assets. It is not practicable, at this stage, to compile a comprehensive calculation of the financial affect of this change in accounting policy. This will be completed during the 2000-2001 financial year, and disclosed in the 30 June 2001 Financial Statements.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

## 39. Financial Instruments

## (a) Terms, Conditions and Accounting Policies

## (i) Financial Assets

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
Cash	19	Cash includes cash on hand, cash at bank and deposits at call. Interest is included in other revenue.	Cash is held by the Queensland Treasury Department. Interest is paid on DPI Forestry funds at 4% calculated on daily balances and overdraft balances attract an 8% penalty interest charge.
Receivables - Trade Debtors	20	Trade receivables are carried at nominal amounts due, less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Trade sales require payment within 30 days from end of month in which a sale is invoiced. All DPI Forestry trade debtors are secured by cash deposit or other financial guarantee.
Receivables - Seed Scheme Loans	20	Amounts for the Seed Scheme Loans are carried at nominal amounts due, less any provision for doubtful debts. Interest is taken up as income on an accrual basis.	Seed Scheme Loans are payable from the proceeds of crops when harvested.
Receivables (Other than Trade Debtors)	20	Amounts (Other than Trade Debtors) are carried at nominal amounts, less any provision for doubtful debts.	Net 30 days, except Freehold Selection Debtors which are generally of a longer nature.
Investments - Unlisted Shares	21	Investments are brought to account at the lower of cost and net realisable value. Dividend income is recognised when received.	

## (ii) Financial Liabilities

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
Trade Creditors and Accruals	27	Liabilities are recognised for amounts to be paid in the future for goods and services received.	Trade Creditors are normally settled on 7, 14 or 30 day terms.
Borrowings	28	Loans are carried at book value. Interest is charged as an expense as it accrues.	All borrowings are with the Queensland Treasury Corporation (QTC). The DPI Parent Entity borrowings with QTC are repayable quarterly with the final instalment due 31 March 2001. The DPI Forestry borrowings with the QTC are repayable quarterly with the final instalment due 10 October 2012.
Dividend Payable	29	Dividends payable are recognised when declared by DPI Forestry.	Dividends payable are declared at a negotiated percentage (currently 50%) of DPI Forestry's operating profit after tax equivalents, less QFleet dividend allowance. Dividends are payable to the Queensland Government.
Finance Lease Liability	27, 35	The Finance Lease Liabilities are accounted for in compliance with AAS17 "Accounting for Leases". Interest is charged as an expense as it accrues.	As at balance date, DPI's finance leases have an average lease term of 3 years. The average interest rate implicit in the leases is 12.10%.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

**39. Financial Instruments (continued)**

**(c) Net Fair Values**

Financial Instruments	Total Carrying Amount		Net Fair Value		
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	
<b>Financial Assets</b>					
Cash	37,100	9,990	37,100	9,990	
Receivables - Trade Debtors	17,320	16,208	17,320	16,208	
Receivables - Other than Trade Debtors	3,531	18,776	3,531	18,776	
Investments (1)	69	79	163	296	
<b>Total</b>	<b>58,020</b>	<b>45,053</b>	<b>58,114</b>	<b>45,270</b>	
<b>Financial Liabilities</b>					
Trade Creditors and Accruals	10,275	9,870	10,275	9,870	
Borrowings - Queensland Treasury (2)	-	732	-	732	
Borrowings - Queensland Treasury Corporation (2)	76,588	76,420	80,388	78,314	
Dividends Payable	10,000	4,633	10,000	4,633	
Finance Lease Liability	464	543	464	543	
<b>Total</b>	<b>97,327</b>	<b>92,198</b>	<b>101,127</b>	<b>94,092</b>	
<b>Financial Instruments Administered on Behalf of the Whole of Government</b>					
		Total Carrying Amount		Net Fair Value	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>Financial Assets</b>					
Receivables - Trade Debtors		72	27	72	27
Receivables - Other than Trade Debtors		73	48	73	48
<b>Total</b>		<b>145</b>	<b>75</b>	<b>145</b>	<b>75</b>
<b>Financial Liabilities</b>					
Trade Creditors and Accruals		13	82	13	82
<b>Total</b>		<b>13</b>	<b>82</b>	<b>13</b>	<b>82</b>

(1) The net fair value of investments is the market value of the shares.

(2) Based on advice provided by the Queensland Treasury and the Queensland Treasury Corporation, the net fair value of borrowings is the market value of the loans.

**(d) Credit Risk Exposure**

DPI's maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets net of any provisions for doubtful debts as indicated in the Statement of Financial Position.

Credit risk in Trade Debtors is managed in the following ways:

- Payment within 30 days from end of month in which a sale is invoiced.
- DPI Forestry Trade Debtors are secured by cash deposits or other financial guarantees.
- Reviewing Trade Debtors and identifying amounts which are doubtful.
- Writing off bad debts as they are incurred.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)**  
**for the Year Ended 30 June 2000**

**40. Financing Facilities**

DPI Forestry has standby arrangements with the Queensland Treasury Corporation to provide funds and support facilities up to an amount of \$3.000 million. This credit facility is provided by Queensland Treasury Corporation, and was unused at 30 June 2000.

**41. Tax Equivalents**

Information in respect of tax equivalents expense incurred by the Commercialised Business Unit of the Department subject to the substantive Tax Equivalents Regime:

	<b>DPI Forestry</b>	
	<b>2000</b>	<b>1999</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating Result of the Commercialised Business Unit subject to Tax Equivalents Regime</b>	19,582	9,836
Prima facie tax equivalent expense thereon at 36%	7,051	3,541
<i>Tax effect of permanent and other differences:</i>		
Acquired timber felled - Queensland Income Tax Equivalents Ruling 95/4	(12,912)	(12,314)
Research and Development Concession	-	(171)
Entertainment - Non-Deductible	9	3
Depreciation - Non-Deductible	51	34
Capital Gains Tax	-	20
Other	50	23
<b>Total Tax Equivalent Benefit not Brought to Account</b>	<b>(5,751)</b>	<b>(8,864)</b>
<i>Total tax equivalent benefit comprises movements in:</i>		
Net Tax Equivalent Benefit	(6,589)	(9,405)
Provision for Deferred Tax Equivalent	389	538
Future Tax Equivalent Benefit	449	3
<b>Total Tax Equivalent Benefit not Brought to Account</b>	<b>(5,751)</b>	<b>(8,864)</b>

A future tax equivalent benefit has not been brought to account as an asset of DPI Forestry, as realisation of the benefit cannot be regarded as being virtually certain. Accumulated future tax equivalent benefits attributable to tax losses carried forward amount to \$41.441 million (calculated at the approximate tax rate of 30%) as at 30 June 2000, and will only be obtained if:

- a) DPI Forestry derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- b) DPI Forestry continues to comply with the conditions for deductibility imposed by the law; and
- c) No changes in tax legislation adversely affect DPI Forestry in realising the benefit from the deductions for the losses.

*NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)*  
*for the Year Ended 30 June 2000*

**42. Interest in Joint Ventures**

DPI holds an interest in a number of Joint Ventures - Note 2.29. These currently fall into two primary categories, namely:

**42.1 Private Forestry Plantations Ventures**

These are designed to establish commercially viable timber plantations on private land. Contributions to these Joint Ventures in 1999-2000 totalled \$0.790 million, (\$0.632 million in 1998-99).

**42.2 Seed Orchard Venture**

This was established to produce and sell improved tree seeds from an orchard established for that purpose. Contributions to this Joint Venture in 1999-2000 totalled \$0.072 million, (\$0.058 million in 1998-99).

- No output was derived from the Joint Venture operations during the 1999-2000 financial year, (Nil in 1998-99).
- Total contributions towards both types of Joint Venture operations to 30 June 2000 amounted to \$2.299 million (\$1.437 million in 1998-99). Of this amount, \$1.408 million, (\$0.639 million in 1998-99) has been provided from State Funding.

## Certificate of the Department of Primary Industries

The foregoing General Purpose Financial Statements comprising the consolidated financial statements of the Department of Primary Industries (the parent entity, reflecting the Department's core business activities and its commercialised business unit, DPI Forestry) have been prepared pursuant to section 40 of the *Financial Administration and Audit Act 1977* and other prescribed requirements.

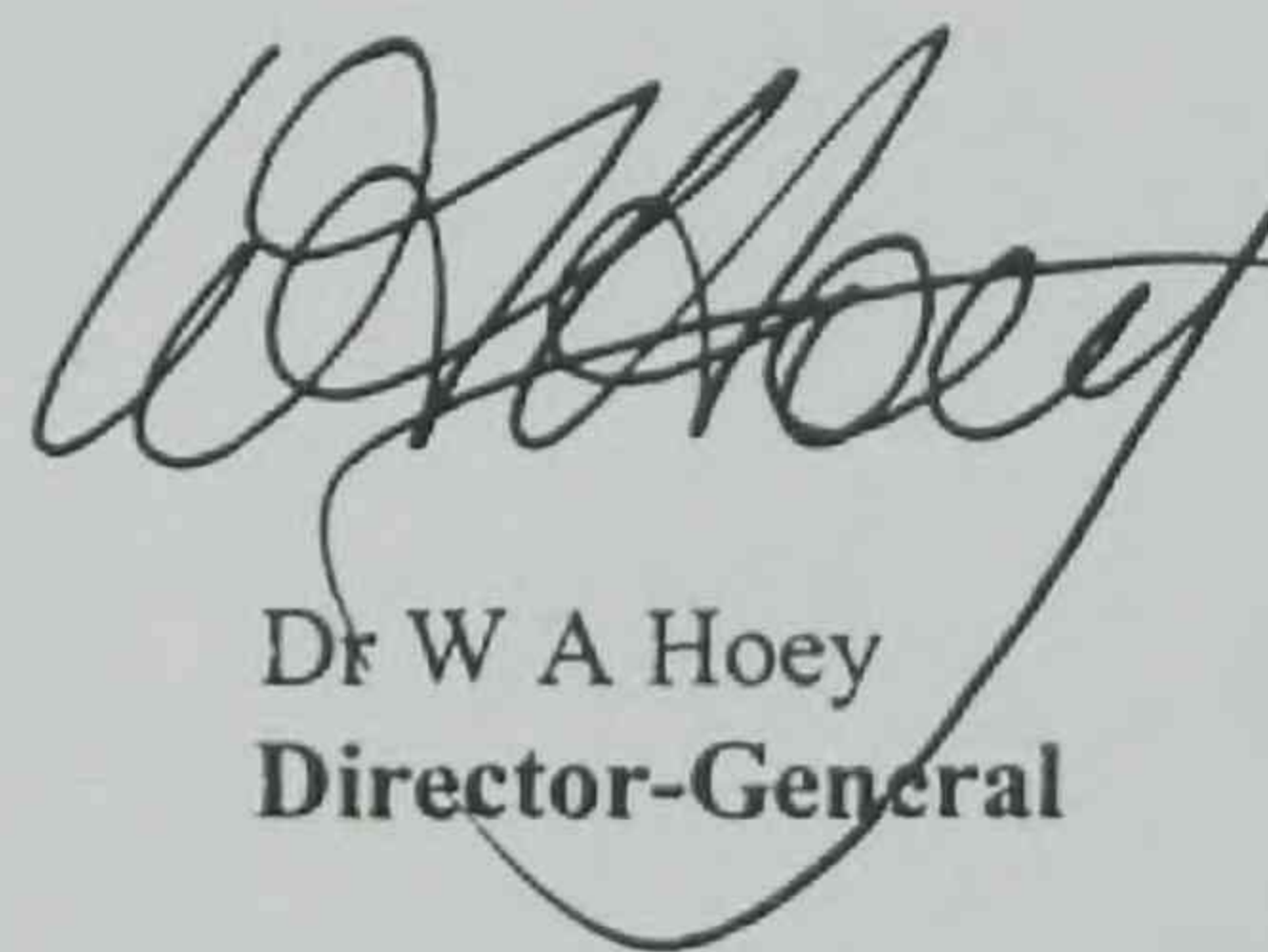
We certify that –

- (a) the Statement together with other information and Notes to and forming part thereof are in the form required by the Treasurer and are in agreement with the accounts of the Department of Primary Industries (consolidated) and the parent entity; and
- (b) in our opinion –
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the Statements have been drawn up so as to present a true and fair view of the transactions and cash flows of the Department of Primary Industries (consolidated) and the parent entity for the period 1 July 1999 to 30 June 2000, and of the financial position as at 30 June 2000.



P Pender FCA  
**General Manager**  
**(Finance and Business Development)**

6 October 2000



Dr W A Hoey  
**Director-General**

6 October 2000

## INDEPENDENT AUDIT REPORT

To the Accountable Officer of the Department of Primary Industries

### Scope

I have audited the General Purpose Financial Statements of the Department of Primary Industries prepared by the Accountable Officer for the year ended 30 June 2000 in terms of section 40 of the *Financial Administration and Audit Act 1977*. The financial statements comprise the consolidated financial statements of the Department of Primary Industries (the parent entity, reflecting the Department's core business activities and its commercialised business unit, DPI Forestry) and also include the financial statements of the Department of Primary Industries (parent entity), reflecting the Department's core business activities. The financial statements comprise the Operating Statement, Statement of Financial Position, Statement of Cash Flows, Operating Statement by Outputs/Major Activities, Statement of Financial Position by Outputs/Major Activities, Notes to and forming part of the financial statements and certificates given by the Accountable Officer and officer responsible for the financial administration of the Department.

The Accountable Officer is responsible for the preparation and the form of presentation of the financial statements and the information they contain. I have audited the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with *QAO Auditing Standards*, which incorporate Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the prescribed requirements and prescribed accounting standards.

The audit opinion expressed in this report has been formed on the above basis.

### Audit Opinion

In accordance with section 40 of the *Financial Administration and Audit Act* I certify that -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the Statements have been drawn up to present a true and fair view in accordance with the prescribed accounting standards, of the transactions of the Department of Primary Industries (consolidated) and the parent entity for the financial year 1 July 1999 to 30 June 2000 and of the financial position as at the end of that year.



V P MANERA  
Deputy Auditor-General  
(Delegate of the Auditor-General)



Queensland Audit Office  
Brisbane

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