

QUEENSLAND BUDGET 2019–20

Service Delivery Statements

Department of Agriculture
and Fisheries

budget.qld.gov.au

2019–20 Queensland Budget Papers

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Budget Highlights

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Service Delivery Statements

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Department of Agriculture and Fisheries

Summary of portfolio

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Portfolio overview

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Agricultural Industry Development and Fisheries and the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs:

Minister for Agricultural Industry Development and Fisheries

The Honourable Mark Furner MP

Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs

The Honourable Stirling Hinchliffe MP

Department of Agriculture and Fisheries

Director-General: Dr Elizabeth Woods

Service area 1: Agriculture

Service area 2: Biosecurity Queensland

Service area 3: Fisheries and Forestry

The Minister for Agricultural Industry Development and Fisheries is also responsible for:

Queensland Agricultural Training Colleges

Chief Executive Officer: Craig Mathisen

Objective: The purpose of Queensland Agricultural Training Colleges is to produce graduates with skills and capabilities that are in demand for the future success of agribusiness and associated industries both domestically and internationally.

Queensland Rural and Industry Development Authority

Chief Executive Officer: Cameron MacMillan

Objective: The Queensland Rural and Industry Development Authority's purpose is to administer timely financial assistance aimed at improving the productivity and sustainability of regional and rural communities.

The Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs is also responsible for:

Queensland Racing Integrity Commission

Chief Executive Officer: Ross Barnett APM

Objective: The purpose of the Queensland Racing Integrity Commission is to protect racing animals, ensure high standards of racing integrity and safety, and enhance public confidence in the Queensland racing industry.

Additional information about these agencies can be sourced from:

www.daf.qld.gov.au

www.qatc.edu.au

www.grida.qld.gov.au

www.gric.qld.gov.au

Departmental overview

The Department of Agriculture and Fisheries (DAF) promotes a sustainable and innovative agriculture, fisheries and forestry sector, develops rural businesses and adds value to communities and the economy. The department has a strong focus on industry development with a vision for a productive and profitable agriculture, fisheries and forestry sector that operates on a sustainable basis and continues to create jobs for Queenslanders.

A greater focus has been placed on assisting the sector to grow sustainably. Sustainable resource use requires that the resources used by the sector — land, water, fish and forests — remain plentiful for future industry and future generations of Queenslanders. Without a sustainable resource base and ethical production, the sector will not remain competitive in meeting the ongoing growth in global demand for food. Changes in climate have contributed to Queensland experiencing diverse and extreme weather events — continued drought, fires, extensive flooding and cyclones — and biosecurity issues. Affected communities require a period of recovery, rebuilding and targeted support in the coming year. DAF will work with industry, research organisations and other partners to more holistically address the need for economic growth and environmental protection and to improve the health and wellbeing of Queenslanders. The department's strategic objectives are focussed on three themes to drive this change:

- **Innovative** — work with industry to create the conditions to drive innovation, productivity and jobs
- **Responsive** — build capacity of agri-businesses and communities to meet sector challenges
- **Sustainable** — promote responsible use of natural resources to underpin productivity, environmental sustainability and healthy lifestyles.

Progressing achievement of our objectives will contribute to the Government's objectives for the community *Our Future State: Advancing Queensland's Priorities*:

- Create jobs in a strong economy by boosting business competitiveness and investment through research, innovation and adaptation across primary industries and regions. Helping rural communities adapt to changing economic and environmental circumstances encourages economic development and new investment. Managing sustainable use of resources also supports long-term rural production, ongoing employment and export growth
- Keep Queenslanders healthy by growing the resilience of agricultural producers to help them better manage uncertainties and change. Managing the risks to production also helps assure the continuous supply of safe and fresh food to help keep Queenslanders healthy and regions prosperous
- Protect the Great Barrier Reef by supporting sustainable industries and resource management to balance economic growth with environmental protection and improve the water quality of the Great Barrier Reef
- Be a responsive government by providing easy-to-use services to reduce transaction costs and help people access assistance and satisfy regulatory requirements.

In 2019-20, DAF will continue to implement Government commitments and deliver key initiatives. Setting the strategy for agri-business and food industry development will encourage employment growth and private sector investment. The continued implementation of the *Queensland Agriculture and Food Research Development and Extension 10-Year Roadmap and Action Plan* boosts business competitiveness through research, innovation and adaption across primary industries and regions.

Sustainable production remains a priority. Reforms to fisheries management outlined in the *Queensland Sustainable Fisheries Strategy 2017-2027* and ongoing support for agriculture industries in reef catchments to improve reef water quality remain on track, while negotiations with industry for a ten-year roadmap to define a pathway towards a zero net emissions in the Agriculture sector by 2050 will commence in 2019-20.

The recovery operation from events, such as, the North and Far North Queensland monsoon trough will help to maintain the continuous supply of safe and fresh food and improve the wellbeing of affected communities. We will support the provision of the multi-agency Drought Assistance Package and Queensland Drought Reform with up to \$74.6 million (held centrally) available over the next four years, the Queensland Drought and Climate Adaptation Program which has \$11.8 million available over the remaining three years of the program to 2021-22, as well as continuing work on the Intergovernmental Agreement on National Drought Reforms and implementation of the *Queensland Biosecurity Strategy 2018-2023*.

DAF recognises that engaging with stakeholders is essential to the success of its work in transforming Queensland's biosecurity system, reforming fisheries management, keeping swimmers safe in Queensland waterways, among other initiatives. Continued implementation of the *DAF Digital Strategy 2018-23* supports the department to streamline processes and improve access to online services and information.

Service Performance

Performance Statement

Agriculture

Service Area Objective

To lift the productivity of Queensland's food and fibre businesses.

Services

- Strategic Policy and Planning
- Rural Economic Development
- Agri-Science Queensland

Description

The service area:

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

Sources of revenue¹

| Total cost \$'000 | State contribution \$'000 | User charges & fees \$'000 | C'wth revenue \$'000 | Other revenue \$'000 |
|----------------------|------------------------------|-------------------------------|-------------------------|-------------------------|
| 224,508 | 159,682 | 55,465 | 6,000 | 3,361 |

Notes:

1. The department's total cost is \$525 million, with the following sources of revenue: \$321.1 million State contribution, \$125.1 million User charges and fees, \$42.7 million Commonwealth revenue and \$36.2 million Other Revenue. This includes corporate partnership costs of \$49.5 million with the following sources of revenue: \$13.5 million State contribution and \$36 million User charges and fees, which have not been assigned to a particular service area within DAF as these services are delivered to other government agencies under the partnership arrangements. The department participates in a partnership arrangement in the delivery of its services, whereby corporate services are hosted by DAF to work across multiple departments. Under the corporate partnership arrangements, the department also receives services from the Department of Natural Resources, Mines and Energy and the Department of Environment and Science.

Staffing^{1,2,3,4,5}

| 2018-19 Budget | 2018-19 Estimated Actual | 2019-20 Budget |
|----------------|--------------------------|----------------|
| 936 | 935 | 931 |

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. The decrease in the 2018-19 Estimated Actual for Agriculture is due to the internal transfer of a position to Biosecurity Queensland.
4. The decrease in the 2019-20 Budget for Agriculture is due to the internal transfer of the Fisheries Stock Assessment team to Fisheries and Forestry.
5. Departmental FTEs total 2,128 in 2018-19 Budget, 2,127 in 2018-19 Estimated Actual and 2,124 in 2019-20 Budget. This includes corporate partnership FTEs servicing other agencies of 223 in 2018-19 Budget, 223 in 2018-19 Estimated Actual and 223 in 2019-20 Budget, which have not been assigned to a particular service area within DAF as these services are delivered to other government agencies under the partnership arrangements. The department participates in a partnership arrangement in the delivery of its services, whereby corporate services are hosted by DAF to work across multiple departments. Under the corporate partnership arrangements, the department also receives services from the Department of Natural Resources, Mines and Energy and the Department of Environment and Science.

2019-20 service area highlights

In 2019-20, Agriculture will:

- develop a strategy for agri-business and food industry development to encourage employment growth and private sector investment
- commence negotiations with industry on actions required to create a 10-year roadmap to achieve zero net emissions in the agriculture sector by 2050. To support this, DAF will drive the adoption of a range of technologies to promote cleaner production systems for intensive agriculture that reduce carbon emissions and nutrient sediment discharges
- continue implementation of the *Queensland Agriculture and Food Research Development and Extension 10-Year Roadmap and Action Plan*
- continue to build strong partnerships to grow the effectiveness of the Drought and Climate Adaptation Program
- support the rebuilding of rural communities and industries by providing assistance to north and western Queensland recovery operations and continuing the existing Drought Relief Assistance Scheme (DRAS) (up to \$50 million over the next four years, held centrally) as part of the multi-agency Drought Assistance Package and Queensland Drought Reform.
- reshape vocational education and training in the State's central west by implementing a modern, cost-effective training module.

| Agriculture | 2018-19 Target/Est | 2018-19 Est Actual | 2019-20 Target/Est |
|---|--------------------|--------------------|--------------------|
| Service: Strategic Policy and Planning | | | |
| Service standards <i>Effectiveness measure</i> Proportion of stakeholders who have a high level of satisfaction with Agriculture policy and planning, consultation and engagement processes ¹ | 70% | 70% | 70% |
| <i>Efficiency measure</i> Average cost per hour to conduct regulatory policy and reform activities ^{2,3} | \$75/hour | \$85/hour | \$77/hour |

| Agriculture | 2018-19 Target/Est | 2018-19 Est Actual | 2019-20 Target/Est |
|---|-------------------------------|-------------------------------|-------------------------------|
| Service: Rural Economic Development | | | |
| Service standards <i>Effectiveness measure</i> Percentage of primary producers in reef catchments who adopt improved management practices after participation in DAF extension programs ⁴ | 40% | 40% | 40% |
| <i>Efficiency measures</i> Average cost of regional agricultural advocacy activities ⁵ | \$780 | \$680 | \$780 |
| Investment in the management of the Drought Relief Assistance Scheme program as a proportion of the total claims paid under the scheme ⁶ | 10% | 7% | 10% |
| Service: Agri-Science Queensland | | | |
| Service standards <i>Effectiveness measures</i> Assessed impact of completed agricultural research, development and extension projects and/or programs (Benefit Cost Ratio) ⁷ | >3.5 | 4.2 | >3.5 |
| Level of funding partner satisfaction that research outcomes contribute to industry productivity growth ⁸ | 90% | 90% | 90% |
| <i>Efficiency measure</i> Percentage return on research development and extension investment through royalty returns ⁹ | 3.5% | 4.9% | 3.5% |

Notes:

1. This measure covers a range of dimensions of stakeholder satisfaction including quality, satisfaction with the tools and methods of engagement and the level of opportunity to contribute to policy direction which determine overall stakeholder satisfaction. Both quantitative and qualitative responses are sought.
2. The cost for this efficiency measure is based on employee expenses for staff responsible for regulatory policy and reform. The variance between the 2018-19 Target/Estimate and the 2018-19 Estimated Actual has occurred due to delays in backfilling of a vacant position and not backfilling a graduate position which has resulted in higher level officers undertaking some lower level tasks.
3. The cost for this efficiency is based on employee expenses for staff responsible for regulatory policy and reform. The 2019-20 Target/Estimate is greater than the 2018-19 Target/Estimate as a result of a rise in salary costs while the hours worked remain constant, making the cost of hourly rate relatively higher.
4. This measure reports on the adoption of improved practices which have a positive impact on resource condition and production during the surveyed period. Many landholders will have scope for several incremental practice improvements before they can be described as having attained "best practice", and these are the landholders that are the key target group for extension support.
5. This cost for this efficiency measure is based on the total number and operational costs for delivering eligible activities. The variance between the 2018-19 Target/Estimate and the 2018-19 Estimated Actual is due to activities being less complex and shorter than anticipated which resulted in a lower cost per activity.
6. Methodology for this standard is cost of claims paid to eligible producers divided by administration costs. Administration costs include salary, information technology (IT) and phone costs of temporary staff and percentage of salary and IT costs of permanent staff based on time spent processing claims. Also included are audit costs and Information Technology Partners maintenance of the Drought and Disaster Assistance Management System Database. The variance between the 2018-19 Target/Estimate and the 2018-19 Estimated Actual is due to the active management of contractor numbers resulting in reduced expenditure throughout the year, along with an increase in the number and value of claims being received.
7. This measure provides an estimate of benefits for the industry and the broader community associated with efficient food and fibre production generated by the use of DAF's agri-scientific research outputs relative to the cost of the overall investment. Annually a sample of completed projects will be independently assessed using the methodology outlined in the Council of Rural Research and Development Corporation's Impact Assessment Guideline and the results aggregated to report on this measure.
8. This measure of funding partner satisfaction covers a range of dimensions that consider both the quality, relevance and timeliness of processes used by Agri-Science Queensland (ASQ) and the outcomes delivered by individual projects. Both quantitative and qualitative feedback is sought to gauge overall satisfaction and improve the service.

9. The Queensland Government investment in research and development (R&D) through ASQ is calculated annually. The percentage relates to the royalty and licensing income earned by ASQ as a direct result of the government's investment in agricultural R&D. This excludes partnership payments to the university sector and Sugar Research Australia where intellectual property is not allocated to DAF, as well as research facility transition costs. The variance between the 2018-19 Target/Estimate and the 2018-19 Estimated Actual is due to increased market share of DAF bred strawberry varieties and increased royalties relating to the rhinogard vaccine.

Biosecurity Queensland

Service Area Objective

To mitigate the risks and impacts of animal and plant pests and diseases and weeds to the economy, the environment, social amenity and human health, and to uphold standards for animal welfare and agricultural chemical use.

Description

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

- animal pests and diseases
- plant pests and diseases
- invasive plants and animals, such as weeds and pest animals
- biosecurity diagnostics and other laboratory services
- animal welfare and ethics, including exhibited animals
- agricultural and veterinary (agvet) chemical use and contaminant risk
- biosecurity incident responses, such as exotic tramp ants and Panama disease tropical race 4 in bananas
- eradication of the red imported fire ant infestation in South East Queensland.

Sources of revenue¹

| Total cost \$'000 | State contribution \$'000 | User charges & fees \$'000 | C'wth revenue \$'000 | Other revenue \$'000 |
|----------------------|------------------------------|-------------------------------|-------------------------|-------------------------|
| 164,814 | 94,859 | 26,618 | 36,695 | 6,642 |

Notes:

1. The department's total cost is \$525 million, with the following sources of revenue: \$321.1 million State contribution, \$125.1 million User charges and fees, \$42.7 million Commonwealth revenue and \$36.2 million Other Revenue. This includes corporate partnership costs of \$49.5 million with the following sources of revenue: \$13.5 million State contribution and \$36 million User charges and fees, which have not been assigned to a particular service area within DAF as these services are delivered to other government agencies under the partnership arrangements. The department participates in a partnership arrangement in the delivery of its services, whereby corporate services are hosted by DAF to work across multiple departments. Under the corporate partnership arrangements, the department also receives services from the Department of Natural Resources, Mines and Energy and the Department of Environment and Science.

Staffing^{1,2,3,4,5}

| 2018-19 Budget | 2018-19 Estimated Actual | 2019-20 Budget |
|----------------|--------------------------|----------------|
| 617 | 617 | 614 |

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. The net movement in the 2018-19 Estimated Actual for Biosecurity Queensland remains unchanged from the 2018-19 Published Budget, however it incorporates the internal transfer of a position in from Agriculture and the transfer of a position out to the Department of Innovation, Tourism Industry Development and the Commonwealth Games.
4. The decrease in the 2019-20 Budget for Biosecurity Queensland is due to the planned reduction in staffing associated with temporary funding for the implementation of the Biosecurity Capability Review and the management of wild dogs in far western Queensland.
5. Departmental FTEs total 2,128 in 2018-19 Budget, 2,127 in 2018-19 Estimated Actual and 2,124 in 2019-20 Budget. This includes corporate partnership FTEs servicing other agencies of 223 in 2018-19 Budget, 223 in 2018-19 Estimated Actual and 223 in 2019-20 Budget, which have not been assigned to a particular service area within DAF as these services are delivered to other government agencies under the partnership arrangements. The department participates in a partnership arrangement in the delivery of its services, whereby corporate services are hosted by DAF to work across multiple departments. Under the corporate partnership arrangements, the department also receives services from the Department of Natural Resources, Mines and Energy and the Department of Environment and Science.

2019-20 service area highlights

In 2019-20, Biosecurity Queensland will:

- continue to position Queensland as a leader in global biosecurity preparedness and enhance Queensland's biosecurity prevention and response capability through the Queensland Biosecurity Capability Implementation Program
- develop action plans in collaboration with key stakeholders for each of the themes from the *Queensland Biosecurity Strategy 2018-2023*
- deliver Queensland's obligations under the National Biosecurity System (including strengthening Australia's fruit fly system)
- provide grant funding for farmers and producers to maintain wild dog fencing
- continue eradication programs for red imported fire ants, electric ants, exotic fruit flies in the Torres Strait, varroa mite and four tropical weeds.

| Biosecurity Queensland | 2018-19 Target/Est | 2018-19 Est Actual | 2019-20 Target/Est |
|---|-----------------------|-----------------------|-----------------------|
| Service standards | | | |
| <i>Effectiveness measures</i> | | | |
| Proportion of significant biosecurity responses that deliver the planned outcomes to safeguard economic loss ^{1,2} | >80% | 100% | >80% |
| Level of satisfaction with biosecurity partnership performance ³ | >3.0 | 3.06 | >3.0 |
| <i>Efficiency measures</i> | | | |
| Cost of significant biosecurity responses per agricultural production unit ^{4,5} | ≥ 1:450 | 1:512 | ≥ 1:450 |
| Cost of core biosecurity services per agricultural production unit ^{5,6} | ≥ 1:250 | 1:289 | ≥ 1:250 |

Notes:

1. This measure provides an assessment of the initial effectiveness of biosecurity decision-making and responses. Significant biosecurity responses include national cost share, other deed agreed and state responses that have a cost benefit analysis undertaken as part of the funding approval process. A response to a biosecurity incident is considered to have met the expected rate of return if eradication or containment has been achieved within the specified terms and period within the response agreement. Where a further agreement and terms are agreed this is reported as a new response.
2. Biosecurity Queensland is 100% on track to deliver the programs as agreed in 2018-19.
3. This measure assesses the effectiveness of the intended partnership arrangements. Five key dimensions of satisfaction are measured including mutual trust, clarity of purpose, collaboration, role clarity, and empowerment of responsibility as well as overall satisfaction with the partnership arrangements.
4. This measure is calculated and expressed as a ratio of the five-year average of the Gross Value of Production (GVP) over the expenditure on the significant incident responses delivered in a given year. The gross value of production is the value of primary industry commodities produced to the farm gate. Expenditure on biosecurity incident responses can vary significantly between years depending on factors such as the number, size and location of incursions detected during the year.
5. The 2018-19 Estimated Actual is based on the available GVP for five years from 2012-13 to 2016-17. These are the latest official figures available.
6. This measure is calculated and expressed as a ratio of the five-year average of the GVP over the base-funded expenditure for core biosecurity services. Core biosecurity services include animal and plant biosecurity, invasive plants and animals, policy and corporate support services. A ratio is used to demonstrate the link between the value of the industry/sector safeguarded/protected and the investment in biosecurity services.

Fisheries and Forestry

Service Area Objective

To ensure sustainable and productive fisheries and the responsible allocation and use of State-owned forests and related resources.

Services

- Fisheries
- Forestry

Description

Fisheries and Forestry do this by:

- implementing the *Queensland Sustainable Fisheries Strategy 2017-2027*, paving the way for a world class fisheries management system
- providing education and enforcing fishing regulations to ensure sustainability of fisheries resources for commercial, recreational and traditional fishers
- conducting technical assessments and providing advice on development applications that impact on fisheries related Matters of State Environmental Significance, including aquaculture, marine plants and fish passage
- responsibly managing the allocation and use of State-owned forests and related resources
- supporting the growth and development of the Queensland forest and timber industry
- overseeing the Plantation Licence issued to HQPlantations Pty Ltd and related agreements.

Sources of revenue¹

| Total cost \$'000 | State contribution \$'000 | User charges & fees \$'000 | C'wth revenue \$'000 | Other revenue \$'000 |
|----------------------|------------------------------|-------------------------------|-------------------------|-------------------------|
| 86,241 | 53,071 | 7,020 | .. | 26,150 |

Notes:

1. The department's total cost is \$525 million, with the following sources of revenue: \$321.1 million State contribution, \$125.1 million User charges and fees, \$42.7 million Commonwealth revenue and \$36.2 million Other Revenue. This includes corporate partnership costs of \$49.5 million with the following sources of revenue: \$13.5 million State contribution and \$36 million User charges and fees, which have not been assigned to a particular service area within DAF as these services are delivered to other government agencies under the partnership arrangements. The department participates in a partnership arrangement in the delivery of its services, whereby corporate services are hosted by DAF to work across multiple departments. Under the corporate partnership arrangements, the department also receives services from the Department of Natural Resources, Mines and Energy and the Department of Environment and Science.

Staffing^{1,2,3,4}

| 2018-19 Budget | 2018-19 Estimated Actual | 2019-20 Budget |
|----------------|--------------------------|----------------|
| 352 | 352 | 356 |

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. The increase in the 2019-20 Budget for Fisheries & Forestry is due to the internal transfer of the Fisheries Stock Assessment team from Agriculture.

4. Departmental FTEs total 2,128 in 2018-19 Budget, 2,127 in 2018-19 Estimated Actual and 2,124 in 2019-20 Budget. This includes corporate partnership FTEs servicing other agencies of 223 in 2018-19 Budget, 223 in 2018-19 Estimated Actual and 223 in 2019-20 Budget, which have not been assigned to a particular service area within DAF as these services are delivered to other government agencies under the partnership arrangements. The department participates in a partnership arrangement in the delivery of its services, whereby corporate services are hosted by DAF to work across multiple departments. Under the corporate partnership arrangements, the department also receives services from the Department of Natural Resources, Mines and Energy and the Department of Environment and Science.

2019-20 service area highlights

In 2019-20 Fisheries and Forestry will:

- continue implementation of the *Sustainable Fisheries Strategy 2017-2027* to support fisheries reform
- provide \$1 million to establish fish aggregating devices in South East Queensland to promote recreational fishing
- invest \$1.1 million to upgrade the fisheries compliance system
- review the *Fisheries Regulation 2008* to create a legislative framework for recreational fishers that is contemporary, simple to understand and reflective of community expectations
- allocate additional funding of \$4.2 million to improve swimmer safety through:
 - continuing the shark control program
 - undertaking research and trialling the application of new technologies, including drones in swimmer risk mitigation
 - education and awareness programs in partnership with the Department of Innovation, Tourism, Industry Development and the Commonwealth Games and Queensland Fire and Emergency Services
- develop a Queensland Government policy on the future of timber production in State-owned native forests
- supply State-owned forest products and quarry material on a commercial and environmentally responsible basis.

| Fisheries and Forestry | 2018-19 Target/Est | 2018-19 Est Actual | 2019-20 Target/Est |
|--|-----------------------|-----------------------|-----------------------|
| Service: Fisheries | | | |
| Service standards | | | |
| <i>Effectiveness measures</i> | | | |
| Percentage of key Queensland fish stocks assessed that are considered to have no sustainability concerns ¹ | 85% | 85% | 85% |
| Percentage of units inspected that are compliant with fisheries laws | 90% | 89% | 90% |
| <i>Efficiency measures</i> | | | |
| Average cost of inspections ² | \$520 | \$610 | \$520 |
| Average number of inspections per FTE ³ | 250 | 215 | 250 |
| Service: Forestry | | | |
| <i>Effectiveness measure</i> | | | |
| Percentage of findings from the previous third party audit confirmed as satisfactorily addressed in order to maintain certification to the <i>Australian Standard for Sustainable Forest Management AS4708:2013</i> . ⁴ | 100% | 100% | 100% |
| <i>Efficiency measure</i> | | | |
| Average expense necessary to authorise the removal of a cubic metre of forest product: ⁵ | | | |
| (a) Native forest timber (expenses/m ³) | \$36.00 | \$33.73 | \$36.00 |
| (b) Quarry material (expenses/m ³) | \$0.66 | \$0.55 | \$0.66 |

Notes:

1. Under the nationally-consistent system for stock status assessment, an assessment of all Queensland species of importance is completed over 24 months. A different group of species/stocks will be assessed each year as well as a re-assessment of any stocks of concern.

2. Cost of inspection is determined by the number of inspections undertaken by authorised officers of the Queensland Boating and Fisheries Patrol (QBFP) and the annual cost (operating expense to deliver the service) of the QBFP. The QBFP conduct both fisheries inspections for DAF and boating safety inspections on behalf of other agencies such as the Department of Transport and Main Roads. In 2018-19 the average cost of inspections was impacted by the protected industrial action taken by some Queensland Boating and Fisheries Patrol officers early in 2018-19.
3. In 2018-19, the average number of inspections was impacted by the protected industrial action taken by some QBFP officers early in 2018-19. The 2018-19 Estimated Actual is lower than the 2018-19 Target/Estimate due to the move to an intelligence-based compliance program resulting in officers dedicating more time to intelligence gathering and more complex investigations rather than on-water inspections.
4. Certification to the Australian Standard is voluntary, and pursued as a value adding credential for Forest Products. This certification enables purchasers of state-owned forest products to promote and label their products as sourced from responsibly managed forests. This chain of custody process helps DAF customers to access increasingly discerning markets requiring legally sourced and environmentally credentialed timber products. It also provides the Queensland community with confidence that designated forest areas have been determined to meet high standards of sustainable management through independent review. The department endeavours to satisfactorily address all significant audit findings within a 12-month period to ensure customers can continue to label their products as sustainably produced.
5. This measure assesses the cost for Forest Products to facilitate authorising and subsequent administration of the sales permits, including labour, supply and services, depreciation and miscellaneous expenses. It does not include forest or quarry operational costs, which are the responsibility of the permit holder. The volume of material removed is recorded by measure or load dockets and electronic data transfers submitted by sales permit holders.

Administered items

Administered activities are those undertaken by departments of behalf of the Government.

The Department of Agriculture and Fisheries administers funds on behalf of the State, including the following activities:

- Queensland Rural and Industry Development Authority (QRIDA): the department provides funding to QRIDA for the administration of government financial assistance schemes to foster the development of a more productive and sustainable rural and regional sector in Queensland
- Forestry Assets: the department holds surplus assets that were transferred back to the Government prior to the sale of Forestry Plantations Queensland to the private sector and the department has been implementing an asset management plan for these assets
- Queensland Racing Integrity Commission (QRIC): the department provides a funding contribution for QRIC to oversee the integrity and welfare standards of racing animals and participants in Queensland. The department also receives a contribution from Racing Queensland towards QRIC's activities.

Financial statements and variance explanations in relation to administered items appear in the departmental financial statements.

Departmental budget summary

The table below shows the total resources available in 2019-20 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

| Department of Agriculture and Fisheries | 2018-19 Budget \$'000 | 2018-19 Est Actual \$'000 | 2019-20 Budget \$'000 |
|---|-----------------------------|---------------------------------|-----------------------------|
| CONTROLLED | | | |
| Income | | | |
| Appropriation revenue ¹ | | | |
| Deferred from previous year/s | 37,647 | 42,034 | 27,610 |
| Balance of service appropriation | 276,161 | 274,043 | 301,404 |
| Other revenue | 167,899 | 197,346 | 196,001 |
| Total income | 481,707 | 513,423 | 525,015 |
| Expenses | | | |
| Agriculture | 211,330 | 231,253 | 224,508 |
| Biosecurity Queensland | 145,581 | 155,888 | 164,814 |
| Fisheries and Forestry | 75,967 | 75,217 | 86,241 |
| Corporate Partnership | 48,829 | 51,065 | 49,452 |
| Total expenses | 481,707 | 513,423 | 525,015 |
| Operating surplus/deficit | .. | .. | .. |
| Net assets | 396,498 | 394,805 | 389,095 |
| ADMINISTERED | | | |
| Revenue | | | |
| Appropriation revenue | 40,370 | 92,080 | 235,613 |
| Other administered revenue | 20,188 | 18,803 | 18,995 |
| Total revenue | 60,558 | 110,883 | 254,608 |
| Expenses | | | |
| Transfers to government | 20,188 | 18,803 | 18,995 |
| Administered expenses | 40,370 | 92,168 | 235,613 |
| Total expenses | 60,558 | 110,971 | 254,608 |
| Net assets | 942 | 776 | 778 |

| Department of Agriculture and Fisheries | 2018-19 Budget \$'000 | 2018-19 Est Actual \$'000 | 2019-20 Budget \$'000 |
|---|-----------------------------|---------------------------------|-----------------------------|
| CAPITAL | | | |
| Capital purchases and grants² | | | |
| Total land, buildings and infrastructure | 7,656 | 9,236 | 7,198 |
| Total plant and equipment | 11,471 | 10,665 | 10,489 |
| Total other capital ³ | 2,929 | 1,616 | 1,964 |
| Total capital purchases and grants | 22,056 | 21,517 | 19,651 |

Note:

1. Includes State and Commonwealth funding.
2. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.
3. Includes capital grants.

Budgeted financial statements

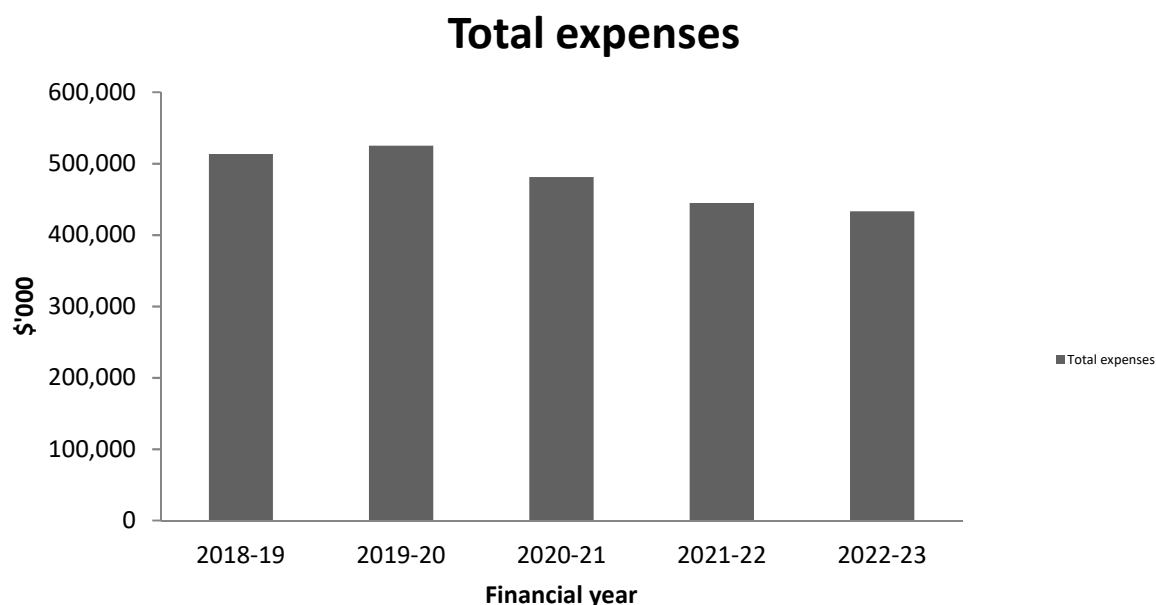
Analysis of budgeted financial statements

An analysis of the department's budgeted financial statements, as reflected in the department's financial statements, is provided below.

Departmental income statement

Total expenses are estimated to be \$525 million in 2019-20, which is an increase of \$11.6 million from the 2018-19 Estimated Actual. The increase is mainly due to increased expenses in 2019-20 associated with initiatives to improve swimmer safety (including the Shark Control Program), Fisheries Reform initiatives, the implementation of the Biosecurity Capability Review (BCR), the Reef Water Quality Program, the Technology Commercialisation Fund (TCF) and Enterprise Bargaining increments. This is partially offset by a reduction in expenses for the Drought Assistance Package and Queensland Drought Reform, whereby the budget allocation for 2019-20 to 2022-23 is held centrally by government (up to \$50 million over the four years for the Drought Relief Assistance Scheme) and reduced expenses for contracted Research and Development projects. The decrease in expenses beyond 2019-20 can be attributed to the finalisation of funding arrangements for various departmental limited life initiatives (including the TCF, containment of white spot disease, and the implementation of the BCR which all cease in 2019-20, and Fisheries Reform initiatives and the On-Farm Emergency Water Infrastructure rebate scheme which both cease in 2020-21). In addition, existing funding for the ten year National Red Imported Fire Ant Eradication Program (NRIFAEP) has been brought forward from financial years 2021-22 to 2026-27 to accelerate treatments in 2018-19 to 2020-21.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

DAF's major assets are in property, plant and equipment with the department having facilities located throughout rural and regional Queensland. In 2019-20, DAF will invest \$18.7 million in capital outlays through its capital expenditure program in upgrading its existing facilities and purchasing new and replacement plant and equipment, which will enhance the department's service delivery capacity and result in efficiency gains. Over the forward estimates period, DAF will continue to review and rationalise assets, and maximise service delivery outcomes and efficiencies by revitalising its facilities.

Controlled income statement

| Department of Agriculture and Fisheries | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| INCOME | | | | |
| Appropriation revenue | 1,8 | 313,808 | 316,077 | 329,014 |
| Taxes | | .. | .. | .. |
| User charges and fees | 2,9 | 113,682 | 136,118 | 125,084 |
| Royalties and land rents | 3 | 27,675 | 29,270 | 29,159 |
| Grants and other contributions | 4,10 | 26,044 | 31,264 | 41,406 |
| Interest and distributions from managed funds | | .. | .. | .. |
| Other revenue | | 403 | 599 | 257 |
| Gains on sale/revaluation of assets | | 95 | 95 | 95 |
| Total income | | 481,707 | 513,423 | 525,015 |
| EXPENSES | | | | |
| Employee expenses | 5,11 | 226,008 | 219,740 | 225,892 |
| Supplies and services | 6,12 | 221,691 | 241,931 | 238,189 |
| Grants and subsidies | 7,13 | 10,164 | 28,335 | 14,949 |
| Depreciation and amortisation | 14 | 21,599 | 21,304 | 35,433 |
| Finance/borrowing costs | 15 | .. | .. | 8,528 |
| Other expenses | | 2,245 | 2,113 | 2,024 |
| Losses on sale/revaluation of assets | | .. | .. | .. |
| Total expenses | | 481,707 | 513,423 | 525,015 |
| OPERATING SURPLUS/(DEFICIT) | | .. | .. | .. |

Controlled balance sheet

| Department of Agriculture and Fisheries | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|--|-------|-----------------------------|--------------------------------|-----------------------------|
| CURRENT ASSETS | | | | |
| Cash assets | 16,24 | 39,305 | 34,089 | 39,202 |
| Receivables | 17,25 | 34,670 | 47,018 | 37,407 |
| Other financial assets | | .. | .. | .. |
| Inventories | 18 | 1,000 | 1,700 | 1,700 |
| Other | 19 | 6,117 | 7,494 | 7,794 |
| Non-financial assets held for sale | | .. | .. | .. |
| Total current assets | | 81,092 | 90,301 | 86,103 |
| NON-CURRENT ASSETS | | | | |
| Receivables | | .. | .. | .. |
| Other financial assets | | .. | .. | .. |
| Property, plant and equipment | 26 | 354,819 | 353,099 | 624,445 |
| Intangibles | 20 | 1,917 | 1,271 | 1,577 |
| Other | | 14,694 | 13,980 | 13,271 |
| Total non-current assets | | 371,430 | 368,350 | 639,293 |
| TOTAL ASSETS | | 452,522 | 458,651 | 725,396 |
| CURRENT LIABILITIES | | | | |
| Payables | 21 | 11,400 | 14,818 | 14,788 |
| Accrued employee benefits | 22 | 8,013 | 9,241 | 9,472 |
| Interest bearing liabilities and derivatives | 27 | .. | .. | 7,064 |
| Provisions | | .. | .. | .. |
| Other | 23,28 | 21,420 | 24,596 | 20,501 |
| Total current liabilities | | 40,833 | 48,655 | 51,825 |
| NON-CURRENT LIABILITIES | | | | |
| Payables | | .. | .. | .. |
| Accrued employee benefits | | .. | .. | .. |
| Interest bearing liabilities and derivatives | 29 | .. | .. | 270,705 |
| Provisions | | .. | .. | .. |
| Other | 30 | 15,191 | 15,191 | 13,771 |
| Total non-current liabilities | | 15,191 | 15,191 | 284,476 |
| TOTAL LIABILITIES | | 56,024 | 63,846 | 336,301 |
| NET ASSETS/(LIABILITIES) | | 396,498 | 394,805 | 389,095 |
| EQUITY | | | | |
| TOTAL EQUITY | | 396,498 | 394,805 | 389,095 |

Controlled cash flow statement

| Department of Agriculture and Fisheries | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Inflows: | | | | |
| Appropriation receipts | | 313,808 | 316,198 | 329,014 |
| User charges and fees | | 111,482 | 133,710 | 129,914 |
| Royalties and land rent receipts | | 27,675 | 29,270 | 29,159 |
| Grants and other contributions | | 26,044 | 31,264 | 41,406 |
| Interest and distribution from managed funds received | | .. | .. | .. |
| Taxes | | .. | .. | .. |
| Other | | 14,184 | 15,029 | 14,038 |
| Outflows: | | | | |
| Employee costs | | (226,008) | (219,515) | (225,661) |
| Supplies and services | | (235,435) | (257,977) | (251,780) |
| Grants and subsidies | | (10,164) | (28,335) | (14,949) |
| Borrowing costs | | .. | .. | (8,528) |
| Other | | (2,845) | (2,659) | (2,474) |
| Net cash provided by or used in operating activities | | 18,741 | 16,985 | 40,139 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Inflows: | | | | |
| Sales of non-financial assets | | 525 | 525 | 2,250 |
| Investments redeemed | | .. | .. | .. |
| Loans and advances redeemed | | .. | .. | .. |
| Outflows: | | | | |
| Payments for non-financial assets | | (20,377) | (20,717) | (18,737) |
| Payments for investments | | .. | .. | .. |
| Loans and advances made | | .. | .. | .. |
| Net cash provided by or used in investing activities | | (19,852) | (20,192) | (16,487) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Inflows: | | | | |
| Borrowings | | .. | .. | .. |
| Equity injections | | 1,000 | .. | 6,510 |
| Outflows: | | | | |
| Borrowing redemptions | | .. | .. | .. |
| Finance lease payments | | .. | .. | (6,510) |
| Equity withdrawals | | (3,503) | (3,503) | (18,539) |
| Net cash provided by or used in financing activities | | (2,503) | (3,503) | (18,539) |
| Net increase/(decrease) in cash held | | (3,614) | (6,710) | 5,113 |
| Cash at the beginning of financial year | | 42,919 | 40,799 | 34,089 |
| Cash transfers from restructure | | .. | .. | .. |
| Cash at the end of financial year | | 39,305 | 34,089 | 39,202 |

Administered income statement

| Department of Agriculture and Fisheries | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| INCOME | | | | |
| Appropriation revenue | 31,35 | 40,370 | 92,080 | 235,613 |
| Taxes | | .. | .. | .. |
| User charges and fees | | 1,907 | 1,807 | 1,848 |
| Royalties and land rents | | .. | .. | .. |
| Grants and other contributions | | 16,531 | 15,597 | 16,048 |
| Interest and distributions from managed funds | | .. | .. | .. |
| Other revenue | | 1,750 | 1,399 | 1,099 |
| Gains on sale/revaluation of assets | | .. | .. | .. |
| Total income | | 60,558 | 110,883 | 254,608 |
| EXPENSES | | | | |
| Employee expenses | | .. | .. | .. |
| Supplies and services | 32,36 | .. | 1,515 | 8,250 |
| Grants and subsidies | 33,37 | 40,351 | 90,546 | 227,344 |
| Depreciation and amortisation | | 19 | 19 | 19 |
| Finance/borrowing costs | | .. | .. | .. |
| Other expenses | | .. | .. | .. |
| Losses on sale/revaluation of assets | 34 | .. | 88 | .. |
| Transfers of Administered Revenue to Government | | 20,188 | 18,803 | 18,995 |
| Total expenses | | 60,558 | 110,971 | 254,608 |
| OPERATING SURPLUS/(DEFICIT) | | .. | (88) | .. |

Administered balance sheet

| Department of Agriculture and Fisheries | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|--|-------|-----------------------------|--------------------------------|-----------------------------|
| CURRENT ASSETS | | | | |
| Cash assets | | 7 | 10 | 11 |
| Receivables | 38 | 61 | 287 | 286 |
| Other financial assets | | .. | .. | .. |
| Inventories | | .. | .. | .. |
| Other | | .. | .. | .. |
| Non-financial assets held for sale | | .. | .. | .. |
| Total current assets | | 68 | 297 | 297 |
| NON-CURRENT ASSETS | | | | |
| Receivables | | .. | .. | .. |
| Other financial assets | | .. | .. | .. |
| Property, plant and equipment | 39 | 923 | 757 | 759 |
| Intangibles | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current assets | | 923 | 757 | 759 |
| TOTAL ASSETS | | 991 | 1,054 | 1,056 |
| CURRENT LIABILITIES | | | | |
| Payables | | .. | .. | .. |
| Transfers to Government payable | 40 | 49 | 278 | 278 |
| Accrued employee benefits | | .. | .. | .. |
| Interest bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total current liabilities | | 49 | 278 | 278 |
| NON-CURRENT LIABILITIES | | | | |
| Payables | | .. | .. | .. |
| Accrued employee benefits | | .. | .. | .. |
| Interest bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current liabilities | | .. | .. | .. |
| TOTAL LIABILITIES | | 49 | 278 | 278 |
| NET ASSETS/(LIABILITIES) | | 942 | 776 | 778 |
| EQUITY | | | | |
| TOTAL EQUITY | | 942 | 776 | 778 |

Administered cash flow statement

| Department of Agriculture and Fisheries | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Inflows: | | | | |
| Appropriation receipts | | 40,370 | 90,350 | 235,613 |
| User charges and fees | | 1,907 | 1,807 | 1,849 |
| Royalties and land rent receipts | | .. | .. | .. |
| Grants and other contributions | | 16,531 | 30,788 | 16,048 |
| Interest and distribution from managed funds received | | .. | .. | .. |
| Taxes | | .. | .. | .. |
| Other | | 1,750 | 1,399 | 1,099 |
| Outflows: | | | | |
| Employee costs | | .. | .. | .. |
| Supplies and services | | .. | (1,515) | (8,250) |
| Grants and subsidies | | (40,351) | (90,546) | (227,344) |
| Borrowing costs | | .. | .. | .. |
| Other | | .. | .. | .. |
| Transfers to Government | | (20,188) | (33,994) | (18,995) |
| Net cash provided by or used in operating activities | | 19 | (1,711) | 20 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Inflows: | | | | |
| Sales of non-financial assets | | .. | 65 | .. |
| Investments redeemed | | .. | .. | .. |
| Loans and advances redeemed | | .. | .. | .. |
| Outflows: | | | | |
| Payments for non-financial assets | | .. | .. | .. |
| Payments for investments | | .. | .. | .. |
| Loans and advances made | | .. | .. | .. |
| Net cash provided by or used in investing activities | | .. | 65 | .. |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Inflows: | | | | |
| Borrowings | | .. | .. | .. |
| Equity injections | | 2,123 | 3,663 | 2,602 |
| Outflows: | | | | |
| Borrowing redemptions | | .. | .. | .. |
| Finance lease payments | | .. | .. | .. |
| Equity withdrawals | | (2,142) | (2,767) | (2,621) |
| Net cash provided by or used in financing activities | | (19) | 896 | (19) |
| Net increase/(decrease) in cash held | | .. | (750) | 1 |
| Cash at the beginning of financial year | | 7 | 760 | 10 |
| Cash transfers from restructure | | .. | .. | .. |
| Cash at the end of financial year | | 7 | 10 | 11 |

Explanation of variances in the financial statements

Income statement

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

1. The increase is largely due to additional funding released in 2018-19 from the funding held centrally by government for the continuation of the Drought Assistance Package (DAP) and additional funding received in 2018-19 for the On-Farm Water Infrastructure Rebate Scheme. In addition, existing Queensland Government funding for the ten-year National Red Imported Fire Ant Eradication Program (NRIFAEP) has been brought forward from financial years 2021-22 to 2026-27 to accelerate treatments in 2018-19 to 2020-21. The Queensland Government is providing the full amount of funding brought forward in 2018-19, which is to be recouped from the Australian Government's brought forward funding in 2019-20. This is partly offset by the deferral of funding from 2018-19 to the outer years to realign the budget with anticipated cashflows for departmental programs (including the Technology Commercialisation Fund (TCF), Fisheries Reform initiatives, wild dog control initiatives, the implementation of the Biosecurity Capability Review (BCR), the Reef Water Quality Program (RWQP) and pest and weed initiatives).
2. The increase is largely due to additional funding for National Cost Sharing (NCS) arrangements for biosecurity pest and disease emergency responses including the Four Tropical Weeds (FTW), Exotic Fruit Flies in the Torres Strait (EFFTS) and National Electric Ants (NEA) eradication programs from other states and territories, increased funding for contracted Research and Development (R&D) projects from external funding bodies and increased funding for Information Communication Technology (ICT) projects through the Business and Corporate Partnership (BCP) arrangements.
3. The increase is mainly due to higher than expected royalties from the sale of Forest products in 2018-19. This is partially offset by a reduction in seed and legume royalties due to climatic conditions.
4. The increase is largely due to additional funding from the Australian Government for NCS arrangements for biosecurity pest and disease emergency responses including the FTW, EFFTS and NEA eradication programs.
5. The 2018-19 Budget included surplus supplementation funding for Enterprise Bargaining Agreements (EBA) that was returned to the Consolidated Fund in 2018-19 due to delays in finalising the EBA.
6. The increase is largely due to increased expenses associated with biosecurity emergency responses including the NRIFAEP for the acceleration of treatments in 2018-19 and the FTW, EFFTS and NEA eradication programs. The increase also includes additional expenses for R&D and ICT contracted projects. This is partially offset by a reduction in expenses associated with the deferral of funding from 2018-19 to realign the budget with anticipated cashflows for various departmental programs.
7. The increase is largely due to expenses incurred in 2018-19 for the continuation of the DAP and grant payments associated with the On-Farm Water Infrastructure Rebate Scheme.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

8. The increase is largely due to supplementation for EBA and the change in the rate for the long service leave levy effective from 1 July 2019, additional funding for initiatives to improve swimmer safety including the Shark Control Program (SCP), and additional funding under Fisheries Reform initiatives to upgrade the fisheries compliance system and to establish a series of fish aggregating devices in South East Queensland. Also contributing to the increase is the deferral of funding from 2018-19 to realign the budget with anticipated cashflows for departmental programs (including the TCF, Fisheries Reform initiatives, wild dog control initiatives, the implementation of the BCR, the RWQP and pest and weed initiatives). This is partly offset by funding that is held centrally by government for the Drought Assistance Package and Queensland Drought Reform in 2019-20. In addition, existing Queensland Government funding for the ten-year NRIFAEP has been brought forward from financial years 2021-22 to 2026-27 to accelerate treatments in 2018-19 to 2020-21. The Queensland Government is providing the full amount of funding brought forward in 2018-19, which is to be recouped from the Australian Government's brought forward funding in 2019-20.
9. The decrease is mainly due to an expected decrease in funding for contracted R&D projects from external funding bodies and ICT projects through the BCP arrangements.
10. The increase is largely due to the Australian Government bringing forward funding for the ten-year NRIFAEP to accelerate treatments in 2018-19 and 2019-20.
11. The increase is mainly due to EBA increments and a change in the rate of the long service leave levy effective from 1 July 2019.

12. The decrease largely represents the reduction in operating lease expenses in accordance with changes in the accounting standards and the resulting accounting treatment for leases effective from 1 July 2019. This is partially offset by an increase in expenses associated with the deferral of funding from 2018-19 to realign the budget with anticipated cashflows for various departmental programs (including the TCF, Fisheries Reform initiatives, wild dog control initiatives, the implementation of the BCR, the RWQP and pest and weed initiatives), initiatives to improve swimmer safety including the SCP, initiatives under the Fisheries Reform including an upgrade to the fisheries compliance system and the establishment of fish aggregating devices in South East Queensland.
13. The decrease is mainly due to the budget for the Drought Assistance Package and Queensland Drought Reform in 2019-20, being held centrally by the Government and provided to the department based on demand.
14. The increase largely represents the amortisation on departmental leases in accordance with changes in the accounting standards and the resulting accounting treatment for leases effective from 1 July 2019.
15. The 2019-20 budget represents the interest expense on departmental leases in accordance with changes in the accounting standards and the resulting accounting treatment for leases effective from 1 July 2019.

Balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

16. The decrease in cash is largely associated with the high receivables for NCS funding arrangements for biosecurity pest and emergency disease responses (including the NRIFAEP). This is partly offset by funds received in advance for multi-year Reef Water Quality Taskforce projects.
17. The increase represents receivables under NCS arrangements for biosecurity pest and emergency disease responses (including the NRIFAEP) due to the timing of when the invoices are raised.
18. The movement reflects the increase in fire ant bait held as inventory for future usage in the treatment of the NRIFAEP.
19. The increase reflects an anticipated increase in prepaid expenditure towards the end of the financial year for software support and maintenance agreements.
20. The decrease is due to lower than anticipated software acquisitions during 2018-19.
21. The increase in payables reflects an anticipated increase in expenditure towards the end of the financial year for biosecurity pest and emergency disease responses (including the NRIFAEP) and ICT contractors.
22. The increase largely relates to a timing difference for employee expenditure and associated costs at the end of the financial year.
23. The increase is largely associated with funds received in advance for multi-year Reef Water Quality Taskforce projects.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

24. The increase in cash is largely associated with an anticipated reduction in receivables for NCS funding arrangements for biosecurity pest and emergency disease responses (including the NRIFAEP).
25. The decrease reflects the reduction in expected receivables under NCS arrangements for biosecurity and emergency disease responses (including the NRIFAEP).
26. The increase largely reflects the changes in the accounting standards and the resulting accounting treatment for departmental leases effective from 1 July 2019. The increase also includes the indexation of assets to reflect expected market values.
27. The increase reflects the changes in the accounting standards and the resulting accounting treatment for departmental leases effective from 1 July 2019.
28. Revenue received in advance is expected to decrease in 2019-20 due to the near completion of the Reef Water Quality Taskforce projects with these funds being recognised as revenue.
29. The increase reflects the changes in the accounting standards and the resulting accounting treatment for departmental leases effective from 1 July 2019.
30. The decrease reflects the annual amortisation of the fit out at the Ecosciences and Health and Food Sciences precincts.

Administered income statement

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

31. The increase is mainly due to additional funding (over three years) approved in 2018-19 for Queensland Rural and Industry Development Authority (QRIDA) to administer the Federal Government Restocking, Replanting and On-Farm Infrastructure grants program to primary producers impacted by the North Queensland floods.
32. The increase represents the transfer from capital expenditure to operating expenditure for restoration works to the Jimna Fire Tower and the administration fee to be paid to QRIDA to administer the three-year Federal Government Restocking, Replanting and On-Farm Infrastructure grants program.
33. The increase is mainly due to a grant payment to QRIDA for the three-year Federal Government Restocking, Replanting and On-Farm Infrastructure grants program to primary producers impacted by the North Queensland floods.
34. The 2018-19 estimated actual includes the loss on disposal of the former Yarraman and Ingham workshops during 2018-19.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

35. The increase is mainly due to additional funding (over three years) approved in 2018-19 for QRIDA to administer the three-year Federal Government Restocking, Replanting and On-Farm Infrastructure grants program to primary producers impacted by the North Queensland floods.
36. The increase represents the increased administration fee to be paid to QRIDA in 2019-20 to administer the three-year Federal Government Restocking, Replanting and On-Farm Infrastructure grants program.
37. The increase is mainly due to the increased grant payments to QRIDA for the three-year Federal Government Restocking, Replanting and On-Farm Infrastructure grants program to primary producers impacted by the North Queensland floods.

Administered balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

38. The increase in receivables at the end of 2018-19 reflects the anticipated timing of cash to be received for user charges and other revenues, which will be transferred to the government at the beginning of 2019-20.
39. The decrease is due to the disposal of the former Yarraman and Ingham workshops during 2018-19.
40. The increase in payables at the end of 2018-19 reflects the anticipated timing of cash to be received for user charges and other revenue, which will be transferred to the government at the beginning of 2019-20.

Statutory bodies

Queensland Agricultural Training Colleges

Overview

Queensland Agricultural Training Colleges (QATC) has been a specialist provider of vocational education and training (VET) to the agricultural sector. Training is provided on campus at Longreach and Emerald, and hubs across Queensland that integrate with industry requirements.

Considering the recommendations made by an external review, the Queensland Government made the decision that QATC will cease operations at the end of 2019 and transition to more modern and cost-effective training.

The QATC contributes to Government's objectives for the community *Our Future State: Advancing Queensland's Priorities*, in particular to Create jobs in a strong economy by engaging young Queenslanders in education, training and work relative to the primary industries sector, providing opportunities for young Queenslanders to receive the appropriate education to meet the demands of the future economy.

Service summary

QATC was established in July 2014 with a governing board tasked with the delivery of education and training to the agricultural sector.

As a result of declining student numbers and successive deficits, Emeritus Professor Peter Coaldrake was engaged to provide recommendations on how to grow the vocational education, training and skills sector in central-western Queensland.

The Queensland Government has considered Professor Coaldrake's recommendations and has decided to close QATC at the end of 2019.

The QATC priorities for the remainder of 2019 are to:

- ensure current students can complete their qualification or studies at the QATC either through the 'teach-out' period in 2019 or through a supported transition to other training providers
- honour existing commitments to employee and business partners to deliver specific programs where arrangements were in place prior to 5 December 2018
- deliver the high school boarding programs Rural Reach (Longreach) and Access Education (Emerald)
- maximise employment opportunities for displaced staff, in consultation with staff and union representatives, which may include retraining, deployment, or redeployment
- provide local support to students and staff
- work with all local communities to determine the best future use of existing college facilities.

A designated Project Management Office (PMO) has been established to deliver the Queensland Government's response to the recommendations of the Coaldrake Review to close QATC.

The PMO will work with the QATC Board and College's Chief Executive Officer to develop an Economic Transition Strategy. This Strategy will include a plan for the future use of all the QATC educational and production assets and resources. A key function of the PMO is to initiate the formation of local community stakeholder committees in Emerald and Longreach to provide advice and inform this Strategy's development.

Service performance

Queensland Agricultural Training Colleges

Service Area Objective

To produce graduates with skills and capabilities that are in demand for the future success of agri-business and associated industries both domestically and internationally.

Description

QATC assists industries to implement their workforce development plans and address the skilled workforce needs of a modern and progressive agriculture sector. QATC delivers industry endorsed training for primary production and regional communities. Training activities are delivered in two modes: residential training delivered at Longreach and Emerald, and industry training delivered at various locations throughout Queensland.

Staffing^{1,2}

| 2018-19 Budget | 2018-19 Estimated Actual | 2019-20 Budget |
|----------------|--------------------------|----------------|
| 107 | 85 | 0 |

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The decision to close QATC in December 2019 has seen QATC operate in a 'teach-out mode' since 6 December 2018. As a result there is a variance between 2018-19 Budget FTEs and 2018-19 Estimated Actual FTEs which is mainly due to casual or temporary staff positions not being renewed after 31 March 2019 in response to the reduced courses and student numbers and a decrease in permanent positions from staff who found alternative employment.

| Queensland Agricultural Training Colleges | 2018-19 Target/Est | 2018-19 Est Actual | 2019-20 Target/Est ¹ |
|---|--------------------|--------------------|---------------------------------|
| Service standards | | | |
| <i>Effectiveness measures</i> | | | |
| Level of stakeholder satisfaction with VET training services and products: | | | |
| - Quality Indicator Learners Survey | 85% | 88% | |
| - Quality Indicator Employer Survey | 75% | 75% | .. |
| Percentage of all attempted competencies successfully completed ² | 90% | 89% | .. |
| Percentage of completed competencies delivered at or above Certificate III ² | 48% | 40% | .. |
| Percentage of students employed or in further study six months after completing their training (National Centre for Vocational Education Research Survey) | 90% | 90% | .. |
| <i>Efficiency measure</i> | | | |
| Average cost per competency successfully completed ³ | \$1,400 | \$1,414 | .. |

Notes:

1. QATC will cease operations in December 2019. Therefore no 2019-20 Target/Estimate is presented. However, actual performance will be reported in the QATC Final report as the continued operations focus on the commitment to enable existing students to complete or transfer studies in 2019.
2. The 2018-19 Target/Estimate was set prior to a decision to close QATC. The lower 2018-19 Estimated Actual is due to the remaining pre-approved courses and their associated competency levels being taught to the existing students.
3. This service standard is not applicable to a 2019 'teach out' mode where only students enrolled prior to 5 December 2018 are able to complete their study. During 2019 a reduced number of eligible students will participate in a reduced number of courses. This reduced offering will mean reduced incomes in the training revenue stream and potential financial inefficiencies in delivery costs for courses completed with no similar reduction in staff numbers.

Income statement

| Queensland Agricultural Training Colleges | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| INCOME | | | | |
| Taxes | | .. | .. | .. |
| User charges and fees | | 5,773 | 5,773 | 994 |
| Grants and other contributions | | 8,172 | 8,172 | 3,798 |
| Interest and distributions from managed funds | | 220 | 220 | 38 |
| Other revenue | | 492 | 492 | 338 |
| Gains on sale/revaluation of assets | | 2,333 | 2,333 | 319 |
| Total income | | 16,990 | 16,990 | 5,487 |
| EXPENSES | | | | |
| Employee expenses | | 11,627 | 11,627 | 4,601 |
| Supplies and services | | 7,682 | 7,682 | 2,297 |
| Grants and subsidies | | .. | .. | .. |
| Depreciation and amortisation | | 1,434 | 1,434 | 829 |
| Finance/borrowing costs | | .. | .. | .. |
| Other expenses | | 57 | 57 | 30 |
| Losses on sale/revaluation of assets | | 20 | 20 | (17) |
| Total expenses | | 20,820 | 20,820 | 7,740 |
| OPERATING SURPLUS/(DEFICIT) | | (3,830) | (3,830) | (2,253) |

Balance sheet

| Queensland Agricultural Training Colleges | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|--|-------|-----------------------------|--------------------------------|-----------------------------|
| CURRENT ASSETS | | | | |
| Cash assets | 1 | 6,281 | 4,219 | 1,830 |
| Receivables | | 2,054 | 1,854 | .. |
| Other financial assets | | .. | .. | .. |
| Inventories | | 321 | 208 | .. |
| Other | | 180 | 278 | .. |
| Non-financial assets held for sale | | .. | .. | .. |
| Total current assets | | 8,836 | 6,559 | 1,830 |
| NON-CURRENT ASSETS | | | | |
| Receivables | | 39 | .. | .. |
| Other financial assets | | 146 | 157 | 157 |
| Property, plant and equipment | | 70,219 | 69,629 | 68,800 |
| Intangibles | | .. | .. | .. |
| Other | 2 | 2,519 | 4,051 | 2,604 |
| Total non-current assets | | 72,923 | 73,837 | 71,561 |
| TOTAL ASSETS | | 81,759 | 80,396 | 73,391 |
| CURRENT LIABILITIES | | | | |
| Payables | | 1,295 | 1,478 | .. |
| Accrued employee benefits | | 1,940 | 2,342 | .. |
| Interest bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | .. | .. | .. |
| Other | | 739 | 600 | .. |
| Total current liabilities | | 3,974 | 4,420 | .. |
| NON-CURRENT LIABILITIES | | | | |
| Payables | | .. | .. | .. |
| Accrued employee benefits | | 525 | 332 | .. |
| Interest bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current liabilities | | 525 | 332 | .. |
| TOTAL LIABILITIES | | 4,499 | 4,752 | .. |
| NET ASSETS/(LIABILITIES) | | 77,260 | 75,644 | 73,391 |
| EQUITY | | | | |
| TOTAL EQUITY | | 77,260 | 75,644 | 73,391 |

Cash flow statement

| Queensland Agricultural Training Colleges | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Inflows: | | | | |
| User charges and fees | | 5,794 | 5,794 | 1,663 |
| Grants and other contributions | | 8,172 | 8,172 | 3,743 |
| Interest and distribution from managed funds received | | 220 | 220 | 42 |
| Taxes | | .. | .. | .. |
| Other | | 2,887 | 2,887 | 2,962 |
| Outflows: | | | | |
| Employee costs | | (11,627) | (11,627) | (7,275) |
| Supplies and services | | (7,700) | (7,700) | (2,280) |
| Grants and subsidies | | .. | .. | .. |
| Borrowing costs | | .. | .. | .. |
| Other | | (132) | (132) | (1,244) |
| Net cash provided by or used in operating activities | | (2,386) | (2,386) | (2,389) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Inflows: | | | | |
| Sales of non-financial assets | | .. | .. | .. |
| Investments redeemed | | .. | .. | .. |
| Loans and advances redeemed | | .. | .. | .. |
| Outflows: | | | | |
| Payments for non-financial assets | | (325) | (325) | .. |
| Payments for investments | | .. | .. | .. |
| Loans and advances made | | .. | .. | .. |
| Net cash provided by or used in investing activities | | (325) | (325) | .. |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Inflows: | | | | |
| Borrowings | | .. | .. | .. |
| Equity injections | | .. | .. | .. |
| Outflows: | | | | |
| Borrowing redemptions | | .. | .. | .. |
| Finance lease payments | | .. | .. | .. |
| Equity withdrawals | | .. | .. | .. |
| Net cash provided by or used in financing activities | | .. | .. | .. |
| Net increase/(decrease) in cash held | | (2,711) | (2,711) | (2,389) |
| Cash at the beginning of financial year | | 8,992 | 6,930 | 4,219 |
| Cash transfers from restructure | | .. | .. | .. |
| Cash at the end of financial year | | 6,281 | 4,219 | 1,830 |

Explanation of variances in the financial statements

QATC is still operational throughout 2018-19 but has not revised its Estimated Actuals in the 2018-19 Income statement and 2018-19 Cash flow statement. The 2018-19 Budget figures were set prior to the decision being taken to close QATC and transition to more modern and cost-effective training. QATC has operated in a "teach out" mode since 6 December 2018 to completion of the academic year, which had a commitment for all existing enrolments, including some limited new student intake. As a result of the closure announcement, some of these students decided to pursue other options and a number of staff, including key administrative positions found alternative employment. This has had implications on both forecasting projected income and revenues for the remainder of the 2018-19 financial year and is also reflected in the decrease in the Estimated Actuals for 2018-19 and the Budget 2019-20 in the Balance Sheet. QATC has commenced the process of its annual audit and will produce a fully audited financial statement in its 2018-19 Annual Report by 30 September 2019. QATC is to close in December 2019. EY has been engaged by the department through the Project Management Office to help manage the closure within the budget allocated for the closure. EY commenced in March

Balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

1. The decrease is due to the delay in sale of the cotton crop, picked in the 2018 year and sold in the 2019 year, therefore resulting in a timing adjustment, offset by 'Other - Non Current Assets'.
2. The increase is due to the delay in sale of the cotton crop, picked in the 2018 year and sold in the 2019 year, therefore resulting in a timing adjustment, offset by 'Cash Assets'

Queensland Rural and Industry Development Authority

Overview

The Queensland Rural and Industry Development Authority (QRIDA) is a specialised administrator of government financial assistance programs including loans, grants, rebates and subsidies, and a range of farm debt services. QRIDA's core responsibility is to administer the Queensland Government's Primary Industry Productivity Enhancement Scheme (PIPES) and when required, support the delivery of Disaster Recovery Funding Arrangements (DRFA) assistance for primary producers, small businesses and non-profit organisations (jointly funded by the Queensland and Australian Governments).

The *Rural and Regional Adjustment Act 1994* (Qld) enables the authority to deliver additional programs and services to local, state and territory Governments throughout Australia and for the Australian Government. An extension of our core services is in the administration of the *Farm Business Debt Mediation Act 2017* (Qld), and the delivery of the Farm Business Debt Mediation Program.

QRIDA's vision of fostering growth, sustainability and economic development in rural and regional communities is underpinned by five objectives—support rural and regional communities; a viable and sustainable long-term business; enhance our operations and client experience; people centred operations and services; and reach more and varied communities. Through the programs delivered on behalf of government agencies, QRIDA contributes to the Government's objectives for the community *Our Future State: Advancing Queensland's Priorities*:

- Create jobs in a strong economy by fostering the development of a more productive and sustainable rural and regional sector in Queensland through the delivery of our core loans and grants programs and farm debt services
- Protect the Great Barrier Reef by partnering with government agencies and delivering services to reach more primary producers that contribute to the long-term environmental sustainability
- Be a responsive government by focusing on people centred operations and services which will ensure targeted service delivery to the recipients of our core programs.

The key factor that impacts on QRIDA's ability to achieve its strategic purpose of doing more to create sustainable rural communities by providing proactive, responsible and reliable financial services and assistance is the reliance on the policy initiatives of local, state and territory Governments and program owners throughout Australia.

Service summary

In 2019-20, QRIDA will focus on:

- providing a broad, flexible and cost-effective range of administrative services to assist government agencies deliver financial and regulatory programs to the highest standards. Key financial and regulatory programs include:
 - First Start and Sustainability loans under the Queensland Government's PIPES
 - concessional loans and grants under DRFA
 - loan and grant packages under the Interest Free Loans for Solar and Storage Scheme as a component of the Affordable Energy Package
 - Reef Catchment Rebates and managing the panel of Industry Specialists
 - North Queensland Restocking, Replanting and On-farm Infrastructure Grant Scheme, funded by the Australian Government
- management of the compulsory Farm Business Debt Mediation program to provide a process for the efficient and equitable resolution of farm debt disputes
- expansion of policy and research functions with a focus on farm finance matters
- administration of rural debt surveys in Queensland in accordance with prescribed legislation and national data collection
- administration of the Farm Debt Restructure Office within the Authority and its supporting program, the Farm Business Analysis Assistance.

Service performance

Queensland Rural and Industry Development Authority

Service Area Objective

To administer timely financial assistance aimed at improving the productivity and sustainability of regional and rural communities.

Description

The Queensland Rural and Industry Development Authority (QRIDA) is a specialist administrator of government financial assistance programs including loans, grants, rebates and subsidies, and a range of farm debt services. QRIDA's core responsibility is to administer the Queensland Government's Primary Industry Productivity Enhancement Scheme (PIPES), and when required, support the delivery of Natural Disaster Relief and Recovery Arrangement (DRFA) assistance.

Staffing^{1,2,3}

| 2018-19 Budget | 2018-19 Estimated Actual ² | 2019-20 Budget ³ |
|----------------|---------------------------------------|-----------------------------|
| 96 | 125 | 107 |

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. QRIDA's FTEs have increased significantly from the 2018-19 Budget to the 2018-19 Estimated Actual predominantly due to the North Queensland Special Disaster Assistance Recovery Grants and Loans Scheme. Some additional FTEs are due to the usual and customary variations in permanent and temporary establishment as QRIDA tailors its workforce to current demand.
3. QRIDA's 2019-20 FTEs have been reduced to 107 from the 2018-19 Estimated Actual of 125. This is due to the cessation of the Interest Free Loans for Solar and Storage (IFLSS) Scheme and variations associated with the Disaster Recovery Funding Arrangements Scheme.

| Queensland Rural and Industry Development Authority | 2018-19 Target/Est | 2018-19 Est Actual | 2019-20 Target/Est |
|--|--------------------|--------------------|--------------------|
| <i>Effectiveness measures</i> | | | |
| Maintain total loan arrears within target levels ¹ | <1.5% | 0.37% | <1.0% |
| Overall client satisfaction with QRIDA's loan and grant services ^{2,3} | 80% | 83% | 90% |
| Percentage of original Farm Business Debt Mediation decisions made by QRIDA that are upheld in the review process ⁴ | New measure | New measure | 80% |
| <i>Efficiency measure</i> | | | |
| Average number of core program loans managed per full-time equivalent (FTE) ⁵ | 60 | 61 | 60 |

Notes:

1. The introduction of early arrears intervention practices has led to better results in the data that supports this measure. This, along with historical results indicates that the target should be reduced from <1.5% to <1.0%.
2. Improved client engagement and service delivery indicate that a change in the 2019-20 Target/Estimate from 80% to 90% is appropriate for this measure.
3. Dimensions captured in the Client Survey include overall satisfaction, satisfaction with the application process, usefulness of initiatives, program benefits and features, satisfaction with QRIDA's website and satisfaction with marketing and promotional material. In addition, information on extra services/features that the clients would consider a benefit is also captured.
4. This is a new service standard for the 2019-20 *Service Delivery Statement* which measures the effectiveness of QRIDA's Farm Business Debt Mediation program in terms of the percentage of original decisions that were subject to internal review and upheld.
5. To retain clarity the wording of this measure has been amended to include the words "core program" as there were new loan programs introduced in 2018-19. These new loan programs operate and are managed differently and are not comparable with the core QRIDA programs. Core program loans are PIPES, Disaster Relief Financial Assistance (DRFA) and Commonwealth Concessional Loans. There is no change to the calculation methodology of this measure from previous years.

Income statement

| Queensland Rural and Industry Development Authority | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------|--------------------------|-----------------------|
| INCOME | | | | |
| Taxes | | .. | .. | .. |
| User charges and fees | 1,9 | 6,152 | 12,423 | 11,371 |
| Grants and other contributions | 2,10 | 29,981 | 193,283 | 289,220 |
| Interest and distributions from managed funds | 11 | 42,752 | 41,535 | 43,943 |
| Other revenue | | .. | 5 | .. |
| Gains on sale/revaluation of assets | | .. | .. | .. |
| Total income | | 78,885 | 247,246 | 344,534 |
| EXPENSES | | | | |
| Employee expenses | 3,12 | 13,952 | 11,980 | 14,628 |
| Supplies and services | 4,13 | 6,578 | 5,465 | 6,513 |
| Grants and subsidies | 5,14 | 14,023 | 145,339 | 318,733 |
| Depreciation and amortisation | 6,15 | 223 | 184 | 285 |
| Finance/borrowing costs | 7,16 | 48,882 | 31,325 | 34,997 |
| Other expenses | | .. | .. | .. |
| Losses on sale/revaluation of assets | 8,17 | 1,453 | 845 | 690 |
| Total expenses | | 85,111 | 195,138 | 375,846 |
| OPERATING SURPLUS/(DEFICIT) | | (6,226) | 52,108 | (31,312) |

Balance sheet

| Queensland Rural and Industry Development Authority | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------|--------------------------|-----------------------|
| CURRENT ASSETS | | | | |
| Cash assets | 18,27 | 119,643 | 171,024 | 122,420 |
| Receivables | 19,28 | 143,807 | 123,020 | 80,995 |
| Other financial assets | | .. | .. | .. |
| Inventories | | .. | .. | .. |
| Other | | 139 | 184 | 184 |
| Non-financial assets held for sale | | .. | .. | .. |
| Total current assets | | 263,589 | 294,228 | 203,599 |
| NON-CURRENT ASSETS | | | | |
| Receivables | 20,29 | 427,412 | 392,121 | 430,496 |
| Other financial assets | | .. | .. | .. |
| Property, plant and equipment | 30 | 284 | 323 | 219 |
| Intangibles | 21,31 | 1,507 | 1,732 | 1,551 |
| Other | | .. | .. | .. |
| Total non-current assets | | 429,203 | 394,176 | 432,266 |
| TOTAL ASSETS | | 692,792 | 688,404 | 635,865 |
| CURRENT LIABILITIES | | | | |
| Payables | | 106 | 493 | 493 |
| Accrued employee benefits | | 2,822 | 2,648 | 2,648 |
| Interest bearing liabilities and derivatives | 22,32 | 94,392 | 86,951 | 43,372 |
| Provisions | | 32 | .. | .. |
| Other | 23,33 | 833 | 2,330 | 326 |
| Total current liabilities | | 98,185 | 92,422 | 46,839 |
| NON-CURRENT LIABILITIES | | | | |
| Payables | 24 | 8,076 | 133 | 83 |
| Accrued employee benefits | | 145 | 117 | 117 |
| Interest bearing liabilities and derivatives | 25,34 | 233,423 | 184,659 | 209,391 |
| Provisions | | .. | .. | .. |
| Other | 26,35 | 4,971 | 1,437 | 1,111 |
| Total non-current liabilities | | 246,615 | 186,346 | 210,702 |
| TOTAL LIABILITIES | | 344,800 | 278,768 | 257,541 |
| NET ASSETS/(LIABILITIES) | | 347,992 | 409,636 | 378,324 |
| EQUITY | | | | |
| TOTAL EQUITY | | 347,992 | 409,636 | 378,324 |

Cash flow statement

| Queensland Rural and Industry Development Authority | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Inflows: | | | | |
| User charges and fees | | 1,351 | 4,540 | 10,974 |
| Grants and other contributions | | 29,981 | 193,833 | 287,287 |
| Interest and distribution from managed funds received | | 26,529 | 25,275 | 25,018 |
| Taxes | | .. | .. | .. |
| Other | | .. | 5 | .. |
| Outflows: | | | | |
| Employee costs | | (13,952) | (11,980) | (14,628) |
| Supplies and services | | (6,578) | (5,514) | (6,563) |
| Grants and subsidies | | (14,023) | (145,339) | (318,733) |
| Borrowing costs | | (7,945) | (7,096) | (6,327) |
| Other | | .. | .. | .. |
| Net cash provided by or used in operating activities | | 15,363 | 53,724 | (22,972) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Inflows: | | | | |
| Sales of non-financial assets | | .. | .. | .. |
| Investments redeemed | | .. | .. | .. |
| Loans and advances redeemed | | 74,404 | 76,802 | 119,547 |
| Outflows: | | | | |
| Payments for non-financial assets | | .. | (521) | .. |
| Payments for investments | | .. | .. | .. |
| Loans and advances made | | (157,890) | (96,718) | (125,883) |
| Net cash provided by or used in investing activities | | (83,486) | (20,437) | (6,336) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Inflows: | | | | |
| Borrowings | | 86,190 | 29,694 | 63,655 |
| Equity injections | | .. | .. | .. |
| Outflows: | | | | |
| Borrowing redemptions | | (31,703) | (33,356) | (82,951) |
| Finance lease payments | | .. | .. | .. |
| Equity withdrawals | | .. | .. | .. |
| Net cash provided by or used in financing activities | | 54,487 | (3,662) | (19,296) |
| Net increase/(decrease) in cash held | | (13,636) | 29,625 | (48,604) |
| Cash at the beginning of financial year | | 133,279 | 141,399 | 171,024 |
| Cash transfers from restructure | | .. | .. | .. |
| Cash at the end of financial year | | 119,643 | 171,024 | 122,420 |

Explanation of variances in the financial statements

Income statement

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

1. The increase is largely due to higher than anticipated fee for service revenue from administration of Commonwealth Concessional Loan programs being recognised from unearned revenue and the revenues from delivery of new programs which were initiated after the 2018-19 Budget was finalised.
2. The increase is mainly due to grants from the North and Far North Queensland Monsoon 25 January - 14 February 2019 event and the North Queensland Restocking, Replanting and On-farm Infrastructure Grant Scheme which initiated after the 2018-19 Budget was finalised.
3. The decrease is mainly due to the number of staff required to administer the Affordable Energy Plan being less than anticipated.
4. The decrease is largely due to planned administration projects costing less than planned and some projects being deferred.
5. The increase is mainly due to grants from the North and Far North Queensland Monsoon 25 January - 14 February 2019 event and the North Queensland Restocking, Replanting and On-farm Infrastructure Grant Scheme which initiated after the 2018-19 Budget was finalised.
6. The decrease is due to lower amortisation of the new intangible asset - RAPID which is QRIDA's loans and grants software system, which was delivered later than anticipated.
7. The decrease in Finance Costs is largely due to lower than expected fair value adjustment on new lending as a result of lower take up of Primary Industry Productivity Enhancement Scheme (PIPES) and Interest Free Loans for Solar and Storage (IFLSS)
8. The decrease is due to a reduced provision for doubtful debt.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

9. The decrease is due to small reductions in fees from Commonwealth programs and State programs.
10. The increase is mainly due to anticipated grants from the North Queensland Restocking, Replanting and On-farm Infrastructure Grant Scheme which commenced in May 2019. The majority of the grants are to be received in 2019-20.
11. The increase is largely due to the increased loan portfolio.
12. The increase is mainly due to resources required to deliver the North and Far North Queensland Monsoon 25 January - 14 February 2019 event and North Queensland Restocking, Replanting and On-farm Infrastructure Grant Scheme.
13. The increase is mainly attributable to planned Administration Projects to invest in improvements to business processes and systems.
14. The increase is mainly due to anticipated grants from the North Queensland Restocking, Replanting and On-farm Infrastructure Grant Scheme which was finalised in May 2019 and the majority of the grants are to be paid in 2019-20.
15. The increase is due to amortisation of the new intangible asset which was amortised only part of the year in 2018-19. The system was delivered in January 2019 and amortisation will occur for the whole 2019-20 year.
16. The increase is largely due to the fair value adjustments on new lending on anticipated PIPES lending in 2019-20.
17. The decrease is due to a reduced provision for doubtful debt.

Balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

18. The increase is largely due to the program funding being held for the delivery of the Affordable Energy Plan, Bus Driver Safety Scheme, Rural Economic Development Grants and Vessel Tracking Rebate Scheme.
19. The decrease is due to lower than expected Commonwealth Concessional Loan Schemes and PIPES being repaid within 12 months as a result of the early repayment from Commonwealth Concessional Loans and PIPES loans.

20. The decrease is largely due to the new lending on PIPES and IFLSS being lower than anticipated, associated with the early repayments on Commonwealth Concessional Loans.
21. The increase is due to the additional costs of development of RAPID - QRIDA's loans and grants software system.
22. The decrease is largely due to the lower borrowings for Commonwealth Concessional Loans Schemes due to early repayment from the loan recipients.
23. The increase is due to the transfer of Unearned revenue on IFLSS from the non current liability to current liability as the program has been extended and will now be delivered within the next 12 months.
24. The funding received for IFLSS's interest expenses and provision of bad debt are now recognised as grant revenue.
25. The decrease is mainly due to the borrowing being less than budget to fund the lending for PIPES and IFLSS.
26. The decrease is mainly due to Unearned revenue being recognised as revenue for Commonwealth Concessional Loans programs in 2018-19.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

27. The decrease is largely due to reduced program funding for the North Queensland Restocking, Replanting and On-farm Infrastructure Grant Scheme, Large Customer Adjustment Program, Bus Driver Safety Scheme and IFLSSS as the funding will have been expended.
28. The decrease is largely due to lower than expected loan repayment in 2019-20 as a result of the early repayment from Commonwealth Concessional Loans, NDRRA loans and PIPES.
29. The increase is due to the new lending of PIPES, Disaster Recovery Funding Arrangements Loans for North and Far North Queensland Monsoon and IFLSS.
30. The decrease is due to the depreciation on the plant and equipment.
31. The decrease is due to the amortisation of intangible asset.
32. The decrease is largely due to the reduction in borrowings from the Commonwealth for Commonwealth Concessional Loan Schemes which is to be repaid within 12 months.
33. The decrease is mainly due to the Unearned revenue for IFLSS being earned as the program is to be delivered during 2019-20.
34. The increase is due to additional borrowing to cover the new lending for PIPES and IFLSS in 2019-20.
35. The decrease is mainly due to Unearned revenue expected to become current in 2019-20.

Queensland Racing Integrity Commission

Overview

The Queensland Racing Integrity Commission (the Commission) is an independent statutory body, which oversees the integrity and welfare standards of racing animals and participants in Queensland. Our purpose is to work with the racing industry and community to protect racing animals, ensure high standards of integrity and safety, and enhance public confidence in the industry, in pursuit of our vision of an ethical and safe racing industry. The Commission contributes to the Government's objectives for the community *Our Future State: Advancing Queensland Priorities*:

- Create jobs in a strong economy by maintaining the social licence of racing contributing and to public confidence in the racing industry, which provides employment for thousands of Queenslanders.
- Be a responsive government by safeguarding the welfare of racing animals and encouraging participants and the wider community to utilise our Report Something portal as a confidential and secure avenue for reporting wrongdoing or suspected offences within the racing industry.

The Commission's strategic objectives include:

- safeguarding the welfare of animals involved in racing
- administering the rules of racing independently, impartially, consistently and with integrity,
- exercising best practice skills and processes to detect, investigate, and prosecute compliance and integrity breaches
- enhancing public confidence in the integrity of Queensland's racing industry.

Factors that will impact on the Commission's operation include an expanding racing calendar, the review of the *Racing Integrity Act 2016*, and the impact of the Commission's high-profile enforcement outcomes on public and participant confidence in the integrity of the racing industry.

The Commission's business improvement priorities for 2019-20 will focus on addressing key strategic risks and driving efficiencies through the development of contemporary business systems and a sustainable staffing model that supports critical frontline functions, while reducing red tape. Key business improvement initiatives include the continued roll-out of a three-year licensing model and further development of an online licensing and registration system.

Service summary

The Commission provides a suite of integrity and welfare services including veterinary and animal welfare services, compliance and enforcement (race day stewarding, licensing and registration, inspection and investigation), and sampling and analytical services.

The Commission continues to demonstrate the value of an independent welfare and integrity regime through the following priorities and significant business improvements:

- an annual engagement program to raise industry and community awareness of the Commission's role and purpose
- implementation of awareness and education for racing industry participants and the wider community in order to achieve the objectives of the Commission's Education Strategy
- reviewing the Commission's Licensing Standards to ensure that they continue to be relevant and aligned to the Commission's strategic priorities
- reviewing veterinary resource requirements to support animal welfare standards and projected racing calendar
- maintaining a '100 per cent of winners' sampling regime to effectively deter prohibited substance use
- the ongoing development of RandLE (licensing and registration customer relationship tool)
- further implementation of a contemporary and sustainable staffing model and professional development opportunities for frontline staff.

The recommendations of the 2015 Queensland Greyhound Racing Industry Commission of Inquiry (the MacSporran Report) are 79 per cent complete. The Commission's new RandLE portal will deliver the Commission's remaining endorsed recommendations from the MacSporran Report including the facilitation of lifecycle reporting and the logbook.

Service performance

Queensland Racing Integrity Commission

Service Area Objective

To protect racing animals, ensure high standards of racing integrity and safety, and enhance public confidence in the Queensland racing industry.

Services

- Veterinary services and animal welfare
- Compliance and enforcement
- Sampling and analytical services

Description

The Commission oversees the integrity and welfare standards of racing animals and participants in Queensland. The Commission works in partnership with the industry to license racing industry participants, oversee the integrity of racing activities, uphold the Rules of Racing, safeguard the welfare of racing animals and manage scientific testing and analysis.

Staffing^{1,2}

| 2018-19 Budget | 2018-19 Estimated Actual | 2019-20 Budget |
|----------------|--------------------------|----------------|
| 153 | 158 | 159 |

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The FTE increase primarily relates to previous outsourced work now performed in-house.

| Queensland Racing Integrity Commission | 2018-19 Target/Est | 2018-19 Est Actual | 2019-20 Target/Est |
|--|-----------------------|-----------------------|-----------------------|
| Service: Veterinary services and animal welfare | | | |
| <i>Effectiveness measures</i> | | | |
| Percentage of rehomed greyhounds returned to Greyhound Adoption Program (GAP) program ¹ | 6% | 0.5% | 4% |
| Percentage of greyhounds accepted into GAP rehomed within four months | 90% | 82% | 90% |
| <i>Efficiency measure</i> | | | |
| Cost, per dog (per day) presented to GAP, of services delivered by GAP ^{2,3,4} | \$14.31 | \$18.47 | \$17.38 |
| Service: Compliance and Enforcement | | | |
| <i>Effectiveness measure</i> | | | |
| Percentage of original decisions confirmed at Internal Review ⁵ | 80% | 72% | 80% |
| <i>Efficiency measure</i> | | | |
| Cost, per licence, of receiving and assessing animal registrations, licence applications and issuing licence products ^{6,7} | \$51 | \$101 | \$100 |
| Service: Sampling and Analytical Services | | | |
| <i>Effectiveness measure</i> | | | |
| Percentage of community members surveyed who: | | | |
| <ul style="list-style-type: none"> are somewhat or very confident in the integrity of the Queensland racing industry | 65% | 45.6% | 65% |
| <ul style="list-style-type: none"> believe that the integrity of racing has improved a lot or a little over the past 12 months^{8,9,10} | New measure | New measure | 65% |
| <i>Efficiency measure</i> | | | |
| Cost per sample of racing animals tested for prohibited substances ¹¹ | \$294 | \$295 | \$295 |

Notes:

- The lowering of the 2019-20 Target/Estimate is based on the positive trend over the last two financial years in decreasing the percentage of dogs returned. The 2018-19 Estimated Actual is substantially better than the 2018-19 Target/Estimate due to a number of factors including the introduction of pre-screening and the limiting of dogs on the program to a more appropriate number at any one time allowing for greater contact with staff and more one on one training and assessment.
- This measures the efficiency of the Commission's processes in assessing and rehoming retired greyhounds to ensure that the requirement for quality assessment is balanced against the desire for increased throughput.
- The 2018-19 Estimated Actual is higher than the 2018-19 Target/Estimate due to the introduction of pre-screening requirements resulting in a decrease in the number of dogs presented to the GAP. The GAP's higher standards have resulted in some owners submitting their retired greyhounds to other rehoming agencies. In 2018-19, a smaller number of more suitable dogs have been presented to GAP. This has, in turn, resulted in greatly decreased GAP euthanasia numbers in 2018-19, compared to previous years (ratio has decreased from 1:3 to 1:10) and a lower proportion of adopted dogs being returned to the program due to unsuitability. It should be noted that the 2018-19 Estimated Actual for GAP expenses in 2018-19 has decreased from actual expenditure in 2017-18.
- The 2019-20 Target/Estimate has been amended based on the actual number of dogs processed by the GAP in 2018-19 and the GAP budget estimate for 2019-20.
- This measure only records internal review decisions that confirm both charge and penalty. Decisions that confirm a charge, but amend a penalty are not included
- This measure is calculated using the direct cost which include employee expenses (FTE), costs associated with animal branding, registration and naming, other general administration costs and costs relating to the RandLE system such as project management, software licencing and other related IT expenditure and depreciation costs. As benefits of the RandLE system are realised in future years, the staff allocated to processing licence and registration transactions will reduce allowing those resources to be redirected to audit and compliance activities.

7. The 2018-19 Target/Estimate was \$51 and has been revised to \$100 for 2019-20. The increase is due to costs associated with the Registration and Licensing Environment (R&LE) system, which are now budgeted as a direct cost of the licensing and registration function, and the introduction of three-year licensing, which will result in a decreased number of licence renewals being processed annually.
8. These measures provide an indication of community confidence in the racing industry and are sourced from an annual survey of community members conducted by an external provider.
9. This is a new sub-measure introduced for the 2019-20 *Service Delivery Statement*. The 2019-20 Target/Estimate of 65% is based on the outcomes of community survey results from 2016-17 and 2017-18.
10. The 2018-19 Estimated Actual reflects the outcome of the 2018-19 community and industry survey conducted in April 2019.
11. The 2019-20 Target/Estimate is based on estimated direct expenses budgeted of running the Racing Science Centre (RSC) - employee expenses for 32.8 FTEs which include the sample collection officers, facilities maintenance, laboratory equipment and IT maintenance costs, sample collection and laboratory consumables and depreciation costs for laboratory and RSC building improvement write-offs and the estimated 2018-19 unit volume for each service being 19,600 samples. The increase in costs for this service is due to the implementation of the RSC Capital Program via depreciation write-offs.

Income statement

| Queensland Racing Integrity Commission | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| INCOME | | | | |
| Taxes | | .. | .. | .. |
| User charges and fees | 4 | 1,439 | 1,399 | 1,099 |
| Grants and other contributions | 1,5 | 27,218 | 27,600 | 29,061 |
| Interest and distributions from managed funds | | 120 | 125 | 125 |
| Other revenue | | 7 | 20 | 5 |
| Gains on sale/revaluation of assets | | 5 | 5 | 5 |
| Total income | | 28,789 | 29,149 | 30,295 |
| EXPENSES | | | | |
| Employee expenses | 2,6 | 17,458 | 16,994 | 18,410 |
| Supplies and services | 3,7 | 9,843 | 10,806 | 9,350 |
| Grants and subsidies | 8 | .. | .. | 70 |
| Depreciation and amortisation | 9 | 1,085 | 1,150 | 2,260 |
| Finance/borrowing costs | | 10 | 2 | 13 |
| Other expenses | | 368 | 172 | 157 |
| Losses on sale/revaluation of assets | | 25 | 25 | 35 |
| Total expenses | | 28,789 | 29,149 | 30,295 |
| OPERATING SURPLUS/(DEFICIT) | | .. | .. | .. |

Balance sheet

| Queensland Racing Integrity Commission | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|--|-------|-----------------------------|--------------------------------|-----------------------------|
| CURRENT ASSETS | | | | |
| Cash assets | 10,19 | 3,888 | 3,728 | 5,186 |
| Receivables | 11 | 619 | 774 | 849 |
| Other financial assets | | .. | .. | .. |
| Inventories | | .. | .. | .. |
| Other | 12 | 334 | 448 | 458 |
| Non-financial assets held for sale | | .. | .. | .. |
| Total current assets | | 4,841 | 4,950 | 6,493 |
| NON-CURRENT ASSETS | | | | |
| Receivables | | 31 | 65 | 65 |
| Other financial assets | | .. | .. | .. |
| Property, plant and equipment | 13,20 | 12,307 | 11,911 | 11,861 |
| Intangibles | 14,21 | 773 | 1,750 | 3,008 |
| Other | | .. | .. | .. |
| Total non-current assets | | 13,111 | 13,726 | 14,934 |
| TOTAL ASSETS | | 17,952 | 18,676 | 21,427 |
| CURRENT LIABILITIES | | | | |
| Payables | 15 | 1,968 | 2,580 | 2,625 |
| Accrued employee benefits | 16 | 822 | 686 | 686 |
| Interest bearing liabilities and derivatives | 22 | .. | .. | 100 |
| Provisions | | .. | .. | .. |
| Other | 17 | 244 | 96 | 96 |
| Total current liabilities | | 3,034 | 3,362 | 3,507 |
| NON-CURRENT LIABILITIES | | | | |
| Payables | | .. | .. | .. |
| Accrued employee benefits | | .. | .. | .. |
| Interest bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | 78 | 91 | 93 |
| Other | | 24 | 28 | 20 |
| Total non-current liabilities | | 102 | 119 | 113 |
| TOTAL LIABILITIES | | 3,136 | 3,481 | 3,620 |
| NET ASSETS/(LIABILITIES) | | 14,816 | 15,195 | 17,807 |
| EQUITY | | | | |
| TOTAL EQUITY | 18,23 | 14,816 | 15,195 | 17,807 |

Cash flow statement

| Queensland Racing Integrity Commission | Notes | 2018-19 Budget \$'000 | 2018-19 Est. Act. \$'000 | 2019-20 Budget \$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Inflows: | | | | |
| User charges and fees | | 1,414 | 1,374 | 1,069 |
| Grants and other contributions | | 26,868 | 27,060 | 28,601 |
| Interest and distribution from managed funds received | | 120 | 125 | 125 |
| Taxes | | .. | .. | .. |
| Other | | 1,275 | 1,288 | 1,283 |
| Outflows: | | | | |
| Employee costs | | (17,458) | (17,144) | (18,460) |
| Supplies and services | | (10,784) | (11,744) | (10,236) |
| Grants and subsidies | | .. | .. | (70) |
| Borrowing costs | | (10) | (2) | (13) |
| Other | | (368) | (170) | (165) |
| Net cash provided by or used in operating activities | | 1,057 | 787 | 2,134 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Inflows: | | | | |
| Sales of non-financial assets | | 10 | 5 | 5 |
| Investments redeemed | | .. | .. | .. |
| Loans and advances redeemed | | .. | .. | .. |
| Outflows: | | | | |
| Payments for non-financial assets | | (2,814) | (3,246) | (3,283) |
| Payments for investments | | .. | .. | .. |
| Loans and advances made | | .. | .. | .. |
| Net cash provided by or used in investing activities | | (2,804) | (3,241) | (3,278) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Inflows: | | | | |
| Borrowings | | .. | .. | .. |
| Equity injections | | 2,123 | 2,683 | 2,602 |
| Outflows: | | | | |
| Borrowing redemptions | | .. | .. | .. |
| Finance lease payments | | .. | .. | .. |
| Equity withdrawals | | .. | .. | .. |
| Net cash provided by or used in financing activities | | 2,123 | 2,683 | 2,602 |
| Net increase/(decrease) in cash held | | 376 | 229 | 1,458 |
| Cash at the beginning of financial year | | 3,512 | 3,499 | 3,728 |
| Cash transfers from restructure | | .. | .. | .. |
| Cash at the end of financial year | | 3,888 | 3,728 | 5,186 |

Explanation of variances in the financial statements

Income statement

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

1. The increase is primarily due to services received free of charge from Queensland Police Services (QPS) for the QPS Racing Crime Squad which is based at the QRIC.
2. The decrease is primarily due to staff vacancies which were filled mainly by temp agency staff, the cost of which is reflected under supplies and services expenditure.
3. The increase is primarily due to higher anticipated operational travel, legal costs associated with external review applications of Stewards decisions under the Rules of Racing and temp agency contractor fees for backfilling staff vacancies.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

4. The decrease is primarily due to the staged transition from annual licence renewals to a three-year licensing model for racing industry participants.
5. The increase is due to additional depreciation funding provided for a sustainable capital works program for the Racing Science Centre (RSC); enterprise bargaining (EB) increase for labour costs and consumer price index (CPI) increases for non-labour costs that have been built into the budget.
6. The increase is mainly due to the assumption that all vacant positions will be filled during 2019-20, rather than the use of temp agency contractors. The impact of EB increases is also contributing to the increased cost.
7. The decrease is mainly due to lower expenditure on contractor costs (including payments to employment agencies), legal expenditure and other general supplies and services expenditure. Also contributing is lower payments to Government as a result of the continued roll-out of the three-year licensing model.
8. The increase is the result of the implementation of the Racing Animal Welfare (RAW) grants program in 2019-20, which is aimed at retraining and rehoming retired racing animals.
9. The increase is due to the continued implementation of the RSC capital works program, and additional investment in the Registration and Licensing Environment (RandLE) customer relationship management system (CRM) which supports the delivery of the Queensland Greyhound Racing Industry Commission of Inquiry (Macsporrán Report) recommendations.

Balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

10. The decrease in cash is mainly due to lower user charges revenue collected at year end.
11. The increase is due to a higher anticipated GST refund at year end.
12. The increase is due to anticipated higher volume and value of prepaid maintenance contracts for laboratory equipment at year end.
13. The decrease is due to utilising the RSC capital budget contingency to part fund further development of the RandLE system, which is reported under intangibles.
14. The increase is due to targeted investment in the RandLE system to drive process improvements and efficiencies in the licensing and registration process and support the delivery of the Macsporrán Report recommendations.
15. The increase is due to higher supplier payments owing at year end mainly for capital purchases.
16. The decrease is primarily due to lower anticipated annual leave levy claims at year end.
17. The decrease is primarily due to a lower amount owing to Government at year end for user charges revenue collected, as a result of the three-year licensing model.
18. The increase is due to the conversion of operating grant funds to a capital grant to fund further development of the RandLE CRM.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

19. The increase is primarily due to a build-up of cash reserves from higher depreciation and amortisation write-offs.
20. The decrease is mainly due to higher depreciation write-offs as a result of the continued roll-out of the RSC capital program.
21. The increase is due to capital funding provided for additional investment in the RandLE CRM to support the delivery of Macsporrán Report recommendations and to drive process improvements and efficiencies by replacing paper-based processes to a contemporary, digital system for racing industry licences and registrations.
22. The increase is due to the implementation of new accounting standards for operating leases, resulting in recognition of a liability that represents the obligation for lease payments.
23. The increase is due to approved capital funding for the RSC capital program and RandLE system upgrades.

Glossary of terms

| | |
|-----------------------------|--|
| Accrual accounting | Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs. |
| Administered items | Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government. |
| Agency/entity | Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision. |
| Appropriation | Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> • delivery of agreed services • administered items • adjustment of the Government's equity in agencies, including acquiring of capital. |
| Balance sheet | A financial statement that reports the assets, liabilities and equity of an entity as at a particular date. |
| Capital | A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services. |
| Cash Flow Statement | A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period. |
| Controlled Items | Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department. |
| Depreciation | The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time. |
| Equity | Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves. |
| Equity injection | An increase in the investment of the Government in a public sector agency. |
| Financial statements | Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities. |
| Income statement | A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation. |
| Outcomes | Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context. |
| Own-source revenue | Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding. |
| Priorities | Key policy areas that will be the focus of Government activity. |
| Services | The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives. |
| Service area | Related services grouped into a high level service area for communicating the broad types of services delivered by an agency. |
| Service standard | Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness. |



Queensland Budget 2019–20

Service Delivery Statements

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