



State Budget 2012-13

# Service Delivery Statements

Department of Agriculture, Fisheries and Forestry



# **2012–13 State Budget Papers**

- 1. Budget Speech**
- 2. Budget Strategy and Outlook**
- 3. Capital Statement**
- 4. Budget Measures**
- 5. Service Delivery Statements**

## **Appropriation Bills**

The suite of Budget Papers is similar to that published in 2011-12.

In April 2012, machinery-of-Government changes saw the creation of 20 departments with each department reporting directly to one Minister.

These new arrangements have required minor changes to how information is presented in some Budget Papers. The 2012-13 Budget Papers provide continuity of information between the previous departmental structure and the new arrangements.

The Budget Papers are available online at [www.budget.qld.gov.au](http://www.budget.qld.gov.au)

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## **Service Delivery Statements**

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# Department of Agriculture, Fisheries and Forestry

## Summary of portfolio budgets<sup>1</sup>

Page	Agency	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
3	Department of Agriculture, Fisheries and Forestry—controlled	56,851	89,103	442,350
	Department of Agriculture, Fisheries and Forestry—administered	1,789	1,789	9,083
32	Australian Agricultural College Corporation	22,815	33,489	27,548
41	QRAA	172,819	181,586	42,822

Note:

1. Explanations of variances are provided in the financial statements.

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# PORTFOLIO OVERVIEW

## Ministerial and portfolio responsibilities

The Honourable John McVeigh MP, Minister for Agriculture, Fisheries and Forestry, is responsible for leading the Government's goal to achieve the doubling of food production by 2040.

The Department of Agriculture, Fisheries and Forestry portfolio includes two key Statutory Authorities—the Australian Agricultural College Corporation (AACC) and QRAA.

## Department of Agriculture, Fisheries and Forestry

The department was established in April 2012 as a standalone department and works collaboratively to ensure an efficient, innovative, profitable and sustainable Queensland agriculture sector through four key service areas:

*Agriculture and Forestry* works with industry associations and all levels of government to provide services that enable businesses to develop the workforce, skills and practices needed to improve productivity, manage risks and be more resilient.

*Agri-Science Queensland* undertakes research and development and enables access to innovative technologies and practices through extension, education and training.

*Biosecurity Queensland* leads the Government's efforts to prevent, respond to and recover from pests and diseases that threaten agriculture; maintain access to markets; protect animal welfare; and reduce the risk of contamination from agricultural chemicals.

*Fisheries Queensland* manages fisheries resources to enable the growth of profitable commercial fishing and aquaculture industries, maximise the recreational fishing experience, respect traditional and customary fishing, and protect fish habitats.

Additional information about the Department of Agriculture, Fisheries and Forestry is available at [www.daff.qld.gov.au](http://www.daff.qld.gov.au)

## Australian Agricultural College Corporation

The Australian Agricultural College Corporation (AACC) combines its experience in agricultural education and training in a range of specialisations located in different geographic and climatic regions. AACC works in partnership with peak rural and agricultural industry bodies to equip people with the necessary management skills to ensure a strong workforce for the continued growth of Queensland's primary industries. Additional information about AACC is available at [www.agriculturalcollege.qld.edu.au](http://www.agriculturalcollege.qld.edu.au)

## QRAA

QRAA is a specialist administrator of Government financial assistance programs including loans, grants, rebates and subsidies. QRAA's strategic intent is to achieve self-sufficiency through cost leadership, service delivery excellence, business growth and capability. Additional information about QRAA is available at [www.qraa.qld.gov.au](http://www.qraa.qld.gov.au)

## Portfolio Structure and Services

### **Minister for Agriculture, Fisheries and Forestry**

The Honourable John McVeigh, MP

### **Department of Agriculture, Fisheries and Forestry**

Director-General: Mr Jack Noye

**Service Area 1:** Agriculture and Forestry

**Service Area 2:** Agri-Science Queensland

**Service Area 3:** Biosecurity Queensland

**Service Area 4:** Fisheries Queensland

### **Australian Agricultural College Corporation**

Chief Executive Officer: Mr Jack Noye

**Objective:** AACC equips people with the necessary rural management skills to ensure a strong workforce for the continued growth of Queensland's valuable primary industries.

### **QRAA**

Chief Executive Officer: Mr Colin Holden

**Objective:** QRAA's strategic intent is to achieve self-sufficiency through cost leadership, service delivery excellence, business growth and capability.

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

The Department of Agriculture, Fisheries and Forestry's (DAFF's) focus is to support efficient, innovative and profitable agriculture, fisheries and forestry industries.

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

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

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

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

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

In 2012-13 DAFF will focus on delivering Government commitments that will ensure a productive and successful Queensland agriculture sector that is prosperous over the long term. Key highlights include:

- delivering a 30 year strategic plan for agriculture in consultation with peak bodies, producers and community
- improving research, development and extension services to increase take-up of best practice management and innovative techniques
- implementing the \$3 million Queensland Government contribution to the North Queensland Irrigated Agriculture Strategy, which will assist producers to diversify their operations to include irrigated agriculture on the Flinders and Gilbert Rivers
- employing 15 new frontline officers to strengthen Queensland's biosecurity to help producers combat ticks, weeds and feral pests
- finalising agricultural land audits in the Darling Downs and Central Queensland regions for release in early 2013
- commencing a \$9 million buyback of commercial Queensland net fishing licences aiming to:
  - improve the economic viability of commercial fishers;
  - improve recreational fishing;
  - minimise the community's loss of access to local fish in stores and restaurants;
  - reduce impacts of netting on species of conservation interest; and

- achieve positive environmental outcomes.
- commencing a process to restore access for beekeepers to native forests
- continuing the fight against Hendra Virus including provision of \$1 million over four years to vets for protective suits
- improving agriculture skills and career pathways by:
  - promoting graduate careers and school-based apprenticeships and traineeships;
  - supporting both vocational and agricultural science in schools; and
  - finalising consultation to develop a Horticulture Workforce Plan for the next three years.
- investing in the future of the sugar industry by providing \$4.6 million in funding over four years to the Bureau of Sugar Experiment Stations for sugar research development and extension to increase the productivity of Queensland's \$1.2 billion sugarcane industry, support the sector's ability to address emerging challenges, and capitalise on export and emerging market opportunities
- working with Queensland's timber industry to develop a Timber Industry Plan
- reducing red tape for landholders by making it easier to renew fodder permits
- contributing to a framework for a best management program to protect the Great Barrier Reef in partnership with the sugarcane and beef industries and the Department of Environment and Heritage Protection
- amending laws to stop cruelty in the hunting of turtles and dugongs in Indigenous communities.

In early 2012, DAFF's activities were realigned to focus on delivering the department's key 'First 100 Days' commitments. Key achievements for DAFF in 2011-12 included:

- formed a new standalone Department of Agriculture, Fisheries and Forestry, including agreement on regional arrangements
- appointed a stakeholder advisory committee and established a project team to undertake agricultural land audits in the Darling Downs and Central Queensland regions. During 2011-12 the team commenced work across the department and with other government agencies on the methodology and early draft maps
- created 15 new frontline positions in Biosecurity Queensland to help producers combat ticks, weeds and feral pests
- commenced implementation of the net fishing industry structural adjustment package
- introduced amendments to the *Animal Care and Protection Act 2001* to bring Queensland in line with other states and protect Queensland's dugong and turtle populations
- conducted a review of Queensland agricultural apprenticeship and traineeship arrangements (Australian Apprenticeships) under the *Vocational Education, Training and Employment Act 2000* in consultation with industry to ensure all declared Australian Apprenticeships available to agriculture in Queensland align with industry needs and the new Agriculture, Horticulture & Conservation Training Package (AHC10). This has resulted in an increase in the number of funded Australian Apprenticeships and traineeships available
- sold 201,000 cubic metres of State-owned native forest timber to regionally-based timber processing companies, principally for use by the building industry
- increased sales of State-owned quarry material for use in infrastructure and industry development projects across the State which reached a record 5.65 million cubic metres, up 25% on the previous year
- commenced implementation of a strategy for Queensland's \$4.4 billion horticulture sector
- developed new methods for diagnosis and control of coccidiosis disease in poultry, which costs the Queensland poultry and egg industries approximately \$20 million per annum



- released a world-first, scab-resistant apple variety named 'Kalei'. Apple scab is a major fungal disease of apples worldwide and costs the Australian industry upwards of \$10 million per annum. 'Kalei' yields around 70 tonnes per hectare of A-grade fruit, as compared with 20 tonnes per hectare for traditional varieties
- released the 'Aladdin' oat variety which produces exceptionally high forage yields and is completely resistant to all Australian races of leaf rust. The value of the cattle live weight gain produced from this feed source each year is estimated at \$250 million
- developed a system to identify exotic plant pests and diseases via the internet, putting Australia at the global forefront of technology-based biosecurity support
- responded to and managed 9 Hendra Virus cases during the year.

## Departmental Budget Summary

The Department of Agriculture, Fisheries and Forestry (DAFF) was created in April 2012 as a result of machinery-of-government changes. Consequently, the 2011-12 Adjusted Budget and 2011-12 Estimated Actual in the Departmental Budget Summary and Financial Statements reflect two months of activities whilst the 2012-13 Estimate contains a full year's budget. The table below shows the total resources available in 2012-13 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Agriculture, Fisheries and Forestry	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation for services <sup>1, 2, 3</sup>			
Deferred from previous year	..	..	7,453
Balance of service appropriation	34,700	51,331	278,865
Other revenue	22,151	37,772	152,511
<b>Total income</b>	<b>56,851</b>	<b>89,103</b>	<b>438,829</b>
<b>Expenses</b>			
Agriculture and Forestry	21,527	11,827	82,146
Fisheries Queensland	12,609	17,239	43,035
Biosecurity Queensland	7,657	21,131	99,723
Agri-Science Queensland	6,240	24,464	137,863
Corporate Partnerships <sup>3</sup>	8,818	14,442	79,583
<b>Total expenses</b>	<b>56,851</b>	<b>89,103</b>	<b>442,350</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>..</b>	<b>(3,521)</b>
<b>Net assets</b>	<b>474,310</b>	<b>463,906</b>	<b>474,586</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	..	..	..
Appropriation of administered items	1,789	1,789	9,083
Other administered revenue	192	192	1,734
<b>Total revenue</b>	<b>1,981</b>	<b>1,981</b>	<b>10,817</b>
<b>Expenses</b>			
Transfers to government	192	192	1,734
Administered expenses	1,789	1,789	9,083
<b>Total expenses</b>	<b>1,981</b>	<b>1,981</b>	<b>10,817</b>
<b>Net assets</b>	<b>5,234</b>	<b>5,234</b>	<b>5,234</b>
<b>APPROPRIATIONS</b>			
<b>Controlled Items</b>			
Departmental services <sup>1,2,3</sup>	34,793	49,875	287,774
Equity adjustment	(9,018)	(13,768)	(12,325)
<b>Administered items</b>	<b>1,789</b>	<b>1,789</b>	<b>9,083</b>
<b>VOTE TOTAL <sup>4</sup></b>	<b>27,564</b>	<b>37,896</b>	<b>284,532</b>

Notes:

1. Appropriation for services does not match appropriation for departmental services due to an appropriation payable of \$93,000 in the 2011-12 Adjusted Budget relating to machinery-of-government changes and an appropriation receivable of \$1.5 million in the 2011-12 Estimated Actual relating largely to Voluntary Separation Program (VSP) payments. The 2012-13 Estimate for Departmental Services includes the cash receipt of the 2011-12 Estimated Actual receivable.
2. Includes State and Commonwealth funding.
3. Includes income and expenses relating to the provision of corporate services to other agencies through Corporate Partnership arrangements.
4. The Vote total for 2011-12 Adjusted Budget and 2011-12 Estimated Actual does not match to the 2011-12 Appropriation Act due to machinery-of-government changes during 2011-12.

## Budget Measures Summary

The table shows a summary of Budget measures relating to the department since the 2011-12 Budget. Further details are contained in Budget Paper No. 4.

<b>Department of Agriculture, Fisheries and Forestry</b>	<b>2011-12 \$'000</b>	<b>2012-13 \$'000</b>	<b>2013-14 \$'000</b>	<b>2014-15 \$'000</b>	<b>2015-16 \$'000</b>
<b>Revenue measures</b>					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Total revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures</b>					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	1,098	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	(3,512)	(8,524)	(44,753)	(47,846)	(49,046)
<b>Total expense measures</b>					
Administered	..	..	..	..	..
Departmental	<b>(2,414)</b>	<b>(8,524)</b>	<b>(44,753)</b>	<b>(47,846)</b>	<b>(49,046)</b>
<b>Capital measures</b>					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Total capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

## Staffing<sup>1</sup>

	Notes	2011-12 Adjusted Budget	2011-12 Est. Actual	2012-13 Estimate
	2, 3, 4	2,630	2,357	1,948

### Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. FTEs do not include Corporate Partnership FTEs aligned to DAFF providing services to:
  - Tourism, Major Events and Small Business and the Commonwealth Games
  - Natural Resources and Mines
  - Energy and Water Supply
  - Environment and Heritage Protection
  - National Parks, Sport and Recreation.
3. Reduction in 2011-12 Estimated Actual figures to Adjusted Budget FTEs are the result of Voluntary Separation Program and restricted recruitment.
4. 2012-13 Estimated FTEs reflect proposed budget reductions.

## SERVICE PERFORMANCE

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

### **Agriculture and Forestry**

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

### **Agri-Science Queensland**

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

### **Biosecurity Queensland**

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

### **Fisheries Queensland**

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

## 2012-13 Service Summary

Service area <sup>1</sup>	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges \$0'000	C'wealth Revenue \$'000	Other Revenue \$'000
Agriculture and Forestry	82,146	54,682	2,374	751	24,339
Fisheries Queensland	43,035	32,056	3,812	50	7,117
Biosecurity Queensland	99,723	69,974	21,965	..	7,784
Agri-Science Queensland	137,863	87,079	9,013	4,226	34,024
Corporate Partnership <sup>1</sup>	79,583	42,527	36,528	..	528
<b>Total <sup>2,3</sup></b>	<b>442,350</b>	<b>286,318</b>	<b>73,692</b>	<b>5,027</b>	<b>73,792</b>

Notes:

1. Corporate services provided to other agencies through Corporate Partnership arrangements mainly relating to Information Technology Services.
2. Total cost does not match Sources of Revenue due to an operating deficit relating to the transfer of Oxley Creek Common to the Brisbane City Council (BCC), which is expected to occur during 2012-13.
3. Explanations of variances are provided in the financial statements.

## Performance Statement<sup>1</sup>

	Notes	2011-12 Target/Est.	2011-12 Est. actual	2012-13 Target/Est.
<b>Service Area: Agriculture and Forestry</b>				
<b>Service standards</b>				
Proportion of stakeholders who have a high level of satisfaction with DAFF consultative and engagement processes	2,3	70-80%	83%	75%
Total of Forest Product sales quantities per total Forest Product Full Time Equivalent (FTE):				
• Native forest timber (m <sup>3</sup> /FTE)		2,255	2,297	2,330
• Quarry material (m <sup>3</sup> /FTE)	4,5	36,275	64,585	47,820
<b>Other measures</b>				
Achievement of major project milestones on strategic projects	2,6	1	1	2
Pieces of legislation and regulatory frameworks reviewed and reformed	2	2	2	2
Consultative and engagement forums held with industry and community stakeholders	2,7	20	25	24
Integrated Development Assessment System responses completed within statutory timeframes:				
• Local Government Planning Schemes	2,8,9	85	39	34
• Development Assessment Applications	2,10,11	90	231	12
The number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities	2,12,13	45	82	39
The number of business participants in structured development activities	2,12,13	345	971	276
Significant one-on-one business consultations undertaken	2,13,14	815	1009	546



	Notes	2011-12 Target/Est.	2011-12 Est. actual	2012-13 Target/Est.
Number of businesses involved in facilitated alliances, partnerships, industry networks, supply chains, clusters etc.	2,15, 16	300	700	500
Number of promotion activities profiling Queensland agriculture, food and tourism businesses	2,13,17	26	20	1
Businesses impacted by natural disasters and other emergencies assisted and supported	2,18	2,500	192	130
<b>State contribution (\$000)</b>	19,20,21	<b>67,746</b>	<b>60,568</b>	<b>54,682</b>
<b>Other revenue (\$000)</b>	22,23,24	<b>28,917</b>	<b>28,098</b>	<b>27,464</b>
<b>Total cost (\$000)</b>	25,26,27	<b>96,663</b>	<b>88,666</b>	<b>82,146</b>
<b>Service Area: Fisheries Queensland</b>				
<b>Service standards</b>				
Queensland fish species assessed as being sustainably fished	28,29	21	28	21
<b>Other measures</b>				
Proposed Queensland fisheries accredited for export accreditation	28	21	21	21
Percentage of overall compliance with fisheries laws	28	93%	95%	93%
Beaches covered by the Shark Control Program	28	85	85	85
Pieces of legislation and regulatory frameworks reviewed and reformed	28,30	3	5	3
Consultative and engagement forums held with industry and community stakeholders	28	2	1	2
Integrated Development Assessment System responses completed within statutory timeframes:				
• Development Assessment Applications	28,31	310	1,251	400
<b>State contribution (\$000)</b>	32,33,34	<b>35,956</b>	<b>37,276</b>	<b>32,056</b>
<b>Other revenue (\$000)</b>	35,36,37	<b>18,258</b>	<b>20,782</b>	<b>10,979</b>
<b>Total cost (\$000)</b>	38,39,40	<b>54,214</b>	<b>58,058</b>	<b>43,035</b>

	Notes	2011-12 Target/Est.	2011-12 Est. actual	2012-13 Target/Est.
<b>Service Area: Biosecurity Queensland</b>				
<b>Measures</b>				
Achievement of major project milestones on strategic projects	41	2	2	1
Risk management and surveillance strategies implemented under national biosecurity obligations:				
• risk management strategies	41	9	9	9
• surveillance strategies	41	100%	100%	100%
Significant new biosecurity incidents responded to in accordance with national standards	41	100%	100%	100%
Business accreditations and registrations maintained to facilitate market access	41,42	95,000	69,580	95,000
Pieces of legislation and regulatory frameworks reviewed and reformed	41	2	2	3
Consultative and engagement forums held with industry and community stakeholders	41	3	2	3
<b>State contribution (\$000)</b>	43,44,45	<b>76,068</b>	<b>85,385</b>	<b>69,974</b>
<b>Other revenue (\$000)</b>	46,47,48	<b>28,655</b>	<b>34,659</b>	<b>29,749</b>
<b>Total cost (\$000)</b>	49,50,51	<b>104,723</b>	<b>120,044</b>	<b>99,723</b>
<b>Service Area: Agri-Science Queensland</b>				
<b>Service standards</b>				
Proportion of stakeholders who have a high level of satisfaction with consultative and engagement processes	52	70-80%	70%	70%
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of funded innovation and capacity development activities	52	60-70%	60%	60%
Proportion of assisted firms reporting improved performance following funded innovation and capacity development activities	52	60%	60%	60%

	Notes	2011-12 Target/Est.	2011-12 Est. actual	2012-13 Target/Est.
<b>Other measures</b>				
Consultative and engagement forums held with industry and community stakeholders	52	5	5	5
The number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities	52,53	408	470	408
The number of business participants in structured development activities	52,53	5,570	6,006	5,470
Number of businesses involved in facilitated alliances, partnerships, industry networks, supply chains, clusters etc.	52	110	107	108
Innovative technologies developed through revolutionary R&D	52	8	9	8
Improved production efficiency systems, standards and tools delivered	52	55	55	55
Improved varieties, cultivars and commercial parent lines developed	52,54	20	12	19
Collaborative research and development partnerships established	52	200	209	190
<b>State contribution (\$000)</b>	55,56,57	<b>91,433</b>	<b>99,094</b>	<b>87,079</b>
<b>Other revenue (\$000)</b>	58,59,60	<b>44,010</b>	<b>51,627</b>	<b>47,263</b>
<b>Total cost (\$000)</b>	61,62,63	<b>135,443</b>	<b>150,721</b>	<b>137,863</b>

Notes:

1. The Performance Statement does not match the Departmental Budget Summary and Financial Statements due to revenues and expenses within the Performance Statement being recast as if the new departmental structure had existed on 1 July 2011. In addition, the Performance Statement also excludes revenues and expenses for the provision of corporate services to other agencies through Corporate Partnership arrangements, which are included in the Departmental Budget Summary and Financial Statements.
2. This measure was previously presented in the Science, Agriculture, Food and Regional Services service area of the former Department of Employment, Economic Development and Innovation (DEEDI). The data presented represents the contribution of the Agriculture and Forestry service area only.
3. The increase in 2011-12 Estimated Actual is due to positive stakeholder/client satisfaction associated with engagement and consultative activities.

4. This measure was previously presented in the Land service area of the former Department of Environment and Resource Management (DERM). The data presented represents the contribution of the Agriculture and Forestry service area only.
5. The increase in 2011-12 Estimated Actual is primarily as a result of record sales of State-owned quarry materials to support the strong growth in mining and other infrastructure development and transport related maintenance across the State.
6. The 2012-13 Target/Estimate has been increased to meet current Government priorities.
7. Additional industry forums were undertaken in excess of the number expected in 2011-12, and included beef, meat processing, sheep and wool, pork, eggs, biogas recovery as well as an additional Horticulture Steering Committee meeting.
8. This is a demand driven measure. Responses are to requests from State and Local Government agencies.
9. The reduction in the 2012-13 Target/Estimate is a result of a change to measurement methodology regarding the manner in which assessment responses are counted. In addition, the reduced target is in response to a change in demand for this service which will see a reduction in the number of schemes requiring renewal in 2012-13.
10. This is a demand driven activity for which a significant increase was experienced during 2011-12 due to increased notification from self-assessable codes, which could be due to either greater awareness of codes and/or greater compliance with codes.
11. The rate of applications to IDAS scheme is projected to decrease as a result of realigning resources to the Government's priorities.
12. The increase in 2011-12 Estimated Actual is due to additional workshops being conducted outside the usual suite of delivery—including flood recovery support; Indigenous Business Support; interest in the Resource Sector; and specific inter-departmental requests and project related activity.
13. The reduction in the 2012-13 Target/Estimate for this measure is a result of realigning resources to the Government's priorities.
14. The increase in the 2011-12 Estimated Actual relates to flood recovery support and interest by businesses in resources sector opportunities.
15. The increase in 2011-12 Estimated Actual is due to a significant increase in the number of businesses involved in the Food Chain e-newsletter, which is an innovative approach to industry network information facilitation.
16. The revised target reflects anticipated demand for 2012-13 which has been estimated based on trend information.
17. The decrease in 2011-12 Estimated Actual is due to promotional activities being curtailed to achieve cost savings.
18. The variance for 2011-12 is positive and reflects good seasonal conditions throughout the State.
19. The decrease between 2011-12 Target/Estimate and 2011-12 Estimated Actual is mainly due to end of year budget savings measures and deferrals, partly offset by additional funding provided for Voluntary Separation Program (VSP) payments.
20. The decrease between 2011-12 Target/Estimate and 2012-13 Target/Estimate is largely due to budget savings measures, offset by additional funding for election commitments including Queensland Agricultural Land Audit (QALA) and workplace planning and training.
21. The decrease between 2011-12 Estimated Actual and 2012-13 Target/Estimate is largely due to funding for VSP payments in 2011-12 and budget savings measures, partly offset by additional funding received for election commitments including QALA.
22. The decrease between 2011-12 Target/Estimate and 2011-12 Estimated Actual is mainly due to the deferral of funding for the Rural Resilience Package (RRP).
23. The decrease between 2011-12 Target/Estimate and 2012-13 Target/Estimate is mainly due to the winding down of the RRP.
24. The decrease between 2011-12 Estimated Actual and 2012-13 Target/Estimate is mainly due to the winding down of funding for RRP, partly offset by additional expected revenues from forest products removed from Crown lands, in 2012-13.
25. The decrease between 2011-12 Target/Estimate and 2011-12 Estimated Actual is largely due to end of year budget savings measures and deferrals for initiatives including the RRP, partly offset by additional expenses for VSP payments.
26. The decrease between 2011-12 Target/Estimate and 2012-13 Target/Estimate is predominately due to budget savings measures, winding down of RRP, offset by additional expenses for election commitments including QALA.

27. The decrease between 2011-12 Estimated Actual and 2012-13 Target/Estimate is predominately due to VSP payments in 2011-12, budget savings measures and reduced expenses for RRP, partly offset by additional expenses for election commitments including QALA.
28. This measure was previously presented in the Science, Agriculture, Food and Regional Services service area of the former Department of Employment, Economic Development and Innovation (DEEDI). The data presented represents the contribution of the Fisheries Queensland service area only.
29. The variance for the 2011-12 Estimated Actual is due to a combination of more stocks being considered in the process in 2011 and some stocks moving from 'undefined' to 'sustainably fished'.
30. The increase in the 2011-12 Estimated Actual is due to amendments to Management Plans in the 2011-12 financial year. The result was a higher number of frameworks reviewed but an overall reduction in the number of frameworks in existence. A number of frameworks under review have not yet been finalised and will be reported in 2012-13.
31. The increase in 2011-12 Estimated Actual is due to increased notification from self-assessable codes, which could be due to either greater awareness of codes and/or greater compliance with codes. Separately, request for management advice also form part of the numbers and as local governments are reviewing their planning schemes, greater formal contact occurs between Council staff and Fisheries staff.
32. The increase between 2011-12 Target/Estimate and 2011-12 Estimated Actual is mainly due to additional funding provided for VSP payments.
33. The decrease between 2011-12 Target/Estimate and 2012-13 Target/Estimate is mainly due to budget savings measures, partly offset by additional funding for election commitments for the restoration of the sustainability in the commercial fishing industry.
34. The decrease between 2011-12 Estimated Actual and 2012-13 Target/Estimate is mainly due to funding for VSP payments in 2011-12 and budget savings measures, partly offset by additional funding received for election commitments for the restoration of the sustainability in the commercial fishing industry.
35. The increase between 2011-12 Target/Estimate and 2011-12 Estimated Actual is primarily due to additional funding received during 2011-12 for research and development (R&D) projects from external funding bodies.
36. The decrease between 2011-12 Target/Estimate and 2012-13 Target/Estimate is largely due to the finalisation of the Torres Strait Tropical Rock Lobster (TRL) licence buyback in 2011-12 and completion of R&D projects.
37. The decrease between 2011-12 Estimated Actual and 2012-13 Target/Estimate is largely due to the finalisation of TRL and completion of R&D projects.
38. The increase between 2011-12 Target/Estimate and 2011-12 Estimated Actual is primarily due to additional expenses for VSP payments and R&D projects.
39. The decrease between 2011-12 Target/Estimate and 2012-13 Target/Estimate is predominately due to budget savings measures, finalisation of TRL in 2011-12 and the completion of R&D projects, partly offset by additional expenses for election commitments for the restoration of the sustainability in the commercial fishing industry.
40. The decrease between 2011-12 Estimated Actual and 2012-13 Target/Estimate is predominately due to VSP payments in 2011-12, budget savings measures and finalisation of TRL, partly offset by additional expenses for election commitments for the commercial fishing industry.
41. This measure was previously presented in the Science, Agriculture, Food and Regional Services service area of the former Department of Employment, Economic Development and Innovation (DEEDI). The data presented represents the contribution of the Biosecurity Queensland service area only.
42. The decrease in the 2011-12 Estimated Actual relates primarily to a decline in the demand of services required by businesses for Property Permits and Brands, and the long-term effect of Cyclone Yasi for Plant Accreditations.
43. The increase between 2011-12 Target/Estimate and 2011-12 Estimated Actual is mainly due to additional funding for Hendra Virus emergency responses and VSP payments, partly offset by end of year budget savings measures and deferrals.
44. The decrease between 2011-12 Target/Estimate and 2012-13 Target/Estimate is largely due to budget savings measures offset by additional funding received for election commitments to boost biosecurity protection, and fight the Hendra Virus.

45. The decrease between 2011-12 Estimated Actual and 2012-13 Target/Estimate is largely due to funding for VSP payments in 2011-12 and budget savings measures, partly offset by additional funding received for election commitments for additional biosecurity officers and fighting the Hendra Virus.
46. The increase between 2011-12 Target/Estimate and 2011-12 Estimated Actual largely relates to additional funding for National Cost Sharing (NCS) arrangements subsequent to the 2011-12 budget being published, carry forward of 2010-11 funding for the National Red Imported Fire Ant Eradication Program (NRIFAEP) and for R&D projects.
47. The increase between 2011-12 Target/Estimate and 2012-13 Target/Estimate is predominantly due to additional funding for NCS arrangements.
48. The decrease between 2011-12 Estimated Actual and 2012-13 Target/Estimate is predominantly due to the completion of NCS arrangements.
49. The increase between 2011-12 Target/Estimate and 2011-12 Estimated Actual largely relates to additional expenses for NCS arrangements including NRIFAEP, R&D projects, Hendra Virus and VSP payments, partly offset by end of year budget savings measures and deferrals.
50. The decrease between 2011-12 Target/Estimate and 2012-13 Target/Estimate is largely due to budget savings measures partly offset by additional expenses for NCS arrangements and election commitments to boost biosecurity protection and fighting the Hendra Virus.
51. The decrease between 2011-12 Estimated Actual and 2012-13 Target/Estimate is largely due to VSP payments in 2011-12, the completion of NCS arrangements and budget savings measures, partly offset by election commitments for additional biosecurity officers and fighting the Hendra Virus.
52. This measure was previously presented in the Science, Agriculture, Food and Regional Services service area of the former Department of Employment, Economic Development and Innovation (DEEDI). The data presented represents the contribution of the Agri-Science Queensland service area only.
53. The increase in programs and higher than anticipated participation in 2011-12 is due to the program responding to client needs to deliver additional business support activities.
54. The variance for the 2011-12 Estimated Actual is due to realignment of Government priorities and the department's decision to reprioritise resources away from wheat breeding.
55. The increase between 2011-12 Target/Estimate and 2011-12 Estimated Actual is largely due to additional funding for transition to sale costs for research facilities and VSP payments, offset by end of year budget savings measures.
56. The decrease between 2011-12 Target/Estimate and 2012-13 Target/Estimate is mainly due to budget savings measures, partly offset by additional funding for election commitments for improved agricultural outcomes through improved R&D, partly offset by budget savings measures.
57. The decrease between 2011-12 Estimated Actual and 2012-13 Target/Estimate is mainly due to funding for VSP payments in 2011-12 and budget savings measures, partly offset by additional funding for election commitments for improved agricultural outcomes including sugar R&D.
58. The increase between 2011-12 Target/Estimate and 2011-12 Estimated Actual is primarily due to additional funding received during 2011-12 for R&D projects, rental revenue received from CSIRO for the Ecoscience Precinct, and fees and charges for services and projects.
59. The increase between 2011-12 Target/Estimate and 2012-13 Target/Estimate is mainly due to additional funding for R&D projects and rental revenue received from CSIRO for the Ecoscience Precinct.
60. The decrease between 2011-12 Estimated Actual and 2012-13 Target/Estimate is mainly due to the completion of R&D projects.
61. The increase between 2011-12 Target/Estimate and 2011-12 Estimated Actual is mainly due to additional expenses for VSP payments, sale transition costs, R&D projects, Ecoscience Precinct rental and the delivery of fee-for-service activities, partly offset by end of year budget savings measures.
62. The increase between 2011-12 Target/Estimate and 2012-13 Target/Estimate is mainly due to additional expenses for election commitments for improved agricultural outcomes, R&D projects, Ecoscience Precinct rental and the transfer of Oxley Creek Common to the Brisbane City Council (BCC), which is expected to occur during 2012-13, partly offset by budget savings measures.
63. The decrease between 2011-12 Estimated Actual and 2012-13 Target/Estimate is predominately due to VSP payments in 2011-12, budget savings measures and completion of R&D projects, partly offset by additional expenses for election commitments for improved agricultural outcomes and the transfer of Oxley Creek Common to the BCC, which is expected to occur during 2012-13.

## **Administered Items**

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

The Department of Agriculture, Fisheries and Forestry administers funds on behalf of the State which include:

### **QRAA**

The department provides funding to QRAA (Queensland Rural Adjustment Authority) for the administration of Exceptional Circumstances and various other assistance schemes to foster the development of a more productive and sustainable rural and regional sector in Queensland.

### **Forestry Assets**

The department has recently been transferred certain non-financial assets under machinery-of-government changes from the former Department of Environment and Resource Management. These assets represent the surplus assets transferred back to government prior to the sale of Forestry Plantations Queensland to the private sector. The department will be developing and implementing a strategic asset disposal plan for the sale or disposal of these assets in the earliest possible timeframe.

Financial statements and variance explanations in relation to Administered Items appear in the Departmental Financial Statements.



## CAPITAL

### Capital program

Capital purchases for the Department of Agriculture, Fisheries and Forestry in 2012-13 is \$19.7 million. DAFF's capital program is focussed on developing and upgrading research facilities to deliver outcomes for agriculture, fisheries and forestry. DAFF has facilities located throughout rural and regional Queensland. These require a significant level of minor works, mechanical items and plant and equipment upgrades to keep them operating effectively.

### Program Highlights

- A new beef research property was purchased in 2010-11 as part of the 2020 Beef Plan. In 2012-13, \$3 million is allocated for the upgrade of the property to be ready for beef research and \$0.5 million for the upgrade of facilities at Brian Pastures.
- \$4.5 million to continue upgrades of the Department's research and operational facilities through the Research Facilities Development, Scientific Equipment and Minor Works Programs.
- \$1.1 million to continue replacement of key vessels and associated equipment for the fisheries research and regulatory functions provided under the Vessel Replacement Program through the Queensland Boating and Fisheries Patrol.
- \$1 million funding to provide new and replacement heavy plant and equipment items including trucks, tractors and other machinery through the Heavy Plant and Equipment Program.

### Capital budget statement

Department of Agriculture, Fisheries and Forestry	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
<b>Capital Purchases<sup>1,2</sup></b>				
Total land, buildings and infrastructure	3	15,553	8,089	6,000
Total plant and equipment	4	9,481	9,715	12,431
Total other capital	5	2,180	1,248	1,250
<b>Total Capital Purchases</b>		<b>27,214</b>	<b>19,052</b>	<b>19,681</b>

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. Estimates have been recast as if the new departmental structure had existed on 1 July 2011.
3. Includes upgrade of the beef research property "Spyglass" to be research ready.
4. Includes funding for new and replacement vessels, scientific, computer and heavy plant and equipment.
5. Includes funding for livestock and computer software acquisitions.



# BUDGETED FINANCIAL STATEMENTS

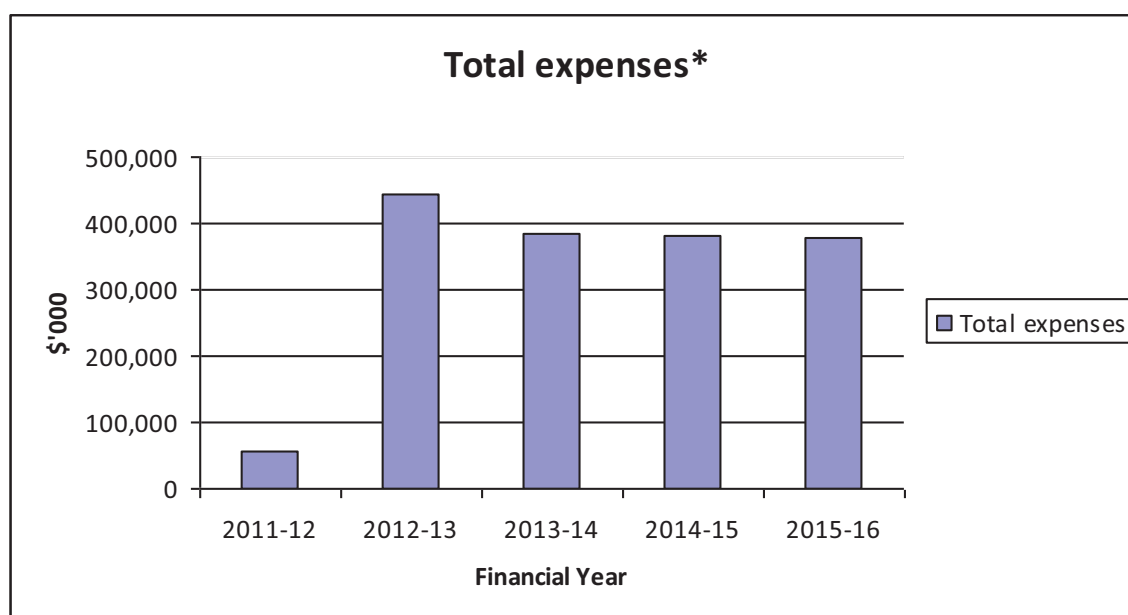
## Analysis of budgeted financial statements

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 \$442.4 million in 2012-13, an increase of \$385.5 million from the 2011-12 Adjusted Budget. The increase is mainly due to the 2012-13 Estimate containing a full year's budget whilst the 2011-12 Adjusted Budget contains only two months as DAFF was created in April 2012. The 2012-13 Estimate includes budget savings measures as part of the Government's efforts to repair the State's fiscal position, reductions in employee expenses are necessary to reduce, at whole-of-government, the deficit and stabilise debt. The 2012-13 Estimate also includes funding for election commitments for the restoration of sustainability in the commercial fishing industry, and measures for improved agriculture and biosecurity outcomes and fighting the Hendra Virus. The decrease over the next few years is a result of budget savings measures and a reduction in funding for election commitments as initiatives are completed. In addition, funding under the current National Cost Sharing agreement for the National Red Imported Fire Ant Eradication Program is currently due to cease on 30 June 2013 with new funding arrangements for 2013-14 still to be negotiated.

**Chart: Total departmental expenses across the Forward Estimates period**



\*Direct comparison cannot be made between expenses in the 2011-12 year and expenses in 2012-13 and subsequent years due to machinery-of-government changes, which took place during 2011-12.

### Departmental balance sheet

The department's major assets are in property, plant and equipment (\$434.6 million) with DAFF having facilities located throughout rural and regional Queensland. In 2012-13, DAFF will invest \$19.7 million in capital assets through its capital program developing and upgrading its facilities (including 2020 Beef Properties), and purchasing new and replacement plant and equipment. Over the forward estimates period, DAFF will seek to rationalise assets, and maximise service delivery outcomes and efficiencies from its retained assets.

## INCOME STATEMENT

Department of Agriculture, Fisheries and Forestry	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
<b>Income</b>				
Service revenue	1,7,12	34,700	51,331	286,318
User charges	2,8,13	4,967	14,833	73,692
Grants and other contributions	3,9,14	14,393	16,798	47,395
Other revenue	15	1,952	5,302	29,796
Gains on sale/revaluation of property, plant and equipment and investments		839	839	1,628
<b>Total income</b>		<b>56,851</b>	<b>89,103</b>	<b>438,829</b>
<b>Expenses</b>				
Employee expenses	4,10,16	5,143	36,673	225,135
Supplies and services	5,10,16	33,742	31,191	163,039
Grants and subsidies	6,11,17	13,606	16,964	25,630
Depreciation and amortisation		2,931	2,931	23,754
Finance/borrowing costs		..	..	..
Other expenses		1,149	1,064	1,268
Losses on sale/revaluation of property, plant and equipment and investments	18	280	280	3,524
<b>Total expenses</b>		<b>56,851</b>	<b>89,103</b>	<b>442,350</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	18	<b>..</b>	<b>..</b>	<b>(3,521)</b>

## STATEMENT OF CHANGES IN EQUITY

Department of Agriculture, Fisheries and Forestry	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	21	..	..	27,276
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>27,276</b>
Surplus/(deficit) for the period	22	..	..	(3,521)
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>..</b>	<b>23,755</b>
Equity injection/(withdrawal)	19,20	(9,018)	(13,768)	(12,325)
Equity adjustments (machinery-of-government transfers)		483,328	477,674	(750)
<b>Total movement in equity for period</b>		<b>474,310</b>	<b>463,906</b>	<b>10,680</b>

## BALANCE SHEET

Department of Agriculture, Fisheries and Forestry	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	23,30,35	(7,768)	(2,920)	20,906
Receivables	24,31,36	53,865	79,435	32,106
Other financial assets		..	..	..
Inventories		2,631	2,685	2,685
Other		3,853	3,412	3,562
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>52,581</b>	<b>82,612</b>	<b>59,259</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	32,37	12,928	12,923	14,546
Other financial assets		19	19	19
Property, plant and equipment	25,33,38	460,275	427,727	434,592
Intangibles		5,574	4,590	5,351
Other	26	14,045	16,791	17,220
<b>Total non-current assets</b>		<b>492,841</b>	<b>462,050</b>	<b>471,728</b>
<b>TOTAL ASSETS</b>		<b>545,422</b>	<b>544,662</b>	<b>530,987</b>
<b>CURRENT LIABILITIES</b>				
Payables	27,34,39	15,874	22,715	6,860
Accrued employee benefits		7,455	7,645	7,645
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	28,40	23,065	25,678	18,678
<b>Total current liabilities</b>		<b>46,394</b>	<b>56,038</b>	<b>33,183</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		24,718	24,718	23,218
<b>Total non-current liabilities</b>		<b>24,718</b>	<b>24,718</b>	<b>23,218</b>
<b>TOTAL LIABILITIES</b>		<b>71,112</b>	<b>80,756</b>	<b>56,401</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>474,310</b>	<b>463,906</b>	<b>474,586</b>
<b>EQUITY</b>				
Capital/contributed equity	29,41	474,310	463,906	450,831
Accumulated surplus/(accumulated deficit)	42	..	..	(3,521)
Reserves:				
- Asset revaluation surplus	43	..	..	27,276
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>474,310</b>	<b>463,906</b>	<b>474,586</b>

## CASH FLOW STATEMENT

Department of Agriculture, Fisheries and Forestry	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Service receipts	44,53,63	34,793	49,875	287,774
User charges	45,54,64	5,186	12,052	112,941
Grants and other contributions	46,55,65	14,393	16,798	47,395
Other	56,66	1,952	5,302	43,977
<b>Outflows:</b>				
Employee costs	47,57,67	(5,143)	(36,673)	(225,135)
Supplies and services	48,57,67	(34,490)	(29,588)	(179,183)
Grants and subsidies	49,58,68	(13,606)	(16,964)	(25,630)
Borrowing costs		..	..	..
Other	59,69	(1,651)	(2,364)	(16,868)
<b>Net cash provided by/(used in) operating activities</b>		<b>1,434</b>	<b>(1,562)</b>	<b>45,271</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment	60,70	(1,919)	232	10,561
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	50,61,71	(2,393)	607	(19,681)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(4,312)</b>	<b>839</b>	<b>(9,120)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		839	839	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	51,62	(9,857)	(14,607)	(12,325)
<b>Net cash provided by/(used in) financing activities</b>		<b>(9,018)</b>	<b>(13,768)</b>	<b>(12,325)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(11,896)</b>	<b>(14,491)</b>	<b>23,826</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>..</b>	<b>(2,920)</b>
Cash transfers from restructure	52,72	4,128	11,571	..
<b>Cash at the end of financial year</b>	73	<b>(7,768)</b>	<b>(2,920)</b>	<b>20,906</b>

## ADMINISTERED INCOME STATEMENT

Department of Agriculture, Fisheries and Forestry	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'-000
<b>Revenues</b>				
Commonwealth grants		..	..	..
Taxes, fees and fines		192	192	1,734
Royalties, property income and other territorial Revenue		..	..	..
Interest		..	..	..
Administered revenue	74,75	1,789	1,789	9,083
Other		..	..	..
<b>Total revenues</b>		<b>1,981</b>	<b>1,981</b>	<b>10,817</b>
<b>Expenses</b>				
Supplies and services		..	..	..
Depreciation and amortisation		..	..	..
Grants and subsidies	74,75	1,789	1,789	9,083
Benefit payments		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
<b>Total expenses</b>		<b>1,789</b>	<b>1,789</b>	<b>9,083</b>
<b>Net surplus or deficit before transfers to Government</b>		<b>192</b>	<b>192</b>	<b>1,734</b>
<b>Transfers of administered revenue to Government</b>		<b>192</b>	<b>192</b>	<b>1,734</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## ADMINISTERED BALANCE SHEET

Department of Agriculture, Fisheries and Forestry	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets		284	284	284
Receivables		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>284</b>	<b>284</b>	<b>284</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		4,953	4,953	4,953
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>4,953</b>	<b>4,953</b>	<b>4,953</b>
<b>TOTAL ADMINISTERED ASSETS</b>		<b>5,237</b>	<b>5,237</b>	<b>5,237</b>
<b>CURRENT LIABILITIES</b>				
Payables		1	1	1
Transfers to Government payable		2	2	2
Interest-bearing liabilities		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>3</b>	<b>3</b>	<b>3</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL ADMINISTERED LIABILITIES</b>		<b>3</b>	<b>3</b>	<b>3</b>
<b>ADMINISTERED NET ASSETS/(LIABILITIES)</b>		<b>5,234</b>	<b>5,234</b>	<b>5,234</b>
<b>EQUITY</b>				
Capital/Contributed equity		5,168	5,168	5,168
Accumulated surplus/(Accumulated deficit)		66	66	66
Reserves:		..	..	..
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL ADMINISTERED EQUITY</b>		<b>5,234</b>	<b>5,234</b>	<b>5,234</b>

## ADMINISTERED CASH FLOW STATEMENT

Department of Agriculture, Fisheries and Forestry	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Administered item receipts	76,77	1,789	1,789	9,083
Grants and other contributions		..	..	..
Taxes, fees and fines		192	192	1,734
Royalties, property income and other territorial revenues		..	..	..
Other		..	..	..
<b>Outflows:</b>				
Transfers to Government		(192)	(192)	(1,734)
Grants and subsidies	76,77	(1,789)	(1,789)	(9,083)
Supplies and services		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
<b>Net cash provided by/(used in) operating activities</b>		..	..	..
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		..	..	..
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		..	..	..
<b>Net increase/(decrease) in cash held</b>		..	..	..
<b>Administered cash at beginning of financial year</b>		..	..	284
Cash transfers from restructure		284	284	..
<b>Administered cash at end of financial year</b>		284	284	284

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

The Department of Agriculture, Fisheries and Forestry (DAFF) was created in April 2012 as a result of the following machinery-of-government changes with an effective date of 3 April 2012:

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

Consequently, the 2011-12 Adjusted Budget and 2011-12 Estimated Actual in the financial statements reflect two months of activities relating to these transferred functions.

After DAFF was established, a machinery-of-government change with an effective date of 3 April 2012 resulted in the functions related to declared fish habitat areas being transferred to the Department of National Parks, Recreation, Sport and Racing. By agreement, accounting for the transfer did not take effect until 1 July 2012.

### Income statement

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated Actual include:

1. The increase is primarily due to increased funding for Hendra Virus emergency responses and Voluntary Separation Program (VSP) payments. This is partially offset by end of year savings measures and deferrals.
2. The increase largely relates to additional funding provided under National Cost Sharing (NCS) arrangements subsequent to the 2011-12 Budget being published, carry forward of 2010-11 funding for the National Red Imported Fire Ant Eradication Program (NRIFAEP), rental received from CSIRO for the Ecoscience Precinct, and fees and charges from research and monitoring projects.
3. The increase is mainly due to additional funding during 2011-12 for research and development (R&D) projects from external funding bodies.
4. The increase is largely due to increased expenses for Hendra Virus emergency responses, VSP payments, R&D projects, NCS arrangements (including NRIFAEP) and research and monitoring projects. This is partially offset by end of year savings measures and deferrals.
5. The decrease is largely due to the realignment from supplies and services of grant payments under the Rural Resilience Package (RRP) and end of year savings measures and deferrals. This is partly offset by increased expenses for the Hendra Virus, R&D projects, NCS costs, and research and monitoring projects.
6. The increase mainly reflects the realignment from supplies and services of grant payments under RRP.

Major variations between 2011-12 Adjusted Budget and 2012-13 Estimate include:

The 2012-13 Estimate contains a full year's budget while the 2011-12 Adjusted Budget contains two months.

7. The 2012-13 Estimate includes budget savings measures and funding for election commitments for the restoration of sustainability in the commercial fishing industry and measures for improved agriculture and biosecurity outcomes including boosting agricultural research, and fighting the Hendra Virus.
8. The 2012-13 Estimate includes funding for NRIFAEP and revenues from the provision of services to other agencies under Corporate Partnership arrangements.
9. The 2012-13 Estimate includes funding for R&D projects from external funding bodies.
10. The 2012-13 Estimate includes budget savings measures and expenditure on NRIFAEP, and election commitments to improve agriculture and biosecurity outcomes and fighting the Hendra Virus.
11. The 2012-13 Estimate includes expenses for the commercial fishing industry election commitment.

Major variations between 2011-12 Estimated Actual and 2012-13 Estimate include:

The 2012-13 Estimate contains a full year's budget while the 2011-12 Estimated Actual contains two months.

12. The 2012-13 Estimate includes budget savings measures and election commitments for the commercial fishing industry and measures for improved agriculture and biosecurity outcomes, and the Hendra Virus.
13. The 2012-13 Estimate includes funding for NRIFAEP and revenues from the provision of services to other agencies under the Corporate Partnership arrangements.



14. The 2012-13 Estimate includes funding for R&D projects from external funding bodies.
15. The 2012-13 Estimate includes royalty revenues on forest products removed from Crown lands.
16. The 2012-13 Estimate includes budget savings measures and expenditure on NRIFAEP, and election commitments to improve agriculture and biosecurity outcomes, and the Hendra Virus.
17. The 2012-13 Estimate includes expenses for the commercial fishing industry election commitment.
18. The 2012-13 Estimate reflects the transfer of Oxley Creek Common to the Brisbane City Council (BCC), which is expected to occur during 2012-13.

## Statement of changes in equity

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated Actual include:

19. The increase in equity adjustments are largely funded from asset sale proceeds and will be used to fund an election commitment for the commercial fishing industry over the next two financial years.

Major variations between 2011-12 Adjusted Budget and 2012-13 Estimate include:

20. The 2012-13 Estimate includes an equity adjustment to fund an election commitment for the commercial fishing industry.

Major variations between 2011-12 Estimated Actual and 2012-13 Estimate include:

21. The 2012-13 Estimate includes the indexation of departmental assets to reflect expected market values in 2012-13 and the separate recognition of an asset revaluation reserve.
22. The operating result in the 2012-13 Estimate reflects the transfer of Oxley Creek Common to the BCC.

## Balance sheet

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated Actual include:

23. Current cash balances largely reflect the timing of expenses relating to the former DEEDI agencies being transacted in DAFF finance and human resource systems and then recovered from the other agencies. This has also resulted in increases in receivables and payables. It is currently planned that new systems will be in place for the former DEEDI agencies prior to 30 June 2013.
24. The increase is mainly due to the current systems arrangements for transacting and recovering expenses relating to a number of former DEEDI agencies.
25. The decrease is largely due to capital works projects not proceeding and lower than budgeted asset valuations resulting from a revaluation to reflect market movements undertaken at 30 June 2011.
26. The increase relates to a lease prepayment to University of Queensland for the Dairy Research Facility at Gatton.
27. The increase is mainly due to the current systems arrangements for transacting expenses relating to a number of former DEEDI agencies and an appropriation payable relating to NRIFAEP.
28. The increase is largely due to additional funding received in advance for R&D projects during 2011-12.
29. The decrease is largely due to equity adjustments in 2011-12 to fund an election commitment relating to the commercial fishing industry, capital works projects not proceeding and lower than budgeted for asset valuations resulting from a revaluation to reflect market movements undertaken at 30 June 2011.

Major variations between 2011-12 Adjusted Budget and 2012-13 Estimate include:

30. The increase is largely due to new systems being in place by 30 June 2013, which will eliminate the need for DAFF to transact expenses for the former DEEDI agencies. Receivables and payables will also reduce.
31. The decrease is mainly due to new systems being in place by 30 June 2013 for the former DEEDI agencies. See note 30 for further details.
32. The increase is mainly due to the re-scheduling of payments for the sale of Oonoonba Research Station.
33. The decrease is largely due to capital works projects not proceeding, asset sales and transfers, lower than budgeted asset valuations resulting from a revaluation to reflect market movements undertaken at 30 June 2011. This is partly offset by the indexation of assets to reflect expected market values in 2012-13.
34. The decrease is mainly due to new systems being in place by 30 June 2013 for the former DEEDI agencies. See note 30 for further details.

Major variations between 2011-12 Estimated Actual and 2012-13 Estimate include:

35. The increase is largely due to new systems being in place by 30 June 2013, which will eliminate the need for DAFF to transact expenses for the former DEEDI agencies. Receivables and payables will also reduce.

36. The decrease is mainly due to new systems being in place by 30 June 2013 for the former DEEDI agencies. See note 35 for further details.
37. The increase is mainly due to the re-scheduling of payments for the sale of Oonoonba Research Station.
38. The increase is largely due to the purchase of new and replacement plant and equipment, the upgrade of facilities including 2020 Beef Properties and indexation of assets to reflect expected market values.
39. The decrease is mainly due to new systems being in place by 30 June 2013 for the former DEEDI agencies and payment of an appropriation payable relating to 2011-12.
40. The decrease is due to an expected reduction in funding received in advance for R&D projects as a result of projects being completed during 2012-13.
41. The decrease is largely due to the separate recognition of an asset revaluation reserve, offset partially by the purchase of new and replacement plant and equipment, and the upgrade of facilities including 2020 Beef Properties.
42. The 2012-13 Estimate reflects the transfer of Oxley Creek Common to the BCC during 2012-13.
43. The 2012-13 Estimate includes the indexation of departmental assets to reflect expected market values in 2012-13 and the separate recognition of an asset revaluation reserve.

## Cash flow statement

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated Actual include:

44. The increase is primarily due to additional funding for the Hendra Virus and VSP payments. This is partially offset by end of year savings measures and deferrals.
45. The increase largely relates to additional funding provided under NCS arrangements, carry forward of NRIFAEP funding, rental received for Ecoscience Precinct, and research and monitoring projects.
46. The increase is mainly due to additional funding being received during 2011-12 for R&D projects.
47. The increase is largely due to increased expenses for the Hendra Virus, VSP payments, R&D projects, NCS arrangements (including NRIFAEP), rental costs, and research and monitoring projects. This is partially offset by end of year savings measures and deferrals.
48. The decrease is largely due to the realignment from supplies and services of grant payments under RRP and end of year savings measures and deferrals. This is partly offset by increased expenses for the Hendra Virus, R&D projects, NCS costs, and research and monitoring projects.
49. The increase mainly reflects the realignment from supplies and services of grant payments under RRP.
50. The decrease is largely due to capital works projects not proceeding as planned.
51. The increase is largely due to equity adjustments in 2011-12 to fund an election commitment for the commercial fishing industry.
52. The increase in the 2011-12 Estimated Actual is largely due to the timing of the recovery of expenditure from the former DEEDI agencies.

Major variations between 2011-12 Adjusted Budget and 2012-13 Estimate include:

The 2012-13 Estimate contains a full year's budget while 2011-12 Estimated Actual contains two months.

53. The 2012-13 Estimate includes budget savings measures and election commitments for the commercial fishing industry and measures for improved agriculture and biosecurity outcomes, and the Hendra Virus.
54. The 2012-13 Estimate includes funding for NRIFAEP and from the provision of services to other agencies.
55. The 2012-13 Estimate includes funding for R&D projects from external funding bodies.
56. The 2012-13 Estimate includes royalty revenues on forest products removed from Crown lands.
57. The 2012-13 Estimate includes budget savings measures and expenditure on NRIFAEP and election commitments to improve agriculture and biosecurity outcomes and the Hendra Virus.
58. The 2012-13 Estimate includes expenses for the commercial fishing industry election commitment.
59. The 2012-13 Estimate largely reflects the decrease in payables due to new systems being in place. See note 30 for further details.
60. The 2012-13 Estimate reflects a full year of sale proceeds from departmental assets during 2012-13.
61. The 2012-13 estimate includes expenditure for the purchase of new and replacement plant and equipment, and to upgrade facilities including the 2020 Beef Properties.
62. The 2012-13 Estimate includes an equity adjustment to fund an election commitment for the commercial fishing industry.

Major variations between 2011-12 Estimated Actual and 2012-13 Estimate include:

The 2012-13 Estimate contains a full year's budget while 2011-12 Estimated Actual contains two months.

63. The 2012-13 Estimate includes budget savings measures and election commitments for the commercial fishing industry and measures for improved agriculture and biosecurity outcomes, and the Hendra Virus.
64. The 2012-13 Estimate includes funding for NRIFAEP and from the provision of services to other agencies.
65. The 2012-13 Estimate includes funding for R&D projects from external funding bodies.
66. The 2012-13 Estimate includes royalty revenues on forest products removed from Crown lands.
67. The 2012-13 Estimate includes budget savings measures and expenditure on NRIFAEP and election commitments to improve agriculture and biosecurity outcomes and the Hendra Virus.
68. The 2012-13 Estimate includes expenses for the commercial fishing industry election commitment.
69. The 2012-13 Estimate largely reflects the decrease in payables due to new systems being in place.
70. The 2012-13 Estimate reflects a full year of sale proceeds from departmental assets during 2012-13.
71. The 2012-13 Estimate includes expenditure for the purchase of new and replacement plant and equipment, and to upgrade facilities including the 2020 Beef Properties.
72. The 2011-12 Estimated Actual reflects cash balances transferred as part of machinery-of-government changes.
73. The increase is largely due to new systems being in place by 30 June 2013 for the former DEEDI agencies. See note 35 for further details.

### **Administered income statement**

The 2012-13 Estimate contains a full year's budget while 2011-12 estimates contains two months.

Major variations between 2011-12 Adjusted Budget and 2012-13 Estimate include:

74. The increase is primarily due to the full year effect of the machinery-of-government transfer on funding and payments to QRAA.

Major variations between 2011-12 Estimated Actual and 2012-13 Estimate include:

75. The increase is primarily due to the full year effect of the machinery-of-government transfer on funding and payments to QRAA.

### **Administered cash flow statement**

The 2012-13 Estimate contains a full year's budget while 2011-12 estimates contains two months.

Major variations between 2011-12 Adjusted Budget and 2012-13 Estimate include:

76. The increase is primarily due to the full year effect of the machinery-of-government transfer on funding and payments to QRAA.

Major variations between 2011-12 Estimated Actual and 2012-13 Estimate include:

77. The increase is primarily due to the full year effect of the machinery-of-government transfer on funding and payments to QRAA.

# STATUTORY BODIES

## AUSTRALIAN AGRICULTURAL COLLEGE CORPORATION

### AGENCY OVERVIEW

#### Strategic direction

In April 2010, the Australian Agricultural College Corporation (AACC) commenced a reform strategy designed to reinvigorate the AACC business and re-establish the corporation as a leading vocational training and skilling partner for agriculture.

While it is evident that some limited progress has been made it has not resulted in a sustainable business model for the college. This is evidenced by significant operating losses for 2010-11 and 2011-12 and a forecast deficit of \$3.7 million for 2012-13.

Agriculture training through the AACC can be divided into two main elements; residential training delivered at Longreach and Emerald (27% of total delivery), and industry training delivered at various locations throughout Queensland (73% of total delivery).

Residential training involved approximately 100 students out of a total student cohort of 6,286 students in 2011-12 and is extremely capital intensive when staffing, facility and maintenance costs are factored in. The costs associated with this element of the AACC business model have contributed significantly to the ongoing negative financial position of the college.

### RESOURCES AND PERFORMANCE

Achievements in 2011-12 include:

- achieved a 16% increase of completed qualifications awarded over 2010-2011. This represents a three year trend of increased agriculture qualifications for Queenslanders
- delivered 113% of the targeted 450,000 average hours of contract for the Vocational Education and Training Revenue General Funding (VRG) in 2011-12
- successfully achieved transfer of registration to the national Vocational Education and Training (VET) Register
- re-engaged with industry through the establishment of the Emerald Industry Advisory Group
- built partnerships in training with the schools' sector and specific groups—for example a 50% increase in programs run by Beyond Billabong, a program designed to empower Indigenous people
- built online/e-learning opportunities for students/clients with 23 units in six qualifications now available
- AACC has continued to be successful in growing training hours as evidenced by strong growth in VRG hours (398,090 in 2010-2011 to 508,900 in 2011-12). User Choice and Strategic Priority hours were at 133% of last year's result.

In 2012-13, there will be a focus on:

- understanding the implications and recommendations of the Ernst and Young AACC review to help identify potential options for the future agriculture training
- working with industry to ensure the most effective allocation of funding for agriculture education and training to support agriculture as one of the four economic pillars

- consulting with industry, community and education leaders to discuss all options for AACC
- continuing residential training at Longreach and Emerald and industry training activities while options are being considered
- mitigating safety and environment risks during this period
- implementing strategies to limit forecast financial losses
- getting the best outcome for agricultural training delivery in Queensland heading into the future.

## STATEMENTS

### Staffing

Australian Agricultural College Corporation	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
	1	190	190	192

Note:

1. Full-time equivalents (FTEs) as at 30 June.

## Performance Statement

Australian Agricultural College Corporation	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/Est.
<b>Service standards</b>				
Level of stakeholder satisfaction with VET training services and products				
- Quality Indicator (QI) Learners Survey		78%	86.3%	85%
- Quality Indicator (QI) Employer Survey		72%	73.6%	75%
Percentage of successfully completed competencies compared with all modules assessed				
	1	89%	96.5%	90%
Percentage of completed competencies delivered at or above Certificate IV level				
	2	13%	9.5%	13%
Percentage of students employed or in further study 6 months after completing their training				
	3	86%	92%	90%
<b>Other measures</b>				
Total number of VET students		4,200	6,286	4,200
Total competencies successfully competed	4	20,000	22,366	18,000
<b>State contribution (\$'000)</b>		<b>15,492</b>	<b>16,032</b>	<b>14,339</b>
<b>Other revenue (\$'000)</b>		<b>7,477</b>	<b>10,071</b>	<b>9,489</b>
<b>Total cost (\$'000)</b>	5,6	<b>22,815</b>	<b>33,489</b>	<b>27,548</b>

### Notes:

- Figures based on data submitted to Department of Education, Training and Employment on 29 June 2012.
- Target not met as agricultural industry is focussing on the achievement of lower Certificate level skill sets.
- Estimated based on increased skills shortage in the rural and related industries, no exit survey undertaken in 2011-12.
- Target reduced in 2012-13 due to the discontinuation of the provision of training to Correctional Centres.
- The increase between 2011-12 Target/Estimate and 2011-12 Estimated Actual is due to a VSP undertaken to realise the AACC 2012 Reconnecting Agricultural Education (RAE), the subsequent need to engage external providers to complete training and costs associated with the sale of land and major plant and equipment at Dalby as part of RAE implementation.
- The decrease between 2011-12 Estimated Actual and 2012-13 Target/Estimate is due to reduced employee costs following the VSP.

## INCOME STATEMENT

Australian Agricultural College Corporation	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>Income</b>				
User charges	1,7	3,754	9,084	8,886
Grants and other contributions	2,15	15,492	16,032	14,339
Other revenue	1,8	3,723	919	603
Gains on sale/revaluation of property, plant and equipment and investments	3	..	68	..
<b>Total income</b>		<b>22,969</b>	<b>26,103</b>	<b>23,828</b>
<b>Expenses</b>				
Employee expenses	4,9,14	12,186	18,955	16,433
Supplies and services	5,11,15	5,708	11,752	9,246
Grants and subsidies		..	..	..
Depreciation and amortisation	10	3,083	2,061	1,508
Finance/borrowing costs		..	..	..
Other expenses	12	1,838	177	230
Losses on sale/revaluation of property, plant and equipment and investments	6,13	..	544	131
<b>Total expenses</b>		<b>22,815</b>	<b>33,489</b>	<b>27,548</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	16	<b>154</b>	<b>(7,386)</b>	<b>(3,720)</b>

## STATEMENT OF CHANGES IN EQUITY

Australian Agricultural College Corporation	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		(867)	1,194	(230)
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>(867)</b>	<b>1,194</b>	<b>(230)</b>
Surplus/(deficit) for the period		154	(7,386)	(3,720)
<b>Total recognised income and expense for the period</b>		<b>(713)</b>	<b>(6,192)</b>	<b>(3,950)</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)	17	..	(25,596)	..
<b>Total movement in equity for period</b>		<b>(713)</b>	<b>(31,788)</b>	<b>(3,950)</b>



## BALANCE SHEET

Australian Agricultural College Corporation	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	27	2,343	2,029	365
Receivables	18	1,241	1,914	1,384
Other financial assets	19,26,27	3,635	5,000	2,800
Inventories		264	405	405
Other		114	71	67
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>7,597</b>	<b>9,419</b>	<b>5,021</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	39	39
Other financial assets		31	106	93
Property, plant and equipment	20	113,476	122,464	122,953
Intangibles		..	..	..
Other	21	4,915	7,701	7,201
<b>Total non-current assets</b>		<b>118,422</b>	<b>130,310</b>	<b>130,286</b>
<b>TOTAL ASSETS</b>		<b>126,019</b>	<b>139,729</b>	<b>135,307</b>
<b>CURRENT LIABILITIES</b>				
Payables		1,617	1,610	1,384
Accrued employee benefits	22	1,605	1,968	1,697
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	23	40	268	268
<b>Total current liabilities</b>		<b>3,262</b>	<b>3,846</b>	<b>3,349</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits	22,28	1,051	652	677
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>1,051</b>	<b>652</b>	<b>677</b>
<b>TOTAL LIABILITIES</b>		<b>4,313</b>	<b>4,498</b>	<b>4,026</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>121,706</b>	<b>135,231</b>	<b>131,281</b>
<b>EQUITY</b>				
Capital/contributed equity	24	..	(25,596)	(25,596)
Accumulated surplus/(accumulated deficit)	25, 29	34,671	23,404	19,684
Reserves:				
- Asset revaluation surplus	26	87,035	137,423	137,193
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>121,706</b>	<b>135,231</b>	<b>131,281</b>

## CASH FLOW STATEMENT

Australian Agricultural College Corporation	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	30,37	3,840	8,275	9,160
Grants and other contributions	31	15,492	16,032	14,339
Other	38	3,967	6,237	2,797
<b>Outflows:</b>				
Employee costs	32,39,41	(11,561)	(19,604)	(16,679)
Supplies and services	33,40,42	(8,332)	(11,796)	(9,468)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	34	(1,853)	(2,704)	(1,786)
<b>Net cash provided by/(used in) operating activities</b>		<b>1,553</b>	<b>(3,560)</b>	<b>(1,637)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	(36)	..
Investments redeemed	35	1,485	20,004	2,200
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	36	(3,000)	(1,286)	(2,227)
Payments for investments	35	..	(17,000)	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,515)</b>	<b>1,682</b>	<b>(27)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	(24)	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>..</b>	<b>(24)</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>38</b>	<b>(1,902)</b>	<b>(1,664)</b>
<b>Cash at the beginning of financial year</b>		<b>2,305</b>	<b>3,931</b>	<b>2,029</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>2,343</b>	<b>2,029</b>	<b>365</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2011-12 Budget and 2011-12 Estimated Actual include:

1. Increase due to a reclassification of other revenue to user charges. Other revenue has decreased due to this reclassification. Interest on investments was also higher than anticipated.
2. Increase due to growth in user choice, fee for service and room hire revenues resulting from changes in industry demand.
3. Increase due to a gain on revaluation of biological assets.
4. Increase due to a Voluntary Separation Program (VSP) undertaken to realise the AACC 2012 Reconnecting Agricultural Education (RAE) organisational restructure.
5. Increase due to the need to hire contractors to deliver industry training as well as unanticipated site relocation and repair work costs attributable to divestiture projects.
6. Increase due to costs associated with the sale of land and major plant and equipment at Dalby as part of RAE implementation.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

7. Increase due to higher demand for residential facilities, an increased focus on commercial rate of hire and the sale of produce.
8. Decrease due to a reclassification of other revenue to user charges.
9. Increase includes an assumed 3% rise through Enterprise Agreement renegotiations yet to be finalised and lower than anticipated savings realised from a workforce rationalisation process.
10. 2012-13 Estimate for depreciation expense shows a decrease due to asset divestitures.
11. Increase due to a portion of supplies and services 2011-12 Budget being incorrectly classified as other expenses. Increase also due to repairs and maintenance backlog and the considerable activities that will be required to be undertaken in property preparation and repair works as part of divestiture projects.
12. Decrease due to a portion of supplies and services 2011-12 Budget being incorrectly classified as other expenses.
13. Increase due to write off of biological assets.

Major variations between 2011-12 Estimated Actual and the 2012-13 Estimate include:

14. Decrease in employee costs following completion of a VSP in 2011-12.
15. Decrease due to discontinuation of training delivered within Correctional Centres.
16. Decrease to initial estimated deficit for 2012-13 of \$5.5 million following increase to expected VRG funding and from student resource and contribution fees which has reduced the deficit to \$3.7 million.

### Statement of changes in equity

Major variations between 2011-12 Budget and 2011-12 Estimated Actual include:

17. Decrease due to transfer of Dalby campus to Education Queensland.

### Balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated Actual include:

18. Increase due to a major account that remained unpaid at year end.
19. Increase due to a change in profile of short term investments in accordance with operational cash requirements.
20. Increase due to revaluation of land and building assets that occurred after preparation of the 2011-12 budget partly offset by transfer of Dalby campus assets to Education Queensland.
21. Increase due to purchase of low value assets associated with building refurbishments.
22. Increase due to reclassification of employee benefits from non-current to current and liabilities. Non-current liabilities have decreased due to this reclassification.
23. Increase due to a reclassification of funds held on behalf of student associations.
24. Decrease reflects the transfer of Dalby campus assets from AACC to Education Queensland.
25. Decrease reflects impact of prior year operating results.
26. Increase due to revaluation of land and building assets that occurred after preparation of the 2011-12 budget.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

- 27. Decrease due to impact of forecast operating deficit.
- 28. Decrease provision for employee leave entitlements following 2011-12 VSP.

Major variations between 2011-12 Estimated Actual and the 2012-13 Estimate include:

- 29. Decrease due to impact of prior year operating results.

### **Cash flow statement**

Major variations between 2011-12 Budget and 2011-12 Estimated Actual include:

- 30. Increase due to a reclassification of other revenue to user charges. Interest on investments was also higher than anticipated.
- 31. Increase due to growth in user choice, fee for service and room hire revenues resulting from changes in industry demand.
- 32. Increase due to a Voluntary Separation Program (VSP) undertaken to realise the AACC 2012 Reconnecting Agricultural Education (RAE) organisational restructure.
- 33. Increase due to the need to hire contractors to deliver industry training as well as unanticipated site relocation and repair work costs attributable to divestiture projects.
- 34. Increase due to costs associated with the sale of land and major plant and equipment at Dalby as part of RAE implementation.
- 35. The 2011-12 Estimated Actual reflects cash investments and redemptions from short term investments to fund operating activities.
- 36. Decrease due to delays in the re-investment strategy.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

- 37. Increase due to higher demand for residential facilities, an increased focus on commercial rate of hire and the sale of produce.
- 38. Decrease due to a reclassification of other revenue to user charges.
- 39. Increase includes an assumed 3% rise through Enterprise Agreement renegotiations yet to be finalised and lower than anticipated savings realised from a workforce rationalisation process.
- 40. Increase due to a portion of supplies and services 2011-12 Budget being incorrectly classified as other expenses. Increase also due to repairs and maintenance backlog and the considerable activities that will be required to be undertaken in property preparation and repair works as part of divestiture projects.

Major variations between 2011-12 Estimated Actual and the 2012-13 Estimate include:

- 41. Decrease in employee costs following completion of a VSP in 2011-12.
- 42. Decrease due to discontinuation of training delivered within Correctional Centres.

# QRAA

## AGENCY OVERVIEW

### Strategic direction

QRAA is a specialist administrator of government financial assistance programs including loans, grants, rebates and subsidies. QRAA's strategic intent is to achieve self-sufficiency through cost leadership, service delivery excellence, business growth and capability.

Through program owner and stakeholder feedback, the organisation is acknowledged as a cost effective, robust and transparent administrator of government financial assistance programs.

Through the assistance program it administers, QRAA contributes to the Government's objectives of growing a four pillar economy with the focus on agriculture, tourism, resources and construction, by:

- fostering the development of a more productive and sustainable rural and regional sector in Queensland
- supporting the State's economy by providing assistance to primary producers, small businesses and other elements of the State's economy
- giving assistance by administering programs for the Australian Government and other States in rural and regional sectors outside Queensland.

QRAA's core responsibility is to administer the Queensland Government's Primary Industry Productivity Enhancement Scheme and when required, support the delivery of Natural Disaster Relief and Recovery Arrangement (NDRRA) assistance for primary producers, small businesses and non-profit organisations (jointly funded by the Queensland and Australian Governments).

QRAA is also empowered under the *Rural and Regional Adjustment Act 1994* to deliver additional programs and services to local, state and territory governments throughout Australia and for the Australian Government.

Developing self-sufficiency in a changing economic, climatic, legislative and policy environment impacts all aspects of QRAA's operations. QRAA is well positioned to respond to these challenges and will continue to be flexible and responsive to Government priorities.

## RESOURCES AND PERFORMANCE

- In 2012-13, QRAA will continue to administer the Primary Industries Productivity Enhancement Scheme, Natural Disaster Relief and Recovery Arrangement assistance, Live Cattle Subsidised Interest Rate Scheme and affect the closure of the Queensland Government Solar Hot Water Rebate Scheme.
- QRAA is also expecting to deliver a number of grant, loan, rebate and structural adjustment schemes on behalf of the Queensland Government in 2012-13. These include:
  - the Hendra Virus Personal Protective Equipment Rebate;
  - Queensland East Coast Net Fishing Licence Buy-out Program;
  - Fisheries Adjustment Programs arising from mining related port developments ; and
  - Healthy Workers Funding Scheme and associated programs.
- During 2011-12, QRAA approved more than 28,000 applications totalling over \$285 million in financial assistance across all programs. This compares with over 24,000 applications and \$196 million in 2010-11.

- Over \$60 million in First Start and Sustainability Loans were approved to more than 190 Queensland primary producers, under the Queensland Government Primary Industry Productivity Enhancement Scheme in 2011-12. This is almost double the approval figure of just over \$32 million achieved in 2010-11.
- Year two of the Queensland Government Solar Hot Water Rebates Scheme saw more than 16,000 applications and over \$11 million in rebates approved in 2011-2012. This compares to over 10,000 applications, totalling more than \$7 million in 2010-11.
- During 2011-12, QRAA approved over \$212 million in Natural Disaster Relief and Recovery Arrangement assistance to more than 12,000 primary producers, business owners and non-profit organisations. This compares with over 13,000 applications and approvals of just under \$137 million in 2010-11.
- QRAA secured and commenced administering eight new programs/service arrangements, comprised of:
  - four Natural Disaster Assistance Schemes for non-profit organisations (Western Queensland Tropical Low 2012; North Coast Storm and Flooding and East Coast Hybrid Low 24 February – 7 March 2012; East Coast Low 22 March 2012; Heavy Rainfall and Flooding, Northern and Far Northern Queensland 15 March 2012);
  - special Natural Disaster Assistance Scheme for primary producers, small businesses and non-profit organisations (Western Queensland Tropical Low 2012);
  - Dawson Valley Irrigators Fixed Water Scheme;
  - Live Cattle Subsidised Interest Rate Scheme; and
  - Healthy Headwaters Water Use Efficiency Program (procedural governance review).

## STATEMENTS

### Staffing

QRAA	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
	1	97	91	72

Note:

1. Full-time equivalents (FTEs) as at 30 June 2012. The estimated figure for 2012-13 is the total number of FTEs for the number of programs being administered by QRAA as at 30 June 2013. The figure takes into consideration the closure of a number of programs and the corresponding reduction in FTEs during the first quarter of 2012-13. QRAA's 2012-13 Estimate reflects a forward plan of the total number of FTEs based upon the projected business need for the financial year.

## Performance Statement

QRAA	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/Est.
<b>Service standards</b>				
Arrears to loan portfolio	1	3%	0.66%	3%
Client satisfaction with QRAA's services	2	80%	..	80%
Program owner satisfaction with QRAA's administration		75%	100%	75%
Awareness of QRAA in Queensland	3	80%	..	..
<b>Other measures</b>				
Applications processed within standard Response Indicators		85%	97%	85%
Growth of productivity loan portfolio		7%	10%	7%
New programs administered	4	3	8	3

### Notes:

1. QRAA has worked positively to reduce the number of loans and dollar values of arrears, and this result is well under the maximum of 3% which is attributed to, the underlying quality of the Loan Portfolio and the effectiveness of QRAA's lending and loan management practices.
2. This service standard was not pursued during 2011-12 as the size and composition of QRAA's expanded client base made external market research difficult to justify on a cost-benefit basis.
3. This service standard was not pursued during 2011-12 on the basis it no longer measures the effectiveness or efficiency of QRAA's services owing to the broadened scope and expanded client base.
4. The new programs include four Natural Disaster Assistance Schemes for non-profit organisations (Western Queensland Tropical Low 2012; North Coast Storm and Flooding and East Coast Hybrid Low 24 February – 7 March 2012; East Coast Low 22 March 2012; Heavy Rainfall and Flooding, Northern and Far Northern Queensland 15 March 2012); special Natural Disaster Assistance Scheme for primary producers, small businesses and non-profit organisations (Western Queensland Tropical Low 2012); Dawson Valley Irrigators Fixed Water Scheme; Live Cattle Subsidised Interest Rate Scheme; and Healthy Headwaters Water Use Efficiency Program (procedural governance review).



## INCOME STATEMENT

QRAA	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>Income</b>				
User charges		..	..	..
Grants and other contributions	1,6,12	169,720	167,500	40,408
Other revenue	2,7	28,044	23,904	22,068
Gains on sale/revaluation of property, plant and equipment and investments	8,13	..	..	3,100
<b>Total income</b>		<b>197,764</b>	<b>191,404</b>	<b>65,576</b>
<b>Expenses</b>				
Employee expenses	9,14	11,186	11,599	8,215
Supplies and services		3,168	3,335	3,050
Grants and subsidies	3,10,15	155,650	159,318	29,510
Depreciation and amortisation		423	323	426
Finance/borrowing costs	4,11	2,642	1,844	1,621
Other expenses		..	..	..
Losses on sale/revaluation of property, plant and equipment and investments	5,16	(250)	5,167	..
<b>Total expenses</b>		<b>172,819</b>	<b>181,586</b>	<b>42,822</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>24,945</b>	<b>9,818</b>	<b>22,754</b>

## STATEMENT OF CHANGES IN EQUITY

QRAA	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		24,945	9,818	22,754
<b>Total recognised income and expense for the period</b>		<b>24,945</b>	<b>9,818</b>	<b>22,754</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (machinery-of-government transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>24,945</b>	<b>9,818</b>	<b>22,754</b>

## BALANCE SHEET

QRAA	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	17,20,23	74,673	90,222	69,463
Receivables	18,21,24	71,130	43,575	46,654
Other financial assets		..	..	..
Inventories		..	..	..
Other		121	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>145,924</b>	<b>133,797</b>	<b>116,117</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	18,21,24	639,846	354,257	387,106
Other financial assets		..	..	..
Property, plant and equipment		1,081	569	518
Intangibles		..	..	1,125
Other		..	..	..
<b>Total non-current assets</b>		<b>640,927</b>	<b>354,826</b>	<b>388,749</b>
<b>TOTAL ASSETS</b>		<b>786,851</b>	<b>488,623</b>	<b>504,866</b>
<b>CURRENT LIABILITIES</b>				
Payables		407	452	407
Accrued employee benefits		1,108	1,144	1,108
Interest-bearing liabilities and derivatives	19,22,25	15,622	17,350	18,737
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>17,137</b>	<b>18,946</b>	<b>20,252</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		400	400	400
Interest-bearing liabilities and derivatives	19,22,25	440,410	155,591	147,774
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>440,810</b>	<b>155,991</b>	<b>148,174</b>
<b>TOTAL LIABILITIES</b>		<b>457,947</b>	<b>174,937</b>	<b>168,426</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>328,904</b>	<b>313,686</b>	<b>336,440</b>
<b>EQUITY</b>				
Capital/contributed equity		84,652	84,652	84,652
Accumulated surplus/(accumulated deficit)		244,252	229,034	251,788
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>328,904</b>	<b>313,686</b>	<b>336,440</b>

## CASH FLOW STATEMENT

QRAA	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges		..	..	..
Grants and other contributions	32,40	169,720	167,500	40,408
Other	26,33	27,880	23,989	22,149
<b>Outflows:</b>				
Employee costs	34,41	(11,222)	(11,720)	(8,251)
Supplies and services		(2,969)	(3,376)	(2,895)
Grants and subsidies	35,42	(155,650)	(159,318)	(29,510)
Borrowing costs	27,36	(2,642)	(1,844)	(1,621)
Other	28,43	..	(7,426)	(200)
<b>Net cash provided by/(used in) operating activities</b>		<b>25,117</b>	<b>7,805</b>	<b>20,080</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	29,37	33,120	55,179	55,711
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	44	(500)	(228)	(1,500)
Payments for investments		..	..	..
Loans and advances made	30,38,45	(388,800)	(156,011)	(88,620)
<b>Net cash provided by/(used in) investing activities</b>		<b>(356,180)</b>	<b>(101,060)</b>	<b>(34,409)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings	31,39,46	327,800	80,147	10,920
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		(16,318)	(16,603)	(17,350)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>311,482</b>	<b>63,544</b>	<b>(6,430)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(19,581)</b>	<b>(29,711)</b>	<b>(20,759)</b>
<b>Cash at the beginning of financial year</b>		<b>94,254</b>	<b>119,933</b>	<b>90,222</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>74,673</b>	<b>90,222</b>	<b>69,463</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2011-12 Budget and 2011-12 Estimated Actual include:

1. Demand for Natural Disaster Relief and Recovery Assistance (NDRRA) funding was lower than anticipated offset by additional funding sought for the Queensland Government Solar Hot Water Rebate Scheme (QGSHWRS) in the 2011-12 due to higher demand than expected.
2. Interest earned on loans and advances was lower than budgeted due to lower NDRRA lending and 2 years interest free period on Exceptional Disaster Assistance Programs.
3. An increase in grants and subsidies paid to clients is due to higher demand for QGSHWRS.
4. A decrease in borrowing costs is due to the reduction of the loan principals.
5. An impairment provision of \$5.2 million on NDRRA loans has been expensed in the 2011-12 financial year.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

6. Special Disaster Flood Assistance (SDFA) and Natural Disaster Relief and Recovery Assistance (NDRRA) schemes relating to disaster events is expected to be finalised in October 2012.
7. A decrease is due to the decreasing clients' demand for NDRRA loans prior to its expected finalisation in October 2012 and two years interest free period on Exceptional Disaster Assistance (EXDA) Programs.
8. An increase in revenue is due to the write back of previous impairment provision on loans provided in the 2011-2012 financial year.
9. A decrease in employee expenses is due to the departure of temporary and casual staff recruited to administer QGSHWRS and NDRRA programs.
10. A decrease in grants and subsidies expenses is due to the expected finalisation of SDFA and NDRRA schemes relating to disaster events from November 2010 to March 2012 in October 2012.
11. A decrease in borrowing costs is due to the reduction of the loan principals.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

12. SDFA and NDRRA schemes relating to disaster events from November 2010 to March 2012 is expected to be finalised in October 2012.
13. An increase in revenue due to the write back of previous impairment provision on loans provided in the 2011-2012 financial year.
14. A significant decrease in employee expenses is due to the departure of temporary and casual staff recruited to administer QGSHWRS and NDRRA programs.
15. A decrease in grants and subsidies expenses is due to the expected finalisation of SDFA and NDRRA schemes relating to disaster events from November 2010 to March 2012 in October 2012 and QGSHWRS.
16. There is no impairment provision on NDRRA loans for 2012-13 Estimate due to the expected finalisation of the Scheme.

### Balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated Actual include:

17. An increase in cash holdings reflecting lesser demand for Primary Industry Productivity Enhancement Scheme (PIPES) loans.
18. A decrease in client loan portfolio due to lower PIPES and NDRRA lending than previously anticipated.
19. A decrease in total borrowings due to lesser borrowings to finance client loans as a result of lower than anticipated NDRRA loans.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

20. A decrease in cash holdings as a result of using internal funds to finance PIPES new lending.
21. A decrease in client loan portfolio due to the expected finalisation of NDRRA programs in October 2012.
22. A decrease in borrowings due to lesser borrowings to finance client loans due to the expected finalisation of NDRRA programs in October 2012.

Major variations between 2011-12 Estimated Actual and the 2012-13 Estimate include:

23. A decrease in cash holdings as a result of using internal funds to finance PIPES new lending.
24. An increase in client loan portfolio as a result of new PIPES and NDRRA lending.
25. A decrease in borrowings due to the reduction of loan principals.

## Cash flow statement

Major variations between 2011-12 Budget and 2011-12 Estimated Actual include:

26. A decrease in interest earned on loans and advances due to lower NDRRA lending and two years interest free period on Exceptional Disaster Assistance programs.
27. A decrease in borrowing costs due to the reduction of the loan principals.
28. An increase due to payment of June 2011 GST payable.
29. An increase in client loan repayment due to the increased client loan portfolio.
30. A decrease due to lesser demand for NDRRA loans.
31. A decrease due to lesser borrowings required to finance new client loans.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

32. SDFA and NDRRA schemes relating to disaster events is expected to be finalised in October 2012.
33. A decrease in interest earned on loans and advances is due to the decreasing clients' demand for NDRRA loans prior to its expected finalisation in October 2012 and two years interest free period on Exceptional Disaster Assistance Programs.
34. A decrease in employee expenses is due to the departure of temporary and casual staff recruited to administer QGSHWRS and NDRRA programs.
35. A decrease in grants and subsidies expenses is due to the expected finalisation of SDFA and NDRRA schemes relating to disaster events in October 2012.
36. A decrease in borrowing costs is due to the reduction of the loan principals.
37. An increase in client loan repayments due to the increased client loan portfolio.
38. A decrease in demand for new loans due to the expected finalisation of NDRRA programs in October 2012.
39. A decrease in demand for new borrowings due to the expected finalisation of NDRRA programs in October 2012.

Major variations between 2011-12 Estimated Actual and the 2012-13 Estimate include:

40. SDFA and NDRRA schemes relating to disaster events is expected to be finalised in October 2012.
41. A decrease in employee expenses is due to the departure of temporary and casual staff recruited to administer QGSHWRS and NDRRA programs.
42. A decrease in grants and subsidies expenses is due to the expected finalisation of SDFA and NDRRA schemes relating to disaster events in October 2012.
43. A decrease is due to payment of June 2011 GST payable.
44. An increase is due to the planned capital investment on the Loans and Grants Administration System replacement.
45. A decrease in demand for new loans due to the expected finalisation of NDRRA programs in October 2012.
46. A decrease in demand for new borrowings due to the expected finalisation of NDRRA programs in October 2012.

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# GLOSSARY OF TERMS

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**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.

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**Administered Items** — Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.

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**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.

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**Appropriation** — Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for:

- delivery of agreed services
- administered items
- adjustment of the Government's equity in agencies, including acquiring of capital.

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**Balance Sheet** — A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.

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**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.

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**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.

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**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.

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**Depreciation** — The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.

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**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.

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<b>Equity Injection</b>	— An increase in the investment of the Government in a public sector agency.
<b>Financial Statements</b>	— Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
<b>Income Statement</b>	— 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.
<b>Outcomes</b>	— Whole-of-government outcomes are intended to cover all dimensions of community well being. They express the current needs and future aspirations of communities, within a social, economic and environment context.
<b>Own-Source Revenue</b>	— Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
<b>Priorities</b>	— Key policy areas that will be the focus of Government activity.
<b>Services</b>	— The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).



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