

## Service Delivery Statements

Department of Agriculture, Fisheries and Forestry

# **2014–15 State Budget Papers**

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

**Appropriation Bills**

**Concessions Statement**

The suite of Budget Papers is similar to that published in 2013-14.

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

Page	Agency	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
2	Department of Agriculture, Fisheries and Forestry – controlled	396,058	426,944	408,579
	Department of Agriculture, Fisheries and Forestry – administered	11,497	11,510	11,226
32	Queensland Agricultural Training Colleges	25,338	21,688	22,007
40	QRAA	48,149	108,403	40,964

### Notes:

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

# PORTFOLIO OVERVIEW

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Agriculture, Fisheries and Forestry:

<b>Minister for Agriculture, Fisheries and Forestry</b> The Honourable Dr John McVeigh, MP
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<b>Department of Agriculture, Fisheries and Forestry</b> Director-General: Jack Noye
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Service Area 1: Agriculture
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Service Area 2: Biosecurity Queensland
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Service Area 3: Fisheries and Forestry
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<b>Queensland Agricultural Training Colleges</b> <b>(formerly Australian Agricultural College Corporation)</b> Chief Executive Officer: Jack Noye
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<b>Objective:</b> The purpose of Queensland Agricultural Training Colleges (QATC) is to support the sustainability of agricultural, rural and related industries and communities by improving the knowledge and skills of its existing and future workforce.
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<b>QRAA</b> Chief Executive Officer: Colin Holden
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<b>Objective:</b> QRAA's strategic intent is to achieve self-sufficiency through financial leadership, service delivery excellence, business growth and capability. QRAA is a specialist administrator of government financial assistance programs including loans, grants, rebates and subsidies.
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Additional information about these agencies can be sourced from:

- [www.daff.qld.gov.au](http://www.daff.qld.gov.au)
- [www.QATC.edu.au](http://www.QATC.edu.au)
- [www.qraa.qld.gov.au](http://www.qraa.qld.gov.au)

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

The Department of Agriculture, Fisheries and Forestry (DAFF) contributes to the Government's objective for the community of growing a four pillar economy by strengthening the economic growth and resilience of Queensland's agriculture, fisheries and forestry industries.

The department's strategic objectives are to:

- build sector capacity and industry resilience
- improve industry performance through innovation
- manage biosecurity risks
- ensure sustainable use of fisheries resources
- maximise the financial return from state-owned forests
- modernise service delivery and strengthen capability.

*Queensland's Agriculture Strategy* sets the vision for an efficient, innovative, resilient and profitable sector that thrives in the long-term. This vision is underpinned by a target to double agricultural production by 2040. Our objectives, services and investments focus on the four key industry-agreed pathways to growth:

- resource availability—securing and increasing resource availability
- productivity—driving productivity across the supply chain
- markets—securing and increasing market access
- production costs—minimising the costs of production.

The department advocates across government to ensure the sector's needs are reflected in planning and infrastructure decisions and the streamlining of regulations that enable competitive businesses. It partners with other government departments, industry and research bodies to make frontline services customer-focused, accessible, and efficient.

The immediate challenge faced by the sector and the department is that the majority of the State is drought-declared. This is the most widespread drought on record. The Queensland Government has responded with a multi-agency assistance package including water and freight rebates, land rent relief, financial counselling, community and mental health support for producers and communities impacted by drought. DAFF allocated \$20 million in 2013-14 and \$18.7 million in 2014-15 for the Drought Relief Assistance Scheme. The Australian Government contributed a further \$4 million in 2013-14 and \$9 million in 2014-15 specifically for emergency water infrastructure rebates.

DAFF's Service Renewal Strategy is well progressed and is supported by a new financial management framework. Once fully implemented this will enable better evaluation of service effectiveness and efficiency helping the department to focus resources on areas and service delivery models that support, develop and grow Queensland's agriculture, fisheries and forestry industries. Modernising service delivery is also supported by capital purchases in 2014-15 which focus on developing and upgrading research facilities and software systems worth \$18.2 million.

## Key policy and services delivery priorities for 2014-15:

### Increase resource availability by:

- continuing to develop interactive tools that enable industry, planners and investors to take best advantage of the Queensland Land Audit and industry profiling
- realising agriculture's and fisheries' potential to expand the northern regional economy by:
  - contributing to establishment of a proposed Northern Australia Cooperative Research Centre, in partnership with other jurisdictions, CSIRO and universities; and
  - investing in opportunities to maximise irrigated cropping and support growth of high value agriculture in the Flinders and Gilbert river catchments in North Queensland.
- providing \$15 million over five years (\$10 million of which is provided through a Memorandum of Agreement with the Department of Environment and Heritage's Reef Water Quality program) for the delivery of Best Management Practice programs and extension and technical services to improve uptake of management practices by producers and agricultural industries across reef catchments
- focusing further rounds of the buyback on fisheries symbols to reduce the pressures imposed by net fishing under the \$9 million voluntary buyback of commercial net fishing scheme
- continuing to rationalise and upgrade aged agri-science research facilities, other infrastructure and assets.

### Drive productivity by:

- providing \$2.5 million over three years to enhance Queensland's foot and mouth disease (FMD) preparedness focusing on Biosecurity Queensland's surveillance, prevention and response systems
- investing a total of \$1.4 million (\$0.63 million in 2014-15) for a new forest and timber research and development program to drive innovation in the industry.

### Secure market access by:

- supporting Ministerial trade missions and working with Trade and Investment Queensland to pursue better access for Queensland producers and establish effective business relationships in key Asian markets
- streamlining accreditation processes and maintaining necessary certifications for agricultural produce, native forest timbers and fisheries to access interstate and international markets.

### Minimise production costs by:

- continuing to provide Drought Relief Assistance to drought affected producers and modernising the drought claims processing system to improve the timeliness of processing of claims
- strengthening the approach to research, control and management of pests and weeds in drought affected areas. The Australian Government contributed \$2.1 million in 2014-15 for control and management of farm pests in drought affected areas.
- implementing initiatives in the department's regulatory reform plan including revised Biosecurity regulations and review of fisheries management.

### Strengthen customer service delivery by:

- making it simpler and easier for our customers to access the information and services from the government's One-Stop Shop
  - by being a contributor to Scenic Rim and Lockyer regional service trials
  - increasing online transactions.

## Key achievements for 2013-14:

- supported producers managing drought conditions through:
  - \$24 million (which includes \$4 million Australian Government contribution) allocated to the Drought Relief Assistance Scheme for freight subsidies and emergency water infrastructure rebates
  - drought forums held across the state and online and personal advice provided to individuals about adapting farm and business practices, information on financial assistance and personal support services

- maximised the continued access to markets for banana growers impacted by Cyclone Ita by enabling growers to certify fruit from fallen trees and providing freight subsidies
- commenced implementation of actions under *Queensland's Agriculture Strategy*, including:
  - the release of *DAFF's Research Development and Extension Plan* in November 2013
  - consultation on the draft Queensland Beef Industry Action Plan outlining the Queensland Government's support to the industry to double production by 2040
  - preparation of an agriculture education blueprint
- finalised the Queensland Government's Response to the Queensland Forest and Timber Industry Plan and commenced implementation of key actions, including developing the industry's R&D Investment Strategy
- invested \$1.4 million in response to a new incursion of red imported fire ants at Yarwun and on Curtis Island, near Gladstone
- extended the government's funding for the Queensland Cattle Industry Biosecurity Fund to provide up to \$5 million (over three years) through the Bovine Johne's Disease Assistance Scheme and doubled the cap from \$50,000 to \$100,000 for eligible producers
- purchased 200 head of cattle from the oldest scientifically recorded herd in Australia to improve cattle genetics in northern Australia
- recruited two extension officers with the beef industry to boost private sector extension, education and training capacity in the northern Australian beef industry
- maintained our status as the national leader for barley plant pathology while progressing the \$20 million barley breeding transition plan to ensure grains research and development is well targeted
- a total of 36 primary licences and 147 fishing authorities have been purchased through the voluntary buyback of commercial net fishing licences as at 31 March 2014, to improve the management of the fishery and prevent overfishing
- provided the Queensland University of Technology with \$0.7 million towards the \$3 million investment over three years for research into farm robotics.

## Departmental Budget Summary

The table below shows the total resources available in 2014-15 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	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue			
Deferred from previous year/s	23,848	26,904	18,083
Balance of service appropriation	227,651	245,137	269,816
Other revenue	144,559	153,220	120,680
<b>Total income</b>	<b>396,058</b>	<b>425,261</b>	<b>408,579</b>
<b>Expenses</b>			
Agriculture	190,703	220,714	214,750
Fisheries and Forestry	67,384	59,774	66,327
Biosecurity Queensland	92,113	104,135	85,528
Corporate Partnership	45,858	42,321	41,974
<b>Total expenses</b>	<b>396,058</b>	<b>426,944</b>	<b>408,579</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>(1,683)</b>	<b>..</b>
<b>Net assets</b>	<b>449,112</b>	<b>399,666</b>	<b>402,601</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	..	..	..
Appropriation revenue	9,728	9,741	9,395
Other administered revenue	1,769	1,769	1,831
<b>Total revenue</b>	<b>11,497</b>	<b>11,510</b>	<b>11,226</b>
<b>Expenses</b>			
Transfers to government	1,769	1,769	1,831
Administered expenses	9,728	9,741	9,395
<b>Total expenses</b>	<b>11,497</b>	<b>11,510</b>	<b>11,226</b>
<b>Net assets</b>	<b>4,280</b>	<b>4,468</b>	<b>4,280</b>



## Budget Measures Summary<sup>1</sup>

The table shows a summary of Budget measures relating to the department since the 2013-14 Budget. Further details are contained in Budget Paper No. 4.

<b>Department of Agriculture, Fisheries and Forestry</b>	<b>2013-14 \$'000</b>	<b>2014-15 \$'000</b>	<b>2015-16 \$'000</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>
<b>Revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures</b>					
Administered	..	..	..	..	..
Departmental	29,000	27,850	1,000	1,000	1,000
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Notes:

1. The totals reconcile with BP4.

## Staffing<sup>1</sup>

Service Areas	Notes	2013-14	2013-14		2014-15
		Adjusted Budget	Est.	Actual	Budget
Agriculture	2, 3,4	1,001	1,001		1,001
Biosecurity Queensland	3,4	621	621		621
Fisheries and Forestry	2, 3	326	326		326
<b>Subtotal</b>		<b>1,948</b>	<b>1,948</b>		<b>1,948</b>
Corporate Partnership servicing other departments	5,6	220	220		220
<b>TOTAL</b>		<b>2,168</b>	<b>2,168</b>		<b>2,168</b>

### Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Agriculture Service Area is made up of the former Agriculture and Forestry and Agri-Science Queensland. The Forestry group in the former Agriculture and Forestry Service Area has merged with the Fisheries Service Area to make Fisheries and Forestry.
3. The Customer Service Centre was realigned from Biosecurity to Agriculture from 1 July 2014 to consolidate the department's customer service delivery. This accounts for a difference of 10 FTEs in published 2013-14 estimated FTE numbers for both Biosecurity and Agriculture.
4. Corporate FTEs providing internal corporate services are allocated to the service to which they relate. The above realignment of functions also resulted in changes to the corporate overhead and the apportionment of corporate FTEs in all the Service Areas.
5. Corporate FTEs employed by the department as part of the corporate partnership arrangements provide services to a number of other departments.
6. Under the corporate partnership arrangements, the department also receives services from Natural Resources and Mines and Environment and Heritage Protection.

## SERVICE PERFORMANCE

### Services

Our service areas are:

#### Agriculture

The objective of this service area is to lift the productivity of Queensland's agricultural businesses, with the aim of doubling production by 2040. We work with industry associations, research bodies and all levels of government to:

- secure the future of the agricultural industry through planning and capitalising on regional opportunities
- undertake research and deliver services that enable businesses to build capacity, improve productivity, manage risks and increase resilience.

#### Biosecurity Queensland

The objective of this service area is to mitigate the risks and impacts of animal and plant pests, diseases and weeds to the economy, the environment, social amenity or human health by leading the Government's efforts in prevention of, response to and recovery from biosecurity threats. This service area also maintains market and consumer confidence by ensuring the welfare of animals and reducing the risk of agricultural chemical contamination.

#### Fisheries and Forestry

The objective of this service area is to support sustainable long term management of four of Queensland's natural resources to enable the economic growth of the fisheries and forestry industries. We do this by:

- ensuring (1) fisheries and (2) fish habitats are sustainably managed through science, regulation and education creating the basis for profitable businesses and enjoyable recreational fishing experiences
- maximising financial returns to the state from the sale of (3) forest products and (4) quarry materials within environmental and community expectations.

### Red tape reduction

In 2013-14 the department reviewed regulatory requirements and is working towards a target of 17% reduction in regulatory requirements in legislation and quasi-legislation by 2018. Progress was made on a range of initiatives aimed at reducing red tape which included:

- the *Biosecurity Act 2014* being passed, which replaced six Acts and parts of several others. The new Act reduces the number of pages of primary legislation by more than 20%, in part, by simplifying, consolidating and removing some of the current permits required under existing biosecurity legislation, providing generic rather than specific biosecurity certificates, increasing the duration of authorisations to three years and rationalising the number of different fees by over 50%
- a consultation Regulatory Impact Statement (RIS) for the proposed Exhibited Animals legislation was released in November 2013. New streamlined legislation will replace provisions in three of the Acts that regulate the exhibited animals industry. Licensing requirements will be rationalised, reducing the regulatory burden on stakeholders
- the *Veterinary Surgeons Act 1936* review – the Steering Group, appointed by the Minister to oversee the review, completed its report clarifying the purpose of the Act and recommending improvements to the legislation including areas where red tape and regulation can be reduced. It also examined the current system of registration and oversight of veterinarians against other professional registration legislation
- Animal Care and Protection Regulation 2012 was amended in December 2013 to insert the new Code of Practice for transport of livestock. As a result a number of individual Codes of Practice relating to the transportation of livestock were repealed

- aquaculture legislation review – In response to the Agriculture, Resources and Environment Committee inquiry, the Queensland Competition Authority (QCA) commenced a review of aquaculture regulation, focusing on aquaculture regulation and options to promote economic development opportunities while ensuring environmental protection. The QCA released an issues paper for public comment in February 2014, and the final review report is due in September 2014. The department is participating in the review and chairs a Steering Committee including government and industry representatives
- fisheries regulatory reviews –A wide-ranging review of fisheries management in Queensland was announced by Government in March 2014. As the Review progresses steps will be taken to ensure the broader management review does not impact on the Commonwealth's export accreditation of various Queensland's commercial fisheries.

In 2014-15, the department will contribute to the Government's commitment to red tape reduction, in particular by:

- releasing a Regulatory Impact Statement (RIS) and developing regulations to support the *Biosecurity Act 2014*
- subject to the Government's response to the *Veterinary Surgeons Act 1936* Steering Committee Report, releasing a RIS for amendments to the Act (or a replacement Act)
- finalising new legislation regulating the exhibition of animals for government consideration and introduction into Parliament
- completing the fisheries review to deliver a better and simplified regulatory framework for the state's commercial and recreational fishers. The review will be guided by a Ministerial Advisory Committee, and will bring together commercial, recreational, conservation and indigenous groups. The initial stage of the review is expected to be completed by December 2014
- reviewing regulation affecting the beef industry by leading a national project, with participation from other jurisdictions, to review and identify where best practice regulatory outcomes are being achieved for the beef industry, and where regulatory reform and reduced compliance costs can be achieved. This project will be a component of Queensland's Beef Industry Action Plan.

## 2014-15 Service Summary

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges and Fees \$'0'000	C'wealth Revenue \$'000	Other Revenue \$'000
Agriculture	214,750	167,270	10,655	2,840	33,985
Biosecurity Queensland	85,528	73,598	5,382	112	6,436
Fisheries and Forestry	66,327	37,461	7,823	..	21,043
Corporate Partnership <sup>1</sup>	41,974	9,570	32,404	..	..
<b>TOTAL<sup>2</sup></b>	<b>408,579</b>	<b>287,899</b>	<b>56,264</b>	<b>2,952</b>	<b>61,464</b>

Notes:

1. Corporate services provided to other agencies through Corporate Partnership arrangements mainly related to Information Technology services.
2. Explanations of variances are provided in the financial statements.

## Performance Statement

Department of Agriculture, Fisheries and Forestry	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service Area: Agriculture</b>				
<b>Service standards</b>				
Percentage of graziers and cane growers who have increased knowledge and skills through participation in best management practice programs	1			
	2	20%	20%	20%
Percentage of applications for business assistance as a result of natural disaster or drought processed within 21 days of lodgement	3	90%	65%	90%
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of funded innovation and capacity development activities		60%	60%	60%
Proportion of assisted firms reporting improved performance following funded innovation and capacity development activities		60%	60%	60%
Level of funding partner satisfaction that research outcomes contribute to industry productivity growth	2	60%	60%	60%
Percentage return on R&D investment through royalty returns		4%	4%	4%
<b>State contribution (\$000)</b>	7, 8, 9	<b>139,759</b>	<b>160,315</b>	<b>167,270</b>
<b>Other revenue (\$000)</b>	10, 11, 12	<b>50,944</b>	<b>58,716</b>	<b>47,480</b>
<b>Total cost (\$000)</b>	13, 14, 15	<b>190,703</b>	<b>220,714</b>	<b>214,750</b>
<b>Service Area: Biosecurity Queensland</b>				
<b>Service standards</b>				
Percentage of significant response programs on track to deliver nationally agreed outcomes (on time and on budget)		100%	100%	100%

Department of Agriculture, Fisheries and Forestry	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Percentage of high priority laboratory results completed, verified and made available within agreed time and quality specifications		95%	100%	95%
Average cost per transaction to deliver Biosecurity registration, certification and licensing services		\$20.90	\$20.52	\$20.50
<b>State contribution (\$000)</b>	16, 17	<b>64,995</b>	<b>74,767</b>	<b>73,598</b>
<b>Other revenue (\$000)</b>	18, 19, 20	<b>27,118</b>	<b>29,368</b>	<b>11,930</b>
<b>Total cost (\$000)</b>	21, 22, 23	<b>92,113</b>	<b>104,135</b>	<b>85,528</b>
<b>Service Area: Fisheries and Forestry</b>	4			
<b>Service standards</b>				
Percentage of key Queensland fish stocks assessed as being sustainably fished		75%	75%	75%
Percentage of applications for development related approvals processed within agreed timeframes		100%	100%	100%
Percentage of units inspected that are compliant with fisheries laws	5	New measure	New measure	93%
Total of forest product sales quantities per total Forest Product Full Time Equivalent (FTE):				
• Native forest timber (m <sup>3</sup> /FTE)		2,530	2,760	2,650
• Quarry material (m <sup>3</sup> /FTE)	6	63,220	63,900	52,940
<b>State contribution (\$000)</b>	24, 25, 26	<b>31,085</b>	<b>27,123</b>	<b>37,461</b>
<b>Other revenue (\$000)</b>	27, 28, 29	<b>36,299</b>	<b>32,651</b>	<b>28,866</b>
<b>Total cost (\$000)</b>	30, 31, 32	<b>67,384</b>	<b>59,774</b>	<b>66,327</b>

Notes:

1. This service area is a consolidation of the former Agri-Science Queensland service area, and the former Agriculture service area (with the exception of that part that is responsible for forestry).
2. This service standard has been amended for readability purposes – there is no change to way the standard is measured.
3. Due to the high number of applications received, claims received in the first three quarters of the financial year 2013-14 were not processed within the required timeframe. However, more staff have been appointed and trained to process applications and this has improved processing times.
4. This service area is a consolidation of the former Fisheries Queensland service area, and that part of the former Agriculture service area that is responsible for Forestry.
5. This is a new service standard that measures the effectiveness of DAFF's recreational and commercial fishing education and compliance / enforcement services.

6. The reduction in 2014-15 Target/Estimate reflects the projected decline in quarry material removal as a result of reduced investment spending by the mining industry.
7. The increase between 2013-14 Target/Estimate and 2013-14 Estimated actual is mainly due to additional funding provided for the Drought Relief Assistance Scheme (DRAS), which provides support to producers for freight subsidies and emergency water infrastructure rebates affected by drought conditions across the state. The increase is also associated with the reimbursement of voluntary redundancy payments in 2013-14. This is partially offset by the deferral of funding to realign with anticipated cashflows for election commitments and departmental programs.
8. The increase between 2013-14 Target/Estimate and 2014-15 Target/Estimate is mainly due to additional funding provided for the DRAS, which provides support to producers for freight subsidies and emergency water infrastructure rebates affected by drought conditions across the state and by the deferral of funding to realign with anticipated cashflows for election commitments and departmental programs. The increase is also associated with additional supplementation for EB increments. This is partially offset by a reduction in funding for the Queensland Cattle Industry Biosecurity Fund (QCIBF).
9. The increase between 2013-14 Estimated actual and 2014-15 Target/Estimate is largely due to the deferral of funding to realign with anticipated cashflows for election commitments and departmental programs. Additional funding has also been provided for EB supplementation. This is partially offset by a reduction from cessation of funding provided for the reimbursement of voluntary redundancy payments in 2013-14.
10. The increase between 2013-14 Target/Estimate and 2013-14 Estimated actual is mainly due to additional funding for the Reef Water Quality Program, revenue received for the management of the Strategy Cropping Land (SCL) mitigation arrangements. The increase is also associated with contracted Research and Development (R&D) projects funded by external funding bodies and the gain on sale of assets which are surplus to departmental requirements.
11. The decrease between 2013-14 Target/Estimate and 2014-15 Target/Estimate is mainly due to the completion of Research and Development (R&D) projects funded by external bodies.
12. The decrease between 2013-14 Estimated actual and 2014-15 Target/Estimate is largely due to gain on sale of assets in 2013-14, that were surplus to departmental requirements, the completion of R&D projects funded by external bodies and revenue received for the management of the SCL mitigation arrangements.
13. The increase between 2013-14 Target/Estimate and 2013-14 Estimated actual is predominantly is mainly due to additional expenses for DRAS, which provides support to producers for freight subsidies and emergency water infrastructure rebates affected by drought conditions across the state. The increase is also associated with voluntary redundancy payments in 2013-14, Reef Water Quality Program and expenses for the management of the SCL mitigation arrangements. This increase has been offset by a decrease from the deferral of expenses associated with funding realigned with anticipated cashflows for election commitments and departmental programs.
14. The increase between 2013-14 Target/Estimate and 2014-15 Target/Estimate is predominantly due to additional expenditure associated with the delivery of the Reef Water Quality Program, DRAS and by the deferral of expenses associated with funding realigned with anticipated cashflows for election commitments and departmental programs. The increase is also associated with additional supplementation for EB increments. This is partially offset by a reduction in expenses resulting from the completion of current funding arrangements for contracted R&D projects and a reduction in expenses for QCIBF.
15. The decrease between 2013-14 Estimated actual and 2014-15 Target/Estimate is largely due to the completion of R&D projects funded by external bodies, expenses for the management of the SCL mitigation arrangements, the cessation of expenses for voluntary redundancy payments in 2013-14. This decrease has been offset by an increase from the deferral of expenses associated with funding realigned with anticipated cashflows for election commitments and departmental programs and EB.
16. The increase between 2013-14 Target/Estimate and 2013-14 Estimated actual is associated with additional funding for Pest and Disease emergency responses, including funding for Queensland's contribution under National Cost Sharing (NCS) arrangements, reimbursement of voluntary redundancy payments. Additional funding for Managing Farm Pests in drought affected areas has contributed to the increase. This is partially offset by the deferral of funding to realign with anticipated cashflows for election commitments and departmental programs.
17. The increase between 2013-14 Target/Estimate and 2014-15 Target/Estimate is due to the deferral of funding to realign with anticipated cashflows for election commitments and departmental programs and additional funding for Enterprise Bargaining (EB). Additional funding for Managing Farm Pests in drought affected areas has contributed to the increase.



18. The increase between 2013-14 Target/Estimate and 2013-14 Estimated actual is mainly due to the Hendra Virus Research Project.
19. The decrease between 2013-14 Target/Estimate and 2014-15 Target/Estimate is largely due to the cessation of current funding arrangements for NCS programs, including the NRIFAEP. Funding arrangements for NCS Programs are yet to be finalised for 2014-15.
20. The decrease between 2013-14 Estimated actual and 2014-15 Target/Estimate is largely due to the cessation of current funding arrangements for NCS programs, including the NRIFAEP.
21. The increase between 2013-14 Target/Estimate and 2013-14 Estimated actual reflects additional expenses for Pest and Disease emergency responses, including Queensland's contributions under NCS arrangements, expenses for voluntary redundancy payments and Hendra Virus Research Project. Additional expenses for Managing Farm Pests in drought affected areas have contributed to the increase. This increase has been offset by an decrease from the deferral of expenses associated with funding realigned with anticipated cashflows for election commitments and departmental programs.
22. The decrease between 2013-14 Target/Estimate and 2014-15 Target/Estimate is largely due to the cessation of expenses for NCS programs, including the NRIFAEP. Funding arrangements for NCS Programs are yet to be finalised for 2014-15. These decreases are partially offset by an increase due to the deferral of expenses to realign with anticipated cashflows for election commitments and departmental programs and for EB. Additional expenses for Managing Farm Pests in drought affected areas have contributed to the increase.
23. The decrease between 2013-14 Estimated actual and 2014-15 Target/Estimate mainly relates to the cessation of current funding arrangements for NCS programs, including NRIFAEP. Funding arrangements for NCS Programs are yet to be finalised for 2014-15.
24. The decrease between 2013-14 Target/Estimate and 2013-14 Estimated actual is due to the deferral of funding to realign with anticipated cashflows for election commitments and departmental programs.
25. The increase between 2013-14 Target/Estimate and 2014-15 Target/Estimate is due to the deferral of funding to realign with anticipated cashflows for election commitments and departmental programs and additional funding for EB.
26. The increase between 2013-14 Estimated actual and 2014-15 Target/Estimate is due to the deferral of funding to realign with anticipated cashflows for election commitments and departmental programs and EB.
27. The decrease between 2013-14 Target/Estimate and 2013-14 Estimated actual is mainly due to an anticipated decline in revenue from forest products, associated with a reduction in demand for quarry materials from the resources sector.
28. The decrease between 2013-14 Target/Estimate and 2014-15 Target/Estimate is mainly due to an anticipated decline in revenue from forest products, associated with a reduction in demand for quarry materials, cypress timber and hardwood timber from the resources sector.
29. The decrease between 2013-14 Estimated actual and 2014-15 Target/Estimate is mainly due to an anticipated decline in revenue from forest products, associated with a reduction in demand for quarry materials, cypress timber and hardwood timber from the resources sector.
30. The decrease between 2013-14 Target/Estimate and 2013-14 Estimated actual is mainly due to a decrease from the deferral of expenses associated with funding realigned with anticipated cashflows for election commitments and departmental programs. Expenses are also impacted by the anticipated decline in revenue from forest products, associated with a reduction in demand for quarry materials, cypress timber and hardwood timber from the resources sector.
31. The decrease between 2013-14 Target/Estimate and 2014-15 Target/Estimate is mainly due to a decline in forest products services associated with a reduction in demand for quarry materials, cypress timber and hardwood timber from the resources sector. This is partially offset by an increase from the deferral of expenses associated with funding realigned with anticipated cashflows for election commitments and departmental programs and EB.
32. The increase between 2013-14 Estimated actual and 2014-15 Target/Estimate is mainly due to an increase from the deferral of expenses associated with funding realigned with anticipated cashflows for election commitments and departmental programs and EB. This is partially offset by a decrease from the anticipated decline in revenue from forest products, associated with a reduction in demand for quarry materials, cypress timber and hardwood timber from the resources sector.

## **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 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 holds surplus assets that were transferred back to Government prior to the sale of Forestry Plantations Queensland to the private sector. The department has been developing and implementing a strategic asset disposal plan for the disposal of these assets.

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

## CAPITAL

### Capital program

Capital purchases for DAFF in 2014-15 are \$18.2 million. The department's capital program is focused on developing and upgrading research facilities and software systems to deliver outcomes for agriculture, biosecurity, 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. The department will also be upgrading its software systems to support significant improvements in biosecurity operating protocols, which will enhance service delivery and result in considerable efficiency gains.

#### Program highlights

- \$4.5 million is allocated to continue upgrades of the department's research and operational facilities through the Research Facilities Development, Scientific Equipment and Minor Works Programs
- \$2.1 million is provided for the development of a new Biosecurity Information Management System (BIMS) which will enhance the department's service delivery capacity and result in considerable efficiency gains
- \$1.1 million is provided to continue replacement of vessels and marine equipment for fisheries' research and regulatory functions
- \$1 million is allocated to provide new and replacement heavy plant and equipment including trucks, tractors and other machinery
- \$0.5 million for upgrades and additional infrastructure at the Hermitage Research Facility to bring the facility to current industry standard for delivery of quality grains crop research outcomes
- \$0.5 million for the upgrade and refurbishment of existing facilities to enhance service delivery and improve operational efficiencies
- \$0.35 million is allocated for the enhancement of existing biosecurity laboratory facilities as part of the Agriculture Strategy range of initiatives.

### Capital budget statement

Department of Agriculture, Fisheries and Forestry	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total land, buildings and infrastructure	2	5,000	4,319	3,100
Total plant and equipment	3	13,327	13,238	11,826
Total other capital	4	1,250	1,320	3,301
<b>Total Capital Purchases</b>		<b>19,577</b>	<b>18,877</b>	<b>18,227</b>

#### Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. The 2013-14 Budget includes funding for the upgrade of the beef research property "Spyglass" to be research ready, which was completed during 2013-14.
3. Includes funding for new and replacement vessels, scientific, computer and heavy plant and equipment.
4. Includes funding for development of BIMS.

# BUDGETED FINANCIAL STATEMENTS

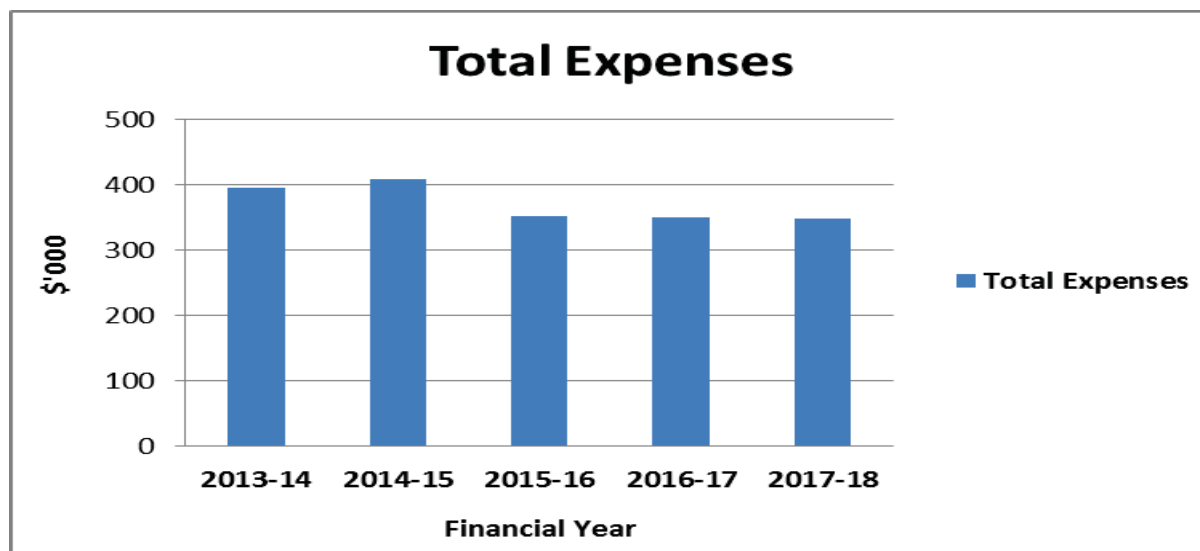
## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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 \$408.5 million in 2014-15, an increase of \$12.5 million from the 2013-14 Adjusted budget. The increase is largely due to additional expenses associated with the Drought Relief Assistance Scheme (DRAS), which provides support to producers for freight subsidies and emergency water infrastructure rebates affected by drought conditions across the state. There is also additional expenses for Enterprise Bargaining, expenses from deferred funding realigned with anticipated cashflows for election commitments and departmental programs, and the delivery of Information Technology services to other Government agencies under the under the Business and Corporate Partnership arrangement. Additional expenses can also be attributed to Managing Farm Pests in drought affected areas. This is partially offset by a reduction in expenses for the Queensland Cattle Industry Biosecurity Fund (QCIBF), and the cessation of current funding agreements for National Cost Sharing (NCS) programs, including the National Red Imported Fire Ant Eradication Program (NRIFAEP). Funding arrangements for NCS programs are yet to be finalised for 2014-15. Further decreases can be attributed to the completion of Research and Development (R&D) projects funded by external funding bodies. The decrease over the next few years is a result of the NCS program funding arrangements which are not yet finalised.

Chart: Total departmental expenses across the Forward Estimates period



### Departmental balance sheet

The department's major assets are in property, plant and equipment (\$366.9 million 2014-15) with DAFF having facilities located throughout rural and regional Queensland. In 2014-15, DAFF will invest \$18.2 million in capital assets through its capital program upgrading its facilities, purchasing new and replacement plant and equipment, and developing a new Biosecurity Information Management System, which will enhance the department's service delivery capacity and result in considerable efficiency gains. Over the forward estimates period, DAFF will continue to rationalise assets, and maximise service delivery outcomes and efficiencies from its retained assets.

## CONTROLLED INCOME STATEMENT

Department of Agriculture, Fisheries and Forestry	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	1,10,18	251,499	272,041	287,899
Taxes		..	..	..
User charges and fees	2,11,19	58,893	64,097	56,264
Royalties and land rents	12,20	30,499	26,764	23,587
Grants and other contributions	3,13,21	54,272	55,143	40,114
Interest		..	..	..
Other revenue	4,22	492	2,657	265
Gains on sale/revaluation of assets	5,23	403	4,559	450
<b>Total income</b>		<b>396,058</b>	<b>425,261</b>	<b>408,579</b>
<b>Expenses</b>				
Employee expenses	6,14,24	199,428	202,592	203,897
Supplies and services:				
- Outsourced service delivery	15, 25	..	..	17,091
- Other supplies and services	7,16, 26	143,741	144,749	123,481
Grants and subsidies	8,17, 27	27,331	49,626	40,391
Depreciation and amortisation		23,412	22,200	21,563
Finance/borrowing costs		..	..	..
Other expenses		2,143	2,339	2,153
Losses on sale/revaluation assets	9, 28	3	5,438	3
<b>Total expenses</b>		<b>396,058</b>	<b>426,944</b>	<b>408,579</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>(1,683)</b>	<b>..</b>

## CONTROLLED STATEMENT OF CHANGES IN EQUITY

Department of Agriculture, Fisheries and Forestry	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	29, 34	6,230	267	5,560
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>6,230</b>	<b>267</b>	<b>5,560</b>
Surplus/(deficit) for the period	30	..	(1,683)	..
<b>Total recognised income and expense for the period</b>		<b>6,230</b>	<b>(1,416)</b>	<b>5,560</b>
Equity injection/(withdrawal)	31,32, 35	(7,625)	(8,299)	(4,625)
Equity adjustments (inc. MoG transfers)	33, 36	..	..	2,000
<b>Total movement in equity for period</b>		<b>(1,395)</b>	<b>(9,715)</b>	<b>2,935</b>

## CONTROLLED BALANCE SHEET

Department of Agriculture, Fisheries and Forestry	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	37, 43	30,865	33,871	34,360
Receivables		31,492	31,668	29,376
Other financial assets		..	..	..
Inventories		2,132	1,518	1,450
Other		5,521	4,329	4,479
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>70,010</b>	<b>71,386</b>	<b>69,665</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	47	47
Other financial assets		..	..	..
Property, plant and equipment	38, 44, 50	417,572	365,596	366,924
Intangibles	45, 51	3,707	3,290	5,811
Other		14,776	15,760	14,942
<b>Total non-current assets</b>		<b>436,055</b>	<b>384,693</b>	<b>387,724</b>
<b>TOTAL ASSETS</b>		<b>506,065</b>	<b>456,079</b>	<b>457,389</b>
<b>CURRENT LIABILITIES</b>				
Payables		7,886	10,070	9,470
Accrued employee benefits	39, 46	7,491	5,086	4,961
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		18,605	18,937	18,387
<b>Total current liabilities</b>		<b>33,982</b>	<b>34,093</b>	<b>32,818</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		22,971	22,320	21,970
<b>Total non-current liabilities</b>		<b>22,971</b>	<b>22,320</b>	<b>21,970</b>
<b>TOTAL LIABILITIES</b>		<b>56,953</b>	<b>56,413</b>	<b>54,788</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>449,112</b>	<b>399,666</b>	<b>402,601</b>
<b>EQUITY</b>				
Capital/contributed equity	40, 47, 52	434,597	408,397	405,772
Accumulated surplus/(accumulated deficit)	41, 48	(414)	(11,143)	(11,143)
Reserves:				
- Asset revaluation surplus	42, 49, 53	14,929	2,412	7,972
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>449,112</b>	<b>399,666</b>	<b>402,601</b>

## CONTROLLED CASH FLOW STATEMENT

Department of Agriculture, Fisheries and Forestry	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	54,65,77	251,499	273,965	287,899
User charges and fees	55,66,78	89,215	110,636	58,237
Royalties and land rent receipts	67,79	30,499	26,764	23,587
Grants and other contributions	56,68,80	54,272	55,143	40,114
Interest received		..	..	..
Taxes		..	..	..
Other	57,81	14,673	16,838	14,046
<b>Outflows</b>				
Employee costs	58,69,82	(199,096)	(202,460)	(204,022)
Supplies and services	59,70,83	(157,742)	(168,050)	(154,837)
Grants and subsidies	60,71,84	(27,331)	(49,626)	(40,391)
Borrowing costs		..	..	..
Other		(2,554)	(2,750)	(1,964)
<b>Net cash provided by/(used in) operating activities</b>		<b>53,435</b>	<b>60,460</b>	<b>22,669</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets	61,72,85	7,154	8,521	672
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	73	(19,577)	(18,877)	(18,227)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(12,423)</b>	<b>(10,356)</b>	<b>(17,555)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	62,74,86	(7,625)	(8,299)	(4,625)
<b>Net cash provided by/(used in) financing activities</b>		<b>(7,625)</b>	<b>(8,299)</b>	<b>(4,625)</b>
<b>Net increase/(decrease) in cash held</b>		<b>33,387</b>	<b>41,805</b>	<b>489</b>
<b>Cash at the beginning of financial year</b>	63,,75,87	<b>(2,522)</b>	<b>(7,934)</b>	<b>33,871</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>	64,76	<b>30,865</b>	<b>33,871</b>	<b>34,360</b>



## ADMINISTERED INCOME STATEMENT

Department of Agriculture, Fisheries and Forestry	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	90,92	9,728	9,741	9,395
Taxes		1,769	1,769	1,831
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>11,497</b>	<b>11,510</b>	<b>11,226</b>
<b>Expenses</b>				
Employee expenses		..	..	..
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		..	..	..
Grants and subsidies	88	9,330	9,549	9,203
Depreciation and amortisation	89,91	398	192	192
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation assets		..	..	..
Transfers of Administered Revenue to Government		1,769	1,769	1,831
<b>Total expenses</b>		<b>11,497</b>	<b>11,510</b>	<b>11,226</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## ADMINISTERED BALANCE SHEET

Department of Agriculture, Fisheries and Forestry	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		74	75	75
Receivables		29	38	38
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>103</b>	<b>113</b>	<b>113</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		4,261	4,403	4,215
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>4,261</b>	<b>4,403</b>	<b>4,215</b>
<b>TOTAL ASSETS</b>		<b>4,364</b>	<b>4,516</b>	<b>4,328</b>
<b>CURRENT LIABILITIES</b>				
Payables		47	..	..
Transfers to Government Payable		37	48	48
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>84</b>	<b>48</b>	<b>48</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>84</b>	<b>48</b>	<b>48</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>4,280</b>	<b>4,468</b>	<b>4,280</b>
<b>EQUITY</b>				
Capital/contributed equity		4,086	4,752	4,560
Accumulated surplus/(accumulated deficit)	93,95	(32)	(313)	(313)
Reserves:				
- Asset revaluation surplus	94,96	226	29	33
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>4,280</b>	<b>4,468</b>	<b>4,280</b>

## ADMINISTERED CASH FLOW STATEMENT

Department of Agriculture, Fisheries and Forestry	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	100,102	9,728	9,741	9,395
User charges and fees		1,770	1,880	1,831
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		..	..	..
<b>Outflows</b>				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies	97	(9,330)	(9,549)	(9,203)
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government	98,103	(1,771)	(2,211)	(1,831)
<b>Net cash provided by/(used in) operating activities</b>		397	(139)	192
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		..	..	..
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	99,101	(398)	(192)	(192)
<b>Net cash provided by/(used in) financing activities</b>		(398)	(192)	(192)
<b>Net increase/(decrease) in cash held</b>		(1)	(331)	..
<b>Cash at the beginning of financial year</b>		75	406	75
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		74	75	75

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue, User Charges and Grants and Other Contributions. The 2013-14 Adjusted budget Appropriation revenue User Charges and Grants and Other Contributions and Employee expenses have been reduced by \$7 million. The 2013-14 Estimated actual Appropriation revenue, User Charges and Grants and Other Contributions and Employee expenses have been reduced by \$7 million.

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. The increase is principally due to additional funding for the Drought Relief Assistance Scheme (DRAS), which provides support to producers for freight subsidies and emergency water infrastructure rebates affected by drought conditions across the state. The increase is also associated with additional funding for Pest and Disease emergency responses, including funding for Queensland's contribution under National Cost Sharing (NCS) arrangements, reimbursement of voluntary redundancy payments. Additional funding for Managing Farm Pests in drought affected areas has contributed to the increase. This is partially offset by the deferral of funding to realign with anticipated cashflows for election commitments and departmental programs.
2. The increase is principally due to additional Information Technology revenues collected from other Government agencies under the Business and Corporate Partnership arrangement.
3. The increase is principally due to additional funding for the Reef Water Quality Program and contracted Research and Development (R&D) projects funded by external funding bodies.
4. The increase is principally due to additional revenue received for the management of Strategy Cropping Land (SCL) mitigation arrangements and the Hendra Virus Research project.
5. The increase is principally due to the gain on sale of assets which are surplus to departmental requirements.
6. The increase is principally to the payment of voluntary redundancies in 2013-14.
7. The increase is predominantly associated with the additional expense of responding to Pest and Disease emergency responses including payments made under NCS arrangements, and additional expenses related to the delivery of Information Technology services to other Government agencies under the Business and Corporate Partnership arrangement, the delivery of the Reef Water Quality Program, contracted R&D projects and SCL mitigation arrangements. This is partially offset by a reduction in expenses due to the deferral of funding to realign with anticipated cashflows for election commitments and departmental programs.
8. The increase is principally to additional expenses associated with DRAS, which includes provides support to producers for freight subsidies and emergency water infrastructure rebates affected by drought conditions across the state. Increase includes additional expenses for Managing Farm Pests in drought affected areas.
9. The increase is associated with the loss on sale and impairment of assets, which are surplus to departmental requirements.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

10. The increase is principally due to additional funding provided for funding for DRAS, which provides support to producers for freight subsidies and emergency water infrastructure rebates affected by drought conditions across the state. The increase is also due to the deferral of funding to realign with anticipated cashflows for election commitments and departmental programs and additional funding for Enterprise Bargaining (EB). Additional funding for Managing Farm Pests in drought affected areas has contributed to the increase. This is partially offset by a reduction in funding for the Queensland Cattle Industry Biosecurity Fund (QCIBF).
11. The decrease is largely related to the cessation of current funding agreements for NCS programs, including the National Red Imported Fire Ant Eradication Program (NRIFAEP). Funding arrangements for NCS programs are yet to be finalised for 2014-15. This is partially offset by additional Information Technology revenues collected from other Government agencies under the Business and Corporate Partnership arrangement.
12. The decrease is due to an anticipated decline in revenue from forest products, associated with a reduction in demand for quarry materials from the resources sector.

13. The decrease is largely due to the cessation of current funding agreements for NCS programs, including the NRIFAEP. This component represents the Australian Government contribution to NCS arrangements. Funding arrangements for NCS programs are yet to be finalised for 2014-15. The decrease is also due to the completion of R&D projects funded by external funding bodies.
14. The increase is largely due to additional expenses for EB increments.
15. The increase reflects the reclassification of Grants and Subsidies to Outsourced Service Delivery for greater transparency in the 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change. Increase also includes additional expenses for Managing Farm Pests in drought affected areas.
16. The decrease is mainly due to the completion of funding arrangements for NCS programs including NRIFAEP, the completion of R&D Projects. It is partially offset by additional expenses from the deferred funding that was realigned with anticipated cashflows for election commitments and departmental programs, and the delivery of Information Technology services to other Government agencies under the Business and Corporate Partnership arrangement.
17. The increase is largely due to additional expenses associated with the DRAS, which provides support to producers for freight subsidies and emergency water infrastructure rebates affected by drought conditions across the state. This is partially offset by a reduction in expenses for QCIBF and the reclassification of Grants and Subsidies to Outsourced Service Delivery for greater transparency in the 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

18. The increase is largely due to a deferral of funding to realign with anticipated cashflows for election commitments and departmental programs, and additional funding provided for EB. This is partially offset by the reduction in funding for Pest and Disease emergency responses, NCS arrangements and the cessation of funding provided for reimbursement of voluntary redundancy payments in 2013-14.
19. The decrease is mainly due to the cessation of current funding agreements for NCS programs, including the NRIFAEP. Funding arrangements for NCS programs are yet to be finalised for 2014-15.
20. The decrease is mainly due to an anticipated decline in revenue from forest products, associated with a reduction in demand for quarry materials from the resources sector.
21. The decrease is largely due to the completion of current funding agreements for NCS programs, including the NRIFAEP. This component represents the Australian Government contribution to NCS arrangements. Funding arrangements for NCS programs are yet to be finalised for 2014-15. The decrease is also due to the completion of R&D projects funded by external funding bodies.
22. The decrease relates to a reduction in revenue received in 2013-14 for the management of SCL mitigation arrangements.
23. The decrease is associated with the gain on sale of assets in 2013-14, which are surplus to departmental requirements.
24. The increase is mainly due to additional expenses for EB. This is partially offset by the payment of voluntary redundancies in 2013-14.
25. The increase is due to the reclassification of Grants and Subsidies to Outsourced Service Delivery for greater transparency in the 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.
26. The decrease is mainly due to the cessation of current funding agreement for NCS programs, including the NRIFAEP. Funding arrangements for NCS programs are yet to be finalised for 2014-15. The decrease is also associated with reduced expenses associated with Pest and Disease emergency responses, and the delivery of R&D projects. This is partially offset by additional expenses due to deferred funding that was realigned with anticipated cashflows for election commitments and departmental programs.
27. The decrease is largely due to the reclassification of payments to Outsourced Service Delivery.
28. The decrease is associated with the loss on sale and impairment of assets in 2013-14, which are surplus to departmental requirements.

## Statement of Changes in Equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

29. The 2013-14 Estimated actual includes a revised estimate for the indexation of departmental assets to reflect expected market values at 30 June 2014 and other adjustments to asset values.
30. The 2013-14 Estimated actual is largely due to the impairment of assets no longer being used to deliver services.
31. The increase is largely due to the return of higher than expected asset sale proceeds to the Consolidated Fund (CF).

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

32. The 2014-15 Budget includes reduced funding for an election commitment relating to the commercial fishing industry.
33. The 2014-15 Budget reflects the transfer of an asset from another government agency.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

34. The 2014-15 Budget includes an estimate for the indexation of departmental assets to reflect expected market values at 30 June 2015.
35. The 2014-15 Budget includes reduced funding for a fisheries' election commitment.
36. The 2014-15 Budget reflects the transfer of an asset from another government agency.

## Balance Sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

37. The increase is mainly due to higher than expected proceeds from the sale of assets.
38. The decrease is largely due to a revised estimate for the indexation of departmental assets to reflect expected market values at 30 June 2014, asset sales and impairments, and the transfer of assets to other government agencies as part of finalising the 2012 MoG changes.
39. The decrease is largely due to the finalisation of 2012 MoG changes relating to the establishment of new payroll systems for the former DEEDI agencies.
40. The decrease is largely due to higher than expected asset sales, the transfer of assets to other government agencies as part of finalising the 2012 MoG changes and equity adjustments to CF.
41. The increase is mainly due to the impairment of assets no longer being used in service delivery.
42. The 2013-14 Estimated actual includes a revised estimate for the indexation of departmental assets to reflect expected market values at 30 June 2014 and other adjustments to asset values.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

43. The increase is mainly due to higher than expected proceeds from the sale of assets in 2013-14.
44. The decrease is largely due to a revised estimate for the indexation of departmental assets to reflect expected market values at 30 June 2014, asset sales and impairments, and the transfer of assets to other government agencies as part of finalising the 2012 MoG changes. This is partly offset by new capital works projects, the purchase of new and replacement plant and equipment, and the indexation of assets to reflect expected market values at 30 June 2015.
45. The increase is mainly due to the development of Biosecurity Information Management System (BIMS).
46. The decrease is largely due to the finalisation of 2012 MoG changes relating to the establishment of new payroll systems for the former DEEDI agencies.
47. The decrease is mainly due to higher than expected asset sales in 2013-14, the transfer of assets to other government agencies as part of finalising MoG changes and equity adjustments to CF.
48. The increase is mainly due to the impairment of assets no longer being used in service delivery.
49. The 2014-15 Budget includes indexation of departmental assets to reflect expected market values during 2013-14 and 2014-15.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

50. The 2014-15 Budget includes the indexation of assets to reflect expected market values at 30 June 2015.
51. The increase is mainly due to the development of BIMS.
52. The decrease is largely due to equity adjustments to CF, which includes funding for depreciation costs and a fisheries' election commitment.
53. The 2014-15 Budget includes indexation of departmental assets to reflect expected market values at 30 June 2015.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

54. The increase is principally due to additional funding for DRAS, which provides support to producers for freight subsidies and emergency water infrastructure rebates affected by drought conditions across the state. The increase is also associated with additional funding for Pest and Disease emergency responses, including funding for Queensland's contribution under NCS arrangements and the reimbursement of voluntary redundancy payments. Additional funding for Managing Farm Pests in drought affected areas has contributed to the increase. This is partially offset by a reduction due to a realignment of funding to match anticipated cashflows for election commitments and departmental programs.

55. The increase is principally due to additional Information Technology revenues from other Government agencies under the Business and Corporate Partnership arrangement.
56. The increase is principally due to additional funding for the Reef Water Quality Program and contracted R&D projects funded by external funding bodies.
57. The increase is principally due to additional revenue received for the management of SCL mitigation arrangements and the Hendra Virus Research project.
58. The increase is principally due to the payment of voluntary redundancies and their accrued employee entitlements on separation in 2013-14.
59. The increase is predominantly associated with the additional expense of responding to Pest and Disease emergency responses including payments made under NCS arrangements, additional expenses related to the delivery of Information Technology services to other Government agencies under the Business and Corporate Partnership arrangement, and expense associated with the delivery of the Reef Water Quality Program and contracted R&D projects. This is partially offset by the realignment of expenses with anticipated cashflows for election commitments and departmental programs.
60. The increase is principally to additional expenses associated with DRAS, which includes provides support to producers for freight subsidies and emergency water infrastructure rebates affected by drought conditions across the state. Increase includes additional expenses for Managing Farm Pests in drought affected areas.
61. The increase is mainly due to higher than expected proceeds from the sale of assets.
62. The increase is largely due to the return of higher than expected asset sale proceeds to CF.
63. The decrease is largely due to timing issues related to the need for DAFF to transact payroll expenditure for the former DEEDI agencies.
64. The increase is mainly due to higher than expected proceeds from the sale of assets.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

65. The increase is principally due to additional funding provided for funding for DRAS, which provides support to producers for freight subsidies and emergency water infrastructure rebates affected by drought conditions across the state. The increase is also associated with realignment of funding to match anticipated cashflows for election commitments, departmental programs and additional funding for EB. Additional funding for Managing Farm Pests in drought affected areas has contributed to the increase. This is partially offset by a reduction in funding for QCIBF.
66. The decrease is largely related to the cessation of current funding agreements for NCS programs, including the NRIFAEP. Funding arrangements for NCS programs are yet to be finalised for 2014-15. This is partially offset by additional Information Technology revenues from other Government agencies under the Business and Corporate Partnership arrangement.
67. The decrease is due to an anticipated decline in revenue from forest products, associated with a reduction in demand for quarry materials from the resources sector.
68. The decrease is largely due to the cessation of current funding agreements for NCS programs, including the NRIFAEP. This component represents the Australian Government contribution to NCS arrangements. Funding arrangements for NCS programs are yet to be finalised for 2014-15. The decrease is also due to the completion of R&D projects funded by external funding bodies.
69. The increase is largely due to additional expenses for EB increments.
70. The decrease is mainly due to the completion of funding arrangements for NCS programs including NRIFAEP and the completion of R&D Projects. It is partially offset by additional expenses for the delivery of Information Technology services to other Government agencies under the Business and Corporate Partnership arrangement and the reclassification of Grants and Subsidies to Outsourced Service Delivery for greater transparency in the 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change. This is partially offset by an increase in additional expenses for Managing Farm Pests in drought affected areas.
71. The increase is largely due to additional expenses associated with the DRAS, which provides support to producers for freight subsidies and emergency water infrastructure rebates affected by drought conditions across the state and increased expenses following the realignment of funding to match anticipated cashflows for election commitments and departmental programs. This is partially offset by a reduction due of funding for QCIBF and reclassification of Grants and Subsidies to Outsourced Service Delivery for greater transparency in the 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.
72. The 2013-14 Budget included the sale of Eagle Farm and land at the Biloela Research Facility.
73. The 2013-14 Budget includes funding for the upgrade of the beef research property "Spyglass" to be research ready, which was completed during 2013-14.



74. The 2014-15 Budget includes reduced funding for a fisheries' election commitment.
75. The increase is largely due to the finalisation of 2012 MoG changes relating to the establishment of new payroll systems for the former DEEDI agencies and asset sales.
76. The increase is mainly due to higher than expected proceeds from the sale of assets.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

77. The increase is largely due to realignment of funding to match anticipated cashflows for election commitments, departmental programs, and additional funding provided for EB. This is partially offset by the reduction in funding for Pest and Disease emergency responses, NCS arrangements and the reimbursement of voluntary redundancy payments from 2013-14.
78. The decrease is mainly due to the cessation of current funding agreements for NCS programs, including the NRIFAEP. Funding arrangements for NCS programs are yet to be finalised for 2014-15.
79. The decrease is mainly due to an anticipated decline in revenue from forest products, associated with a reduction in demand for quarry materials from the resources sector.
80. The decrease is largely due to the completion of current funding agreements for NCS programs, including the NRIFAEP. This component represents the Australian Government contribution to NCS arrangements. Funding arrangements for NCS programs are yet to be finalised for 2014-15. The decrease is also due to the completion of R&D projects funded by external funding bodies.
81. The decrease relates to the reduction in revenues received in 2013-14 for the management of SCL mitigation arrangements.
82. The increase is mainly due to additional expenses for EB increments. This is partially offset by the payment of voluntary redundancies in 2013-14.
83. The decrease is mainly due to the cessation of current funding agreement for NCS programs, including the NRIFAEP. Funding arrangements for NCS programs are yet to be finalised for 2014-15. The decrease is also associated with reduced expenses associated with Pest and Disease emergency responses and R&D projects. This is partially offset by additional expenses following the realignment of funding to match anticipated cashflows for election commitments and departmental programs and the reclassification of Grants and Subsidies to Outsourced Service Delivery for greater transparency in the 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.
84. The decrease is largely due to the reclassification of payments to Outsourced Service Delivery.
85. The 2013-14 Estimated actual includes the sale of Eagle Farm and land at the Biloela Research Facility.
86. The 2014-15 Budget includes reduced funding for a fisheries' election commitment.
87. The increase is largely due to the finalisation of 2012 MoG changes relating to the establishment of new payroll systems for the former DEEDI agencies and asset sales.

## **Administered income statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

88. The increase is largely due to payments to AACC related to the fiscal repair measures.
89. The 2013-14 Estimated actual reflects expected depreciation expenses for 2013-14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

90. The 2013-14 Budget includes payments to AACC related to the fiscal repair measures.
91. The 2014-15 Budget reflects expected depreciation expenses for 2014-15.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

92. The 2013-14 Estimated actual includes payments to AACC related to the fiscal repair measures.

## **Administered balance sheet**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

93. The increase is largely due to timing issues relating to the return of receipts to CF.
94. The 2013-14 Estimated actual includes a revised estimate for the indexation of departmental assets to reflect expected market values at 30 June 2014.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

95. The increase is largely due to timing issues relating to the return of receipts to CF.
96. The 2014-15 Budget includes indexation of departmental assets to reflect expected market values during 2013-14 and 2014-15.



## **Administered cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

- 97. The increase is largely due to payments to AACC related to the fiscal repair measures.
- 98. The 2013-14 Estimated actual includes timing issues relating to the return of receipts to CF.
- 99. The 2013-14 Estimated actual reflects funding for expected depreciation expenses for 2013-14.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

- 100. The 2013-14 Budget includes payments to AACC related to the fiscal repair measures.
- 101. The 2014-15 Budget reflects funding for expected depreciation expenses for 2014-15.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

- 102. The 2013-14 Estimated actual includes payments to AACC related to the fiscal repair measures.
- 103. The 2013-14 Estimated actual includes timing issues relating to the return of receipts to CF.



# STATUTORY BODIES

## QUEENSLAND AGRICULTURAL TRAINING COLLEGES

### AGENCY OVERVIEW

#### Strategic direction

Queensland Agricultural Training Colleges (QATC) contributes to the Queensland Government's objective to double agricultural production by 2040. It does this by assisting in the implementation of industries' workforce development plans to address the skilled workforce needs of a modern and progressive agriculture sector.

A change in governance arrangements for the Australian Agricultural Colleges Corporation has progressed in 2014. New legislation was assented to in February 2014 and is expected to come into effect on 1 July 2014. The new arrangements establish a renamed entity called QATC which will manage the brands of Longreach Pastoral College, Emerald Agricultural College and Rural Training Queensland (the industry training arm).

QATC will continue to deliver industry endorsed training for primary production and regional communities. Training activities are delivered in two modes: residential training delivered at Longreach and Emerald, and industry training delivered at various locations throughout Queensland. The purpose of QATC is to support the sustainability of agricultural, rural and related industries and communities by improving the knowledge and skills of its existing and future workforce.

With a focus on supporting DAFF's vision of efficient, innovative, resilient and profitable agriculture, fisheries and forestry industries, the vision of the strategic plan of the QATC is:

*To be a preferred provider and facilitator of agricultural industry relevant training that utilises current and emerging best practice learning models*

The objectives of the QATC are to:

- ensure its training products are relevant, produce industry standard graduates and enable QATC's students to have an experience that matches their needs and expectations
- ensure that business practices are focussed on the long term financial viability of the business in an increasingly competitive environment
- have productive partnerships that enhance the reputation of the organisation
- attract, develop and retain highly and diversely qualified professional staff.

For 2014-15, the organisation will turn its focus from embedding the new corporate and governance arrangements to the achievement of the necessary revenue targets to move the corporation towards financial sustainability and improve its commercial agility. While the forecast is for an operating deficit in 2014-15, the change in governance arrangements and other organisational change initiatives are expected to lead to improved financial results in the future.

## RESOURCES AND PERFORMANCE

Achievements in 2013-14 include:

- assent of the *Agricultural Colleges Amendment Act 2014* allowing for the transition to a statutory authority and the establishment of the Queensland Agricultural Training Colleges
- endorsement of a 2014-2018 interim strategic plan pending appointment of the new Governing Board
- relaunching of the iconic college brands of Longreach Pastoral College and Emerald Agricultural College
- the launch of Rural Training Queensland as the industry training arm of the organisation
- continued efficiency measures has seen year to date expenditure savings of \$1.93 million across the organisation
- completion of the design and documentation phases for a substantial portion of the upgrade and renewal programs at Longreach Pastoral and Emerald Agricultural Colleges
- significant improvement in the financial management and reporting of the organisation's performance
- approval of a Risk Management Policy.

In 2014-15, the QATC will focus on:

- launching the flagship two year training programs at Longreach and Emerald in January 2015
- undertaking extensive market analysis to ensure product alignment with consumer demands
- embedding new literacy and numeracy training products to support students with learning difficulties
- development of online learning modules
- upgrading infrastructure at both Longreach and Emerald
- working with industry to ensure the most effective agriculture skills training.

## STATEMENTS

### Staffing

Queensland Agricultural Training Colleges	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
	1	137	118	120

Notes:

1. Savings in full-time equivalent employees (FTE) are forecast to be achieved at both residential colleges due to lower student numbers and training outputs than budgeted.

### Performance Statement

Queensland Agricultural Training Colleges	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service standards</b>				
Level of stakeholder satisfaction with VET training services and products				
• Quality Indicator (QI) Learners Survey		85%	86%	85%
• Quality Indicator (QI) Employer Survey		75%	89%	75%
Percentage of successfully completed competencies compared with all modules assessed	1	90%	84%	90%
Percentage of completed competencies delivered at or above Certificate IV level		13%	12%	13%
Percentage of students employed or in further study 6 months after completing their training (NCVER Survey)	2	90%	89.5%	90%
Unit cost per Annual Hours Curriculum (AHC)	3	\$35	\$42	\$39
Annual Hours Curriculum per Instructional staff FTE	4	15,000	13,098	15,000
Average cost per competency successfully completed	5	\$1,192	\$1,834	\$1,739

Notes:

1. Variance relates to the higher percentage of student withdrawals prior to final assessment.
2. The 2014-15 Target of 90% is in line with the result achieved by TAFE Queensland.
3. This measure is commonly used in the training sector to assess efficiency of training delivery. Higher indicators for the 2013-14 Estimated actual result from lower training delivery outputs than forecast as directly reflected in lower AHC's per FTE.
4. The target of 15,000 AHC's for 2013-14 is that generally used by TAFE Queensland to measure efficiency of instructional staff. Lower student enrolments and the need for smaller class sizes at the residential colleges than in a TAFE setting will lead to lower AHC's per FTE than budgeted.
5. The increase in unit cost results from the inclusion of investment in product development during 2013-14. In addition the increase is caused by lower training outputs and an inability to reduce fixed costs.

## INCOME STATEMENT

Queensland Agricultural Training Colleges	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1	6,872	6,137	6,795
Grants and other contributions	2,8	13,892	10,743	10,491
Interest	3,12	225	759	450
Other revenue		86	42	17
Gains on sale/revaluation of assets	4,13	1,923	3,028	2,547
<b>Total income</b>		<b>22,998</b>	<b>20,709</b>	<b>20,300</b>
<b>Expenses</b>				
Employee expenses	5,9	13,122	11,335	11,630
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	6,10	10,433	8,601	8,816
Grants and subsidies		..	..	..
Depreciation and amortisation		1,262	1,281	1,162
Finance/borrowing costs		..	..	..
Other expenses		393	343	271
Losses on sale/revaluation of assets		128	128	128
<b>Total expenses</b>		<b>25,338</b>	<b>21,688</b>	<b>22,007</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	7,11	<b>(2,340)</b>	<b>(979)</b>	<b>(1,707)</b>

## STATEMENT OF CHANGES IN EQUITY

Queensland Agricultural Training Colleges	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		(230)	(230)	(230)
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>(230)</b>	<b>(230)</b>	<b>(230)</b>
Surplus/(deficit) for the period	7,11	(2,340)	(979)	(1,707)
<b>Total recognised income and expense for the period</b>		<b>(2,570)</b>	<b>(1,209)</b>	<b>(1,937)</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (inc. MoG transfers)	14,15	..	..	(2,000)
<b>Total movement in equity for period</b>		<b>(2,570)</b>	<b>(1,209)</b>	<b>(3,937)</b>

## BALANCE SHEET

Queensland Agricultural Training Colleges	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	16,21,27	2,788	1,702	1,363
Receivables		1,639	1,626	1,267
Other financial assets	17,22,28	10,700	15,078	12,078
Inventories		404	238	238
Other		63	306	303
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>15,594</b>	<b>18,950</b>	<b>15,249</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		39	39	39
Other financial assets		81	94	81
Property, plant and equipment	18,23	83,379	82,365	82,353
Intangibles		..	..	..
Other	19,24	9,008	5,619	6,181
<b>Total non-current assets</b>		<b>92,507</b>	<b>88,117</b>	<b>88,654</b>
<b>TOTAL ASSETS</b>		<b>108,101</b>	<b>107,067</b>	<b>103,903</b>
<b>CURRENT LIABILITIES</b>				
Payables		1,406	1,224	1,511
Accrued employee benefits		1,831	1,970	2,216
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		292	229	229
<b>Total current liabilities</b>		<b>3,529</b>	<b>3,423</b>	<b>3,956</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		1,079	940	1,180
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>1,079</b>	<b>940</b>	<b>1,180</b>
<b>TOTAL LIABILITIES</b>		<b>4,608</b>	<b>4,363</b>	<b>5,136</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>103,493</b>	<b>102,704</b>	<b>98,767</b>
<b>EQUITY</b>				
Capital/contributed equity	25	(25,596)	(26,060)	(28,060)
Accumulated surplus/(accumulated deficit)		17,575	18,652	16,945
Reserves:				
- Asset revaluation surplus	20,26	111,514	110,112	109,882
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>103,493</b>	<b>102,704</b>	<b>98,767</b>

## CASH FLOW STATEMENT

Queensland Agricultural Training Colleges	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	29,46	6,860	10,104	6,994
Grants and other contributions	30,39	13,892	10,743	10,491
Interest received	31	225	759	450
Taxes		..	..	..
Other	32,40,47	425	8,381	2,291
<b>Outflows</b>				
Employee costs	33,41	(12,387)	(10,553)	(11,144)
Supplies and services	34,42	(10,429)	(8,722)	(8,753)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(475)	(300)	(288)
<b>Net cash provided by/(used in) operating activities</b>		<b>(1,889)</b>	<b>10,412</b>	<b>41</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets	35,47,48	11,674	1,013	..
Investments redeemed	36,49	1,100	..	3,000
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	37,44,50	(1,882)	(4,513)	(3,380)
Payments for investments	38,45,51	(8,000)	(12,000)	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>2,892</b>	<b>(15,500)</b>	<b>(380)</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>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>1,003</b>	<b>(5,088)</b>	<b>(339)</b>
<b>Cash at the beginning of financial year</b>		<b>1,785</b>	<b>6,790</b>	<b>1,702</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>2,788</b>	<b>1,702</b>	<b>1,363</b>



## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Decrease due to the impact of lower student numbers on both training revenues and accommodation rental income partly offset by the reclassification of part of the Vocational Education and Training (VET) revenue received from Department of Education, Training and Employment (DETE) from grant to user charges.
2. Decrease due to the reclassification of part of the VET revenue received from DETE from grant to user charges.
3. Increase due to interest earned on investment of proceeds from the sale of surplus assets in the Burdekin.
4. Increase due to the gain on sale of a small portion of surplus land at Longreach.
5. Reduction due to completion of the Voluntary Redundancy (VR) program and vacancy management associated with lower student numbers.
6. Reduction due to savings in costs related to lower student numbers.
7. Improvement to the operating result is due to savings realised in employee costs, other supplies and services and a one-off gain on sale of a small portion of land at Longreach.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

8. Decrease due to the reclassification of part of the VET revenue received from DETE from grant to user charges.
9. Reduction due to completion of the VR program and reduced employee costs associated with lower forecast student numbers.
10. Reduction due to changed training delivery mode and increasing use of online resources and also to reduced maintenance and repairs expense following capital refurbishment projects.
11. Improvement to the operating result is due to savings realised in employee costs and other supplies and services.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

12. Decrease due to the need to reduce cash in investments to fund normal operations during the financial year including capital expenditure.
13. 2013-14 Estimated actual includes a one-off gain on sale of a small portion of surplus land at Longreach.

### Statement of Changes in Equity

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

14. Increase due to the transfer of Manningham Station from QATC to DAFF.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

15. Increase due to the transfer of Manningham Station from QATC to DAFF.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

16. Decrease due to the purchase of Rosebank Station from DAFF.
17. Increase due to the investment of proceeds from the sale of surplus assets.
18. Decrease reflects the sale of surplus land and plant and equipment assets.
19. Decrease reflects the sale of cattle from various locations due to the drought and the sale of sheep in preparation for the disposal of Manningham Station.
20. Decrease due to the adjustments to the Asset Revaluation Surplus following the sale of surplus assets.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

21. Decrease due to the purchase of Rosebank Station from DAFF and the effect of the forecast 2014-15 operating result.
22. Increase due to the investment of proceeds from the sale of surplus assets.
23. Decrease reflects the sale of surplus land and plant and equipment assets.
24. Decrease reflects the sale of cattle from various locations due to the drought and the sale of sheep in preparation for the disposal of Manningham Station.
25. Increase due to the transfer of Manningham Station to DAFF for disposal.
26. Decrease due to the adjustments to the Asset Revaluation Surplus following the sale of surplus assets.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

27. Decrease is a result of cash required to operate the business during 2014-15 and the cash flows associated with the capital works program.
28. Decrease reflects the movement of cash from investments to working capital to fund operations and the capital works program.

### **Cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

29. Increase due to the reclassification of part of the VET revenue received from the DETE from grants to user charges.
30. Decrease due to the reclassification of part of the payment received from DETE from grants to user charges.
31. Increase due to interest earned on investment of proceeds from the sale of surplus assets in the Burdekin.
32. Increase is due to the reclassification of the proceeds from the sale of Burdekin from sale of non-financial assets to cash inflows other.
33. Reduction due to completion of the VR program and reduced employee costs associated with lower forecast student numbers.
34. Reduction due to savings in costs related to lower student numbers.
35. Decrease is due to the reclassification of the proceeds from the sale of surplus assets in the Burdekin from sale of non-financial assets to cash inflows other.
36. Decrease due to improved operating result and the ability to leave additional funds on investment.
37. Increase due to the purchase of Rosebank Station from DAFF.
38. Increase reflects the placement of proceeds from the sale of asset on investment.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

39. Decrease due to the reclassification of part of the VET payment received from DETE from grants to user charges.
40. Increase is due to the planned sale of biological assets in 2014-15.
41. Reduction due to completion of the VR program, reduced workers compensation premium, finalisation of the new organisational structure and vacancy management associated with lower student numbers.
42. Reduction due to savings in costs related to lower student numbers.
43. Decrease reflects the finalisation of planned asset sales in 2013-14.
44. Increase reflects the planned capital works program for 2014-15 and the need to upgrade residential college assets.
45. Decrease due to no additional placement of cash on investment.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

46. Decrease due to the reclassification of proceeds from the sale of biologicals assets from user charges to other.
47. Decrease is due to the finalisation of asset sales program in 2013-14 partly offset by the reclassification of proceeds from the sale of biologicals assets from user charges to other.
48. Decrease is due to the finalisation of asset sales program in 2013-14.
49. Increase reflects return of cash on investment to working capital to fund operations.
50. Decrease reflects the purchase of Rosebank Station from DAFF in 2013-14 and a return to normal capital works in 2014-15.
51. Decrease due to no additional placement of cash on investment.

# QRAA

## AGENCY OVERVIEW

### Strategic direction

QRAA is an administrator of government financial assistance programs including loans, grants, rebates and subsidies. QRAA's vision is to be the preferred provider of government and other financial programs and services to their customers through the strategic goals of business sustainability, service excellence and business capability.

Through the assistance programs it administers, QRAA contributes to the Government's objectives for the community 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 (PIPES) 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.

## RESOURCES AND PERFORMANCE

QRAA functions and activities continue to contribute to the Queensland Government's commitment of doubling agricultural production by 2040 and the objective to grow a four pillar economy through tourism, agriculture, resources and construction.

Highlights as at 31 March 2014 include:

- 5,521 applications approved totalling more than \$175.1 million in financial assistance across all programs. This compares to approvals of 9,400 applications totalling \$166 million in the same period of 2012-13
- Over \$61 million in First Start and Sustainability Loans approved to more than 175 applicants under the Queensland Government's Primary Industry Productivity Enhancement Scheme. High levels of demand have continued in 2013-14 and the target of \$60 million (net approvals) will be exceeded by the end of this financial year
- QRAA approved over \$77 million in Natural Disaster Relief and Recovery Arrangement assistance to more than 5,100 primary producers, business owners and non-profit organisations. This compares with over 7,000 applications and approvals of \$83 million in the same period of 2012-13

- QRAA's capability and business sustainability has been enhanced by securing four new fee for service business opportunities including:
  - Delivery of the Australian Government Farm Finance Concessional Loans Scheme (Queensland);
  - Specialist advisory services relative to the *Vegetation Management Framework Amendment Act 2013*;
  - Administration of the second Queensland East Coast Commercial Net Fishing Reduction Scheme; and
  - Application processing and loan maintenance services to support the delivery of the Farm Finance Concessional Loans Scheme (Australian Government initiative).

During 2014-15, QRAA will continue to provide a broad, flexible and cost effective range of administrative services to assist government agencies to deliver financial programs to the highest standards including continuation of the:

- Queensland Cattle Industry Biosecurity funding through the Bovine Johne's Disease Assistance Scheme (Queensland Government initiative)
- Subsidised Interest Rate Scheme for Pastoralists and Service Businesses involved in Live Cattle Exports to Indonesia (Australian Government initiative).

QRAA is also expecting to play an active role in the delivery of a wide range of new loan, grant, rebate and structural adjustment programs including, but not limited to:

- Drought Concessional Loans Scheme (Australian Government initiative)
- Queensland East Coast Commercial Net Fishing Reduction Scheme (No.3).

Looking forward, QRAA will continue to build organisational capability and remain flexible and responsive to government priorities and the needs of our growing client base.

## STATEMENTS

### Staffing

QRAA	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
	1	72	91	84

Notes:

1. Full-time equivalents (FTEs) as at 30 June. QRAA's 2014-15 Estimate reflects a forecast of the total number of FTEs based on the projected business need for the financial year and the reduction in resources required for the Loans and Grants Administration Project.

### Performance Statement

QRAA	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service standards</b>				
Maintain total loan arrears within target levels	1	<3%	0.7%	<3%
Percentage growth of the Productivity Loan portfolio to achieve self sufficiency	1	7%	15.2%	7%
Percentage of applications processed within agreed service delivery timeframes	1,2	85%	78.3%	85%

Notes:

1. These figures are current as at 31 March 2014. The targets are for a full year period and it can be expected that the final actual will fluctuate to reflect a full 12 month figure.
2. This figure is lower than expected due to the large number of last-minute applications that were submitted for Tropical Cyclone Oswald. At the end of November, prior to the influx and volume of last minute applications, the actual was at 90% and above.

## INCOME STATEMENT

QRAA	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1,10,19	..	928	2,263
Grants and other contributions	2,11,20	43,518	76,846	16,910
Interest	3,12,21	24,024	22,236	25,144
Other revenue	4,13,22	76	24,923	19,803
Gains on sale/revaluation of assets	5,14	2,507	24	..
<b>Total income</b>		<b>70,125</b>	<b>124,957</b>	<b>64,120</b>
<b>Expenses</b>				
Employee expenses	6,15,23	7,983	9,547	8,985
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		3,015	2,892	2,936
Grants and subsidies	7,16,24	34,188	66,990	7,688
Depreciation and amortisation		292	396	361
Finance/borrowing costs	8,17,25	2,671	28,241	20,836
Other expenses		..	..	..
Losses on sale/revaluation of assets	9,18,26	..	337	158
<b>Total expenses</b>		<b>48,149</b>	<b>108,403</b>	<b>40,964</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>21,976</b>	<b>16,554</b>	<b>23,156</b>

## STATEMENT OF CHANGES IN EQUITY

QRAA	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'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		21,976	16,554	23,156
<b>Total recognised income and expense for the period</b>		<b>21,976</b>	<b>16,554</b>	<b>23,156</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (inc. MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>21,976</b>	<b>16,554</b>	<b>23,156</b>

## BALANCE SHEET

QRAA	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	27,33,39	74,303	86,987	56,458
Receivables	34,40	46,649	46,770	49,593
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	37	37
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>120,952</b>	<b>133,794</b>	<b>106,088</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	28,34,40	416,798	397,090	473,705
Other financial assets		..	..	..
Property, plant and equipment		533	823	705
Intangibles	29,35,41	6,800	1,955	3,618
Other		..	..	..
<b>Total non-current assets</b>		<b>424,131</b>	<b>399,868</b>	<b>478,028</b>
<b>TOTAL ASSETS</b>		<b>545,083</b>	<b>533,662</b>	<b>584,116</b>
<b>CURRENT LIABILITIES</b>				
Payables		100	298	323
Accrued employee benefits	30,36	1,600	1,902	1,902
Interest-bearing liabilities and derivatives	31,	28,542	29,353	28,549
Provisions		..	..	..
Other		..	1,712	1,559
<b>Total current liabilities</b>		<b>30,242</b>	<b>33,265</b>	<b>32,333</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		278	195	195
Interest-bearing liabilities and derivatives	31,37,42	150,786	191,182	219,412
Provisions		..	219	219
Other		..	..	..
<b>Total non-current liabilities</b>		<b>151,064</b>	<b>191,596</b>	<b>219,826</b>
<b>TOTAL LIABILITIES</b>		<b>181,306</b>	<b>224,861</b>	<b>252,159</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>363,777</b>	<b>308,801</b>	<b>331,957</b>
<b>EQUITY</b>				
Capital/contributed equity		84,652	84,652	84,652
Accumulated surplus/(accumulated deficit)	32,38,43	279,125	224,149	247,305
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>363,777</b>	<b>308,801</b>	<b>331,957</b>

## CASH FLOW STATEMENT

QRAA	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	44,55	..	2,640	2,110
Grants and other contributions	45,56,63	43,518	77,039	16,910
Interest received	46,64	24,149	22,333	25,143
Taxes		..	..	..
Other		76	26	5
<b>Outflows</b>				
Employee costs	47,57,65	(8,108)	(9,547)	(8,985)
Supplies and services		(3,015)	(3,019)	(2,911)
Grants and subsidies	48,58,66	(34,188)	(66,990)	(7,688)
Borrowing costs	49,59,67	(2,671)	(3,541)	(7,064)
Other		..	(668)	..
<b>Net cash provided by/(used in) operating activities</b>		<b>19,761</b>	<b>18,273</b>	<b>17,520</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	37	103
Investments redeemed		..	..	..
Loans and advances redeemed	50,68	65,618	56,874	65,671
<b>Outflows</b>				
Payments for non-financial assets	51,60	(7,060)	(2,123)	(2,009)
Payments for investments		..	..	..
Loans and advances made	52,61,69	(105,743)	(165,890)	(133,461)
<b>Net cash provided by/(used in) investing activities</b>		<b>(47,185)</b>	<b>(111,102)</b>	<b>(69,696)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings	53,62,70	25,500	87,368	51,000
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions	54,71	(28,967)	(16,519)	(29,353)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>(3,467)</b>	<b>70,849</b>	<b>21,647</b>
<b>Net increase/(decrease) in cash held</b>		<b>(30,891)</b>	<b>(21,980)</b>	<b>(30,529)</b>
<b>Cash at the beginning of financial year</b>		<b>105,194</b>	<b>108,967</b>	<b>86,987</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>74,303</b>	<b>86,987</b>	<b>56,458</b>



## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. The increase is due to fee for service revenues associated with QRAA's administration of the Farm Finance Concessional Loans Schemes for Queensland and Northern Territory.
2. The increase is due to high demand for Special Disaster Assistance (SDA) and Exceptional Disaster Assistance (EXDA) programs relating to the Tropical Cyclone (TC) Oswald event.
3. The decrease is due to lower than anticipated interest rates charged on the loan portfolio and lower interest earned on term deposits.
4. There have been two changes in accounting treatment since the 2013-14 adjusted budget was finalised:
  - a. Amortisation of initial fair value adjustments on EXDA loans has been reclassified from "revaluation of assets" to "other revenue"; and
  - b. Recognition and amortisation of initial fair value adjustments now applies to all loans with concessional interest rates, not just EXDA loans.
5. The amortisation of initial fair value adjustments on EXDA loans has been re-classified from "revaluation of assets" to "other revenue".
6. The increase in employee expenses is due to additional temporary staff recruited to administer EXDA, SDA and Farm Finance concessional loan schemes, and revised estimates in relation to the capitalisation of expenses relating to the Loans and Grants Administration System (LGAS) software implementation project.
7. The increase is due to high demand for SDA and EXDA assistance for the TC Oswald event.
8. The increase is due to interest on the Farm Finance Concessional Loan Schemes, plus a new accounting treatment whereby initial fair value adjustments on concessional interest rate borrowings are now recognised and amortised.
9. The increase relates to an increase in provision for doubtful debts.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

10. The increase relates to continuation of administering the Farm Finance Concessional Loan Scheme for Queensland and Northern Territory.
11. The decrease relates to completion of SDA and EXDA programs for TC Oswald.
12. The increase is due to interest earned on the Farm Finance Concessional Loan Scheme.
13. There have been two changes in accounting treatment since the 2013-14 Adjusted budget was finalised:
  - a. Amortisation of initial fair value adjustments on EXDA loans has been reclassified from "revaluation of assets" to "other revenue"; and
  - b. Recognition and amortisation of initial fair value adjustments now applies to all loans with concessional interest rates, not just EXDA loans.
14. The amortisation of initial fair value adjustments on EXDA loans has been re-classified from "revaluation of assets" to "other revenue".
15. The increase in employee expenses is due to additional temporary staff recruited to administer EXDA, SDA and Farm Finance concessional loan schemes, and revised estimates in relation to the capitalisation of expenses relating to the LGAS software implementation project.
16. The decrease is due to the expected completion of SDA and EDA schemes.
17. The increase is due to interest on the Farm Finance Concessional Loan Schemes, plus a new accounting treatment whereby initial fair value adjustments on concessional interest rate borrowings are now recognised and amortised.
18. The increase in the 2014-15 Budget relates to an increase in the incremental provision for doubtful debts.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

19. The increase is due to fee for service revenue relating to Farm Finance Concessional Loan Scheme.
20. The decrease relates to the completion of SDA and EXDA programs for TC Oswald.
21. The increase is due to interest earned on a larger loan portfolio balance.
22. The 2014-15 Budget anticipates a reduction in the amortisation of initial fair value adjustments for receivables.
23. The decrease in the 2014-15 Budget reflects the departure of temporary staff recruited to administer SDA and EXDA schemes.
24. The decrease is due to the expected completion of SDA and EXDA schemes relating to TC Oswald.

25. The 2014-15 Budget anticipates a reduction in the fair value adjustments for borrowings.
26. The decrease in the 2014-15 Budget relates to the incremental provision for doubtful debts.

## Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

27. The increase in cash holdings is due to lesser NDRRA borrowing redemptions to the Australian and Queensland Governments than anticipated.
28. The decrease is due to the netting of unamortised initial fair value adjustments on the loan book balance.
29. The decrease is due to a change in the estimates for the capitalisation of the LGAS software.
30. The increase in the 2013-14 Estimated actual is due to additional temporary staff recruited to administer the SDA and EXDA schemes.
31. The increase is due to additional funds borrowed to fund the Farm Finance Concessional Loan Schemes.
32. The decrease in accumulated surplus is a result of fair value losses in respect of the concessional elements of NDRRA and PIPES loans issued during the year.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

33. The decrease in cash holdings reflects a higher NDRRA borrowing redemption and PIPES lending compared to client loan repayments.
34. The increase in the client loan portfolio balance is due to an increase in NDRRA, PIPES and Farm Finance Concessional Loans.
35. The decrease is due to a change in the estimates for the capitalisation of the LGAS software.
36. The increase is due to an increased number of staff recruited to administer Farm Finance Concessional Loan Schemes and an increasing number of staff reaching the entitlement threshold for long service leave.
37. The increase is due to borrowings to fund the Farm Finance Concessional Loan Schemes.
38. The decrease in accumulated surplus is a result of fair value losses in respect of the concessional elements of NDRRA and PIPES loans issued during the year.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

39. The decrease in cash holdings reflects a higher NDRRA borrowing redemption and PIPES lending compared to client loan repayments.
40. The increase in the client loan portfolio balance is due to an increase in NDRRA and Farm Finance Concessional Loans.
41. The increase is due to the completion of the LGAS software implementation.
42. The increase is due to borrowings to fund the Farm Finance Concessional Loan Schemes.
43. The increase in accumulated surplus is due to amortisation of the losses recognised in previous years in relation to the fair value of the concessional elements of loans granted.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

44. The increase is due to fees for service received for the administration of Farm Finance Concessional Loans.
45. The increase is due to the high demand for SDA and EXDA programs relevant to TC Oswald event.
46. The decrease in interest revenue is due to lower than anticipated interest rates charged on the loan portfolio and lower interest earned on term deposits.
47. The increase in employee expenses is due to additional temporary staff recruited to administer SDA, EXDA and Farm Finance concessional loan programs.
48. The increase is due to high demand for SDA and EXDA assistance for the TC Oswald Event.
49. The increase is due to interest expense associated with the Farm Finance Concessional Loan Scheme.
50. The decrease in client loan repayment is due to loans under the EXDA scheme having a two year interest free and no repayment period.
51. The decrease is due to a change in the estimates for the capitalisation of the LGAS software.
52. The increase is expected due to higher demand for EXDA, PIPES and Farm Finance Concessional Loans.
53. The increase is due to funds borrowed to fund NDRRA and Farm Finance Concessional Loan Schemes.
54. The decrease is due to a smaller NDRRA borrowing redemption than anticipated.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

- 55. The increase is due to funds received for the administration of Farm Finance Concessional Loans.
- 56. The decrease is anticipated due to the completion of the EXDA and SDA Schemes.
- 57. The increase in employee costs is due to additional temporary staff recruited to administer Farm Finance Concessional Schemes.
- 58. The decrease in the 2014-15 Budget is due to the expected completion of EXDA, NDRRA and SDA schemes.
- 59. The increase is due to interest expense associated with the Farm Finance Concessional Loan Scheme.
- 60. The decrease is due to a change in the estimates for the capitalisation of the LGAS software.
- 61. The increase is expected due to Farm Finance Concessional lending.
- 62. The increase is due to funds borrowed to fund Farm Finance Concessional Loan Schemes.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

- 63. The decrease is anticipated due to the completion of the TC Oswald EXDA and SDA Schemes.
- 64. The increase is due to interest earned on a larger loan portfolio balance.
- 65. The decrease is anticipated due to the departure of temporary staff recruited to administer the TC Oswald EXDA, and SDA Schemes.
- 66. The decrease in the 2014-15 Budget is due to the expected completion of the TC Oswald EXDA, and SDA schemes.
- 67. The increase is due to interest expense associated with the Farm Finance Concessional Loan Scheme.
- 68. The increase is due to client loan repayments having a higher loan book balance and the expiration of the two years interest free and no repayment terms for EXDA loans.
- 69. The decrease is anticipated due to the completion of NDRRA Cyclone Oswald and the reduction in Farm Finance Concessional Loan lending.
- 70. The decrease is due to lesser demand for NDRRA and Farm Finance Concessional loans.
- 71. The increase is due to QRRA's repayment of NDRRA borrowings.

# 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).



