

PART 13

Minister for Primary Industries and Fisheries

Summary of Portfolio Budgets

Page	Agency	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
3-3	Department of Primary Industries and Fisheries - controlled	332,515	403,393	342,361
	Department of Primary Industries and Fisheries - administered	29,589	34,503	21,056
3-24	Forestry Plantations Queensland Office	32,207	31,956	31,155
3-30	QRAA	144,458	227,339	89,591

Note:

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

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Department of Primary Industries and Fisheries

Departmental Overview

Strategic Issues

The Department of Primary Industries and Fisheries (DPIF) is an economic development agency that aims for the accelerated and sustainable growth of Queensland's primary industries. The Department works with industry at all stages of the value chain to achieve this objective and supports the Government Outcomes of:

- a strong diversified economy
- a community of well-skilled and knowledgeable people
- a clean, liveable and healthy environment
- maintenance of the natural resource base.

The profitability and viability of Queensland's agribusiness sectors contributes to regional prosperity and the economic and social wellbeing of the State. The forecast value of Queensland's farm-gate production and first-stage processing sectors is approximately \$12.5 billion in 2007-08. Innovation drives growth in productivity, with public investment in research and development (R&D) responsible for more than one third of this growth. Queensland's food and agribusiness sector is also the State's second largest export earner, contributing over \$7 billion in 2006-07. Queensland's contribution to national primary industry export earnings grew from less than 22% in 2001-02 to almost 26% in 2006-07, due largely to the increasing value of beef exports.

The primary industries sector faces critical challenges to ongoing prosperity and these challenges shape how the Department will invest State funding of \$259.6 million in 2008-09 including:

- climate change and variability, including the need for effective drought policies
- changing terms of trade and competition from low cost producers for global market share
- secure access to—and efficient use of—water
- consumer demand for safe, healthy and ethically-produced food
- skills and labour shortages from competition and an ageing workforce
- competition for crops between food, fodder and biofuel industries
- access to new and existing markets and trade development
- increasing biosecurity risks
- national and state priorities for R&D, biosecurity, and fisheries management and the development of economic opportunities for Indigenous communities.

The Department's strategic direction is to pursue accelerated growth by capitalising on opportunities and responding to challenges — by developing strengths, expanding horizons and protecting capacity in the food and agribusiness sector, and by improving the way we do business.

In support of this, DPIF will be implementing an Enhanced Service Delivery (ESD) plan to deliver on the Government's priority to improve service delivery. The plan includes:

- strengthening and expanding workforce skilling and training to meet industry needs
- modernising service delivery
- capitalising on R&D potential to foster world class innovation.

In 2007-08, the Department responded to and eradicated an outbreak of equine influenza in Queensland. The additional resources required to address the outbreak was a major strategic issue for the Department. The Queensland response is estimated to cost almost \$40 million while the Australia-wide, State and Australian Governments estimated investment was approximately \$108 million. The 38% increase (228 full time equivalent) in average staffing for biosecurity during 2007-08, (see staffing output summary) is due to this outbreak, Electric Ant emergency response and the extension of the National Red Imported Fire Ant Eradication Program.

2008-09 Highlights

In 2008-09, DPIF has budgeted for total expenses of \$342.4 million, including a Queensland Government investment of \$259.6 million.

The ESD plan will address service delivery challenges. The plan takes a partnership approach, and includes:

- Strengthening and expanding workforce skilling and training to meet industry needs by:
 - developing an integrated model to deliver science and industry training services in partnership with the Australian Agricultural College Corporation;
 - streamlining R&D facilities to build opportunities through co-located science, training and extension facilities; and
 - expanding current extension activities through training partnerships with industry.
- Modernising service delivery to increase efficiency, effectiveness and accessibility with:
 - the establishment of smart service centres in agrieconomic zones; and
 - integrated delivery with flexible access to information to meet changing needs.
- Capitalising on R&D potential to foster world-class innovation through collaborative partnerships with R&D providers to develop science facilities across Queensland. This reflects the national R&D framework—agreed to by the Primary Industries Ministerial Council.

The national R&D framework will focus on public investment in agricultural R&D. National Centres of Research Excellence are developing where individual states or the CSIRO take the lead for commodity or sector-based research and development. To support North Queensland to become an industrial centre of national importance, the Department will target investment in 2008-09 to strengthen Queensland's primary industries sector, starting with investments to increase its capacity to undertake research in tropical science and biosecurity.

In 2008-09, the Department will invest in R&D, trade and export, extension and biosecurity services to accelerate growth in economically important primary industries. These industries include beef, fruit and vegetable, lifestyle horticulture, sugarcane, forestry, fish and seafood. The investment will be guided by the Department's strategies for R&D, food and agribusiness export, fisheries, biosecurity and corporate development.

The Queensland biosecurity strategy discussion paper, currently being finalised, will have the theme of ‘biosecurity is everyone’s business’ and will focus on improving emergency response capacity.

2007-08 Achievements

DPIF’s total investment of \$332.5 million (2007-08 Published Budget) in 2007-08 focussed on those priorities identified in the Strategic Plan 2007-12 as having the most potential to accelerate growth in the State’s food and agribusiness sectors. The Department developed three-year to five-year industry-specific priorities for the cropping, horticulture and beef industries. The Department also developed industry specific R&D plans to develop Queensland’s strengths in the beef, cotton, horticulture, lifestyle horticulture and fisheries industries in particular. These priorities are implemented through partnerships with industry and research organisations.

Improved Productivity and Efficiency

The Department works with industry and the R&D community across Australia to identify where government investment in R&D will have the most impact on productivity improvement in the medium term. DPIF has:

- equipped more than 500 Queensland beef producers with skills, knowledge and techniques to optimise land and stock—even in drought conditions—via a series of regional workshops that translate R&D findings into practical farm management practice
- successfully developed research techniques to produce a number of high value Queensland fish and seafood products via aquaculture, including grouper and coral trout
- reduced chemical use and crop loss from insect infestation in the fruit and vegetable industries through the development of new integrated pest management practices
- increased private investment in hardwood plantation forestry after researching suitable timber varieties for Queensland’s conditions.

Market Access

The Department supports primary industries to gain and maintain access to both domestic and international markets for their products. DPIF has:

- invested \$82.5 million (2007-08 Published Budget) in 2007-08 in Biosecurity Queensland’s ongoing program of risk management which assisted industry to meet strict quarantine protocols through the development of new treatments and biosecurity risk management regimes.
- ensured ongoing export approval for Queensland’s wild fisheries. This continued access resulted in \$192 million in fish and seafood exports from Queensland in 2006-07.

Industry Adaptability

The Department minimises risk from changed market conditions, climate change, adverse seasonal conditions and biosecurity incursions. DPIF has:

- assisted agribusiness to manage the impacts of drought and flood and to look for long term solutions for adaptation to climate change. For example, the beef grazing land management, nutrition and breeding workshops and the Leading Sheep Network provide graziers with practical knowledge and skills to maximise productivity in drought conditions.
- assisted the economic recovery of cane growers affected by the 2006-07 outbreak of sugarcane smut with an investment of \$6 million over three years from July 2007. This investment developed agronomic options for economic recovery and provided funding to BSES Ltd for the development and propagation of smut resistant sugar cane varieties.

Sustainable Resource Use

The Department minimises the adverse impacts of production and processing systems and invasive plant and animal species on Queensland and its natural resources. DPIF has:

- developed fisheries management plans and encouraged private investment in aquaculture to support sustainable and profitable fisheries
- expanded the services of Biosecurity Queensland (following a machinery-of-government change in 2006-07) to protect Queensland from invasive plant and animal species
- improved water-use efficiency in primary industries by up to 20% through the rural water-use efficiency partnership between DPIF, the Department of Natural Resources and Water and peak industry bodies.

Trade Development

The Department uses innovative service-delivery models to assist food and agribusiness companies to be more competitive and to expand exports. DPIF has:

- used its trade and science expertise to assist industry to achieve the first direct export of mangoes into China's \$300 million market under new quarantine protocols
- placed a trade officer in Seoul to assist Queensland companies to substantially increase food and agribusiness exports into Korea
- improved supply chains in the flower and citrus industry to assist exporters to build competitiveness in Japan and China.

Departmental Outputs

The Department has three outputs: industry development, biosecurity and fisheries. These outputs implement Queensland Government policy on primary industries and biosecurity. Outputs align to the Government Outcomes and are influenced by national strategies and initiatives.

The largest output, industry development, contributes to achieving 'a strong diversified economy' and 'a community of well skilled and knowledgeable people' in Queensland. It includes R&D, technology, trade, export, industry and business development which add economic value to all stages of the value chain and increase market competitiveness of primary industries.

The biosecurity output contributes to achieving 'a strong diversified economy' and 'a clean, liveable and healthy environment' for Queensland. This output ensures Queensland's reputation for safe, clean and environmentally sustainable production and strengthens the sector's access to global markets. It also protects Queensland's environmental and social amenity. This output builds Queensland's capacity to manage the effect of pests, diseases and invasive species; and supports the safe and effective use of agricultural and veterinary chemicals; and the appropriate care of animals.

The fisheries output contributes to achieving a 'strong diversified economy' and 'maintenance of the natural resource base' for Queensland. This output oversees profitable and sustainable commercial fisheries and their value chains; sustains the State's recreational fisheries; and delivers other programs, including shark control and boating safety on behalf of Maritime Safety Queensland.

The products and services of these outputs are found in the Performance Statement.

Staffing¹

Output	Notes	2007-08 Budget	2007-08 Est. Actual	2008-09 Estimate
Outputs				
Industry Development	3,4	1772	1628	1602
Biosecurity	5,6,7	595	823	699
Fisheries		358	355	355
Total outputs	2	2725	2806	2656
Total		2725	2806	2656

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the outputs to which they relate.
3. The reduction of FTEs between the 2007-08 Budget and 2007-08 Estimated Actual is due to the conclusion of Natural Disaster Relief and Recovery Arrangements (NDRRA) funding for Operation Farm Clear and Machinery of Government changes involving the Climate Change business unit moving to Department of Natural Resource and Water.
4. The reduction of FTEs between the 2007/08 Estimated Actual and 2008/09 Estimate is due the reduction of external funding for a number of temporary projects.
5. The increase in FTEs between the 2007/08 Budget and 2007/08 Estimated Actual is a net result of the Equine Influenza emergency response, Electric Ant emergency response and the extension of the National Red Imported Fire Ant Eradication Program (NRIFAEP).
6. The decrease of FTEs between the 2007/08 Estimated Actual and 2008/09 Estimate is due to the expected completion of the Equine Influenza emergency response and planned reduction of staff associated with the National Red Imported Fire Ant Eradication Program (NRIFAEP) and the National Citrus Canker Eradication Program (NCCEP).
7. Further funding for the National Electric Ant Eradication Program (NEAEP) is still being negotiated and has not yet been approved by the Ministerial Council. This has contributed to the decreased FTE estimate for 2008/09.

2008-09 Output Summary¹

Output	Total cost \$'000	Sources of revenue			
		Appropriation \$'000	User charges \$'000	C'wealth revenue \$'000	Other revenue \$'000
Industry Development	205,339	158,142	10,471	3,828	32,898
Biosecurity	90,311	64,613	17,497	850	7,351
Fisheries	46,711	36,878	3,038	..	6,795
Total	342,361	259,633	31,006	4,678	47,044

Note:

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

Departmental Statements

Performance Statement

Measures	Notes	2007-08 Target/Est	2007-08 Est. Actual	2008-09 Target/Est
Output name: Industry Development				
Group A Strategic Policy and Legislation				
The annual Legislative program implemented as agreed or as subsequently amended by agreement between DPIF and relevant government stakeholders		100%	100%	100%
Rating out of 10 given by key stakeholders surveyed on their satisfaction with, and support for, DPIF policy advice and strategic leadership		7	7	8
Group B Industry and Regional Development				
Responses to regional/subregional planning network mechanisms completed within required timeframes	1	35	35	40
Responsibilities under <i>Integrated Planning Act 1997</i> /Integrated Development Assessment System (IDAS) completed within required timeframes:				
• responses to local government planning schemes	2	30	50	40
• responses to development assessment applications		500	500	510
Group C Trade and Business Assistance				
Major trade development activities:				
trade missions		40	40	40
trade events		10	10	10
Number of enterprises engaged in trade development activities facilitated by DPIF	3	210	160	160
Business assistance:				
• farm enterprises assisted through business analysis/financial counselling services		900	850	900
• producers assisted to access Government financial assistance	4	300	450	300
Satisfaction with the quality and value of trade and business assistance services		>75% rate at 7 or above	>75% rate at 7 or above	>75% rate at 7 or above
Group D Technology Development				
Improved varieties, cultivars and commercialised parent lines	5	26	66	21

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Systems, standards and tools for:				
• improved production efficiency	6	74	72	62
• accessing trade opportunities		12	10	11
• improvements to sustainability of resource utilisation	6	32	36	21
Innovative technologies (including molecular tools) developed through revolutionary R&D effort	6	12	10	8
Quality and value of R&D projects indicated by the funding organisations' satisfaction with project milestone reports		>65% rate at 7 or above	>70% rate at 7 or above	>70% rate at 7 or above
Group E Information, Skills and Business Capacity Development				
Business capacity building activities:				
• group learning activities to increase business capacity	7	398	643	450
• participants engaged in business development activities	7	6,721	10,943	6,721
Activities designed to achieve adoption of technologies:				
• delivered by DPIF		226	243	230
• sponsored/commissioned by DPIF		31	33	31
Participant satisfaction with training course outcomes		>75% rate at 7 or above	>75% rate at 7 or above	>75% rate at 7 or above
AAA FarmBis subsidised training occasions	8	3,000	3,000	Discontinued
Information products and services:				
• new web pages reviewed and published	9	1,053	960	4,500
• Internet web page access	10	>4 million	7.6 million	>4 million
• business support software published		7	10	10
• number of items of technical information published	10	319	552	319
• Business Information Centre enquiries	10	100,000	175,000	100,000
• web-based enquiries	10	6,000	8,900	6,000
• regional events managed or supported	11	122	170	100
Satisfaction with the quality, value and availability of information products and services		>75% rate at 7 or above	>75% rate at 7 or above	>75% rate at 7 or above
State Contribution (\$'000)		153,697	159,361	158,142
Other Revenue (\$'000)		51,977	55,154	47,197
Total Cost (\$'000)	20,21,22	205,674	214,230	205,339

Output Title: Biosecurity

Group F Biosecurity Policy and Legislation

Implementation of annual Legislative program	100%	100%	100%
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Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Satisfaction with the quality and value of DPIF policy advice and strategic leadership on biosecurity, chemical use and food safety, and animal welfare		≥ 75% rate at 7 or above	≥ 75% rate at 7 or above	≥ 75% rate at 7 or above
Representation on national Biosecurity committees and forums	10	19	22	20
Group G Prevention and Surveillance for Pests, Diseases, Agvet Chemicals and Contaminants				
Biosecurity assurance or risk reduction systems managed and maintained		10	10	10
Annual surveillance targets met for State, national and/or international biosecurity surveillance programs met as agreed or as subsequently amended by agreement between DPIF and relevant stakeholders		100%	100%	100%
Investigations into suspected incidents	10	23	31	27
Samples tested for pests, diseases, agvet chemicals and contaminants	10	152,000	162,900	152,000
Number of declared, new and regional priority pest species subject to research to improve control measures		22	22	22
Group H Control of and Response to Pests, Diseases, Agvet Chemicals and Contaminants				
Best practice standards/ strategies/plans developed or reviewed		19	19	19
Incident response teams maintained	12	3	3	1
NLIS implemented and maintained		100%	100%	100%
Training programs and exercises for incident response		7	7	7
State and National arrangements managed for responses to specific large-scale exotic and endemic pests and diseases		6	6	6
Doses of tick fever vaccine supplied to industry		800,000	800,000	800,000
Responses undertaken for pest and/or disease incursions, or agvet chemical or contaminant incidents		11	11	11
Number of class 1 pest eradication programs		15	15	15
Group I Animal Welfare and Keeping				
Animal welfare standards/codes/ systems developed, contributed to, promulgated and/or administered annually	13	11	11	9

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Animal welfare and ethics education programs	14	4	4	4
Group J Compliance, Enforcement and Regulatory Activity				
Property freedom certificates issued		1,300	1,400	1,400
Complaints and/or suspected breaches investigated	10	4,731	3,132	4,605
Compliance audits and reviews conducted	10	1,855	1,705	1,705
Interstate Plant Quarantine Inspections for fire ant affected businesses		1,200	1,200	1,200
Business accreditations maintained to facilitate market access	10	65,000	95,035	64,800
State Contribution (\$'000)		59,675	74,243	64,613
Other Revenue (\$'000)		22,856	68,681	25,698
Total Cost (\$'000)	23,24,25	82,531	142,924	90,311

Output Title: Fisheries

Group K – Fisheries Policy and Legislation

Consultation and advisory mechanisms used in the development and review of fisheries policy and legislation	15	40	34	33
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Group L - Management of Fisheries Resources and Fish Habitats

Fisheries management arrangements reviewed for sustainability and reported to the Australian Government Department of the Environment and Heritage	16	25	23	23
Fisheries for which quota management arrangements are maintained		11	11	11
Stocked impoundment permits issued		37,500	37,500	37,500

Group M - Compliance, Enforcement and Regulatory activities

Number of fisheries inspections by Queensland Boating and Fisheries Patrol (QBFP)	17	31,500	36,887	31,500
% of overall compliance with fisheries laws		92.5%	96%	93%
% of farms that comply with aquaculture licence operating conditions		95%	95%	95%
Level of compliance with quota arrangements achieved in each of four key quota fisheries		99%	99%	99%
Accuracy of trawl effort quota monitoring using the Vessel Monitoring Systems (VMS)		98%	99%	98%
Fisheries authorities issued	18	5,900	6,082	5,250

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Group N - Community Programs				
Boating Safety				
• Boating safety inspections undertaken annually by the QBFP	17	25,000	36,104	25,000
• Compliance with boating safety regulations		93%	93%	93%
Shark control				
• Beaches covered by the Shark Control Program	19	84	85	85
• Proportion of shark control equipment meeting QBFP operational standards		100%	100%	100%
State Contribution (\$'000)		34,934	34,874	36,878
Other Revenue (\$'000)		8,726	10,096	9,833
Total Cost (\$'000)	26,27,28	43,660	44,970	46,711

Notes:

- The methodology to count this measure has been improved and it is expected that a higher number of responses will be recorded in 2008-09.
- Higher demand for these services was experienced during 2007-08 as a consequence of the completion of the South East Queensland Regional Plan and the consequent requirement to amend the planning scheme for each local government authority. This is not expected to continue in 2008-09.
- The methodology to count this measure has been improved in 2007-08. The 2007-08 achievement will be maintained in 2008-09.
- Higher than anticipated demand for this service occurred during 2007-08 primarily due to applications for Exceptional Circumstance drought assistance. This trend is not likely to continue in 2008-09.
- The higher than planned delivery against this measure in 2007-08 resulted from the success of a forestry cloning project in releasing clones to industry with the support of a commercial partner. The reduced target for 2008-09 reflects a shift in responsibility for commercial wheat breeding activities to a commercial partner.
- A number of projects delivering against this measure have completed in 2007-08. New projects are planned to commence in 2008-09 with deliverables occurring in subsequent years.
- The prolonged drought in southern regions and the on-going impacts of Cyclone Larry in North Queensland have both created additional demand and participation in enterprise-based training occasions in 2007-08. Demand for these services is predicted to return to past levels in 2008-09.
- The joint initiative between the Queensland and Australian Governments, AAA FarmBis program, which commenced in 2005-06 ceases on 30 June 2008.
- The large increase in the 2008-09 target for this measure reflects improved data collection processes.
- This measure was impacted by the Equine Influenza outbreak in 2007-08.
- The reduced target for 2008-09 reflects a refocusing of investment and support to those events of greatest significance to promoting the economic growth of primary industries.
- DPIF now maintains a single First Response team to address major incidents on a state-wide basis. Local response teams are established to support the First Response team as required.
- Work on a code and a standard were completed in 2007-08 and will not continue in 2008-09.
- The target for this measure was published in error as 11 in the 2007-08 Ministerial Portfolio Statement. The target has been four for this measure for the past three years.
- Management Advisory Committee sub-committee meetings will no longer be counted against this measure in 2008-09.
- The reduction in target from 2007-08 to 2008-09 relates to reviews of management arrangements for the Moreton Bay Beche-de-mer and East Coast Slipper Lobster fisheries not being required.
- The increase in 2007-08 Est Actual was due to additional temporary funding resulting in the ability to undertake more inspections than originally planned.
- Reduction in target from 2007-08 to 2008-09 relates to license cancellations and people leaving the industry who no longer require a license.
- One beach in Townsville covered by the shark control program was re-classified as two beaches.

Notes to financial variances:

- The increase in the 2007-08 Estimated Actual compared to the 2007-08 Budget includes increased funding for the Drought Relief Assistance Scheme (DRAS) which is funded on an as needs basis and an increase in the number of approved research and development (R&D) projects by external research funding bodies.
- The decrease in the 2008-09 Estimate compared to the 2007-08 Budget includes an expected reduction in the number of R&D projects in 2008-09 and the planned cessation of AAA Farmbis activities in 2007-08. This is partially offset by additional funding for Enterprise Bargaining (EB) costs in 2008-09.
- The decrease in the 2008-09 Estimate compared to the 2007-08 Estimated Actual includes a reduction in DRAS funding, which will be funded in 2008-09 on an as needs basis, an expected reduction in the number of expected R&D projects and the planned cessation of AAA Farmbis activities in 2007-08. This is partially offset by additional funding for EB costs in 2008-09.
- The increase in the 2007-08 Estimated Actual compared to the 2007-08 Budget includes funding for the eradication of Equine Influenza (EI) and the extension of the National Red Imported Fire Ant Eradication Program (NRIFAEP) and National Electric Ant Eradication Programs (NEAEP).

24. The increase in the 2008-09 Estimate compared to the 2007-08 Budget includes funding for the extension of the NRIFAEP and additional funding for EB costs in 2008-09.
25. The decrease in the 2008-09 Estimate compared to the 2007-08 Estimated Actual includes the cessation of EI eradication funding in 2007-08 and a planned reduction in funding for NRIFAEP. In addition, no funding has been provided for the NEAEP in 2008-09, which is dependant upon national cost sharing approval for the continuation of this program. This is offset by additional funding for EB costs in 2008-09.
26. The increase in the 2007-08 Estimated Actual compared to the 2007-08 Budget includes additional fee for service projects commencing in 2007-08.
27. The increase in the 2008-09 Estimate compared to the 2007-08 Budget includes additional funding for EB costs in 2008-09 and continuing fee for service projects which commenced in 2007-08.
28. The increase in the 2008-09 Estimate compared to the 2007-08 Estimated Actual includes additional funding for EB costs in 2008-09.

Income Statement

Department of Primary Industries and Fisheries	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
Output revenue		248,306	268,478	259,633
User charges		31,609	76,097	31,006
Grants and other contributions		37,690	46,899	41,328
Other revenue		13,760	10,768	9,055
Gains on sale/revaluation of property, plant and equipment and investments		1,150	1,436	1,339
Total income	1, 6, 9	332,515	403,678	342,361
Expenses				
Employee expenses		194,352	221,431	208,788
Supplies and services		89,782	136,598	98,619
Grants and subsidies		18,003	30,173	19,402
Depreciation and amortisation		12,834	13,339	13,919
Finance/borrowing costs		..	..	..
Other expenses		17,520	1,821	1,609
Losses on sale/revaluation of property, plant and equipment and investments		24	31	24
Total expenses	2, 7, 10	332,515	403,393	342,361
OPERATING SURPLUS /(DEFICIT)	3, 11	..	285	..

Statement of Changes in Equity

Department of Primary Industries and Fisheries	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		9,122	5,028	9,382
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity	4,12	9,122	5,028	9,382
Surplus/(deficit) for the period	3, 11	..	285	..
Total recognised income and expense for the period		9,122	5,313	9,382
Equity injection/(withdrawal)	5, 8,13	14,369	8,143	900
Equity adjustments (MoG transfers)		..	..	..
Total movement in equity for period		23,491	13,456	10,282

Balance Sheet

Department of Primary Industries and Fisheries	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets		22,183	28,396	25,953
Receivables		18,074	24,497	19,793
Other financial assets		..	..	..
Inventories		1,829	1,812	1,812
Other		972	566	916
Non-financial assets held for sale		..	..	..
Total current assets	14,18,21	43,058	55,271	48,474
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		148	158	158
Property, plant and equipment		442,059	426,381	439,364
Intangibles		6,763	4,589	6,047
Other		15,302	12,581	14,569
Total non-current assets	15,19,22	464,272	443,709	460,138
TOTAL ASSETS		507,330	498,980	508,612
CURRENT LIABILITIES				
Payables		9,702	11,148	9,498
Employee benefit obligations		21,302	22,423	23,123
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		26,507	24,816	25,116
Total current liabilities	16	57,511	58,387	57,737
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		57,511	58,387	57,737
NET ASSETS/ (LIABILITIES)		449,819	440,593	450,875
EQUITY				
Capital/contributed equity		109,133	103,508	104,408
Retained surplus/(accumulated deficit)		143,103	143,138	143,138
Reserves:				
- Asset revaluation reserve		195,986	192,290	201,672
- Other (specify)		1,597	1,657	1,657
TOTAL EQUITY	17,20,23	449,819	440,593	450,875

Cash Flow Statement

Department of Primary Industries and Fisheries	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts		248,306	264,384	264,085
User charges		42,397	87,875	39,214
Grants and other contributions		37,690	46,899	41,328
Other		28,675	25,683	23,970
Outflows:				
Employee costs		(192,902)	(222,481)	(208,088)
Supplies and services		(111,275)	(165,536)	(115,822)
Grants and subsidies		(18,003)	(30,173)	(19,402)
Borrowing costs		..	..	..
Other		(25,779)	(10,080)	(9,868)
Net cash provided by/(used in) operating activities	24,28,32	9,109	(3,429)	15,417
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		536	12,207	725
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		(25,277)	(23,085)	(19,485)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities	25,29,33	(24,741)	(10,878)	(18,760)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		16,544	15,332	10,168
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(2,175)	(7,189)	(9,268)
Net cash provided by/(used in) financing activities	26,30,34	14,369	8,143	900
Net increase/(decrease) in cash held		(1,263)	(6,164)	(2,443)
Cash at the beginning of financial year		23,446	34,560	28,396
Cash transfers from restructure		..	..	..
Cash at the end of financial year	27,31,35	22,183	28,396	25,953

Income Statement

EXPENSES AND REVENUES ADMINISTERED ON BEHALF OF THE WHOLE-OF- GOVERNMENT	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines		995	995	1,000
Royalties, property income and other territorial Revenue		5	5	5
Interest		..	..	..
Administered revenue		21,589	34,153	16,056
Other		8,000	350	5,000
Total revenues	1,2,3	30,589	35,503	22,061
Expenses				
Supplies and services		..	..	..
Depreciation and amortisation		..	..	..
Grants and subsidies		29,589	34,503	21,056
Benefit payments		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Total expenses	1,2,3	29,589	34,503	21,056
Net surplus or deficit before transfers to Government		1,000	1,000	1,005
Transfers of administered revenue to Government		1,000	1,000	1,005
OPERATING SURPLUS/(DEFICIT)		..	..	..

Balance Sheet

ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF THE WHOLE-OF- GOVERNMENT	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets		120	108	115
Receivables		45	38	45
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		165	146	160
NON-CURRENT ASSETS				
Receivables		72,220	72,220	80,220
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		72,220	72,220	80,220
TOTAL ADMINISTERED ASSETS	4,5	72,385	72,366	80,380
CURRENT LIABILITIES				
Payables		..	..	..
Transfers to Government payable		99	80	94
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total current liabilities		99	80	94
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL ADMINISTERED LIABILITIES		99	80	94
ADMINISTERED NET ASSETS/ (LIABILITIES)	4,5	72,286	72,286	80,286
EQUITY				
Capital/Contributed equity		72,220	72,220	80,220
Retained surplus/(Accumulated deficit)		66	66	66
Reserves:		..	..	..
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY	4,5	72,286	72,286	80,286

Cash Flow Statement

CASH FLOWS ADMINISTERED ON BEHALF OF THE WHOLE-OF-GOVERNMENT	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts		21,589	34,162	16,056
Grants and other contributions		8,000	350	5,000
Taxes, fees and fines		995	995	1,000
Royalties, property income and other territorial revenues		5	5	5
Other		14	14	(7)
Outflows:				
Transfers to Government		(1,050)	(1,289)	(991)
Grants and subsidies		(29,589)	(34,544)	(21,056)
Supplies and services		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities	6,7,8	(36)	(307)	7
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		(8,000)	(8,000)	(8,000)
Net cash provided by/(used in) investing activities		(8,000)	(8,000)	(8,000)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		8,000	8,000	8,000
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		8,000	8,000	8,000
Net increase/(decrease) in cash held		(36)	(307)	7
Administered cash at beginning of financial year		156	415	108
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		120	108	115

Explanation of Variances in the Financial Statements

Income Statement and Statement of Changes in Equity

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. The increase in the 2007-08 Estimated Actual is mainly due to increased funding relating to pest and disease incursions across the State including the eradication of Equine Influenza (EI) and the extension of the National Red Imported Fire Ant Eradication Program (NRIFAEP) and National Electric Ant Eradication Program (NEAEP). Funding for NRIFAEP and NEAEP was formally approved under national cost sharing arrangements subsequent to the 2007-08 Budget being published. Funding for the DRAS also increased during 2007-08 due to severe climatic conditions across the state and an adjustment to increase funding has also been made in relation to the finalisation of the land protection and pest management functions Machinery-of-Government (MoG) change, which was finalised after the 2007-08 Budget was published. In addition, the number of external funding approvals for R&D projects in 2007-08 has been higher than expected and the repayment of a funding advance for the 2006-07 workforce renewal scheme has been waived. This is partially offset by the postponement of the introduction of fees for Property and Brand Registrations and a funding deferral from 2007-08 into 2008-09 for the Blueprint for the Bush Initiative – Reclaim the Bush.
2. The increase in the 2007-08 Estimated Actual is mainly due to increased expenses for pest and disease incursions across the state including the eradication of EI and the extension of the NRIFAEP and the NEAEP, DRAS payments, the waiving of the repayment of a funding advance for the 2006-07 workforce renewal scheme, R&D projects due to higher than expected funding approvals and the finalisation of the land protection and pest management functions MoG change referred to in note 1. These increases are partly offset by the postponement for Property and Brand Registration fees and the deferral of the Blueprint for the Bush Initiative – Reclaim the Bush. In addition, operating lease expenses have been reclassified from Other expenses to Supplies and Services during 2007-08.
3. The operating surplus in the 2007-08 Estimated Actual represents a contribution from the University of Queensland (UQ) and Queensland University of Technology (QUT) towards the construction of the Queensland Crop Development Facility (QCDF) at Redlands.
4. The decrease in the 2007-08 Estimated Actual is due to the revaluation of the Mareeba and Ayr facilities prior to sale to the Department of Public Works during 2007-08.
5. The decrease in the 2007-08 Estimated Actual is mainly due to capital deferrals into 2008-09 for the Centre for Advanced Animal Science (CAAS) at Gatton, Regional Office Complex at Nambour, Bribie Island Aquaculture Research Centre (BIARC) and the purchase of plant and equipment. In addition, there has been equity withdrawals for the sale proceeds of Mareeba and partial sale proceeds for Rocklea. This is partly offset by an equity injection for the QCDF during 2007-08.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

6. The increase in the 2008-09 Estimate is largely due to increased funding provided for the payment of an EB increment during 2008-09, the formal approval of funding for the NRIFAEP for 2008-09 under national cost sharing arrangements, additional funding as part of an equity-to-output swap to maintain and replace assets under the department's Asset Strategic Plan (ASP) and the waiving of the repayment of a funding advance for the 2006-07 workforce renewal scheme. An adjustment has also been made to increase funding in relation to the finalisation of the land protection and pest management functions MoG change, which was finalised after the 2007-08 Budget was published. This is offset by reduced funding largely due to the planned cessation in 2007-08 of the AAA Farmbis Program, the Hardwoods Plantation initiative and fee for service revenues from the provision of information technology services to external agencies. In addition, there is also an expected reduction in external R&D project funding approvals in 2008-09, whole-of-government 2008-09 productivity savings and the postponement of the introduction of Property and Brand Registration fees.
7. The increase in the 2008-09 Estimate is mainly due to additional expenses for an EB increment, NRIFAEP activities, the ASP, the waiving of the repayment of a funding advance for the 2006-07 workforce renewal scheme and an adjustment for the finalisation of the land protection and pest management functions MoG change, which was finalised after the 2007-08 Budget was published. This is offset by reduced expenses relating to AAA Farmbis, Hardwoods Plantation initiative, information technology services provided to external agencies, R&D projects, productivity savings and reduced expenses due to the postponement of the Property and Brand Registration fees. In addition, operating lease expenses have been reclassified from Other expenses to Supplies and Services during 2007-08.
8. The 2007-08 Budget includes additional funding for the relocation of the Tick Fever Centre (TFC) breeder herd, Coen Information Centre and CAAS. The decrease in the 2008-09 Estimate is mainly due to an equity withdrawal for the remaining sale proceeds of Rocklea as part of the department's ASP. This is partly offset by capital deferrals into 2008-09 and the cessation of an equity withdrawal in 2007-08 to finance the whole-of-Government SAP implementation.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

9. The decrease in the 2008-09 Estimate is largely due to reduced funding for pest and disease incursions including the eradication of EI and a planned reduction in funding for NRIFAEP, an expected reduction in external R&D project funding approvals, productivity savings and DRAS, which is funded on an as needs basis. The reduction also reflects the planned cessation in 2007-08 of AAA Farmbis, the Hardwoods Plantation initiative and fee for service revenues from the provision of information technology services to external agencies. In addition, no funding has been provided for the NEAEP in 2008-09, which is dependant upon national cost sharing approval for the continuation of this program. This decrease is partially offset by increased funding provided in 2008-09 for EB costs, the ASP and the Blueprint for the Bush Initiative – Reclaim the Bush.
10. The decrease in the 2008-09 Estimate is mainly due to reduced expenses for pest and disease incursions including the eradication of EI, NRIFAEP and NEAEP as well as R&D projects and DRAS. Expenses have also reduced due to the cessation during 2007-08 of AAA Farmbis, the Hardwoods Plantation initiative and information technology services to external agencies, as well as productivity savings in 2008-09. This is partially offset by additional expenses for EB costs, the ASP and Blueprint for the Bush Initiative – Reclaim the Bush.
11. The operating surplus in the 2007-08 Estimated Actual represents a contribution from the UQ and QUT towards the construction of the QCDF at Redlands.
12. The 2007-08 Estimated Actual includes the revaluation of the Mareeba and Ayr facilities prior to sale referred to in note 4.
13. The 2008-09 Estimate includes an equity withdrawal for the remaining sale proceeds of Rocklea referred to in note 8. The 2007-08 Estimated Actual includes additional funding for the relocation of the TFC breeder herd, Coen Information Centre, CAAS and QCDF. This is partly offset by capital deferrals and the cessation of an equity withdrawal in 2007-08 to finance the whole-of-Government SAP implementation. The 2007-08 Estimated Actual includes an equity withdrawal for the sale proceeds referred to in note 5.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

14. The increase in the 2007-08 Estimated Actual is mainly due to the sale proceeds from Ayr and remaining sale proceeds for Rocklea and an expected revenue receivable as part of the national cost sharing arrangements for EI.
15. The decrease in the 2007-08 Estimated Actual is mainly due to the deferral of capital contributions into 2008-09 for Centre for Advanced Animal Science (CAAS) at Gatton, Regional Office Complex at Nambour, Bribie Island Aquaculture Research Centre (BIARC) and the purchase of plant and equipment, the sale of Rocklea, Mareeba and Ayr facilities and the revaluation of the Mareeba and Ayr facilities prior to sale during 2007-08 to the Department of Public Works. This is partly offset by an equity injection for QCDF during 2007-08.
16. The increase in the 2007-08 Estimated Actual is largely due to additional payables relating to the eradication of EI and adjustments relating to the finalisation of the land protection and pest management functions MoG change, which was finalised after the 2007-08 Budget was published.
17. The decrease in the 2007-08 Estimated Actual is mainly due to capital deferrals into 2008-09 for the CAAS at Gatton, Regional Office Complex at Nambour, BIARC and the purchase of plant and equipment as well as the revaluation of the Mareeba and Ayr facilities prior to sale to the Department of Public Works during 2007-08. In addition, there has been equity withdrawals for the sale proceeds of Mareeba and partial sale proceeds for Rocklea. This is partly offset by an equity injection for the QCDF during 2007-08.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

18. The increase in the 2008-09 Estimate largely relates to asset sales during 2007-08.
19. The decrease in the 2008-09 Estimate largely relates to the sale of Rocklea, Mareeba and Ayr facilities during 2007-08 referred to in note 15. This is partially offset by the indexation of some non-current physical assets in line with CPI for 2008-09 and the purchase of new and replacement plant and equipment and the construction of new facilities.
20. The increase in the 2008-09 Estimate is largely due to the CPI indexation of some non-current physical assets. This is partially offset by the revaluation of the Mareeba and Ayr facilities prior to sale during 2007-08 and an equity-to-output swap to fund the department's ASP, which includes an equity withdrawal for the remaining sale proceeds of Rocklea.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

21. The decrease in the 2008-09 Estimate is largely due to the payment of an equity withdrawal for the remaining sale proceeds of Rocklea as part of the department's ASP, and an anticipated reduction in receivables with the completion of EI.
22. The increase in the 2008-09 Estimate is mainly due to the CPI indexation of some non-current physical assets and the purchase of new and replacement plant and equipment, and the construction of new facilities including CAAS, BIARC and Nambour Regional Office Complex referred to in note 15.
23. The increase in the 2008-09 Estimate is largely due to CPI indexation of some non-current physical assets, the purchase of new and replacement plant and equipment, the construction of new facilities referred to in note 22 and the cessation of an equity withdrawal in 2007-08 to finance the whole-of-Government SAP implementation. This is offset by an equity withdrawal for the remaining sale proceeds of Rocklea as part of the department's ASP.

Cash Flow Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

24. The increase in inflows and outflows from operating activities in the 2007-08 Estimated Actual is mainly due to increased funding relating to pest and disease incursions across the State including EI, NRIFAEP and the NEAEP. Funding for NRIFAEP and the NEAEP was formally approved under national cost sharing arrangements subsequent to the 2007-08 Budget being published. Funding for the DRAS also increased during 2007-08 due to severe climatic conditions across the state and an adjustment to increase funding has also been made in relation to the finalisation of the land protection and pest management functions MoG change, which was finalised after the 2007-08 Budget was published. In addition, the number of external funding approvals for R&D projects in 2007-08 has been higher than expected and the repayment of the funding advance as part of the 2006-07 workforce renewal scheme has been waived. This is partially offset by the postponement of Property and Brand Registration fees and a funding deferral for Blueprint for the Bush Initiative – Reclaim the Bush.
25. The decrease in the 2007-08 Estimated Actual is mainly due to increased inflows from the sale proceeds from Mareeba, Rocklea and Ayr, and reduced outflows due to deferrals into 2008-09 for CAAS, Regional Office Complex at Nambour, BIARC and for the purchase of plant and equipment.
26. The decrease in the inflows are mainly due to capital deferrals into 2008-09 for the Centre for Advanced Animal Science (CAAS) at Gatton, Regional Office Complex at Nambour, Bribie Island Aquaculture Research Centre (BIARC) and the purchase of plant and equipment. This is partly offset by an equity injection for QCDF during 2007-08. The increase in the outflows is largely due to equity withdrawals for the sale proceeds of Mareeba and partial sale proceeds for Rocklea.
27. The 2007-08 Estimated Actual includes sale proceeds for Ayr and partial sale proceeds for Rocklea, and funding advances for EI and NRIFAEP.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

28. The increase in inflows and outflows from operating activities in the 2008-09 Estimate is largely due to an EB increment during 2008-09, funding approval for NRIFAEP, additional funding to maintain and replace assets under the department's ASP and waiving of the repayment of a funding advance for the 2006-07 workforce renewal scheme. An adjustment has also been made to increase funding in relation to the finalisation of the land protection and pest management functions MoG change, which was finalised after the 2007-08 Budget was published. This is offset by reduced funding largely due to the planned cessation in 2007-08 of the AAA Farmbis program, the Hardwoods Plantation initiative and fee for service revenues from the provision of information technology services to external agencies. In addition, there is also an expected reduction in external R&D project funding approvals in 2008-09, productivity savings and the postponement of Property and Brand Registration fees.
29. The 2007-08 Budget outflows includes additional funding for the relocation of the TFC breeder herd, Coen Information Centre, CAAS and QCDF. This is partly offset by capital deferrals into 2008-09 and the cessation of an equity withdrawal in 2007-08 to finance the whole-of-Government SAP implementation.
30. The 2007-08 Budget includes additional inflows for the relocation of the TFC breeder herd, Coen Information Centre and CAAS. This is partly offset by capital deferrals into 2008-09. The increase in the 2008-09 Estimate outflows is mainly due

to an equity withdrawal as part of the department's ASP, which includes the remaining sale proceeds of Rocklea, and the cessation of an equity withdrawal to finance the whole-of-Government SAP implementation.

31. The 2008-09 Estimate includes asset sale proceeds for Ayr and reimbursement of NRIFAEP funding advances.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

32. The decrease in inflows and outflows from operating activities in the 2008-09 Estimate is largely due to reduced funding for pest and disease incursions including the eradication of EI and a planned reduction in funding for NRIFAEP, an expected reduction R&D project funding approvals, productivity savings and DRAS. The reduction also reflects the planned cessation in 2007-08 of AAA Farmbis, the Hardwoods Plantation Initiative and fee for service revenues from the provision of information technology services to external agencies. In addition, no funding has been provided for NEAEP in 2008-09, which is dependant upon national cost sharing approval for the continuation of this program. This is partially offset by increased funding provided in 2008-09 for EB costs, the ASP and the Blueprint for the Bush Initiative – Reclaim the Bush.
33. The 2007-08 Estimated Actual includes increased inflows for the sale proceeds from Mareeba, Rocklea and Ayr. The decrease in outflows is due to additional funding in 2007-08 for the relocation of the TFC breeder herd, Coen Information Centre and CAAS. This is partly offset by capital deferrals into 2008-09 for CAAS, Regional Office Complex at Nambour, BIARC and for the purchase of plant and equipment.
34. The 2007-08 Estimated Actual includes additional inflows for the relocation of the TFC breeder herd, Coen Information Centre, CAAS and QCDF. This is partly offset by capital deferrals. The increase in the 2008-09 Estimate outflows is mainly due to an equity withdrawal as part of the department's ASP, which includes the remaining sale proceeds of Rocklea, and the cessation of an equity withdrawal to finance the whole-of-Government SAP implementation. The 2007-08 Estimated Actual also includes an equity withdrawal for the sale proceeds referred to in note 26.
35. The decrease in the 2008-09 Estimate is mainly due to an equity withdrawal of the remaining sale proceeds of Rocklea. This is partially offset by the reimbursement of EI and NRIFAEP funding advances made in 2007-08.

Income Statement

Expenses and Revenues Administered on behalf of the Whole-of-Government

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. The increase in the 2007-08 Estimated Actual is mainly due to increased Government grant payments to finance schemes administered by QRAA including Exceptional Circumstances (EC) and the Queensland Commercial Horse Small Business Emergency Assistance Scheme (QCHSBEAS). This is offset by a funding deferral in 2007-08 for Government grant payments to the RSPCA to assist in the development of their new facilities. Delays have been experienced in establishing a suitable site for the new facilities.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

2. The decrease in the 2008-09 Estimate is largely due to a deferral of Government grant payments to the RSPCA referred to in note 36 and for the Drought Rate Rebate Scheme (DRRS) administered by QRAA. The DRRS is scheduled to cease during 2007-08. This is partially offset by increased Government grant payments to Forestry Plantations Queensland (FPQ) for the establishment of Western Hardwoods Plantations (WHP).

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

3. The decrease in the 2008-09 Estimate is largely due to a reduction in Government grant payments for QRAA schemes including EC, DRRS and QCHSBEAS. The DRRS and QCHSBEAS are scheduled to cease in 2007-08. This is partially offset by increased Government grant payments to the RSPCA and FPQ.

Balance Sheet

Assets and Liabilities Administered on behalf of the Whole-of-Government

Major variations between 2007-08 Budget and 2008-09 Estimate include:

4. The increase in the 2008-09 Estimate reflects the Government's equity injection to finance QRAA schemes.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

5. The increase in the 2008-09 Estimate reflects the Government's equity injection to finance QRAA schemes.

Cash Flow Statement

Cash Flows Administered on behalf of the Whole-of-Government

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

6. The increase in inflows and outflows from operating activities in the 2007-08 Estimated Actual is mainly due to increased Government grant payments to finance schemes administered by QRAA including EC and QCHSBEAS. This is offset by a funding deferral in 2007-08 for Government grant payments to the RSPCA to assist in the development of their new facilities.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

7. The decrease in inflows and outflows from operating activities in the 2008-09 Estimate is largely due a reduction in Government grant payments referred to in Note 2. This is partially offset by increased Government grant payments to FPQ for the establishment of WHP.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

8. The decrease in inflows and outflows from operating activities in the 2008-09 Estimate is largely due to a reduction in Government grant payments for schemes administered by QRAA including EC, DRRS and QCHSBEAS referred to in Note 7. This is partially offset by increased Government grant payments to the RSPCA and FPQ.

Forestry Plantations Queensland Office

Overview

Forestry Plantations Queensland Office (FPQO) is a service provider to Forestry Plantations Queensland (FPQ) which is a statutory corporation responsible for commercial management of State-owned plantation assets, including exotic pine, hoop and hardwood plantations. The role of the FPQO is to:

- Deliver appropriate human resources to (FPQ)—under a work performance agreement—to ensure delivery of FPQ's annual operational plan
- Administer a Deed of Profit a Prendre with FPQ which provides FPQ with access to and resource rights on State plantation forests.

The workforce of FPQO fluctuates seasonally and is currently averaging 493 full-time equivalents for the 2007-08 financial year.

Review of Performance

Recent Achievements

- FPQO conducts an annual health assessment program. This is a voluntary program which allows staff to opt for a general health assessment and/or a skin check and/or an influenza vaccination. Over 73% of staff participate in one or more of the available services each year. The overall participation rate for all health assessment services increased by 4.2% in 2007. The 2008 program is currently in progress and the early indications are that the take-up rate will again increase. This program is supported by the recent introduction of a health and fitness incentive scheme which aims at reducing days missed through injury or sickness by encouraging staff participation in structured exercise or healthy lifestyle programs.
- FPQO has responsibility for ensuring that adequate skilled personnel are available under the work performance agreement with FPQ. To this end 16 staff completed a Diploma of Business (Front Line Management). A second program will commence in 2008.
- The classification structure in the Forestry Employee's Award (FEA) – Department of Primary Industries 2003 was reviewed as a consequence of undertakings in the DPI Forestry Certified Agreement 2005. A new award classification structure is currently before the Queensland Industrial Relations Commission for variation by consent.
- The Forestry Plantations Queensland Certified Agreement 2007, is now in operation. This is a 12-month transitional agreement allowing the parties to negotiate a further three-year agreement incorporating multi-skilling recognition and arrangements as a consequence of the FEA review.

Future Developments

- Negotiations for a new three-year FPQO Enterprise Agreement are required to commence in the second quarter of calendar year 2008.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Non-financial performance measures				
Maintain an efficient workforce to fulfil the requirements of the annual Work Performance Arrangement entered into with FPQ		Undertaken for 12 months	Undertaken for 12 months	Undertaken for 12 months
Exercise relevant administrative (custodial) responsibilities for State Plantation Forests		Performed for 12 months	Performed for 12 months	Performed for 12 months

Income Statement

Forestry Plantations Queensland Office	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges		32,207	31,956	30,905
Grants and other contributions		..	..	..
Other revenue		..	..	250
Gains on sale/revaluation of property, plant and equipment and investments				
Total income	1	32,207	31,956	31,155
Expenses				
Employee expenses		32,207	31,956	31,074
Supplies and services		..	..	33
Grants and subsidies		..	..	..
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	48
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses	2	32,207	31,956	31,155
OPERATING SURPLUS / (DEFICIT)		..	..	..

Statement of Changes in Equity

Forestry Plantations Queensland Office	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/ (decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/ (deficit) for the period	
Total recognised income and expense for the period	
Equity injection/ (withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period	

Balance Sheet

Forestry Plantations Queensland Office	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets		4,670	4,044	4,044
Receivables		910	1,620	1,620
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		5,580	5,664	5,664
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		132,606	150,717	150,717
Intangibles		..	..	..
Other		..	..	..
Total non-current assets	3,5	132,606	150,717	150,717
TOTAL ASSETS		138,186	156,381	156,381
CURRENT LIABILITIES				
Payables		924	467	467
Employee benefits obligations		2,939	3,474	3,474
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		3,863	3,941	3,941
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		3,863	3,941	3,941
NET ASSETS (LIABILITIES)		134,323	152,440	152,440
EQUITY				
Capital/contributed equity		131,818	131,767	131,767
Retained surplus/(Accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation reserve		2,505	20,673	20,673
- Other (specify)		..	..	..
TOTAL EQUITY	4,6	134,323	152,440	152,440

Cash Flow Statement

Forestry Plantations Queensland Office	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	7,9	35,426	35,151	33,995
Grants and other contributions		..	..	..
Other		..	..	250
Outflows:				
Employee costs	8,10	(32,107)	(31,955)	(31,074)
Supplies and services		..	..	(33)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(3,220)	(3,196)	(3,138)
Net cash provided by/(used in) operating activities		99	..	..
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	..	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities			..	..
Net increase/(decrease) in cash held		99	..	..
Cash at the beginning of financial year		4,570	4,044	4,044
Cash at the end of financial year		4,670	4,044	4,044

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2008-09 Estimate include:

1. The decrease in the 2008-09 Estimate is primarily due to lower workforce costs being incurred and subsequently recovered in the delivery of services to Forestry Plantations Queensland and secondly, because interest is now paid on fund balances held at bank.
2. The decrease in the 2008-09 Estimate is due to reduced workforce demands by Forestry Plantations Queensland and increased efficiency in delivering the required services to that entity.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

3. The increase in the 2007-08 Estimated Actual is due to higher than expected re-valuation increments recorded for Crown owned State Plantation Forest lands under the custodianship of Forestry Plantations Queensland Office.
4. The increase in the 2007-08 Estimated Actual is due to higher than expected re-valuation increments recorded in the Asset Revaluation Reserve.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

5. The increase in the 2008-09 Estimate is due to a re-valuation of Crown owned State Plantation Forest lands undertaken during the 2006-07 financial year.
6. The increase in the 2008-09 Estimate is due to the impact of a re-valuation of Crown owned State Plantation Forest lands during the 2006-07 financial year on the Asset Revaluation Reserve.

Cash Flow Statement

Major variations between 2007-08 Budget and 2008-09 Estimate include:

7. The decrease in the 2008-09 Estimate reflects lower workforce costs being incurred and subsequently recovered from Forestry Plantations Queensland in the delivery of services to that entity.
8. The decrease in the 2008-09 Estimate results primarily from a reduction in workforce costs associated with the delivery of services to Forestry Plantations Queensland.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

9. The decrease in the 2008-09 Estimate reflects lower workforce costs being incurred and subsequently recovered from Forestry Plantations Queensland in the delivery of services to that entity.
10. The decrease in the 2008-09 Estimate results primarily from a reduction in workforce costs associated with the delivery of services to Forestry Plantations Queensland.

QRAA

Overview

In 2008-09, QRAA will continue to focus on drought support and assisting clients to adapt to climate change requirements to operate in a more environmentally sustainable manner.

QRAA administers programs for a wide range of government agencies, including fee-for-service administration of federal government programs and has the potential to operate similar programs in other states. QRAA will continue to build its reputation as a trusted partner with the experience and expertise to deliver high quality service in program development, management and measurement.

QRAA has 102 full-time equivalent staff – an increase of 17 on 2006-07.

The administration of Government rural and regional assistance contributes to the Government Outcomes of a strong diversified economy and improved standard of living for all Queenslanders.

Review of Performance

Recent Achievements

- In 2007-08, QRAA assessed more than 14,000 assistance applications and responded to over 30,000 requests on its free-call number.
- QRAA approved \$133 million in drought assistance to Queensland's primary producers and small businesses; an increase of \$33 million on 2006-07.
- QRAA approved \$9 million and \$7 million under the State-funded Drought Rate Rebate and the Irrigators Fixed Water Charges Rebate schemes.
- QRAA approved a total of almost \$140 million in loan and grant packages to more than 750 primary producers and small businesses by 31 December 2007, when the Tropical Cyclone Larry and Monica Natural Disaster Relief Assistance schemes closed.
- In 2007-08, QRAA administered the Queensland Commercial Horse – Small Business Emergency Assistance Scheme and the Special Disaster Flood Assistance (SDFA) Scheme. QRAA began processing applications under the SDFA Scheme only seven days after the State Government announced the scheme.
- In the past year, QRAA has improved client access to liaison officers in Bundaberg, Longreach and Rockhampton.

Future Developments

- QRAA will inform Queensland's primary producers and small businesses of all programs, including climate-related assistance programs.
- In 2008-09, QRAA will further develop online client services and actively seek to administer financial programs and services for a wider cross-section of government agencies; including fee-for-service administration of Australian Government programs and programs operating in other States.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
• Number of applications for assistance received				
- Grants	1	8,000	14,000	5,100
- Loans	2	600	450	600
• Number of new programs administered		2	2	3
• Number of existing programs administered		12	12	10
• Growth of loan portfolio		10%	9.25%	10%
• % of applications approved				
- Grants		85%	90%	85%
- Loans		65%	75%	65%
• % of clients satisfied with QRAA services	3	80%	89%	80%
• % of target market aware of QRAA's products	3	80%	80%	80%
• Target % of arrears to loan portfolio		3%	0.75%	3%
• Staff satisfaction with QRAA's internal operations and systems	4	80%	74%	80%
• Staff turnover ratio compared to industry benchmarks		10-12%	11.3%	10-12%
• % of individual staff development plans achieved		90%	90%	90%
• % of applications processed within standard response indicators				
- Grants	5	85%	80%	85%
- Loans	6	85%	70%	85%
• Response time for client enquiries		2 days	1 day	2 days
• Return on Investment		6.5%	6.8%	7%
State contribution (\$'000)		39,943	71,129	29,745
Other revenue(\$'000)		103,631	145,734	59,578
Total cost (\$'000)		144,458	227,339	89,591

Notes:

1. The variance between 2007-08 Target Estimate and 2007-08 Estimated Actual is primarily due to the target being based upon the forecast drought impact and the unforeseen impacts of equine influenza and monsoonal flooding in January and February 2008. The decreased target for 2008-09 reflects the finalisation of high volume grant programs such as Exceptional Circumstances and other drought related schemes.
2. The variance is primarily due to the impact of the extended drought in 2007-08, resulting in fewer applications under the Primary Industries Productivity Enhancement Scheme (PIPES).
3. Actual 2008 year results from independent survey undertaken April 2008.
4. Actual 2008 year results from independent survey undertaken November 2007.
5. The variance is due to a 75% increase in forecast grant applications and a sharp increase in resource demand to implement new schemes in response to equine influenza and monsoonal flooding in January 2008.
6. The variance is due to the impact of the drought and monsoonal flooding in the early part of 2008.

Income Statement

QRAA	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges		..	..	..
Grants and other contributions	1	128,043	194,379	65,995
Other revenue	2	15,531	22,484	23,328
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		143,574	216,863	89,323
Expenses				
Employee expenses		7,311	8,060	7,689
Supplies and services		2,763	2,878	2,528
Grants and subsidies	3	131,622	213,156	78,278
Depreciation and amortisation	4	269	327	397
Finance/borrowing costs	5	2,493	2,918	3,113
Other expenses		..	..	..
Losses on sale/revaluation of property, plant and equipment and investments	6	..	..	(2,414)
Total expenses		144,458	227,339	89,591
OPERATING SURPLUS /(DEFICIT)	7	(884)	(10,476)	(268)

Statement of Changes in Equity

QRAA	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/ (decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	2	(1)
Net income recognised directly in equity		0	2	(1)
Surplus/ (deficit) for the period	7	(884)	(10,476)	(268)
Total recognised income and expense for the period		(884)	(10,474)	(269)
Equity injection/ (withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
Total movement in equity for period		(884)	(10,474)	(269)

Balance Sheet

QRAA	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	8	68,421	90,752	55,747
Receivables	9	29,624	31,180	34,078
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		98,045	121,932	89,825
NON-CURRENT ASSETS				
Receivables	9	208,298	297,028	324,636
Other financial assets		..	..	..
Property, plant and equipment	10	814	599	902
Intangibles		10	..	..
Other		..	..	..
Total non-current assets		209,122	297,627	325,538
TOTAL ASSETS		307,167	419,559	415,363
CURRENT LIABILITIES				
Payables		222	1,611	1,611
Employee benefits obligations	11	818	900	900
Interest-bearing liabilities and derivatives	12	5,928	15,927	14,615
Provisions		..	..	..
Other		..	..	..
Total current liabilities		6,968	18,438	17,126
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations	11	84	50	50
Interest-bearing liabilities and derivatives	12	167,298	243,214	240,599
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		167,382	243,264	240,649
TOTAL LIABILITIES		174,350	261,702	257,775
NET ASSETS (LIABILITIES)		132,817	157,857	157,588
EQUITY				
Capital/contributed equity		(53,000)	(53,000)	(53,000)
Retained surplus/ (Accumulated deficit)		185,817	210,857	210,588
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		132,817	157,857	157,588

Cash Flow Statement

QRAA	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		..	..	..
Grants and other contributions	13	128,043	194,379	65,995
Other	14	15,531	22,484	19,739
Outflows:				
Employee costs		(7,311)	(8,060)	(7,689)
Supplies and services		(2,763)	(2,878)	(2,528)
Grants and subsidies	15	(131,622)	(213,156)	(78,278)
Borrowing costs	16	(2,493)	(2,918)	(3,113)
Other		..	..	..
Net cash provided by/(used in) operating activities		(615)	(10,149)	(5,874)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	17	34,150	21,597	39,496
Outflows:				
Payments for property, plant and equipment and intangibles	18	(600)	(401)	(700)
Payments for investments		..	..	..
Loans and advances made	19	(59,000)	(75,000)	(64,000)
Net cash provided by/(used in) investing activities		(25,450)	(53,804)	(25,204)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	12	29,000	43,000	12,000
Equity injections		..	..	..
Outflows:				
Borrowing redemptions	20	(10,577)	(5,337)	(15,927)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		18,423	37,663	(3,927)
Net increase/(decrease) in cash held		(7,642)	(26,290)	(35,005)
Cash at the beginning of financial year		76,063	117,042	90,752
Cash transfers from restructure		..	..	..
Cash at the end of financial year		68,421	90,752	55,747

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget, 2007-08 Estimated Actual and 2008-09 Estimate include:

1. Variations for grants and other contributions made by the Australian and State Governments are detailed in Table 1.1. Funding for grants and other contributions generally matches the expenditure for grants and subsidies and is demand driven. However, QRAA recognises grant revenue upon receipt and some programs have significant time intervals between receipt of program funds and the disbursements.

Table 1.1 Grants and other contributions	Note	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Grants and contributions from State				
QRAA Administration		7,989	7,775	7,836
Drought Rate Rebate Scheme (DRRS)		9,000	8,498	..
Traveston Crossing Dam and Wyaralong Dam		1,600	910	1,600
Irrigation Fixed Water Charges Rebate (IFWCR) Scheme		7,000	7,000	..
AAA Farmbis		..	..	..
RAS EC (Primary Producers & Small Business)	i	..	13,500	..
IFWCR Scheme - Administration Funding	ii	1,332	..	..
QCHSBEAS	iii	..	468	..
Vegetation Management	iv	13,022	32,978	20,309
Total received from State		39,943	71,129	29,745
Grants and contributions from Commonwealth				
AAA Farmbis	v	3,500	1,750	250
RAS EC (Primary Producers)	vi	79,200	114,300	33,300
RAS EC (Small Business)	vi	5,400	7,200	2,700
Total received from Commonwealth		88,100	123,250	36,250
Total Grants and contributions		128,043	194,379	65,995
Notes: i. Additional funding received due to the extension of the RAS EC scheme. State funding is provided as required on the basis of actual expenditure. ii. IFWCR administration funding recorded as 'other income' in 2007-08 EA. iii. Variance relates to a scheme commencing in 2007-08. iv. Variance relates to a higher volume of applications received in 2007-08 than anticipated. v. AAA Farmbis for the periods shown reflect 50% Commonwealth contribution only, with QRAA continuing to fund the State's 50% contribution from internal sources. vi. Commonwealth funding for RAS EC is based on demand for assistance under the program.				

2. Other revenue refers to the interest earned by QRAA on loans made to rural producers and small businesses and interest earned on unutilised funds together with fee for service revenue generated from program administration.
3. Variations in expenditure on grants and subsidies are detailed in Table 1.2. Explanations with regard to variances should be read in conjunction with Table 1.1 and its notes. Expenditure under the various programs is demand driven.

Table 1.2 Grants and subsidies	Note	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
AAA Fambis		7,000	5,500	500
RAS EC (Primary Producers)		88,000	127,000	37,000
RAS EC (Small Business)		6,000	8,000	3,200
Small Business Emergency Assistance		..	350	..
Traveston Crossing Dam and Wyaralong Dam		1,600	910	1,600
Irrigation Fixed Water Charges Rebate (IFWCR) Scheme		7,000	7,000	..
Drought Rate Rebate Scheme (DRRS)		9,000	8,498	..
Vegetation Management		13,022	55,430	35,978
QCHSBEAS		..	468	..
Total Grants and subsidies		131,622	213,156	78,278

4. Increase in depreciation and amortisation is due to higher costs of intangible assets, i.e. computer and software upgrades.
5. Increase in finance/borrowing costs is due to additional borrowings to fund various schemes.
6. Non cash expense of \$2.414 million represents the write back of 50% of loan impairment provision with remaining 50% to be written back in 2009-10.
7. Forecasted operating deficit for 2007-08 and 2008-09 are due to timing differences between the receipt of grant monies and the payment of grant funds to end recipients. QRAA recognises grant revenue upon receipt, and some programs have significant time intervals between receipt of program funds and the disbursements.

Balance Sheet

8. Movements in cash assets between the budget periods are shown in detail on the Cash Flow Statement.
9. Movements in receivables are due to increases in loans and advances to clients.
10. Decrease in property, plant and equipment between the 2007-08 Budget and 2007-08 Estimated Actual is due to cost of intangible asset fully amortised, and the increase in 2008-09 forecast is due to upgrades of computer softwares.
11. Movements in employee benefit obligations reflect the portion of benefits that fall within the ensuing 12 months.
12. Movements in interest-bearing liabilities are mainly due to increased borrowings to fund various schemes.

Cash Flow Statement

13. Variations in revenues for grants and subsidies are detailed in Table 1.1.
14. Other revenue refers to the interest earned by QRAA on loans made to rural producers and small businesses and interest earned on unutilised funds together with fee-for-service revenue generated from program administration.
15. Variations in expenditure on grants and subsidies are detailed in Table 1.2. Explanations with regard to variances should be read in conjunction with Table 1.1 and its notes. Expenditure under the various programs is demand driven.
16. Increase in finance/borrowing costs is due to increased QRAA borrowings to fund various schemes.
17. Loans and advances redeemed between the 2007-08 Estimated Actual and 2008-09 Estimate reflects the commencement of repayment of NDRA – Tropical Cyclone Larry loans.
18. \$401,000 capital expenditure in 2007-08 is the cost of office refurbishment with \$700,000 for IT development in 2009-10.
19. The variance in loans and advances between the 2007-08 Budget and 2007-08 Estimated Actual reflects higher PIPES and NDRA lending. The reduction to \$64 million 2008-09 is due mainly to the finalisation of Tropical Cyclone Larry loans.
20. The increase of \$10.59 million between the 2007-08 Estimated Actual and 2008-09 Estimate reflects the commencement of QRAA repaying State and Commonwealth NDRA loans.