

# **SERVICE DELIVERY STATEMENTS**

**Department of Agriculture  
and Fisheries**

# 2017-18 Queensland Budget Papers

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## **Service Delivery Statements**

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## Department of Agriculture and Fisheries

### Summary of portfolio

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# Portfolio overview

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Agriculture and Fisheries and Minister for Rural Economic Development:

<p style="text-align: center;"><b>Minister for Agriculture and Fisheries and Minister for Rural Economic Development</b></p> <p style="text-align: center;"><b>The Honourable William Byrne MP</b></p>
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<p style="text-align: center;"><b>Department of Agriculture and Fisheries</b></p> <p style="text-align: center;"><b>Director-General: Dr Elizabeth Woods</b></p>
<b>Service area 1:</b> Agriculture
<b>Service area 2:</b> Biosecurity Queensland
<b>Service area 3:</b> Fisheries and Forestry

The Minister for Agriculture and Fisheries and Minister for Rural Economic Development is also responsible for:

<p style="text-align: center;"><b>Queensland Agricultural Training Colleges</b></p> <p style="text-align: center;"><b>Chief Executive Officer: Mark Tobin</b></p> <p><b>Objective:</b> The purpose of Queensland Agricultural Training Colleges is to be a strong, best-practice rural and agricultural education and research business that produces graduates with skills and capabilities that are in demand for the future success of agribusiness and associated industries both domestically and internationally.</p>
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<p style="text-align: center;"><b>Queensland Rural and Industry Development Authority</b></p> <p style="text-align: center;"><b>Chief Executive Officer: Cameron MacMillan</b></p> <p><b>Objective:</b> The Queensland Rural and Industry Development Authority's purpose is to administer timely financial assistance including loans, grants, rebates and subsidies, and legislated programs aimed at improving the productivity and sustainability of regional and rural communities.</p>
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Additional information about these agencies can be sourced from

[www.daf.qld.gov.au](http://www.daf.qld.gov.au)

[www.qatc.edu.au](http://www.qatc.edu.au)

[www.graa.qld.gov.au](http://www.graa.qld.gov.au) - this website will redirect you to the Queensland Rural and Industry Development Authority website from 1 July 2017.

# Departmental overview

The Department of Agriculture and Fisheries (DAF) vision of a productive and profitable agriculture, fisheries and forestry sector is supported by clear objectives to:

- create the conditions for successful agribusinesses and supply chains which encourage innovation and productivity
- assist people in agri and rural businesses to respond to challenges and protect environmental values
- ensure the sustainable management of natural resources to underpin productivity and protect the environment.

DAF is committed to contributing to the achievement of the Queensland Government's objectives for the community - creating jobs and a diverse economy; protecting the environment; delivering quality frontline services; and building safe, caring and connected communities - and has a dedicated focus on rural economic development.

The year ahead presents significant opportunities and continued ongoing challenges for the sector. Recent Free Trade Agreements between Australia and Japan, China, and South Korea have the potential to bring significant benefits to Queensland producers through improved market access in our largest export markets and more investor interest to the State. We will continue to support Queensland businesses to take advantage of this growing opportunity, in particular we will support our fruit and vegetable producers through a \$1.3 million Growing Queensland's Food Exports program over two years, to grow exports to these key markets. This is part of the larger \$5.2 million package over three years to support rural economic development.

Many rural economies are still adjusting to the contraction of resource industry investment, dealing with prolonged drought conditions in parts of the State, and recovering from the effects of ex-Tropical Cyclone Debbie. DAF will work with rural communities to maximise investment and investigate new opportunities to advance economic activity and employment in rural Queensland. DAF will work with other government agencies to encourage a focus on an improved provision of water, energy, communications and transport to rural communities; essential elements for strong economies.

Queensland continues to be the frontline state for biosecurity responses. The Queensland Biosecurity Strategy and Action Plan, currently under development, will provide the roadmap for co-managing the biosecurity system with industry, local government bodies, and all members of the community. The strategy and action plan will ensure that Queensland builds the capability needed to address the increasing prevalence of exotic animal and plant pest and disease threats. In 2017-18 DAF will continue investment to minimise the impact of white spot disease on aquaculture and commercial fishing, Panama disease tropical race 4 in bananas, and red witchweed on the sugar industry, and to more effectively manage endemic pest animals and plants.

We will invest an additional \$20.9 million over three years to deliver a modern, responsive and consultative approach to fisheries management as outlined in the Sustainable Fisheries Strategy. This investment will deliver 20 more frontline compliance officers, more monitoring and research, and better engagement with industry and stakeholders, leading to more responsive decision making.

The Government is providing \$175 million over five years across several agencies for a comprehensive Great Barrier Reef Water Quality Program to support the continuation of critical programs to assist in working towards the achievement of water quality targets, including Best Practice Management programs, provision of economic support and decision-making tools for agricultural producers, the Paddock to Reef program and the Natural Resource Management Program for Reef Water Quality. This is in addition to the \$100 million provided over five years from 2015-16 to address the recommendations arising from the Great Barrier Reef Water Science Taskforce.

DAF will continue to progress the Commercialisation Technology Fund and the Agriculture and Food Research, Development and Extension Ten Year Roadmap and Action Plan, which highlight the ongoing commitment to international leadership in tropical and sub-tropical agricultural research and development through innovation, world-class facilities, partnerships and collaboration.

DAF will also contribute to helping build the resilience of individuals, businesses and communities by:

- providing Drought Relief Assistance to farmers still affected or recovering from drought
- delivering services to help farmers better mitigate ongoing climate risk and manage rural debt
- delivering technical advisory and compliance services to farmers, fishers, landholders and the community to help achieve biosecurity and natural resource management priorities
- continuing to fund the Rural Jobs and Skills Alliance to meet the needs of employers for labour and skilled workers
- connecting agricultural and rural businesses with government services and grants that help businesses foster innovation, embrace digital technologies and capitalise on market and investment opportunities.

# Service performance

## Performance statement

### Agriculture

#### Service area objective

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

#### Service area description

This service area:

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

#### Services

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

#### 2017-18 service area highlights

- \$5.2 million over three years for the Rural Economic Development package, working with rural communities to identify regional economic opportunities, improve the competitiveness of rural businesses and increase the number of rural jobs. The package includes funding for the following initiatives:
  - Growing Queensland's Food Exports which will support fruit and vegetable producers to grow exports to Asia
  - the Rural Economies Centre of Excellence
  - the 'one stop' service to facilitate private sector initiatives (for developing appropriate water and land resources in North Queensland on a sustainable basis) through the various approval and development processes of government.
- Continue to partner with all levels of government and industry to overcome barriers and realise significant opportunities that Northern Australia offers for the intensification and diversification of agricultural production. This includes a continued commitment by Queensland to the Developing Northern Australia Cooperative Research Centre.
- Support implementation of the Queensland Government's Strategic Blueprint for Queensland's North West Minerals Province that is aimed at facilitating a strong and prosperous future for the region.
- Provide existing drought relief arrangements to drought affected communities and invest in the Queensland Climate Risk and Drought Resilience program to improve farm business capacity, seasonal forecasting and decision support tools that enable producers to better manage climate risk.
- Provide evidence-based policy advice on issues affecting primary industries such as energy, water, communication and transport.

- Continue to implement the Rural Assistance Package aimed at reducing financial stress and improving the financial sustainability of rural communities.
- Implement the Agriculture and Food Research, Development and Extension Ten year Roadmap and Action plan, which aligns with the Advance Queensland agenda and drives innovation in Queensland's agricultural and food industries.
- Implement the Technology Commercialisation Fund which is aimed at:
  - attracting private sector capital into agriculture and food research and development, undertaken by government, and government research partners
  - increasing the commercial success of the department's and its research partners' intellectual property.
- Showcase Queensland's agricultural products, and expertise and areas for investment in rural economic development and the food and fibre supply chain by:
  - supporting government-sponsored outbound trade missions in conjunction with industry
  - supporting Beef Week 2018 with a comprehensive program of seminars and property tours, event biosecurity assistance and advice for exporters as well as profiling the latest technological advances and improvements arising from DAF's research and development
  - hold an agricultural investment summit with industry, the financial services sector and the advisory services sector
  - leveraging promotional activities and international events associated with the 2018 Gold Coast Commonwealth Games.
- Continue to support agricultural industries in reef catchments to improve Great Barrier Reef water quality outcomes by:
  - ensuring coordinated on-ground support services, including extension capacity building and collaboration, and specialised extension services such as economic analysis to support the industry-led, best management practice programs
  - validating improved and innovative management practices
  - monitoring the adoption of these practices by producers.
- Progress initiatives of the Rural Jobs and Skills Alliance under the collaborative agreements established with industry bodies.

Department of Agriculture and Fisheries	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Agriculture</b>				
<b>Service: Strategic policy and planning</b>				
<b>Service standards</b>				
<i>Effectiveness measure</i> Proportion of stakeholders who have a high level of satisfaction with Agriculture policy and planning, consultation and engagement processes	1	70%	70%	70%
<i>Efficiency measure</i> Average cost per hour to conduct regulatory policy and reform activities	2	\$75	\$66	\$75
<b>Service: Rural economic development<sup>3</sup></b>				
<b>Service standards</b>				
<i>Effectiveness measures</i> Percentage of customers whose application for business assistance as a result of natural disaster or drought is processed within 21 days	4, 5	90%	95%	90%



Department of Agriculture and Fisheries	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Percentage of primary producers in reef catchments who adopt best management practices after participation in DAF extension programs	6	40%	40%	40%
<i>Efficiency measures</i> Average cost of regional agricultural advocacy activities	7	\$1,200	\$800	\$800
Investment in the management of the Drought Relief Assistance Scheme program as a proportion of the total claims paid under the scheme	8	New measure	New measure	10%
<b>Service: Agri-Science Queensland</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i> Percentage of customers indicating that participation in a research development and extension activity contributes to business improvements		75%	75%	75%
Level of funding partner satisfaction that research outcomes contribute to industry productivity growth	9	80%	80%	80%
<i>Efficiency measure</i> Percentage return on research development and extension investment through royalty returns	10	3.5%	7%	3.5%

Notes:

1. This measure covers a range of dimensions of customer satisfaction including quality and overall satisfaction with the tools and methods of engagement and the level of opportunity to contribute to policy direction. Both quantitative and qualitative responses are sought.
2. The cost for this efficiency measure is based on employee expenses for staff responsible for regulatory policy and reform. The 2016-17 Estimated Actual is lower than the target as a temporary graduate policy officer has been recruited and the cost of employment per hour is relatively lower than originally forecasted.
3. The name of this service has been changed to Rural Economic Development to reflect new Ministerial responsibilities. This service was formerly known as Regions and Industry Development.
4. This measure was moved from Strategic Policy and Planning to Rural Economic Development to better reflect the largest component of this service element being the direct provision of assistance to individuals rather than policy development.
5. Drought affected farm businesses are able to access freight subsidies to provide fodder and water for stock and the Emergency Water Infrastructure Rebate. Freight subsidies are also payable to transport livestock returning from agistment or livestock purchased for restocking after drought. DAF's effectiveness in responding to customers' requests for assistance plays a crucial role in maintaining animal welfare and the capability of producers to restock.
6. The target for this measure has been retained at 40% in 2017-18 to acknowledge that the persistent dry conditions may affect producers' ability and timing to implement desired changes which could mean the results achieved in 2015-16 (58%) are not able to be sustained.
7. Improved data collection and analysis has resulted in a lower Estimated Actual for 2016-17. This lower cost has been reflected in a decrease in the target for the measure in 2017-18.
8. This new measure of efficiency assesses the efficacy of the department in administering the Drought Relief Assistance Scheme (DRAS) program.
9. This measure of funding partner satisfaction covers a range of dimensions that consider both the quality, relevance and timeliness of processes used by Agri-Science Queensland and the outcomes delivered by individual projects. Both quantitative and qualitative feedback is sought to gauge overall satisfaction and improve the service.
10. The royalty return is well above the forecasted 3.5% largely due to 5 years' worth of chickpea royalties being received in one financial year and favourable seasonal conditions for grains.

## Biosecurity Queensland

### Service area objective

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

### Service area description

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

- animal pests and diseases
- plant pests and diseases
- invasive plants and animals, such as weeds and pest animals
- biosecurity diagnostics and other laboratory services
- animal welfare and ethics, including exhibited animals
- agvet chemical use and contaminant risk
- biosecurity incident responses, such as exotic tramp ants and Panama disease tropical race 4 in bananas.

### 2017-18 service area highlights

- Implement the Queensland biosecurity capability program including:
  - release the five year biosecurity strategy and action plan that embeds shared decision-making and outlines roles and responsibilities of all key stakeholders within the biosecurity system
  - undertake a regional pilot with local government and natural resource management groups to develop a plan that outlines regional priorities and responsibilities that better target and coordinate the efforts of diverse groups working to support biosecurity and to leverage funding
  - enhance biosecurity incident preparedness and response capability
  - embed and continue to build a broad biosecurity network of expertise and capacity to respond in the event of a biosecurity outbreak
  - implement an investment framework to provide for greater consistency and transparency in the consideration of risk-based internal resource allocations
  - boost marine pest preparedness and prevention and enhance plant diagnostic services
  - improve biosecurity information management with the ongoing development of the Biosecurity Information Management System.
- Continue the response to white spot disease in prawns.
- Continue nationally significant biosecurity responses and eradication programs including programs for red imported fire ants, electric ants, Panama disease tropical race 4, cucumber green mottle mosaic virus, red witchweed, four tropical weeds and exotic fruit fly in the Torres Strait.
- Continue to assist regional collectives and landholders to better control weeds and pest animals affecting regional communities including:
  - construct cluster fencing to control wild dogs
  - improve the management of Navua Sedge weed.
- Continue to work with industries to develop the first ever accredited industry-led quality assurance schemes that enable market access for Queensland producers under contemporary biosecurity legislation.

Department of Agriculture and Fisheries	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Biosecurity Queensland</b>				
<b>Service standards</b>				
<i>Effectiveness measure</i> Percentage of significant response programs on track to deliver nationally agreed outcomes (on time and on budget)	1	100%	100%	100%
<i>Efficiency measure</i> Average cost per hour to deliver biosecurity services for Queensland		\$52	\$51.50	\$52

Note:

- Response programs include but are not necessarily limited to: red imported fire ants, electric ants, four tropical weeds and new responses under the Emergency Plant Pest Response Deed, Animal Disease Response Agreement and the National Environmental Biosecurity Response Agreement.

## Fisheries and Forestry

### Service area objective

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

### Service area description

Fisheries and Forestry do this by:

- managing access to and the sustainable use of Queensland fisheries resources
- providing education and enforcing fishing regulations to promote equitable access to fisheries resources by commercial, recreational and traditional fishers
- responsibly managing the allocation and use of state-owned forests and related resources
- supporting the growth and development of the Queensland forest and timber industry
- overseeing the Plantation Licence issued to HQPlantations Pty Ltd and related agreements.

### Services

- Fisheries
- Forestry

### 2017-18 service area highlights

- Provide an additional \$20.9 million over three years to support the implementation of the Sustainable Fishing Strategy including 20 more frontline compliance officers, more monitoring and research, better engagement with industry and stakeholders and more responsive decision making
- Identify areas in aquaculture where development can be planned for, impacts on the environment minimised and approval processes streamlined
- Release a discussion paper on the Charter Fishing Action Plan to identify ways to help grow a world class charter fishing industry
- Fulfil and effectively manage the State's contracted supply commitments for native forest log timber, other forest products and quarry material
- Oversee the plantation licence held by HQPlantations Pty Ltd, as well as the related agreements, on behalf of the State
- Continue to implement key actions in the Queensland Forest and Timber Industry Plan in conjunction with industry and service providers
- Manage the forest and timber industry research, development and extension program to ensure that it is delivering industry-relevant outcomes

Department of Agriculture and Fisheries	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Fisheries and Forestry</b>				
<b>Service: Fisheries</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Percentage of key Queensland fish stocks assessed that are considered to have no sustainability concerns	1, 2	85%	91%	85%
Percentage of units inspected that are compliant with fisheries laws		93%	92%	93%

Department of Agriculture and Fisheries	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<i>Efficiency measures</i>				
Average cost of inspections	3, 4	\$480	\$505	\$480
Average number of inspections per FTE	3, 4	298	250	298
<b>Service: Forestry</b>				
<b>Service standards</b>				
<i>Effectiveness measure</i>				
Percentage of findings from the previous third party audit confirmed as satisfactorily addressed in order to maintain certification to the Australian Standard for Sustainable Forest Management AS4708:2013.	5	100%	100%	100%
<i>Efficiency measure</i>				
Total of forest product sales quantities per total Forest FTE:				
(a) Native forest timber (m <sup>3</sup> /FTE)		2,450	2,450	2,450
(b) Quarry material (m <sup>3</sup> /FTE)		40,800	40,800	40,800

Notes:

1. The 2016 sustainability reporting on Queensland's fisheries covers 65 stocks including Status of Key Australian Fish Stocks (SAFS) and Queensland only species. Detail of the findings can be found at [www.daf.qld.gov.au/fisheries/monitoring-our-fisheries/data-reports/sustainability-reporting/stock-status-assessments](http://www.daf.qld.gov.au/fisheries/monitoring-our-fisheries/data-reports/sustainability-reporting/stock-status-assessments).
2. Under the nationally-consistent system for stock status assessment, an assessment of all Queensland species of importance is completed over 24 months. A different group of species/stocks will be assessed each year as well as a re-assessment of any stocks of concern. For this reason, results may vary each year however the target has been retained at 85%. The list of fish stocks to be assessed in 2017-18 will focus on Queensland only stocks and include those stocks found to have sustainability concerns in the previous assessment including scallops, barramundi (south of the Gulf of Carpentaria), pearl perch, mangrove jack (Gulf of Carpentaria) and snapper.
3. The Queensland Boating and Fisheries Patrol conduct both fisheries inspections for DAF and boating safety inspections on behalf of other agencies such as the Department of Transport and Main Roads.
4. The average number of inspections shows a decrease in the number and increase in the average cost of inspections due to the adoption of a more targeted intel-driven patrol compliance model.
5. Certification to the Australian Standard enables purchasers of State-owned forest products to promote and label their products as sourced from sustainably managed forests. This chain of custody process helps DAF customers to access increasingly discerning markets requiring legally sourced and environmentally credentialed timber products.

## Discontinued measures

Department of Agriculture and Fisheries	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Fisheries and Forestry</b>				
<b>Service: Forestry</b>				
Percentage of applications for development related approvals processed within agreed timeframes and within budget	1	100%	100%	Discontinued measure

Note:

1. This standard has been discontinued for the purposes of *Service Delivery Statement* reporting as it is considered a measure of the timeliness of processing. Information on timeliness of processes will be retained for internal management purposes.

## Administered items

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

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

- Queensland Rural and Industry Development Authority (QRIDA): the department provides funding to QRIDA for the administration of government financial assistance schemes to foster the development of a more productive and sustainable rural and regional sector in Queensland
- Forestry Assets: the department holds surplus assets that were transferred back to the Government prior to the sale of Forestry Plantations Queensland to the private sector and the department has been implementing an asset management plan for these assets.

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

# Departmental budget summary

The table below shows the total resources available in 2017-18 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Agriculture and Fisheries	2016-17 Budget \$'000	2016-17 Est. Actual \$'000	2017-18 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	36,901	41,401	26,317
Balance of service appropriation	267,917	250,478	261,515
Other revenue	134,136	163,288	136,910
<b>Total income</b>	<b>438,954</b>	<b>455,167</b>	<b>424,742</b>
<b>Expenses</b>			
Agriculture	216,252	202,294	197,630
Biosecurity Queensland	111,145	141,791	107,384
Fisheries and Forestry	67,215	65,077	73,060
Corporate Partnership	44,342	46,755	46,668
<b>Total expenses</b>	<b>438,954</b>	<b>455,917</b>	<b>424,742</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>(750)</b>	<b>..</b>
<b>Net assets</b>	<b>408,017</b>	<b>406,754</b>	<b>411,216</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	..	..	..
Appropriation revenue	13,227	12,389	14,047
Other administered revenue	1,763	1,819	1,843
<b>Total revenue</b>	<b>14,990</b>	<b>14,208</b>	<b>15,890</b>
<b>Expenses</b>			
Transfers to government	1,763	1,819	1,843
Administered expenses	13,227	13,978	14,047
<b>Total expenses</b>	<b>14,990</b>	<b>15,797</b>	<b>15,890</b>
<b>Net assets</b>	<b>3,259</b>	<b>1,036</b>	<b>1,017</b>

Note:

1. Includes State and Commonwealth funding.



## Service area sources of revenue<sup>1</sup>

Sources of revenue 2017-18 Budget					
Department of Agriculture and Fisheries	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Agriculture	197,630	144,674	50,154	-	2,802
Biosecurity Queensland <sup>2</sup>	107,384	87,767	8,331	5,153	6,133
Fisheries and Forestry	73,060	41,720	6,942	-	24,398
Corporate Partnership <sup>3</sup>	46,668	10,687	35,981	-	-
<b>Total<sup>4</sup></b>	<b>424,742</b>	<b>284,848</b>	<b>101,408</b>	<b>5,153</b>	<b>33,333</b>

Notes:

1. Explanations of variances are provided in the financial statements.
2. Appropriation revenue provided by the Australian Government is included under Commonwealth revenue.
3. Corporate services provided to other agencies through Corporate Partnership arrangements mainly relate to information technology services.
4. Commonwealth revenue includes a combination of revenue that is appropriated to the department and received as other revenue.

## Budget measures summary

This table shows a summary of budget measures relating to the department since the 2016-17 State Budget. Further details are contained in *Budget Measures (Budget Paper 4)*.

Department of Agriculture and Fisheries	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures<sup>1</sup></b>					
Administered		900	820	820	820
Departmental	21,785	16,164	11,164	10,351	2,665
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Note:

- Figures reconcile with *Budget Measures (Budget Paper 4)*, including the whole-of-government expense measures relating to 'Reprioritisations' and 'Government Employee Housing'.

## Departmental capital program

The department's total capital program for 2017-18 is \$19.5 million. Capital outlays are \$18.1 million for 2017-18 and are focused on developing and upgrading existing research facilities to deliver outcomes for agriculture, biosecurity, fisheries and forestry. The department has facilities located throughout rural and regional Queensland. These require continual minor works, mechanical items and plant and equipment upgrades to keep them operating efficiently and effectively. The program also includes capital grant payments of \$1.3 million to the RSPCA for facility upgrades in Cairns and Townsville.

### 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
- \$3.8 million is provided for the upgrade and refurbishment of existing facilities at Toowoomba, which will enhance service delivery and improve operational efficiencies
- \$1.5 million is allocated to provide new and replacement heavy plant and equipment including trucks, tractors, irrigators, all-terrain vehicles and other machinery
- \$1.3 million is to be provided as a capital grant to the RSPCA for facility upgrades in Cairns and Townsville
- \$881,000 is provided for leasehold fitout replacements to the Ecoscience and Health and Food Sciences Precincts
- \$800,000 is provided to continue replacement of vessels and marine equipment for fisheries research and regulatory functions.

## Capital budget

Department of Agriculture and Fisheries	Notes	2016-17 Budget \$'000	2016-17 Est. Actual \$'000	2017-18 Budget \$'000
<b>Capital purchases<sup>1</sup></b>				
Total land, buildings and infrastructure	2	6,187	6,413	6,550
Total plant and equipment	3	9,352	8,848	10,327
Total other capital	4	3,750	1,044	2,592
<b>Total capital purchases</b>		<b>19,289</b>	<b>16,305</b>	<b>19,469</b>

### Notes:

1. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.
2. The 2017-18 Budget includes expenditure for the upgrade and refurbishment of existing facilities including Toowoomba.
3. The 2017-18 Budget includes expenditure for new and replacement vessels, scientific, computer, heavy plant and equipment and fitout replacements to the Ecoscience and Health and Food Sciences Precincts.
4. The 2017-18 Budget includes a capital grant to the RSPCA for facility upgrades in Cairns and Townsville.

# Staffing<sup>1</sup>

Department of Agriculture and Fisheries	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Agriculture	2, 4, 5	935	935	932
Biosecurity Queensland	2, 4, 6a	580	580	584
Fisheries and Forestry	2, 4, 6b	320	320	351
<b>Subtotal</b>		<b>1,835</b>	<b>1,835</b>	<b>1,867</b>
Corporate Partnership servicing other departments	3	222	222	222
<b>TOTAL</b>		<b>2,057</b>	<b>2,057</b>	<b>2,089</b>

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. The department participates in a partnership arrangement in the delivery of its services, whereby corporate FTEs are hosted by the department to work across multiple departments.
4. Under the corporate partnership arrangements, the department also receives services from the Departments of Natural Resources and Mines and Environment and Heritage Protection.
5. The reduction in Agriculture is due to the reprioritisation of funding and FTE's associated with the Office of Rural Affairs. Funding has been returned to the consolidated fund to offset the costs of the Rural Economic Development portfolio.
6. Additional budgeted staff relate to:
  - a. Funding for the implementation of the Biosecurity Capability Review
  - b. Government commitment to Fisheries reform.

# Budgeted financial statements

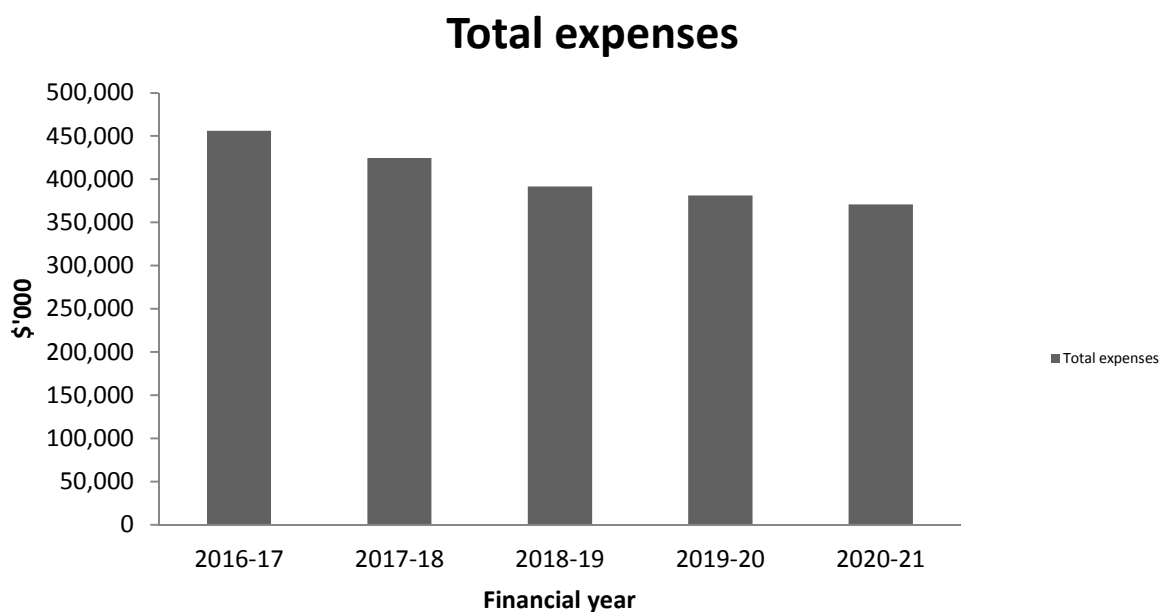
## Analysis of budgeted financial statements

An analysis of the department's financial statements is provided below.

### Departmental income statement

Total expenses are estimated to be \$424.7 million in 2017-18, which is a decrease of \$31.2 million from the 2016-17 Estimated Actual. The decrease is due to a reduction in expenses for the containment of White Spot Disease, the budget held centrally by government for the continuation of the Drought Assistance Package in 2017-18 (up to \$20 million), and reduced expenses for various limited life funded initiatives including the Panama Tropical Race 4 (TR4) response and Australian Government funded pest and weed initiatives. Also contributing to the decrease is the cessation of the current National Cost Sharing (NCS) funding agreement for the National Red Imported Fire Ant Eradication Program (NRIFAEP) at 30 June 2017. Funding arrangements with NCS partners for a 10 year national eradication plan have not yet been finalised. This is partially offset by increased expenses for implementing government commitments to fisheries reform, the implementation of the Biosecurity Capability Review, biosecurity regional responses, the Rural Economic Development (RED) Portfolio, the Technology Commercialisation Fund and Enterprise Bargaining Agreement increments.

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



### Departmental balance sheet

DAF's major assets are in property, plant and equipment (\$367.6 million in 2017-18) with the department having facilities located throughout rural and regional Queensland. In 2017-18, DAF will invest \$18.1 million in capital outlays through its capital expenditure program in upgrading its existing facilities and purchasing new and replacement plant and equipment, which will enhance the department's service delivery capacity and result in efficiency gains. Over the forward estimates period, DAF will continue to review and rationalise assets, and maximise service delivery outcomes and efficiencies by revitalising its facilities.

# Controlled income statement

Department of Agriculture and Fisheries	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	1,9,15	304,818	291,879	287,832
Taxes		..	..	..
User charges and fees	2,10,16	100,873	118,150	101,408
Royalties and land rents	3,11	24,691	27,504	26,585
Grants and other contributions	4,17	8,032	16,847	8,302
Interest		..	..	..
Other revenue		366	692	520
Gains on sale/revaluation of assets		174	95	95
<b>Total income</b>		<b>438,954</b>	<b>455,167</b>	<b>424,742</b>
<b>EXPENSES</b>				
Employee expenses	5,12,18	205,787	203,696	210,747
Supplies and services	6,13,19	177,831	211,700	181,954
Grants and subsidies	7,14,20	32,432	15,998	8,529
Depreciation and amortisation		21,477	22,195	21,926
Finance/borrowing costs		..	..	..
Other expenses		1,427	1,578	1,586
Losses on sale/revaluation of assets	8,21	..	750	..
<b>Total expenses</b>		<b>438,954</b>	<b>455,917</b>	<b>424,742</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>8,21</b>	<b>..</b>	<b>(750)</b>	<b>..</b>

# Controlled balance sheet

Department of Agriculture and Fisheries	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	22,28	39,733	40,663	40,488
Receivables		30,540	30,629	30,363
Other financial assets		..	..	..
Inventories		1,144	1,482	1,502
Other		5,324	6,322	6,302
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>76,741</b>	<b>79,096</b>	<b>78,655</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		15	15	15
Other financial assets		..	..	..
Property, plant and equipment	23,25,29	366,869	364,516	367,620
Intangibles	24,26	2,412	1,264	1,481
Other		14,989	15,145	15,619
<b>Total non-current assets</b>		<b>384,285</b>	<b>380,940</b>	<b>384,735</b>
<b>TOTAL ASSETS</b>		<b>461,026</b>	<b>460,036</b>	<b>463,390</b>
<b>CURRENT LIABILITIES</b>				
Payables		11,093	10,560	10,160
Accrued employee benefits		2,975	4,984	4,734
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		20,933	19,675	19,285
<b>Total current liabilities</b>		<b>35,001</b>	<b>35,219</b>	<b>34,179</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		18,008	18,063	17,995
<b>Total non-current liabilities</b>		<b>18,008</b>	<b>18,063</b>	<b>17,995</b>
<b>TOTAL LIABILITIES</b>		<b>53,009</b>	<b>53,282</b>	<b>52,174</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>408,017</b>	<b>406,754</b>	<b>411,216</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	27,30	<b>408,017</b>	<b>406,754</b>	<b>411,216</b>

# Controlled cash flow statement

Department of Agriculture and Fisheries	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts	31,39,48	304,818	288,045	287,832
User charges and fees	32,40,49	99,835	104,612	101,950
Royalties and land rent receipts	33,41	24,691	27,504	26,585
Grants and other contributions	34,50	8,032	16,847	8,302
Interest received		..	..	..
Taxes		..	..	..
Other		14,147	15,073	14,301
<b>Outflows:</b>				
Employee costs	42,51	(206,507)	(206,416)	(210,997)
Supplies and services	35,43,52	(191,275)	(220,959)	(196,648)
Grants and subsidies	36,44,53	(32,432)	(15,998)	(8,529)
Borrowing costs		..	..	..
Other	37,54	(2,127)	(5,228)	(2,186)
<b>Net cash provided by or used in operating activities</b>		<b>19,182</b>	<b>3,480</b>	<b>20,610</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets	45,55	1,975	2,325	1,480
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets	46,56	(16,789)	(16,061)	(18,127)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(14,814)</b>	<b>(13,736)</b>	<b>(16,647)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	47,57	(7,453)	(8,339)	(4,138)
<b>Net cash provided by or used in financing activities</b>		<b>(7,453)</b>	<b>(8,339)</b>	<b>(4,138)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(3,085)</b>	<b>(18,595)</b>	<b>(175)</b>
<b>Cash at the beginning of financial year</b>	<b>38,58</b>	<b>42,818</b>	<b>59,258</b>	<b>40,663</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>39,733</b>	<b>40,663</b>	<b>40,488</b>



# Administered income statement

Department of Agriculture and Fisheries	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	59,62,63	13,227	12,389	14,047
Taxes		..	..	..
User charges and fees		1,763	1,819	1,843
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>14,990</b>	<b>14,208</b>	<b>15,890</b>
<b>EXPENSES</b>				
Employee expenses		..	..	..
Supplies and services		..	..	..
Grants and subsidies	59,62,63	13,070	12,370	14,028
Depreciation and amortisation	60	157	19	19
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of assets	61,64	..	1,589	..
Transfers of Administered Revenue to Government		1,763	1,819	1,843
<b>Total expenses</b>		<b>14,990</b>	<b>15,797</b>	<b>15,890</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>61,64</b>	<b>..</b>	<b>(1,589)</b>	<b>..</b>

# Administered balance sheet

Department of Agriculture and Fisheries	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		31	6	4
Receivables		38	10	12
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>69</b>	<b>16</b>	<b>16</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	65,66	3,222	1,023	1,004
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>3,222</b>	<b>1,023</b>	<b>1,004</b>
<b>TOTAL ASSETS</b>		<b>3,291</b>	<b>1,039</b>	<b>1,020</b>
<b>CURRENT LIABILITIES</b>				
Payables		..	..	..
Transfers to Government payable		32	3	3
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>32</b>	<b>3</b>	<b>3</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>32</b>	<b>3</b>	<b>3</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>3,259</b>	<b>1,036</b>	<b>1,017</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	65,66	<b>3,259</b>	<b>1,036</b>	<b>1,017</b>

# Administered cash flow statement

Department of Agriculture and Fisheries	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts	67,68,69	13,227	12,389	14,047
User charges and fees		1,763	1,916	1,841
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		..	..	..
<b>Outflows:</b>				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies	67,68,69	(13,070)	(12,370)	(14,028)
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government		(1,763)	(1,819)	(1,843)
<b>Net cash provided by or used in operating activities</b>		<b>157</b>	<b>116</b>	<b>17</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	120	..
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 or used in investing activities</b>		<b>..</b>	<b>120</b>	<b>..</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(157)	(155)	(19)
<b>Net cash provided by or used in financing activities</b>		<b>(157)</b>	<b>(155)</b>	<b>(19)</b>
<b>Net increase/(decrease) in cash held</b>		<b>..</b>	<b>81</b>	<b>(2)</b>
<b>Cash at the beginning of financial year</b>		<b>31</b>	<b>(75)</b>	<b>6</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>31</b>	<b>6</b>	<b>4</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

1. The decrease reflects the reduced level of funding required for the Drought Relief Assistance Scheme in 2016-17, due to improved climatic conditions across the State. Also contributing to the decrease is the deferral of funding from 2016-17 to realign the budget with anticipated cashflows for departmental programs and election commitments including the Technology Commercialisation Fund, wild dog control initiatives, the implementation of the Biosecurity Capability Review and capital grant payments to the RSPCA and Grains Research and Development Corporation (GRDC). This is partially offset by additional funding received in 2016-17 for the containment of White Spot Disease, the National Red Imported Fire Ants Eradication Program (NRIFAEP), biosecurity regional responses, and additional funding from the Australian Government for pest and weed initiatives.
2. The increase is largely due to additional funding for National Cost Sharing (NCS) arrangements for biosecurity pest and disease emergency responses including the NRIFAEP and the Varroa Mite Eradication Program, and increased funding for contracted Research and Development (R&D) projects from external funding bodies.
3. The increase is mainly due to higher than expected seed and legume royalties in 2016-17.
4. The increase is largely due to additional funding from the Australian Government for NCS arrangements including the NRIFAEP and the Varroa Mite Eradication Program.
5. The decrease is mainly due to the use of contractors in place of employees for seasonal work, short term demand and biosecurity pest and disease emergency responses.
6. The increase is largely due to increased expenses for the containment of White Spot Disease, biosecurity regional responses, Australian Government pest and weed management initiatives, NCS arrangements for biosecurity pest and disease emergency initiatives and increased expenses for contracted R&D projects. This is partially offset by a reduction in expenses associated with the deferral of funding from 2016-17 to realign the budget with anticipated cashflows for various departmental programs and election commitments.
7. The decrease mainly reflects the reduced expenditure for the Drought Relief Assistance Scheme in 2016-17, due to improved climatic conditions across the State. Also contributing to the decrease is the realignment of capital grant payments to the RSPCA and GRDC to out years to match with anticipated milestone payments.
8. The increase represents the transfer to the McKinley Shire Council during 2016-17 of the Julia Creek Trucking Reserve which was surplus to departmental requirements.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

9. The decrease is due largely to funding for the continuation of the Drought Assistance Package in 2017-18, being held centrally by the government and provided to the department based on demand. Also contributing to the decrease is a reduction in funding in 2017-18 for various limited life funded initiatives including the Panama Tropical Race 4 (TR4) response and Australian Government funded pest and weed initiatives. This is partially offset by additional funding for implementing government commitments to fisheries reform, biosecurity regional responses, the Rural Economic Development (RED) Portfolio, additional supplementation for Enterprise Bargaining Agreements (EBA) and increased funding for the implementation of the Biosecurity Capability Review.
10. The increase is mainly due to increased funding for contracted R&D projects from external funding bodies. This is partially offset by a reduction in funding for environmental offset conditions imposed on fisheries development approvals for the rehabilitation of Marine Habitats.
11. The increase is largely due to the indexation of fees for the sale of timber and quarry materials, and increased horticulture royalty income.
12. The increase is largely due to additional expenses for implementing government commitments to fisheries reform and EBA increments.
13. The increase is mainly due additional expenses for implementing government commitments to fisheries reform, biosecurity regional responses, the RED Portfolio and increased R&D project expenses. This is partially offset by a reduction in expenses for the Panama TR4 response, pest and weed initiatives and marine environmental rehabilitation works.
14. The decrease is due to the budget for the continuation of the Drought Assistance Package in 2017-18, being held centrally by the government and provided to the department based on demand. Also contributing to the decrease is the realignment of the capital grant payment to GRDC for the purchase of a grains research property to 2018-19.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

15. The decrease is largely due to a reduction in funding for the containment of White Spot Disease, funding held centrally by government for the continuation of the Drought Assistance Package in 2017-18, and various limited life funded initiatives including the Panama TR4 response and Australian Government funded pest and weed initiatives. This is partially offset by increased funding for implementing government commitments to fisheries reform, the implementation of the Biosecurity Capability Review, biosecurity regional responses, the RED Portfolio, additional supplementation for EBA and the deferral of funding from 2016-17 to 2017-18 to realign the budget with anticipated cashflows for various departmental programs and election commitments including the Technology Commercialisation Fund.
16. The decrease is largely due to the reduction in funding for NCS arrangements associated with the NRIFAEP whereby current funding arrangements cease in 2016-17. Funding arrangements with NCS partners for a 10 year national eradication plan have not yet been finalised. Also contributing to the decrease is a reduction in funding for environmental offset conditions imposed on fisheries development approvals for the rehabilitation of Marine Habitats and decreased funding for contracted R&D projects.
17. The decrease is largely due to the reduction in funding from the Australian Government for NCS arrangements associated with the NRIFAEP whereby current funding arrangements cease in 2016-17. Funding arrangements with NCS partners for a 10 year national eradication plan have not yet been finalised.
18. The increase is largely due to additional expenses for implementing government commitments to fisheries reform and EBA increments.
19. The decrease is mainly due to a reduction in expenses for the containment of White Spot Disease, pest and weed initiatives, NCS arrangements for the NRIFAEP and the Panama TR4 response. Also contributing to the decrease is reduced R&D project expenses and reduced marine environmental rehabilitation works. This is partly offset by increased expenses for implementing government commitments to fisheries reform, the implementation of the Biosecurity Capability Review, biosecurity regional responses, the RED Portfolio, and the deferral of funding from 2016-17 to 2017-18 to realign the budget with anticipated cashflows for various departmental programs and election commitments including the Technology Commercialisation Fund.
20. The decrease is due to the budget for the continuation of the Drought Assistance Package in 2017-18, being held centrally by the government and provided to the department based on demand.
21. The 2016-17 Estimated Actual represents the transfer to the McKinley Shire Council during 2016-17 of the Julia Creek Trucking Reserve which was surplus to departmental requirements.

## Balance sheet

**Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:**

22. The increase is mainly due to the timing of capital purchases and projects.
23. The decrease is mainly due to the timing of capital purchases and projects.
24. The decrease is due to lower than anticipated software acquisitions during 2016-17.

**Major variations between 2016-17 Budget and 2017-18 Budget include:**

25. The increase includes the indexation of assets to reflect expected market values at 30 June 2018.
26. The decrease is due to lower than anticipated software acquisitions during 2016-17.
27. The increase includes the indexation of assets to reflect expected market values at 30 June 2018.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

28. The decrease largely relates to the timing of capital purchases and projects.
29. The increase includes the indexation of assets to reflect expected market values at 30 June 2018.
30. The increase includes the indexation of assets to reflect expected market values at 30 June 2018.

# Cash flow statement

## Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

31. The decrease reflects the reduced level of funding required for the Drought Relief Assistance Scheme in 2016-17, due to improved climatic conditions across the State. Also contributing to the decrease is the deferral of funding from 2016-17 to realign the budget with anticipated cashflows for departmental programs and election commitments including the Technology Commercialisation Fund, wild dog control initiatives, the implementation of the Biosecurity Capability Review and capital grant payments to the RSPCA and GRDC. This is partially offset by additional funding received in 2016-17 for the containment of White Spot Disease, the NRIFAEP, biosecurity regional responses, and additional funding from the Australian Government for pest and weed initiatives.
32. The increase is largely due to additional funding for NCS arrangements for biosecurity pest and disease emergency responses including the NRIFAEP and the Varroa Mite Eradication Program, and increased funding for contracted R&D projects from external funding bodies.
33. The increase is mainly due to higher than expected seed and legume royalties in 2016-17.
34. The increase is largely due to additional funding from the Australian Government for NCS arrangements including the NRIFAEP and the Varroa Mite Eradication Program.
35. The increase is largely due to increased expenses for the containment of White Spot Disease, biosecurity regional responses, Australian Government pest and weed management initiatives, NCS arrangements for biosecurity pest and disease emergency initiatives and increased expenses for contracted R&D projects. This is partially offset by a reduction in expenses associated with the deferral of funding from 2016-17 to realign the budget with anticipated cashflows for various departmental programs and election commitments.
36. The decrease mainly reflects the reduced expenditure for the Drought Relief Assistance Scheme in 2016-17, due to improved climatic conditions across the state. Also contributing to the decrease is the realignment of capital grant payments to the RSPCA and GRDC to out years to match with anticipated milestone payments.
37. The 2016-17 Estimated Actual represents the movement in the opening balance for sundry payables.
38. The increase is mainly due to higher than expected funding received in 2015-16 in advance of service delivery for contracted R&D projects, fish habitat environmental rehabilitation activities, and payments made in advance by the Australian Government for pest and disease management programs.

## Major variations between 2016-17 Budget and 2017-18 Budget include:

39. The decrease is due largely to funding for the continuation of the Drought Assistance Package in 2017-18, being held centrally by the government and provided to the department based on demand. Also contributing to the decrease is a reduction in funding in 2017-18 for various limited life funded initiatives including the Panama TR4 response and Australian Government funded pest and weed initiatives. This is partially offset by additional funding for implementing government commitments to fisheries reform, biosecurity regional responses, the RED Portfolio, additional supplementation for EBA and increased funding for the implementation of the Biosecurity Capability Review.
40. The increase is mainly due to increased funding for contracted R&D projects from external funding bodies. This is partially offset by a reduction in funding for environmental offset conditions imposed on fisheries development approvals for the rehabilitation of Marine Habitats.
41. The increase is largely due to the indexation of fees for the sale of timber and quarry materials and higher than expected horticulture royalty income.
42. The increase is largely due to additional expenses for implementing government commitments to fisheries reform and EBA increments.
43. The increase is mainly due additional expenses for implementing government commitments to fisheries reform, biosecurity regional responses, the RED Portfolio and increased R&D project expenses. This is partially offset by a reduction in expenses for the Panama TR4 response, pest and weed initiatives and marine environmental rehabilitation works.
44. The decrease is due to the budget for the continuation of the Drought Assistance Package in 2017-18, being held centrally by the government and provided to the department based on demand. Also contributing to the decrease is the realignment of the capital grant payment to GRDC for the purchase of a grains research property to 2018-19.
45. The 2016-17 Budget includes the sale of Manningham Station at Longreach.
46. The increase is largely due to the upgrades and refurbishments to DAF facilities including Toowoomba.
47. The 2016-17 Budget includes funding adjustments associated with sale of Manningham Station and the Biosecurity Information Management System.

### **Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

48. The decrease is largely due to a reduction in funding for the containment of White Spot Disease, funding held centrally by government for the continuation of the Drought Assistance Package in 2017-18, and various limited life funded initiatives including the Panama TR4 response and Australian Government funded pest and weed initiatives. This is partially offset by increased funding for implementing government commitments to fisheries reform, the implementation of the Biosecurity Capability Review, biosecurity regional responses, the RED Portfolio, additional supplementation for EBA and the deferral of funding from 2016-17 to 2017-18 to realign the budget with anticipated cashflows for various departmental programs and election commitments including the Technology Commercialisation Fund.
49. The decrease is largely due to the reduction in funding for NCS arrangements associated with the NRIFAEP whereby current funding arrangements cease in 2016-17. Funding arrangements with NCS partners for a 10 year national eradication plan have not yet been finalised. Also contributing to the decrease is a reduction in funding for environmental offset conditions imposed on fisheries development approvals for the rehabilitation of Marine Habitats and decreased funding for contracted R&D projects.
50. The decrease is largely due to the reduction in funding from the Australian Government for NCS arrangements associated with the NRIFAEP whereby current funding arrangements cease in 2016-17. Funding arrangements with NCS partners for a 10 year national eradication plan have not yet been finalised.
51. The increase is largely due to additional expenses for implementing government commitments to fisheries reform and EBA increments.
52. The decrease is mainly due to a reduction in expenses for the containment of White Spot Disease, pest and weed initiatives, NCS arrangements for the NRIFAEP and the Panama TR4 response. Also contributing to the decrease is reduced R&D project expenses and reduced marine environmental rehabilitation works. This is partly offset by increased expenses for implementing government commitments to fisheries reform, the implementation of the Biosecurity Capability Review, biosecurity regional responses, the RED Portfolio, and the deferral of funding from 2016-17 to 2017-18 to realign the budget with anticipated cashflows for various departmental programs and election commitments including the Technology Commercialisation Fund.
53. The decrease is due to the budget for the continuation of the Drought Assistance Package in 2017-18, being held centrally by the government and provided to the department based on demand.
54. The 2016-17 Estimated Actual represents the movement in the opening balance for sundry payables.
55. The 2016-17 Estimated Actual includes the sale of Manningham Station at Longreach.
56. The increase is largely due to the upgrades and refurbishments to DAF facilities including Toowoomba.
57. The 2016-17 Estimated actual includes funding adjustments for the sale of Manningham Station, the Biosecurity Information Management System and the Dog Breeders Registration System.
58. The decrease is mainly due to higher than expected funding received in 2015-16 in advance of service delivery for contracted R&D projects, fish habitat environmental rehabilitation activities, and payments made in advance by the Australian Government for pest and disease management programs.

## **Administered income statement**

### **Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:**

59. The decrease is largely due to a deferral of funding from 2016-17 to 2017-18 to realign the budget with anticipated cashflows for funding to QRIDA for rural pest assistance initiatives.
60. The decrease is largely due to the impairment for the Beerburrum Nursery, which is surplus to service delivery requirements.
61. The 2016-17 Estimated Actual includes the impairment for the Beerburrum Nursery, which is surplus to service delivery requirements.

### **Major variations between 2016-17 Budget and 2017-18 Budget include:**

62. The increase is largely due to the additional funding to QRIDA to undertake a Rural Debt Survey, operate the Farm Restructure Office, and develop a policy and research function. The increase is partially offset by a decrease in funding provided to the Queensland Agricultural Training Colleges (QATC) for transitional arrangements in 2016-17.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

63. The increase is largely due to the additional funding to QRIDA to undertake a Rural Debt survey, operate the Farm Restructure Office, and develop a policy and research function. Also contributing to the increase is a deferral of funding from 2016-17 to 2017-18 to realign the budget with anticipated cashflows for funding to QRIDA for rural pest assistance initiatives. The increase is partially offset by a decrease in funding provided to the Queensland Agricultural Training Colleges (QATC) for transitional arrangements in 2016-17.
64. The 2016-17 Estimated Actual includes the impairment for the Beerburrum Nursery, which is surplus to service delivery requirements.

## **Administered balance sheet**

**Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:**

65. The decrease represents the impairment of the Beerburrum Nursery and the sale of land and buildings at Yarraman in 2016-17.

**Major variations between 2016-17 Budget and 2017-18 Budget include:**

66. The decrease represents the impairment of the Beerburrum Nursery and the sale of land and buildings at Yarraman in 2016-17.

## **Administered cash flow statement**

**Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:**

67. The decrease is largely due to a deferral of funding from 2016-17 to 2017-18 to realign the budget with anticipated cashflows for funding to QRIDA for rural pest assistance initiatives.

**Major variations between 2016-17 Budget and 2017-18 Budget include:**

68. The increase is largely due to the additional funding to QRIDA to undertake a Rural Debt Survey, operate the Farm Restructure Office, and develop a policy and research function. The increase is partially offset by a decrease in funding provided to the Queensland Agricultural Training Colleges (QATC) for transitional arrangements in 2016-17.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

69. The increase is largely due to the additional funding to QRIDA to undertake a Rural Debt survey, operate the Farm Restructure Office, and develop a policy and research function. Also contributing to the increase is a deferral of funding from 2016-17 to 2017-18 to realign the budget with anticipated cashflows for funding to QRIDA for rural pest assistance initiatives. The increase is partially offset by a decrease in funding provided to the Queensland Agricultural Training Colleges (QATC) for transitional arrangements in 2016-17.



# Statutory bodies

## Queensland Agricultural Training Colleges

### Overview

Queensland Agricultural Training Colleges (QATC) is a specialist provider of vocational training and education to the agricultural sector. Training is provided on campus including at Longreach and Emerald, and hubs across Queensland that integrate with stakeholder requirements. Established as a statutory body in July 2014, a governing board provides overall strategic direction to the organisation.

QATC's vision is to be a leading provider and facilitator of industry relevant education and training. QATC strives to improve economic prosperity and sustainability of rural and related industries and communities by improving the knowledge and skills of its existing and future workforce.

The strategic objectives of QATC are to:

- ensure its training products are relevant, produce industry standard graduates and enable its students to have an experience that matches their needs and expectations
- ensure that business practices are focused on the financial viability of the business
- have mutually productive partnerships that enhance the reputation of both organisations
- attract, develop and retain highly engaged and diversely qualified professional staff.

Key strategies to achieve our objectives in 2017-18 include to:

- establish a streamlined organisational structure and governance arrangements
- focus on development of agricultural workforce capability in areas including biosecurity, vegetation management and digital technology
- broaden product offerings outside the vocational sector to incorporate high school, short course industry based development programs and higher education both domestically and internationally
- develop livestock (beef cattle, sheep and horses) and other production programs based on value-added supply chains that utilise all QATC assets collectively that are managed via a digital agricultural platform
- participate in evidence based research programs with a focus on delivering systemic, industry wide innovation in partnership with Central Queensland University, DAF and others.

Students gain hands-on experience on commercial scale agribusiness in areas including beef production, sheep and wool production, crop production, horsemanship and business skills. Industry based training is provided in areas such as production horticulture, and conservation and land management. A key issue impacting on QATC is the sustained drought conditions in central western Queensland. Residential programs are high cost products that require ongoing support to maintain competitiveness in the vocational, education and training market.

### Service summary

QATC delivers education and training to the agricultural sector. The significant global opportunities for Queensland's agricultural sector require producers, and the broader agricultural supply chain, to adopt more sophisticated management approaches. This will lead to demand for an increasingly skilled workforce. In 2017-18 QATC will continue to refine and expand its product range to respond to this demand.

QATC will continue to grow its partnership with Central Queensland University (CQU) that includes the delivery of a Bachelor of Agriculture program. The program includes an embedded Diploma in Agriculture with a focus on practical training and is delivered by QATC instructors in conjunction with University lecturers. A unique agreement with Northern Beef Pastoral Companies has been renewed. The agreement involves the colleges acting as a base for training and recruitment of entry level positions. QATC will partner with community based organisations to deliver training under the Skilling Queenslanders for Work initiative and with high schools that have a focus on agriculture to increase training outcomes under the Vocational Education and Training (VET) in Schools program.

Increases in delivery of farm management skill set training in areas such as chemical and pest management, marketing, contract management and risk management are forecast for 2017-18. The development of an integrated value chain approach to the management of QATC's cattle enterprise will be pursued alongside the development of a digital agriculture platform. QATC expects both an increased financial return on its valuable production assets and improvements for student training on modern cattle enterprise management approaches.

# Service performance

## Performance statement

### Queensland Agricultural Training Colleges

#### Service area objective

Queensland Agricultural Training Colleges (QATC) seek to be a strong, best practice rural and agricultural education and research business that produces graduates with skills and capabilities that are in demand for the future success of agribusiness and associated industries both domestically and internationally.

#### Service area description

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

Queensland Agricultural Training Colleges	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Queensland Agricultural Training Colleges</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Level of stakeholder satisfaction with VET training services and products:				
- Quality Indicator (QI) Learners Survey		85%	85%	85%
- Quality Indicator (QI) Employer Survey	1	75%	75%	75%
Percentage of successfully completed competencies compared with all modules assessed		90%	84.4%	90%
Percentage of completed competencies delivered at or above Certificate IV level	2	27.2%	14.5%	24%
Percentage of students employed or in further study 6 months after completing their training (National Centre for Vocational Education Research Survey)		90%	84.4%	90%
<i>Efficiency measures</i>				
Competency per instructional staff (full-time equivalents)	3	524	414	431
Average cost per competency successfully completed	4	\$1,300	\$1,420	\$1,362

#### Notes:

1. This measure is a standard measure across VET providers and is based on survey questions designed by the National Centre for Vocational Education Research (NCVER) that report on a range of satisfaction measures with the course, teaching and employment experience.
2. The variance between 2016-17 Estimated Actual and 2016-17 Target/Estimate. is in part attributable to our partnership with Central Queensland University (CQU) and the joint delivery of the degree program, for which enrolments are counted by CQU not QATC and also to the student and client take up of QATC course offerings.

3. The 2017-18 Target/Estimate is lower than the 2016-17 Target/Estimate due to enrolments counted by CQU in joint delivery programs, however the target is still set well above the 2016-17 Estimated Actual as QATC intends to increase a focus on the delivery of short courses including Farm Management Business Skillset and to maintain QATC focus on the overall VET sector's drive to increase qualification levels across the community.
4. The variance between 2016-17 Estimated Actual and 2016-17 Target/Estimate is due to lower than forecast enrolments in accredited training. The number of enrolments in accredited training for 2017-18 has also been reduced, this reduction will be offset by an increase in non-accredited training enrolments.
5. The variance between 2016-17 Estimated Actual and 2016-17 Target/Estimate is due to a lower take up of accredited training. Year to date enrolments into QATC courses total 12,335 against an annual target of 14,674. The variance in 2017-18 relates to a budgeted increase of accredited training enrolments to 13,600. The cost for this measure includes forecasted expenses, excluding production related expenses.

# Staffing<sup>1</sup>

<b>Queensland Agricultural Training College</b>	<b>Notes</b>	<b>2016-17 Budget</b>	<b>2016-17 Est. Actual</b>	<b>2017-18 Budget</b>
Queensland Agricultural Training Colleges	2	118	108	113

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Actual FTEs have remained below budget and been influenced by natural attrition, revised organisational structure, and the integration of production and training activities.

# Income statement

Queensland Agricultural Training Colleges	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Taxes		..	..	..
User charges and fees	4,7	7,007	7,147	8,458
Grants and other contributions	5,8	8,522	8,504	7,622
Interest		441	403	452
Other revenue		395	137	405
Gains on sale/revaluation of assets	1,9	3,242	2,405	2,942
<b>Total income</b>		<b>19,607</b>	<b>18,596</b>	<b>19,879</b>
<b>EXPENSES</b>				
Employee expenses		11,622	11,088	11,222
Supplies and services	2,10	8,170	7,631	8,130
Grants and subsidies		..	..	..
Depreciation and amortisation	3,6,11	1,304	1,517	1,920
Finance/borrowing costs		..	..	..
Other expenses		55	53	57
Losses on sale/revaluation of assets		115	74	93
<b>Total expenses</b>		<b>21,266</b>	<b>20,363</b>	<b>21,422</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>(1,659)</b>	<b>(1,767)</b>	<b>(1,543)</b>

# Balance sheet

Queensland Agricultural Training Colleges	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	15,19	13,595	14,483	12,051
Receivables		1,725	2,133	2,126
Other financial assets		..	..	..
Inventories		377	172	172
Other		217	272	272
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>15,914</b>	<b>17,060</b>	<b>14,621</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		39	39	39
Other financial assets		128	135	135
Property, plant and equipment	12,16	77,571	67,864	68,944
Intangibles		..	..	..
Other	13,17	4,019	2,285	2,301
<b>Total non-current assets</b>		<b>81,757</b>	<b>70,323</b>	<b>71,419</b>
<b>TOTAL ASSETS</b>		<b>97,671</b>	<b>87,383</b>	<b>86,040</b>
<b>CURRENT LIABILITIES</b>				
Payables		1,494	1,069	1,069
Accrued employee benefits		1,820	2,075	2,064
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		1,224	1,388	1,388
<b>Total current liabilities</b>		<b>4,538</b>	<b>4,532</b>	<b>4,521</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		735	508	719
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>735</b>	<b>508</b>	<b>719</b>
<b>TOTAL LIABILITIES</b>		<b>5,273</b>	<b>5,040</b>	<b>5,240</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>92,398</b>	<b>82,343</b>	<b>80,800</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	14,18	<b>92,398</b>	<b>82,343</b>	<b>80,800</b>

# Cash flow statement

Queensland Agricultural Training Colleges	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees	20,24	7,000	7,144	8,451
Grants and other contributions	21,25	8,522	8,504	7,622
Interest received		441	403	452
Taxes		..	..	..
Other		3,201	2,943	3,253
<b>Outflows:</b>				
Employee costs		(11,432)	(10,898)	(11,022)
Supplies and services		(8,170)	(7,631)	(8,130)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(530)	(528)	(182)
<b>Net cash provided by or used in operating activities</b>		<b>(768)</b>	<b>137</b>	<b>568</b>
<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	22,26	(2,630)	(2,630)	(3,000)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(2,630)</b>	<b>(2,630)</b>	<b>(3,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	23,27	1,840	1,840	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>1,840</b>	<b>1,840</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>(1,558)</b>	<b>(653)</b>	<b>(2,432)</b>
<b>Cash at the beginning of financial year</b>		<b>15,153</b>	<b>15,136</b>	<b>14,483</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>13,595</b>	<b>14,483</b>	<b>12,051</b>



# Explanation of variances in the financial statements

## Income statement

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

1. The decrease is due to the impact of the continuing drought at Longreach. QATC has been unable to increase stocking rates and generate additional revenues that were anticipated when the original budget was prepared.
2. The decrease is due to lower feed and fodder costs associated with lower stock numbers at Longreach and a reduction in payments to contracted training providers in response to actual enrolments in certain programs.
3. The increase is a result of capital works completed in 2015-16 and 2016-17 and the result of componentisation of infrastructure and building assets in 2016-17.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

4. The increase is a result of anticipated higher take up of QATC's current programs and new product offerings in 2017-18.
5. The decrease reflects the change in the transitional grant arrangements for 2017-18.
6. The increase is due to the completion of capital works programs in 2016-17 and additional depreciation expenses associated with the capital works program in 2017-18.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

7. The increase is a result of anticipated higher take up of QATC's current programs and new product offerings in 2017-18.
8. The decrease reflects the change in the transitional grant arrangements for 2017-18.
9. The increase is a result of anticipated favourable seasonal conditions allowing stocking rates to increase at various QATC production locations together with improved utilisation of farming land at Longreach and Emerald.
10. The increase is due to anticipated expenses required to deliver the planned training programs for 2017-18.
11. The increase is due to additional depreciation expenses associated with the capital works program in 2017-18.

## Balance sheet

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

12. The decrease is due to the impairment of assets after the preparation of the 2016-17 Budget. The impairment was processed following a full asset review in accordance with Australian Accounting Standards.
13. The decrease is due to the impact of the continuing drought at Longreach. QATC has been unable to increase stock numbers and generate additional biological growth that was anticipated when the original budget was prepared.
14. The decrease is due to the impairment of assets after the preparation of the 2016-17 Budget. The impairment was processed following a full asset review in accordance with Australian Accounting Standards.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

15. The decrease is due to the utilisation of cash assets to fund QATC's capital works program in 2017-18.
16. The decrease is due to the net difference between the impairment of assets after the preparation of the 2016-17 Budget and QATC's capital works projects.
17. The decrease is due to the impact of the continuing drought at Longreach. QATC has been unable to increase stock numbers and generate additional biological growth that was anticipated when the original budget was prepared.
18. The decrease is due to the impairment of assets after the preparation of the 2016-17 Budget. The impairment was processed following a full asset review in accordance with Australian Accounting Standards.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

19. The decrease is due to the utilisation of cash assets to fund QATC's capital works program in 2017-18.

## Cash flow statement

### Major variations between 2016-17 Budget and 2017-18 Budget include:

20. The increase is a result of anticipated higher take up of QATC's current programs and new product offerings in 2017-18.
21. The decrease reflects the change in the transitional grant arrangements for 2017-18.
22. The increase is a result of the capital works programs in 2017-18.
23. The 2016-17 Budget includes funding adjustments associated with the sale of Manningham Station.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

24. The increase is a result of anticipated higher take up of QATC's current programs and new product offerings in 2017-18.
25. The decrease reflects the change in the transitional grant arrangements for 2017-18.
26. The increase is a result of the capital works programs in 2017-18.
27. The 2016-17 Estimated Actuals includes funding adjustments associated with the sale of Manningham Station.

# Queensland Rural and Industry Development Authority

## Overview

Queensland Rural and Industry Development Authority (QRIDA), formerly referred to as QRAA, is a specialist administrator of government financial assistance programs including loans, grants, rebates and subsidies. The Authority'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).

QRIDA's vision is to be the preferred provider of financial assistance programs across government through its strategic goals of business sustainability, service excellence and business capability. Our goals contribute to the Queensland Government's objectives for the community of creating jobs and a diverse economy and building safe, caring and connected communities. QRIDA demonstrates this by providing assistance to primary producers, small businesses and other elements of the State's economy and fostering the development of a more productive and sustainable rural and regional sector in Queensland.

The *Rural and Regional Adjustment Act 1994* (Qld) enables the authority to deliver additional programs and services to local, state and territory governments throughout Australia and for the Australian Government.

The passing of the Queensland *Farm Business Debt Mediation Act 2017* in March 2017, taking effect from 1 July 2017, has determined the name change for QRAA to the Queensland Rural and Industry Development Authority (QRIDA). Additional funding of \$3.4 million over four years and \$820,000 ongoing will support its expanded policy and research functions with a focus on farm finance matters and undertake rural debt surveys in Queensland commencing with the period January 2012 to December 2017; and creation of an Office for Farm Debt Restructure within the authority. As a result of the new legislation, QRIDA will review its vision, role and structure to better support and improve the financial sustainability of the rural sector. The Farm Debt Restructure Office has an important role to play in the engagement processes between the agricultural sector and rural lenders, particularly when communications between the two parties start to fail.

The key factor that impacts on QRIDA's ability to achieve its strategic direction of increasing business viability and securing new business is that the authority is reliant on the policy initiatives of local, state and territory governments and program owners throughout Australia.

## Service summary

In 2017-18 QRIDA will focus on:

- establishment of a compulsory Farm Debt Mediation program to provide a process for the efficient and equitable resolution of farm debt disputes
- expansion of policy and research functions with a focus on farm finance matters
- undertaking rural debt surveys in Queensland commencing with the period January 2012 to December 2017
- creation of an Office for Farm Debt Restructure within the authority
- investigating the reconfiguration of the Primary Industry Productivity Enhancement Scheme (PIPES) loans and lending facilities to make them more accessible and relevant to Queensland's farming families.

QRIDA will continue to:

- deliver Category B concessional loans and Category C grants under NDRRA to primary producers, small businesses and non-profit organisations impacted in March 2017 by ex-Tropical Cyclone Debbie
- provide a broad, flexible and cost effective range of administrative services to assist government agencies deliver financial and regulatory programs to the highest standards. Key financial and regulatory programs include:
  - First Start and Sustainability Loans under the Queensland Government's Primary Industry Productivity Enhancement Scheme. First Start provides low interest loans over a 20 year period of up to \$2 million for Queenslanders with a fifty percent equity in relation to the purchase or set up cost to establish a viable and sustainable farm or commercial fishing enterprise. A First Start loan can also assist younger generation family members to purchase family property or enter the family partnership. Sustainability loans provide low interest loans over a 20 year period of up to \$1.3 million to improve farm or commercial fishing enterprise efficiencies,

upgrade or diversify operations or implement sustainable resource and energy management system. To be eligible for a Sustainability loan the enterprise must have been in operation for at least two years and be able to provide security commensurate with the amount of the loan. In 2016-17, almost \$120 million was approved to more than 250 applicants

- Translink's Transitional Assistance Payments Scheme as part of the Queensland Government's \$100 million Industry Adjustment Assistance Package to assist the taxi and limousine licence industry adjust to a more competitive market
- deliver the Farm Management Grants Scheme on behalf of the Department of Agriculture and Fisheries.

# Service performance

## Performance statement

### Queensland Rural and Industry Development Authority

#### Service area objective

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

#### Service area description

The Queensland Rural and Industry Development Authority (QRIDA) is a specialist administrator of government financial assistance programs including loans, grants, rebates and subsidies. The authority's core responsibility is to administer the Queensland Government's Primary Industry Productivity Enhancement Scheme and when required, support the delivery of Natural Disaster Relief and Recovery Arrangement assistance. From 1 July 2017, QRIDA will be administering the new Farm Business Debt Mediation Program and administering the Office of Farm Debt Restructure.

Queensland Rural and Industry Development Authority	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
<b>Service area: Queensland Rural and Industry Development Authority<sup>1</sup></b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Maintain total loan arrears within target levels	2	<1.5%	0.3%	<1.5%
Percentage of applications processed within agreed service delivery timeframes and within budget	3	85%	99%	85%
Overall client satisfaction with QRIDA's services	4, 5	80%	87%	80%
<i>Efficiency measure</i>				
Average number of loans managed per full-time equivalent (FTE)	6, 7	55	67	60

#### Notes:

1. This service area was formerly known as QRAA. Both the service area and organisational name has been changed to reflect its broadened role in supporting the financial sustainability of the rural sector. New programs that support the achievement of the objectives of the *Farm Business Debt Mediation Act 2017* will be developed in 2017-18, including an appropriate performance monitoring and evaluation framework.
2. Arrears for 2016-17 are below the target of 1.5%, due to the absence of any natural disasters in 2015-16, which has allowed the statutory body's account holders to remain largely within arrangements. A natural disaster event could see the arrears increase towards the 1.5% target in a short period of time.
3. This activity is considered to be within budget if no additional full time equivalents (FTEs) are required in order to process the applications within the agreed timeframes.
4. Overall measure of satisfaction of services provided includes ratings from clients (primary producers, business owners and non-profit organisations) who have been both approved assistance in the past and declined assistance. This was previously a biennial survey, but will be an annual survey from 2016-17 onwards. The 2016-17 target was not set in the 2016-17 *Service Delivery Statement* but is being presented as the target for 2016-17 in the table above.
5. Dimensions in the client survey include overall satisfaction, satisfaction with the application process, usefulness of initiatives, program benefits and features, satisfaction with the website, and satisfaction with marketing and promotional material. In addition, we seek information on extra services/features that the clients would consider a benefit.
6. This measure includes all the loans managed by the statutory body and the number of FTE permanent staff in Program Delivery Services as at 30 June each financial year.

7. Due to a change in reporting arrangements, the number of FTE permanent staff in Program Delivery Services has reduced for 2016-17. Therefore the 2017-18 target has increased. Changes in the Primary Industry Productivity Enhancement Scheme program is also expected to impact the number of loans managed per FTE, leading to a slight increase.

# Staffing<sup>1</sup>

Queensland Rural and Industry Development Authority	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Queensland Rural and Industry Development Authority	1, 2	92	88	96

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Three additional FTE are for the Office of the Farm Debt Restructure, and one FTE for Policy/Research function as a result of the new *Farm Business Debt Mediation Act 2017*.

# Income statement

Queensland Rural and Industry Development Authority	Notes	2016-17 Budget* \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>INCOME</b>				
Taxes		..	..	..
User charges and fees	8,16	2,307	2,535	3,417
Grants and other contributions	1,9,17	12,170	106,170	26,528
Interest	10,18	35,469	35,210	37,712
Other revenue		12	..	..
Gains on sale/revaluation of assets		..	120	80
<b>Total income</b>		<b>49,958</b>	<b>144,035</b>	<b>67,737</b>
<b>EXPENSES</b>				
Employee expenses	2,19	11,746	10,228	12,089
Supplies and services	3,11,20	7,380	6,024	5,444
Grants and subsidies	4,12,21	1,000	93,014	18,900
Depreciation and amortisation	5,13,22	339	268	95
Finance/borrowing costs	6,14,23	25,886	36,518	34,442
Other expenses		..	..	..
Losses on sale/revaluation of assets	7,15,24	2,134	1,290	1,631
<b>Total expenses</b>		<b>48,485</b>	<b>147,342</b>	<b>72,601</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>1,473</b>	<b>(3,307)</b>	<b>(4,864)</b>

\*Technical adjustments have been made in this statement to reallocate amounts between categories and facilitate consistency across agencies.



# Balance sheet

Queensland Rural and Industry Development Authority	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	25,35,44	87,817	120,913	109,675
Receivables	26,36,45	71,030	62,207	77,342
Other financial assets		..	..	..
Inventories		..	..	..
Other		102	105	105
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>158,949</b>	<b>183,225</b>	<b>187,122</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	27,37,46	448,961	420,406	441,608
Other financial assets		..	..	..
Property, plant and equipment		369	409	314
Intangibles	28,38	2,919	..	..
Other	29,39	350	..	..
<b>Total non-current assets</b>		<b>452,599</b>	<b>420,815</b>	<b>441,922</b>
<b>TOTAL ASSETS</b>		<b>611,548</b>	<b>604,040</b>	<b>629,044</b>
<b>CURRENT LIABILITIES</b>				
Payables		376	185	185
Accrued employee benefits		2,446	2,216	2,216
Interest bearing liabilities and derivatives	30,40,47	20,452	23,387	34,657
Provisions		..	..	..
Other	31,41,48	5,255	7,339	5,834
<b>Total current liabilities</b>		<b>28,529</b>	<b>33,127</b>	<b>42,892</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		72	299	299
Accrued employee benefits		140	202	202
Interest bearing liabilities and derivatives	32,49	254,901	234,103	254,256
Provisions	33,42	219	..	..
Other	34,43	..	283	233
<b>Total non-current liabilities</b>		<b>255,332</b>	<b>234,887</b>	<b>254,990</b>
<b>TOTAL LIABILITIES</b>		<b>283,861</b>	<b>268,014</b>	<b>297,882</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>327,687</b>	<b>336,026</b>	<b>331,162</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>		<b>327,687</b>	<b>336,026</b>	<b>331,162</b>

# Cash flow statement

Queensland Rural and Industry Development Authority	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees	50,61,72	..	2,984	1,912
Grants and other contributions	51,62,73	12,170	106,170	26,528
Interest received	63	23,176	23,724	24,722
Taxes		..	..	..
Other		12	..	..
<b>Outflows:</b>				
Employee costs	52,74	(11,746)	(10,228)	(12,089)
Supplies and services	53,64,75	(7,380)	(6,025)	(5,494)
Grants and subsidies	54,65,76	(1,000)	(93,014)	(18,900)
Borrowing costs	55,66,77	(6,995)	(5,913)	(6,301)
Other		..	..	..
<b>Net cash provided by or used in operating activities</b>		<b>8,237</b>	<b>17,698</b>	<b>10,378</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	120	80
Investments redeemed		..	..	..
Loans and advances redeemed	56,67,78	63,496	71,405	58,918
<b>Outflows:</b>				
Payments for non-financial assets	57,68	(3,267)	(100)	..
Payments for investments		..	..	..
Loans and advances made	58,69,79	(79,000)	(121,600)	(105,500)
<b>Net cash provided by or used in investing activities</b>		<b>(18,771)</b>	<b>(50,175)</b>	<b>(46,502)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings	59,70,80	6,000	52,600	47,500
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions	60,71,81	(20,702)	(36,554)	(22,614)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>(14,702)</b>	<b>16,046</b>	<b>24,886</b>
<b>Net increase/(decrease) in cash held</b>		<b>(25,236)</b>	<b>(16,431)</b>	<b>(11,238)</b>
<b>Cash at the beginning of financial year</b>		<b>113,053</b>	<b>137,344</b>	<b>120,913</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>87,817</b>	<b>120,913</b>	<b>109,675</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2016-17 Budget\* and 2016-17 Estimated Actual include:

1. The increase is largely due to the Transitional Assistance Payment Scheme (TAPS), the Industry Hardship Assistance Scheme (IHAS) and the Natural Disaster Relief and Recovery Arrangement (NDRRA) for Tropical Cyclone Debbie which were not included in the 2016-17 Budget. The TAPS and IHAS schemes were announced in 2016-17 as part of the Taxi and Limousine Industry Assistance Scheme. Tropical Cyclone Debbie occurred in March 2017 activating NDRRA funding.
2. The decrease is due to the staged recruitment of additional staff during the year, to deliver the Primary Industry Productivity Enhancement Scheme (PIPES) in 2016-17.
3. The majority of the decrease can be attributed to the replacement of the Compass project which was designed to replace RAPID with the lower cost RAPID Renovation project which will enhance the existing functionality of RAPID. RAPID is the core loan and grant administration system.
4. The increase is largely due to the TAPS, the IHAS and the NDRRA for Tropical Cyclone Debbie which were not included in the 2016-17 Budget. The TAPS and IHAS schemes were announced in 2016-17 as part of the Taxi and Limousine Industry Assistance Scheme. Tropical Cyclone Debbie occurred in March 2017 activating NDRRA funding.
5. The decrease is due to the write off of the leasehold improvement associated with the office relocation and motor vehicles being sold and replaced by operating leases.
6. The increase is largely due to the fair value adjustments on new lending associated with the PIPES lending target being increased during 2016-17.
7. The decrease is due to lower bad debt write-offs for loans than expected.

### Major variations between 2016-17 Budget\* and 2017-18 Budget include:

8. The increase is largely due to fee for service revenue earned from the Australian Government Concessional Loan Schemes in 2017-18.
9. The increase is attributable to the funding for: NDRRA event Tropical Cyclone Debbie, Farm Management Grants being deferred to 2017-18 and new grant funding for the Farm Debt Restructure Office.
10. The increase in interest revenue is largely due to the loan portfolio of PIPES having grown since 2016 -17 as a result of the increase in the lending target compared with prior years. The increase in the lending target has been to allow for increased demand from increased loan limits.
11. The decrease is due to the replacement of the Compass project with the lower cost RAPID Renovation project together with lower office lease costs.
12. The increase is largely due to the NDRRA event Tropical Cyclone Debbie and expenditure from the IHAS.
13. The decrease is due to the write off of the leasehold improvement associated with the office relocation and motor vehicles being sold and replaced by operating leases.
14. The increase is largely due to the fair value adjustments on new lending associated with the PIPES lending target being increased during 2016-17. The increase in the lending target has been to allow for increased demand from increased loan limits.
15. The decrease is due to a reduced provision for doubtful debt based on actual debts written off.

### Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

16. The increase is largely due to fee for service revenue earned from the Australian Government Concessional Loan Schemes in 2017-18.
17. The decrease is largely due to the grant funding for the TAPS and IHAS having been received in 2016-17. No grant funding for these programs has been planned for 2017-18.
18. The increase in interest revenue is largely due to the loan portfolio of PIPES having grown since 2016 -17 as a result of the increase in the lending target compared with prior years. The increase in the lending target has been to allow for increased demand from increased loan limits.
19. The increase is due to new functions of the Farm Debt Restructure Office, Policy and Research function and Rural Debt Survey requiring additional employees and completion of recruitment of employees required for PIPES.

20. The majority of the decrease can be attributed to lower contractor expenses as the majority of projects; RAPID Renovation, Enterprise Content Management implementation and IT upgrade, will finish within the 2017-18 financial year.
21. The decrease is mainly due to the payments of TAPS and majority of IHAS having been made in 2016-17.
22. The decrease is due to the remaining motor vehicles being sold and replaced with operating leases.
23. The decrease is largely due to the lower fair value adjustment on the decreased new lending for PIPES during 2017-18. During 2016-17 the PIPES lending target had an additional increase to allow for the increased demand due to the increased loan limits, however the lending target for 2017-18 decreases to the original amount approved for 2016-17.
24. The increase is largely due to an increase in the provision for doubtful debts in proportion to a growing loan portfolio.

## Balance sheet

### Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:

25. The increase is largely due to the opening cash balance as at 1st July 2016 being higher than budgeted due to higher than anticipated early repayments for NDRRA loans and lower advances for PIPES during 2015-16.
26. The decrease in receivables is largely due to the lower than anticipated repayments from NDRRA loans due to early repayments and higher than anticipated interest only loans for PIPES.
27. The Australian Government Concessional Loan Schemes were included as balance sheet transactions until the end of the 2015-16 financial year and hence were included in the 2016-17 Budget. It has been determined that QRIDA acts as an agent in its management of some of these funds and no longer includes them in the financial statements.
28. The 2016-17 Budget includes capital expenditure for the Compass project which was replaced with the RAPID Renovation project which has no budgeted capital expenditure.
29. The decrease is due to the re-categorisation of leasehold improvements to Property, plant and equipment.
30. The majority of the increase is due to the increased repayments on QTC borrowings in 2016-17.
31. The increase is largely due to the unearned fee for service revenue associated with administration of the 2016-17 Australian Government Concessional Loans Schemes which were not approved when the 2016-17 Budget was finalised.
32. The Australian Government Concessional Loan Schemes were included as balance sheet transactions until the end of the 2015-16 financial year and hence were included in the 2016-17 Budget. It has been determined that QRIDA acts as an agent in its management of some of these funds and no longer includes them in the financial statements. This is offset by higher than budgeted borrowings for PIPES.
33. The 2016-17 Budget included a make good provision for Mineral House associated with the office relocation which has been written off.
34. The increase reflects the recognition of the Leasehold incentive for Santos Place over the 6 year period of the lease.

### Major variations between 2016-17 Budget and 2017-18 Budget include:

35. The increase is largely due to the opening cash balance as at 1 July 2016 being higher than budgeted due to higher than anticipated early repayments for NDRRA loans and lower advances for PIPES during 2015-16.
36. The increase is due to the repayments for the growing portfolio of loans for the PIPES which are expected to increase in 2017-18.
37. The Australian Government Concessional Loan Schemes were included as balance sheet transactions until the end of the 2015-16 financial year and hence were included in the 2016-17 Budget. It has been determined that QRIDA acts as an agent in its management of some of these funds and no longer includes them in the financial statements. This is off set by the growth in the PIPES in 2017-18.
38. The 2016-17 Budget includes capital expenditure for the Compass project which was replaced with the RAPID Renovation project which has no budgeted capital expenditure.
39. The decrease is due to the re-categorisation of leasehold improvements to Property, Plant and Equipment.
40. The increase is largely due to the matured borrowings for Australian Government Concessional Loan Schemes payable in 2018-19.

41. The increase is due to the increased unearned revenue from the new Australian Government Concessional Loan Schemes which is then off set by the recognition of revenue earned during the 2017-18 financial year.
42. The 2016-17 Budget included a make good provision for Mineral House associated with the office relocation which has been written off.
43. The increase reflects the recognition of the Leasehold incentive for Santos Place over the 6 year period of the lease.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

44. The decrease is largely due to payments for IHAS which are to be made in 2017-18.
45. The increase is due to the repayments for the growing portfolio of loans for the PIPES which are expected to increase in 2017-18.
46. The increase is due to the growth in the PIPES in 2017-18.
47. The increase is largely due to the matured borrowings for Australian Government Concessional Loan Schemes payable in 2018-19.
48. The decrease is due to the recognition of revenue earned in the 2017-18 financial year.
49. The increase is due to the growth in QTC borrowings to fund the increased portfolio of loans for the PIPES in 2017-18.

## Cash flow statement

**Major variations between 2016-17 Budget and 2016-17 Estimated Actual include:**

50. The increase is due to the fee for service associated with administration of the 2016-17 Australian Government Concessional Loans Schemes together with the TAPS and the IHAS which were not approved when the 2016-17 Budget was finalised.
51. The increase is largely due to the TAPS, the IHAS and the NDRRA for Tropical Cyclone Debbie which were not included in the 2016-17 Budget. The TAPS and IHAS schemes were announced in 2016-17 as part of the Taxi and Limousine Industry Assistance Scheme. Tropical Cyclone Debbie occurred in March 2017 activating NDRRA funding.
52. The decrease is due to the staged recruitment of additional staff during the year, to deliver the PIPES in 2016-17.
53. The majority of the decrease can be attributed to the replacement of the Compass project with the lower cost RAPID Renovation project.
54. The increase is largely due to the TAPS, the IHAS and the NDRRA for Tropical Cyclone Debbie which were not included in the 2016-17 Budget. The TAPS and IHAS schemes were announced in 2016-17 as part of the Taxi and Limousine Industry Assistance Scheme. Tropical Cyclone Debbie occurred in March 2017 activating NDRRA funding.
55. The decrease is largely due to lower than anticipated borrowings on some of the Australian Government Concessional Loan Schemes which have been excluded from reporting due to the agency arrangement.
56. The increase is due to higher than anticipated early repayments mainly on Australian Government Concessional Loans Schemes.
57. The 2016-17 Budget includes capital expenditure for the Compass project which was replaced with the RAPID Renovation project which has no budgeted capital expenditure.
58. The increase is due to the approval to increase the annual lending cap for PIPES for 2016-17.
59. The increase is largely due to the borrowings to fund the PIPES program being higher than budgeted due to the CBRC decision to increase the annual lending target.
60. The increase of borrowing redemptions is largely due to the higher than budgeted early repayments of loans for Australian Government Concessional Loans Schemes.

**Major variations between 2016-17 Budget and 2017-18 Budget include:**

61. The increase reflects the strategic objective to actively pursue revenue streams from new fee-for-service business opportunities.
62. The increase is attributable to the funding for: NDRRA event Tropical Cyclone Debbie, Farm Management Grants being deferred to 2017-18 and new grant funding for the Farm Debt Restructure Office.
63. The increase is largely due to the loan portfolio for PIPES increasing since 2016-17.

64. The decrease is due to the replacement of the Compass project with the lower cost RAPID Renovation project together with lower Office lease costs.
65. The increase is largely due to the NDRRA event Tropical Cyclone Debbie and the expenditure from the IHAS in 2017-18.
66. The decrease is largely due to lower than anticipated borrowings on some of the Australian Government Concessional Loan Schemes which have been excluded from reporting due to the agency arrangement.
67. The decrease is due to the loan repayments for NDRRA which are expected to be lower in 2017-18.
68. The decrease is attributed to the cessation of the Compass project and the associated capital expenditure.
69. The increase is due to the approval to increase the annual lending cap for PIPES. The increase in the lending target has been to allow for increased demand from increased loan limits.
70. The increase is largely due to QRIDA borrowing funds to fund PIPES from 2016-17 due to the CBRC decision to increase the annual lending target. The increase in the lending target has been to allow for increased demand from increased loan limits.
71. The increase is largely due to the increasing redemptions on borrowings for PIPES.

**Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:**

72. The decrease is due to the lower expectation of new fee for service programs during 2017-18 compared to 2016-17.
73. The decrease is largely due to the grant funding for the TAPS and IHAS having been received in 2016-17. No grant funding for these programs has been planned for 2017-18.
74. The increase is due to the new functions of the Farm Debt Restructure Office, Policy and Research function and Rural Debt Survey requiring additional employees and completion of recruitment of employees required for PIPES.
75. The majority of the decrease can be attributed to lower contractor expenses as the majority of projects; RAPID Renovation, Enterprise Content Management implementation and IT upgrade, will finish within the 2017-18 financial year.
76. The decrease is mainly due to the payments of TAPS and the majority of IHAS having been made in 2016-17.
77. The increase is largely due to interest on borrowings to fund the growth in the loan portfolio of PIPES.
78. The decrease is due to the loan repayments of NDRRA and early repayments on Australian Government Concessional Loans Schemes which are expected to be lower in 2017-18.
79. The decrease is largely due to the additional lending approved for PIPES in 2016-17 not continuing in 2017-18.
80. The decrease is due to the borrowings for PIPES which is expected to reduce. This is off set by increased borrowings for NDRRA in 2017-18.
81. The decrease is largely due to early repayments of loans for Australian Government Concessional Loans Schemes which are expected to be lower than 2016-17.

# Glossary of terms

<b>Accrual accounting</b>	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.
<b>Administered items</b>	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
<b>Agency/entity</b>	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.
<b>Appropriation</b>	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> <li>• delivery of agreed services</li> <li>• administered items</li> <li>• adjustment of the Government's equity in agencies, including acquiring of capital.</li> </ul>
<b>Balance sheet</b>	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
<b>Capital</b>	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.
<b>Cash Flow Statement</b>	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
<b>Controlled Items</b>	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.
<b>Depreciation</b>	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
<b>Equity</b>	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.
<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 wellbeing. 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.
<b>Service area</b>	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
<b>Service standard</b>	Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.

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)







Queensland Budget 2017-18

**Service Delivery Statements**

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