

State Budget 2013-14

Service Delivery Statements

Department of Agriculture, Fisheries and Forestry



2013–14 State Budget Papers

- 1. Budget Speech**
- 2. Budget Strategy and Outlook**
- 3. Capital Statement**
- 4. Budget Measures**
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Appropriation Bills

Concessions Statement

The suite of Budget Papers is similar to that published in 2012-13.

The Budget Papers are available online at www.budget.qld.gov.au

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Service Delivery Statements

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Queensland
Government

Department of Agriculture, Fisheries and Forestry

Summary of portfolio budgets

Page	Agency	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
2	Department of Agriculture, Fisheries and Forestry - controlled	442,350	440,601	403,064
	Department of Agriculture, Fisheries and Forestry- administered	9,083	10,533	9,728
34	Australian Agricultural College Corporation	27,548	26,651	25,338
44	QRAA	42,822	90,208	48,149

Notes:

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

PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

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

<p style="text-align: center;">Minister for Agriculture, Fisheries and Forestry The Honourable John McVeigh, MP</p>
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<p style="text-align: center;">Department of Agriculture, Fisheries and Forestry Director General: Jack Noye</p>

<p>Service Area 1: Agriculture and Forestry</p>
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<p>Service Area 2: Fisheries Queensland</p>
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<p>Service Area 3: Biosecurity Queensland</p>
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<p>Service Area 4: Agri-Science Queensland</p>

<p style="text-align: center;">Australian Agricultural College Corporation Chief Executive Officer: Jack Noye</p>
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<p>Objective: The AACC equips people with the necessary rural management skills to ensure a strong workforce for the continued growth of Queensland's valuable primary industries.</p>

<p style="text-align: center;">QRAA</p>
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<p style="text-align: center;">Chief Executive Officer: Colin Holden</p>

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

Additional information about these agencies can be sourced from:

- www.daff.qld.gov.au
- www.aacc.edu.au
- www.qraa.qld.gov.au

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

The Department of Agriculture, Fisheries and Forestry (DAFF) works to develop efficient, innovative, resilient and profitable agriculture, fisheries and forestry industries that thrive for the long-term.

The department contributes to the Government's economic objectives by strengthening the resilience and growth of Queensland's agriculture, fisheries and forestry production. *Queensland's Agriculture Strategy* outlines the actions that will be taken in partnership with industry and other government agencies.

The department aligns its services, objectives and investment with four priority pathways:

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

The department will drive action across government and partner with industry and research bodies to make the most of available resources, promote innovation, attract investment and streamline regulations. This helps to create the business conditions essential to economic growth and deliver on the government's commitment to double food production by 2040.

DAFF actively manages risks and issues that may impact on its strategic direction and services including:

- maintaining the confidence of co-investors and partners in our strategic direction
- frequent high impact weather and biosecurity events that disrupt business continuity for both ourselves and our industries
- increasing expectations for better access to integrated services that support agricultural economic development and improve outcomes for customers.

To improve services for the benefit of customers and enhance cost efficiency, a Service Renewal Strategy is being developed in 2013-14. This strategy will improve:

- investment contestability into the delivery of services
- the structured process for resource allocation
- better understanding of service effectiveness over the medium to long term.

In 2013-14 DAFF will:

- implement *Queensland's Agriculture Strategy* through key activities, including:
 - publishing and implementing DAFF's Agricultural Research, Development and Extension Plan focusing on beef, horticulture, sugar and broadacre cropping to support international leadership in sub-tropical and tropical agriculture;
 - continuing to strengthen biosecurity systems to make Queensland the most fully prepared state to prevent and combat foot and mouth disease in the nation and to maintain the fight against red imported fire ants; and
 - implementing actions and activities under the *Growing Agriculture Workforce* initiative
- continue to help producers and community manage the risks associated with natural disasters to accelerate economic recovery in the regions

- progress the agreed actions in the Forest and Timber Industry Plan
- establish an industry-led panel to advise on forestry research and development (R&D) priorities to inform the development of a new Queensland Strategy for Forestry R&D
- support increased productivity in the State's largest agricultural exporter—the beef industry by:
 - strengthening the public and private beef sector partnership through industry placement of two new extension officers who will provide consultancy and training activities to beef producers;
 - underpinning new research to improve herd performance, competitiveness and subsequent profitability of producers by purchasing approximately 200 head of cattle from the oldest recorded herd in Australia. This is the best source to improve cattle genetics in northern Australia; and
 - supporting the cattle industry to manage the current Bovine Johne's disease response by providing \$2 million in seed funding and a \$3 million loan to be matched dollar for dollar by cattle producers through a voluntary industry levy
- initiate a seven year \$20 million barley breeding transition plan. This plan will license a commercial partner to breed and commercialise barley varieties and provide savings to both DAFF and the Grains Research and Development Corporation that can be re-invested in non-breeding grains research, development and extension (RD&E) for Queensland
- continue to implement the \$9 million netting buyback program of commercial fishing licences
- invest \$3 million over three years in a project with the Queensland University of Technology to undertake research to develop and fast-track farm robotics technology. This smart light technology will raise productivity and reduce input cost by automating planting, maintaining and harvesting crops. The use of light robots will also reduce environmental impacts as the disturbance of the soil is minimised and fertiliser or pesticides can be delivered precisely where they are needed, without overspray and wastage
- coordinate a whole of government drought relief package valued at up to \$11.2 million in 2013-14 for primary producers in drought declared areas. This package includes land rent relief and animal welfare assistance through access to agistment on national parks and reserves and supporting development of livestock water supplies.

In 2012-13, DAFF delivered on the Government's commitments to strengthen agriculture as a central pillar of Queensland's economy. Key highlights include:

- delivered Queensland's most comprehensive state-wide Land Audit. The Central Queensland report was released in March 2013 providing information and maps on current and potential agriculture in each region and discusses constraints and opportunities for future development
- provided a response to the Queensland Forest and Timber Industry Action plan
- assisted producers to develop irrigation business within the constraints of the Water Resource Plan to support the North Queensland Irrigated Agriculture Strategy. This is a joint project with the Office of Northern Australia, CSIRO and the department
- worked with over 500 producers throughout Great Barrier Reef catchments to support the adoption of best management practices
- executed a \$4.8 million strategic partnership with the Queensland University of Technology for research into tropical pulses that will help Queensland become Australia's leading producer and exporter of chickpeas, mungbeans and other pulses
- commenced the small tree-high productivity initiative to transform the productivity and profitability of subtropical and tropical tree crop industries
- invested in the future of the sugar industry by committing an additional \$4.6 million in funding over the next four years to BSES Ltd for sugar research development and extension. This brought the total allocation in 2012-13 to \$3.85 million. This added investment supports Queensland's \$1.2 billion sugarcane industry's ability to address emerging challenges, and capitalise on export and emerging market opportunities

- commenced a three year review of the Queensland Alliance for Agriculture and Food Innovation (QAAFI), a joint initiative between DAFF and the University of Queensland. The total departmental investment in QAAFI for 2012-13 was \$6.6 million
- completed the first and second rounds of the \$9 million licence buyback for the inshore net fishery. Twenty-two licences comprising 71 fishery symbols were purchased in the first round and a further 13 licences with 42 fishery symbols were purchased in the second round, for a total of 35 licences comprising 113 fishery symbols
- revitalised frontline services in regional Queensland with the appointment of 15 new officers addressing tick, wild dogs, pest and weeds and crop protection. Officers have been appointed in locations such as Emerald, St George, Charters Towers, Ayr, Charleville and Longreach
- provided support for frontline veterinarians in the Hendra Virus fight by providing personal protective equipment (PPE). As at 1 April 2013, there have been 167 PPE rebates provided to veterinarians across the State —this equates to just under \$35,000 in funding
- restored access for beekeepers to native forests by making temporary apiary sites in the Western Hardwood State forests permanent, and advising the Queensland Beekeepers Association that the department will continue to work with beekeepers to identify suitable new sites on native State forests throughout Queensland.

Departmental Budget Summary

The table below shows the total resources available in 2013-14 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Agriculture, Fisheries and Forestry	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
CONTROLLED			
Income			
Appropriation for services ^{1,2,3}			
Deferred from previous year/s	7,453	9,792	23,848
Balance of service appropriation	278,865	269,350	233,168
Other revenue	152,511	161,372	146,048
Total income	438,829	440,514	403,064
Expenses			
Agriculture and Forestry	82,146	86,478	82,542
Fisheries Queensland	43,035	44,873	37,534
Biosecurity Queensland	99,723	107,436	93,579
Agri-Science Queensland	137,863	153,044	142,822
Corporate Partnerships ³	79,583	48,770	46,587
Total expenses	442,350	440,601	403,064
Operating surplus/deficit	(3,521)	(87)	..
Net assets	474,586	450,507	449,112
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation of administered items	9,083	10,533	9,728
Other administered revenue	1,734	1,634	1,769
Total revenue	10,817	12,167	11,497
Expenses			
Transfers to government	1,734	1,634	1,769
Administered expenses	9,083	10,533	9,728
Total expenses	10,817	12,167	11,497
Net assets	5,234	4,574	4,280
APPROPRIATIONS			
Controlled Items			
Departmental services ^{1,2,3}	287,774	280,598	257,016
Equity adjustment	(12,325)	(12,325)	(7,625)
Administered items	9,083	10,137	9,330
VOTE TOTAL⁴	284,532	278,410	258,721

Notes:

1. Appropriation for services does not match appropriation for departmental services due to adjustments that occurred after the budget papers were published, including an appropriation receivable of \$3.956 million, largely related to Voluntary Separation Program (VSP) payments in 2011-12 and an appropriation payable of \$2.5 million related to a deferral from 2011-12 to provide additional funding for the National Fire Ant Eradication Program in 2012-13.
2. Includes State and Commonwealth funding.
3. Includes income and expenses relating to the provision of corporate services to agencies through Corporate Partnership arrangements.
4. As represented in the 2013-14 Appropriation Bills.

Budget Measures Summary

The table shows a summary of Budget measures relating to the Department since the 2012-13 Budget. Further details are contained in Budget Paper No. 4.

Department of Agriculture, Fisheries and Forestry	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures¹					
Administered	..	..	..	..	..
Departmental	2,000	300	(2,700)	(2,700)	(2,700)
Capital measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Notes:

1. The totals for 2013-14 reconcile with Budget Paper 4.

Staffing¹

Service Areas	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
Agriculture and Forestry	2	355	355	355
Fisheries Queensland	2	226	226	226
Biosecurity Queensland	2	633	633	633
Agri-science Queensland	2	734	734	734
Subtotal	3	1,948	1,948	1,948
Corporate Partnership servicing other departments	4,5	220	220	220
TOTAL		2,168	2,168	2,168

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs providing internal corporate services are allocated to the service to which they relate.
3. The FTE total in the 2012-13 Budget did not include corporate partnership FTEs.
4. Corporate FTEs employed by the department as part of the corporate partnership arrangements provide services to a number of other departments.
5. Under the corporate partnership arrangements, the department also receives services from Natural Resources and Mines and Environment and Heritage Protection.

SERVICE PERFORMANCE

Services

Our service areas are:

Agriculture and Forestry

The objective of this service area is to work with industry associations and all levels of government to provide operating conditions and services that enable businesses to develop the workforce, skills and practices needed to improve productivity; manage risks and build resilience; and maintain supplies of state-owned forest products and quarry materials to relevant industries.

Fisheries Queensland

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

Biosecurity Queensland

The objective of this service area is to lead the Government's efforts to prevent, respond to and recover from pests and diseases that threaten agriculture; maintain access to markets; protect animal welfare; and reduce the risk of contamination from agricultural chemicals.

Agri-Science Queensland

The objective of this service area is to undertake research, development and extension to lift the productivity of Queensland's agricultural businesses, with the aim of doubling production by 2040.

Red tape reduction

In 2012-13, the Department's contribution to the Government's commitment to red tape reduction was demonstrated by the progression of at least 17 initiatives to reduce regulatory and administrative burden on clients. Completed initiatives include:

- a review of fisheries Waterway Barrier Works arrangements, to reduce the number of in-stream structures triggering the need for departmental approval. Relevant stakeholders will also be able to self-assess the need for a waterway barrier works approval with development of publicly available geographic information system (GIS) information
- amendments to the Plant Protection Regulation 1989 to simplify the Red Imported Fire Ant restrictions. Fire ant declaration forms, treatment certificates and site inspection forms are no longer required. This has significantly reduced the burden on businesses such as landscapers
- implementation of an outcomes-based approach to the application of environmental administration and regulatory compliance for Intensive Animal Industries. This will allow intensive animal industries to self-assess compliance and the department will adopt a risk-based approach to enforcement, reducing the compliance burden on the industry.

In 2013-14, the department will undertake a review of regulatory requirements and develop short, medium and long term reduction priorities to meet the department's required reduction target. Red tape reduction initiatives to be progressed in 2013-14 include:

- new biosecurity legislation – The proposed Biosecurity Bill is expected to be introduced into Parliament in the second half of 2013. It will provide a modern, cohesive, flexible framework to respond to Queensland's biosecurity challenges in a timely and effective way. This will have the effect of simultaneously reducing the administrative burden and overall cost of managing biosecurity to government and non-government stakeholders
- new exhibited animals legislation – New streamlined legislation will replace provisions from three Acts that regulate the exhibited animals industry. Licensing and permit requirements will be rationalised, reducing the regulatory burden on stakeholders. It is anticipated that the proposed legislation will be introduced into Parliament in early 2014
- *Veterinary Surgeons Act 1936* review – The Act review will evaluate requirements and restrictions regarding veterinary practice and identify red tape reduction opportunities. This will include assessment of registration and supervision of veterinarians against more modern professional registration and veterinary registration legislations in other jurisdictions. These changes will benefit Queensland families and businesses and reduce government administrative costs. The review is expected to be completed in early 2014
- aquaculture legislation review – In response to Agriculture, Resources and Environment Committee inquiry, the Queensland Competition Authority is proposing to review aquaculture legislation. The review will focus on regulatory burdens that impede industry growth and options to streamline legislation. The department will participate in this review which is proposed to be completed in the 2013-14 financial year
- fisheries regulatory reviews – Reviews of the Trawl, Freshwater and Crab fisheries are underway. The reviews focus on removing unnecessary regulation and enhancing profitability, whilst ensuring sustainable harvesting and managing impacts of fishing on the marine environment. There will be positive changes for more than half of the commercial fishing industry through restructuring and improving profitability. These reviews are expected to be completed by mid 2014.

2013-14 Service Summary

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Agriculture and Forestry	82,542	52,404	989	182	28,967
Fisheries Queensland	37,534	28,977	1,597	50	6,910
Biosecurity Queensland	93,579	66,076	11,616	9,180	6,707
Agri-Science Queensland	142,822	93,478	7,724	3,425	38,195
Corporate Partnership ¹	46,587	16,081	30,506	..	..
TOTAL ²	403,064	257,016	52,432	12,837	80,779

Notes:

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

Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures relating to the efficiency or effectiveness of services delivered by government. Measures of input and/or activity, which do not demonstrate effectiveness or efficiency and are no longer relevant measures of the agency's services, will be discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at www.budget.qld.gov.au.

The Department of Agriculture, Fisheries and Forestry is currently undertaking a review of its base budget. As such, in 2014-15 the service areas and the associated performance measures may differ from the services and measures being reported in 2013-14.

Department of Agriculture, Fisheries and Forestry	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Service Area: Agriculture and Forestry				
Service standards				
Percentage of graziers and cane growers who have increased best management practice knowledge and skills through participation in government funded programs	1	New measure	New measure	20%
Total of forest product sales quantities per total Forest Product Full Time Equivalent (FTE):				
• Native forest timber (m ³ /FTE)		2,330	2,400	2,530
• Quarry material (m ³ /FTE)	2	47,820	67,800	63,220
Percentage of applications for business assistance as a result of natural disaster or drought processed within 21 days of lodgement	3	New measure	New measure	90%
State contribution (\$000)	4, 5, 6	54,682	52,181	52,404
Other revenue (\$000)	7, 8, 9	27,464	34,298	30,138
Total cost (\$000)	10, 11, 12	82,146	86,479	82,542

Service Area: Fisheries Queensland

Service standards

Percentage of key Queensland fish stocks assessed as being sustainably fished	13	51%	51%	75%
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Department of Agriculture, Fisheries and Forestry	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Percentage of applications for development related approvals processed within agreed timeframes	14	100%	100%	100%
State contribution (\$000)	15, 16, 17	32,056	33,474	28,977
Other revenue (\$000)	18, 19, 20	10,979	11,399	8,557
Total cost (\$000)	21, 22, 23	43,035	44,873	37,534

Service Area: Biosecurity Queensland

Service standards

Percentage of significant response programs on track to deliver nationally agreed outcomes (on time and on budget)	24	100%	100%	100%
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Percentage of high priority laboratory results completed, verified and made available within agreed time and quality specifications	25	New measure	New measure	95%
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Average cost per transaction to deliver Biosecurity registration, certification and licensing services	26	New measure	New measure	\$20.90
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State contribution (\$000)	27, 28, 29	69,974	74,511	66,076
Other revenue (\$000)	30, 31, 32	29,749	32,925	27,503
Total cost (\$000)	33, 34, 35	99,723	107,436	93,579

Service Area: Agri-Science Queensland

Service standards

Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of funded innovation and capacity development activities		60%	60%	60%
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Proportion of assisted firms reporting improved performance following funded innovation and capacity development activities		60%	60%	60%
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Major co-funding partners' satisfaction that departmental research outcomes contribute to industry productivity growth	36	New measure	New measure	60%
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Department of Agriculture, Fisheries and Forestry	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Percentage return on R&D investment through royalty returns	37	New measure	New measure	4%
Rate of return on R&D investment above the national average	38	New measure	New measure	0.4 points
State contribution (\$000)	39, 40, 41	87,079	100,764	93,478
Other revenue (\$000)	42, 43, 44	47,263	52,193	49,344
Total cost (\$000)	45, 46, 47	137,863	153,044	142,822

Notes:

1. This is a new effectiveness service standard that measures the implementation/adoption rate of Best Management Practices by primary producers as a result of participation in associated Government funded programs (DAFF services).
2. Demand from quarry materials remains above expectations due to infrastructure developments associated with the resources sector and the need for transport infrastructure repair and maintenance resulting from significant wet weather events across the State. This is also reflected in the revision of the 2013-14 Target/Estimate.
3. This is a new efficiency service standard that demonstrates how resources are used to produce timely outputs regardless of demand/volume changes.
4. The decrease between 2012-13 Target/Estimate and 2012-13 Estimated Actual is mainly due to the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives under the Agriculture Strategy. This is partially offset by additional funding for the establishment of the Queensland Cattle Industry Biosecurity Fund (QCIBF) and additional funding for redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally.
5. The decrease between 2012-13 Target/Estimate and 2013-14 Target/Estimate is mainly due to the full year effect in 2013-14 of budget savings measures introduced in 2012-13 and the scheduled completion of limited life initiatives in 2012-13. This is partially offset by the establishment of the QCIBF and the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
6. The increase between 2012-13 Estimated Actual and 2013-14 Target/Estimate is mainly due to additional funding for an Enterprise Bargaining (EB) increment and the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy. This is partially offset by the full year effect in 2013-14 of budget savings measures introduced in 2012-13, redundancy payments made in 2012-13 and the scheduled completion of limited life initiatives in 2012-13.
7. The increase between 2012-13 Target/Estimate and 2012-13 Estimated Actual is mainly due to additional royalties' revenue from forest products removed from Crown lands and additional funding received during 2012-13 for Research and Development (R&D) projects.
8. The increase between 2012-13 Target/Estimate and 2013-14 Target/Estimate is mainly due to additional expected royalties' revenue from forest products removed from Crown lands. This is partially offset by an anticipated reduction in Fee For Service (FFS) projects and activities and the planned cessation of the Rural Resilience Package (RRP) in 2012-13.
9. The decrease between 2012-13 Estimated Actual and 2013-14 Target/Estimate is mainly due to the planned cessation of the RRP in 2012-13, an anticipated reduction in FFS projects and activities and the completion of R&D projects in 2012-13. This is partially offset by an increase in royalty revenue from forest products removed from Crown Lands.

10. The increase between 2012-13 Target/Estimate and 2012-13 Estimated Actual is partially explained by the cost of redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally. In addition the increase is due to the establishment of the QCIBF and additional R&D projects. This is partially offset by a deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
11. The increase between 2012-13 Target/Estimate and 2013-14 Target/Estimate is mainly due to additional expenses relating to the QCIBF and the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives. This is partially offset by the full year effect of budget savings measures, an anticipated reduction in FFS activities, and the scheduled completion of limited life initiatives and the RRP in 2012-13.
12. The decrease between 2012-13 Estimated Actual and 2013-14 Target/Estimate is mainly due to the full year effect of budget savings measures, redundancy payments made in 2012-13, and the planned cessation of RRP, R&D projects and limited life initiatives in 2012-13. This is partially offset by EB and the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
13. This measure was previously presented as 'Queensland fish species assessed as being sustainably fished'. This effectiveness service standard has been recast from a number to a percentage to allow benchmarking with other jurisdictions and provide a more meaningful measure of the level of performance. This standard now measures the percentage of fish stocks (for which a formal assessment is undertaken) that are assessed as 'sustainably fished'. The number of stocks that undergo a formal annual assessment changes slightly from year to year. The 2012-13 target of 21 has been recast to 51% and the 2013-14 target of 31 has been recast to 75%.
14. This service standard was previously presented under other measurers as '*Integrated Development Assessment System responses completed within statutory timeframes – Development Assessment Applications*'. As IDAS continues to be a high priority for the department, this measure has been amended to become an efficiency standard and will now be measured as a percentage. This includes recasting the target from 400 to 100%. This standard measures the percentage of applications for development-related approvals that are finalised in the Development Licensing System with agreed timeframes. This includes both Development Approvals under the *Sustainable Planning Act* that are subject to statutory timeframes across multiple stages in the assessment process, and Resource Allocation Authorities under the *Fisheries Act* for which statutory timeframes do not apply but for which inter-agency agreements are in place.
15. The increase between 2012-13 Target/Estimate and 2012-13 Estimated Actual is mainly due to additional funding provided for redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally. This is partially offset by the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
16. The decrease between 2012-13 Target/Estimate and 2013-14 Target/Estimate is mainly due to the full year effect in 2013-14 of budget savings measures introduced in 2012-13 and an EB funding adjustment to reflect the revised effective date to January 2014.
17. The decrease between 2012-13 Estimated Actual and 2013-14 Target/Estimate is mainly due to the full year effect in 2013-14 of budget savings measures introduced in 2012-13, redundancy payments made in 2012-13. This is partially offset by the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
18. The increase between 2012-13 Target/Estimate and 2012-13 Estimated Actual is mainly due to additional funding received during 2012-13 for FFS projects and activities.
19. The decrease between 2012-13 Target/Estimate and 2013-14 Target/Estimate is mainly due to the anticipated reduction in FFS projects and activities.
20. The decrease between 2012-13 Estimated Actual and 2013-14 Target/Estimate is mainly due to the anticipated reduction in FFS projects and activities.

21. The increase between 2012-13 Target/Estimate and 2012-13 Estimated Actual is partially explained by the cost of redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally. In addition the increase is due to additional FFS projects and activities in 2012-13. This is partially offset by a deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
22. The decrease between 2012-13 Target/Estimate and 2013-14 Target/Estimate is mainly due to the full year effect of budget savings measures, a reduction in EB expenses to reflect the revised effective date to January 2014, and the anticipated reduction in FFS projects and activities.
23. The decrease between 2012-13 Estimated Actual and 2013-14 Target/Estimate is mainly due to the full year effect of budget savings measures, redundancy payments in 2012-13 and the anticipated reduction in FFS projects and activities in 2013-14. This is partially offset by the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
24. This service standard was previously presented under other measures as *Significant new Biosecurity incidents responded to in accordance with national standards*. This has been amended to become both a measure of effectiveness and efficiency that reports the level of on track progress towards delivery and expenditure of agreed outcomes for significant response programs under national cost sharing arrangements.
25. This new service standard measures the effectiveness of high priority laboratory services by the percentage of high priority laboratory results that are completed, verified and made available within agreed time and quality specifications.
26. The intent of this new service standard is to measure expected progressive efficiencies/savings in relation to the delivery of transactional type services such as licensing, registrations and permits. It will be measured as an average cost per transaction to deliver each licence, registration, permit etc.
27. The increase between 2012-13 Target/Estimate and 2012-13 Estimated Actual is mainly due to additional funding provided for redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally. Also contributing to the variance is the redistribution of corporate services provided to DAFF as a result of finalising the Corporate Partnership arrangements. This is partially offset by the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
28. The decrease between 2012-13 Target/Estimate and 2013-14 Target/Estimate is mainly due to the full year effect in 2013-14 of budget savings measures introduced in 2012-13, an EB funding adjustment to reflect the revised effective date to January 2014 and the scheduled completion of limited life initiatives in 2012-13. This is partially offset by the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
29. The decrease between 2012-13 Estimated Actual and 2013-14 Target/Estimate is mainly due to the full year effect in 2013-14 of budget savings measures introduced in 2012-13, redundancy payments made in 2012-13 and the scheduled completion of limited life initiatives in 2012-13. This is partially offset by the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
30. The increase between 2012-13 Target/Estimate and 2012-13 Estimated Actual is mainly due to additional funding for National Cost Sharing (NCS) projects, additional funding received during 2012-13 for R&D projects, and FFS projects and activities.
31. The decrease between 2012-13 Target/Estimate and 2013-14 Target/Estimate is mainly due to a reduction in NCS funding in 2013-14, an anticipated reduction in FFS projects and activities, and the completion of R&D projects in 2012-13.
32. The decrease between 2012-13 Estimated Actual and 2013-14 Target/Estimate is mainly due to a reduction in NCS funding in 2013-14, an anticipated reduction in FFS projects and activities, and the completion of R&D projects in 2012-13.

33. The increase between 2012-13 Target/Estimate and 2012-13 Estimated Actual is partially explained by the cost of redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally. In addition the increase is due NCS projects, additional R&D projects, FFS projects and activities and additional expenses relating to the redistribution of corporate services. This is partially offset by a deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
34. The decrease between 2012-13 Target/Estimate and 2013-14 Target/Estimate is mainly due to the full year effect of budget savings measures, reduction in EB expenses and the scheduled completion of limited life initiatives in 2012-13. There is an anticipated reduction in NCS activities in 2013-14, FFS projects and activities, and the completion of R&D projects in 2012-13. This is partially offset by the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
35. The decrease between 2012-13 Estimated Actual and 2013-14 Target/Estimate is mainly due to the full year effect of budget savings measures, redundancy payments and the scheduled completion of limited life initiatives in 2012-13. There is also an anticipated reduction in NCS activities and FFS projects and activities in 2013-14, along with the completion of R&D projects in 2012-13. This is partially offset by the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
36. This new effectiveness service standard measures the extent to which research partners are satisfied that our research outcomes contribute to productivity growth of the sector. Data will be captured as part the annual survey of research partners conducted by Agri-Science Queensland (ASQ).
37. This new efficiency service standard demonstrates the value of revenue returns as a result of ASQ's research investment. ASQ will negotiate commercialisation agreements (patents, Plant Breeders Rights and registered trademarks) returning revenue in excess of \$2.5 million, in order to provide a return on research investment of over 4%.
38. This new efficiency service standard measures the extent to which research revenue returns exceed the national average (currently 3.6%).
39. The increase between 2012-13 Target/Estimate and 2012-13 Estimated Actual is mainly due to additional funding provided for redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally. Also contributing to this variance is additional funding received for an election commitment, and a redistribution of corporate services provided to DAFF as a result of finalising the Corporate Partnership arrangements.
40. The increase between 2012-13 Target/Estimate and 2013-14 Target/Estimate is mainly due to the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy. There has also been additional funding received for an election commitment, a redistribution of corporate services provided to DAFF as a result of finalising the Corporate Partnership arrangements. This is partially offset by the full year effect in 2013-14 of budget savings measures introduced in 2012-13, and an EB funding adjustment to reflect the revised effective date to January 2014.
41. The decrease between 2012-13 Estimated Actual and 2013-14 Target/Estimate is mainly due to the full year effect in 2013-14 of budget savings measures introduced in 2012-13, redundancy payments made in 2012-13 and the scheduled completion of limited life initiatives in 2012-13. This is partially offset by the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
42. The increase between 2012-13 Target/Estimate and 2012-13 Estimated Actual is mainly due to additional funding received during 2012-13 for R&D projects.
43. The increase between 2012-13 Target/Estimate and 2013-14 Target/Estimate is mainly due to an increase in anticipated R&D projects, partially offset by a reduction in FFS projects and activities.
44. The decrease between 2012-13 Estimated Actual and 2013-14 Target/Estimate is mainly due to the completion of R&D projects in 2012-13.

45. The increase between 2012-13 Target/Estimate and 2012-13 Estimated Actual is mainly due to additional funding provided for redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally. In addition the increase is due to an election commitment, R&D projects and a redistribution of corporate services provided to DAFF as a result of finalising the Corporate Partnership arrangements. Also, the 2012-13 Target/Estimate included an anticipated loss on disposal of Oxley Creek Common (OCC) which is no longer expected to occur in 2012-13 and is pending further negotiations.
46. The increase between 2012-13 Target/Estimate and 2013-14 Target/Estimate is mainly due to the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy. There has also been an increase in anticipated R&D projects, an election commitment, and a redistribution of corporate services provided to DAFF as a result of finalising the Corporate Partnership arrangements. This is partially offset by the full year effect in 2013-14 of budget savings measures introduced in 2012-13, an anticipated reduction in FFS projects and activities, an EB adjustment to reflect the revised effective date to January 2014 and the expected disposal of OCC which is no longer expected to occur in 2012-13 and is pending further negotiations.
47. The decrease between 2012-13 Estimated Actual and 2013-14 Target/Estimate is mainly due to the full year effect in 2013-14 of budget savings measures introduced in 2012-13, redundancy payments made in 2012-13, the scheduled completion of limited life initiatives in 2012-13 and completion of R&D projects in 2012-13. This is partially offset by the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.

Administered Items

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

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

QRAA

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

Forestry Assets

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

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

CAPITAL

Capital program

Capital purchases for the Department of Agriculture, Fisheries and Forestry in 2013-14 is \$19.6 million. DAFF's capital program is focussed on developing and upgrading research facilities to deliver outcomes for agriculture, fisheries and forestry. DAFF has facilities located throughout rural and regional Queensland. These require a significant level of minor works, mechanical items and plant and equipment upgrades to keep them operating effectively.

Program highlights

- \$2 million is allocated to continue upgrading the Spyglass Beef Research property for beef research.
- \$1.5 million is allocated for the enhancement of existing biosecurity laboratory facilities at the Health and Food Sciences Precinct at Coopers Plains as part of the Agriculture Strategy range of initiatives.
- \$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.
- \$1.5 million is provided to continue replacement of key vessels and associated equipment for fisheries' research and regulatory functions.
- \$1 million is allocated to provide new and replacement heavy plant and equipment including trucks, tractors and other machinery.

Capital budget statement

Department of Agriculture, Fisheries and Forestry	Notes	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
Capital Purchases¹				
Total land, buildings and infrastructure	2	6,000	6,248	5,000
Total plant and equipment	3	12,431	12,983	13,327
Total other capital	4	1,250	450	1,250
Total Capital Purchases		19,681	19,681	19,577

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. Includes upgrade of the beef research property "Spyglass" to be research ready.
3. Includes funding for new and replacement vessels, scientific, computer and heavy plant and equipment.
4. Includes funding for livestock and computer software acquisitions.

BUDGETED FINANCIAL STATEMENTS

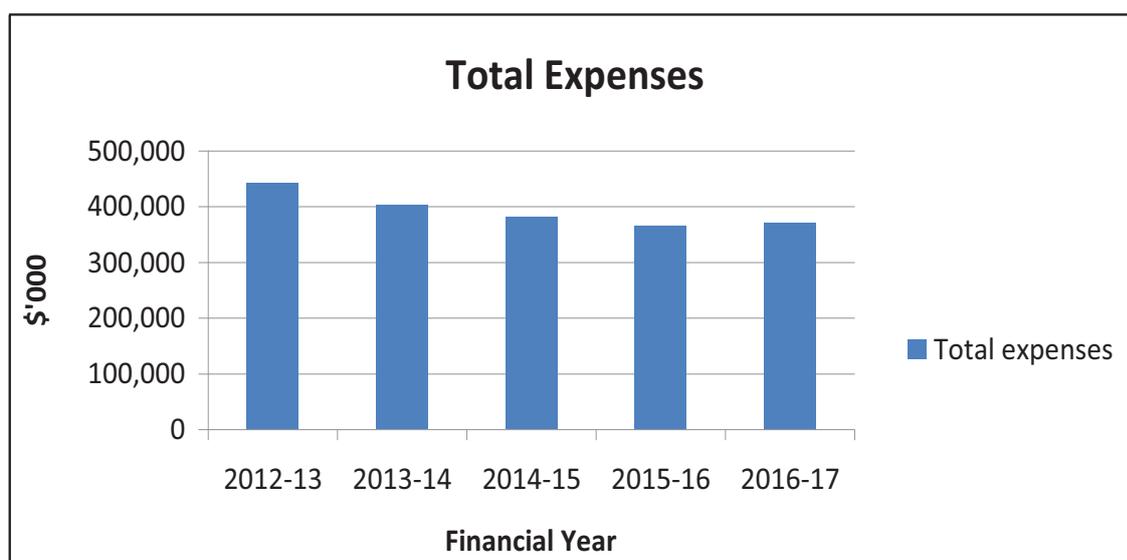
ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

Departmental income statement

Total expenses are estimated to be \$403.1 million in 2013-14, a decrease of \$39.3 million from the 2012-13 Budget. The decrease is mainly due to the full year effect of budget savings measures which commenced during 2012-13 as part of the Government's efforts to repair the State's fiscal position, reductions in employee expenses are necessary to reduce, at whole-of-government, the deficit and stabilise debt. There is an anticipated reduction in fee-for-service projects and activities in 2013-14 and the scheduled completion of limited life initiatives in 2012-13. This is partially offset by a deferral from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and funding for a range of departmental initiatives that will underpin the implementation of the Agriculture Strategy. In addition, funding under the current National Cost Sharing agreement for the National Red Imported Fire Ant Eradication Program is currently due to cease on 30 June 2014, with future funding arrangements to be negotiated.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The department's major assets are in property, plant and equipment (\$417.6 million) with DAFF having facilities located throughout rural and regional Queensland. In 2013-14, DAFF will invest \$19.6 million in capital assets through its capital program developing and upgrading its facilities including the Spyglass Beef Research property, and purchasing new and replacement plant and equipment. Over the forward estimates period, DAFF will seek to rationalise assets, and maximise service delivery outcomes and efficiencies from its retained assets.

INCOME STATEMENT

Department of Agriculture, Fisheries and Forestry	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Income				
Service revenue	1,8,16	286,318	279,142	257,016
User charges	2,9,17	73,692	58,149	52,432
Grants and other contributions	3,10,18	47,395	67,726	55,231
Other revenue	4,11	29,796	35,020	37,982
Gains on sale/revaluation of property, plant and equipment and investments		1,628	477	403
Total income		438,829	440,514	403,064
Expenses				
Employee expenses	5,12,19	225,135	241,166	206,434
Supplies and services	6,13,20	163,039	148,179	143,741
Grants and subsidies	14,21	25,630	25,413	27,331
Depreciation and amortisation		23,754	23,495	23,412
Finance/borrowing costs		..	..	..
Other expenses		1,268	2,258	2,143
Losses on sale/revaluation of property, plant and equipment and investments	7,15	3,524	90	3
Total expenses		442,350	440,601	403,064
OPERATING SURPLUS/(DEFICIT)	7,15	(3,521)	(87)	..

STATEMENT OF CHANGES IN EQUITY

Department of Agriculture, Fisheries and Forestry	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	22,28	..	2,854	..
Increase/(decrease) in asset revaluation reserve	23,25	27,276	5,814	6,230
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		27,276	8,668	6,230
Surplus/(deficit) for the period	24,26	(3,521)	(87)	..
Total recognised income and expense for the period		23,755	8,581	6,230
Equity injection/(withdrawal)	27,29	(12,325)	(12,325)	(7,625)
Equity adjustments		(750)	..	..
Total movement in equity for period		10,680	(3,744)	(1,395)

BALANCE SHEET

Department of Agriculture, Fisheries and Forestry	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets	30,37,43	20,906	(2,522)	30,865
Receivables	31,44	32,106	57,526	31,492
Other financial assets		..	..	..
Inventories		2,685	2,215	2,132
Other		3,562	5,371	5,521
Non-financial assets held for sale		..	..	..
Total current assets		59,259	62,590	70,010
NON-CURRENT ASSETS				
Receivables	32,38,45	14,546	6,364	..
Other financial assets		19	..	..
Property, plant and equipment	33,39,46	434,592	422,798	417,572
Intangibles		5,351	3,237	3,707
Other		17,220	15,447	14,776
Total non-current assets		471,728	447,846	436,055
TOTAL ASSETS		530,987	510,436	506,065
CURRENT LIABILITIES				
Payables		6,860	8,337	7,886
Accrued employee benefits		7,645	7,159	7,491
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		18,678	20,559	18,605
Total current liabilities		33,183	36,055	33,982
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		23,218	23,874	22,971
Total non-current liabilities		23,218	23,874	22,971
TOTAL LIABILITIES		56,401	59,929	56,953
NET ASSETS/(LIABILITIES)		474,586	450,507	449,112
EQUITY				
Capital/contributed equity	34,40,47	450,831	442,222	434,597
Accumulated surplus/(accumulated deficit)	35,41	(3,521)	(414)	(414)
Reserves:				
- Asset revaluation surplus	36,42,48	27,276	8,699	14,929
- Other (specify)		..	..	..
TOTAL EQUITY		474,586	450,507	449,112

CASH FLOW STATEMENT

Department of Agriculture, Fisheries and Forestry	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	49,59,70	287,774	280,598	257,016
User charges	50,60,71	112,941	76,610	82,754
Grants and other contributions	51,61,72	47,395	67,726	55,231
Other	52,62	43,977	53,330	52,163
Outflows:				
Employee costs	53,63,73	(225,135)	(241,166)	(206,102)
Supplies and services	54,64,74	(179,183)	(170,573)	(157,553)
Grants and subsidies	55,65,75	(25,630)	(25,413)	(27,331)
Borrowing costs		..	..	..
Other	56,66,76	(16,868)	(17,858)	(2,743)
Net cash provided by/(used in) operating activities		45,271	23,254	53,435
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	67,77	10,561	12,133	7,154
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		(19,681)	(19,681)	(19,577)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(9,120)	(7,548)	(12,423)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	68,78	(12,325)	(12,325)	(7,625)
Net cash provided by/(used in) financing activities		(12,325)	(12,325)	(7,625)
Net increase/(decrease) in cash held		23,826	3,381	33,387
Cash at the beginning of financial year	57,79	(2,920)	(5,903)	(2,522)
Cash transfers from restructure		..	..	..
Cash at the end of financial year	58,69,80	20,906	(2,522)	30,865

ADMINISTERED INCOME STATEMENT

Department of Agriculture, Fisheries and Forestry	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines		1,734	1,634	1,769
Royalties, property income and other territorial Revenue		..	..	..
Interest		..	..	..
Administered revenue	81,82	9,083	10,533	9,728
Other		..	..	..
Total revenues		10,817	12,167	11,497
Expenses				
Supplies and services		..	..	..
Depreciation and amortisation		..	396	398
Grants and subsidies	81,82	9,083	10,137	9,330
Benefit payments		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Total expenses		9,083	10,533	9,728
Net surplus or deficit before transfers to Government		1,734	1,634	1,769
Transfers of administered revenue to Government		1,734	1,634	1,769
OPERATING SURPLUS/(DEFICIT)		..	..	..

ADMINISTERED BALANCE SHEET

Department of Agriculture, Fisheries and Forestry	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets		284	75	74
Receivables		..	30	29
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		284	105	103
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		4,953	4,555	4,261
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		4,953	4,555	4,261
TOTAL ADMINISTERED ASSETS		5,237	4,660	4,364
CURRENT LIABILITIES				
Payables	1	1	47	47
Transfers to Government payable	2	2	39	37
Interest-bearing liabilities	..	..	..	..
Other	..	..	..	..
Total current liabilities		3	86	84
NON-CURRENT LIABILITIES				
Payables	..	..	..	..
Interest-bearing liabilities	..	..	..	..
Other	..	..	..	..
Total non-current liabilities		..	..	..
TOTAL ADMINISTERED LIABILITIES		3	86	84
ADMINISTERED NET ASSETS/(LIABILITIES)		5,234	4,574	4,280
EQUITY				
Capital/Contributed equity		5,168	4,484	4,086
Accumulated surplus/(Accumulated deficit)		66	(32)	(32)
Reserves:		..	..	..
- Asset revaluation surplus		..	122	226
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		5,234	4,574	4,280

ADMINISTERED CASH FLOW STATEMENT

Department of Agriculture, Fisheries and Forestry	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	83,84	9,083	10,533	9,728
Grants and other contributions		..	..	..
Taxes, fees and fines		1,734	1,634	1,769
Royalties, property income and other territorial revenues		..	..	..
Other		..	160	1
Outflows:				
Transfers to Government		(1,734)	(1,795)	(1,771)
Grants and subsidies	83,84	(9,083)	(10,137)	(9,330)
Supplies and services		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		..	395	397
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	..	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	(396)	(398)
Net cash provided by/(used in) financing activities		..	(396)	(398)
Net increase/(decrease) in cash held		..	(1)	(1)
Administered cash at beginning of financial year		284	76	75
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		284	75	74

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated Actual include:

1. The decrease is mainly due to the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy. In addition, funding has been transferred to other Government agencies as part of finalising the recent Machinery of Government (MoG) and funding for an Enterprise Bargaining (EB) increment commencing July 2012, which was postponed to January 2014. This is partially offset by additional funding provided for the establishment of the Queensland Cattle Industry Biosecurity Fund (QCIBF) and redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally.
2. The decrease is mainly due to the reclassification of National Cost Shared (NCS) funding, including the National Red Imported Fire Ant Eradication Program, to grants and other contributions revenue during 2012-13. In addition, adjustments were made during 2012-13 to reflect reduced Information Technology charges to other Government agencies as part of Corporate Partnership (CP) arrangements.
3. The increase is mainly due to the reclassification of NCS funding from user charges to grants and other contributions revenue during 2012-13 and additional funding received for Research and Development (R&D) projects funded by external funding bodies.
4. The increase is due to additional royalties revenue from forest products removed from Crown lands.
5. The increase is mainly due to additional funding provided for redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally. This is partially offset by a decrease in EB expenses to reflect the revised effective date of January 2014.
6. The decrease is mainly due to a reduction in expenses as a result of finalising recent MoG arrangements and the reduced cost of delivering Information Technology services to other Government agencies as part of CP arrangements. Funding was deferred from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy. This is partially offset by additional expenses for R&D projects.
7. The 2012-13 Budget included an anticipated loss on disposal of Oxley Creek Common (OCC) which is no longer expected to occur in 2012-13 and is pending further negotiations.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

8. The decrease is mainly due to the full year effect in 2013-14 of budget savings measures introduced in 2012-13, the transfer of funding to other Government agencies as part of finalising the recent MoG and an EB funding adjustment to reflect the revised effective date of January 2014. This is partially offset by additional funding for QCIBF and the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives.
9. The decrease is mainly due to the reclassification of NCS funding to grants and other contributions revenue during 2012-13, adjustments during 2012-13 to reflect reduced Information Technology charges to other Government agencies as part of CP arrangements and an anticipated reduction in Fee For Service (FFS) projects and activities.
10. The increase is mainly due to the reclassification of NCS funding from user charges to grants and other contributions revenue during 2012-13, an increase in the anticipated number of R&D projects, offset by the planned cessation of the Rural Resilience Package (RRP) in 2012-13.
11. The increase reflects expected royalties revenue from forest products removed from Crown lands.
12. The decrease is mainly due to the full year effect of budget savings measures and a reduction in EB expenses to reflect the revised effective date of January 2014.
13. The decrease is mainly due to the full year effect of budget savings measures, a decrease in expenses as a result of finalising recent MoG arrangements, the reduced cost of delivering Information Technology services to other Government agencies and the planned cessation of the RRP. In addition, there has been a deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives and an anticipated reduction in FFS projects and activities.
14. The increase is mainly due to additional expenses relating to the QCIBF.
15. The 2012-13 Budget included an anticipated loss on disposal of OCC which is no longer expected to occur in 2012-13 and is pending further negotiations.

Major variations between 2012-13 Estimated Actual and the 2013-14 Estimate include:

16. The decrease is mainly due to the full year effect in 2013-14 of budget savings measures introduced in 2012-13, redundancy payments made in 2012-13 and the scheduled completion of limited life initiatives in 2012-13. This is partially offset by additional funding for an EB increment and the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
17. The decrease is mainly due to an anticipated reduction in FFS projects and activities.
18. The decrease is mainly due to the completion of R&D projects and the RRP in 2012-13. In addition, there is a reduction in NCS funding in 2013-14.
19. The decrease is mainly due to the full year effect of budget savings measures, redundancy payments and a reduction in FFS projects and activities in 2013-14. This is partially offset by increased EB expenses.
20. The decrease is mainly due to the full year effect of budget savings measures and the completion of R&D projects and the RRP. In addition, there is an anticipated reduction in FFS projects and activities in 2013-14 and the scheduled completion of limited life initiatives in 2012-13. This is partially offset by the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy.
21. The increase is mainly due to the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives as part of the Agriculture Strategy. This is partially offset by the planned cessation of RRP in 2012-13.

Statement of changes in equity

Major variations between 2012-13 Budget and 2012-13 Estimated Actual include:

22. The 2012-13 Estimated Actual reflects prior year adjustments related to finalising the recent MoG.
23. The 2012-13 Estimated Actual includes a revised estimate for the indexation of departmental assets to reflect expected market values at 30 June 2013.
24. The 2012-13 Budget included an anticipated loss on disposal of OCC which is no longer expected to occur in 2012-13 and is pending further negotiations.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

25. The 2013-14 Estimate includes an estimate for the indexation of departmental assets to reflect expected market values at 30 June 2014.
26. The 2012-13 Budget included an anticipated loss on disposal of OCC, which is no longer expected to occur in 2012-13 and is pending further negotiations.
27. The 2012-13 Budget includes the final repayment of a funding advance for the purchase of the Spyglass beef property in 2010-11.

Major variations between 2012-13 Estimated Actual and the 2013-14 Estimate include:

28. The 2012-13 Estimated Actual reflects prior year adjustments related to finalising the recent MoG.
29. The 2012-13 Estimated Actual includes the final repayment of a funding advance for the purchase of the Spyglass beef property in 2010-11.

Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated Actual include:

30. Current cash balances largely reflect the timing of expenses relating to the former Department of Employment, Economic Development and Innovation (DEEDI) agencies being transacted in DAFF human resource systems and then recovered from other agencies. This has also resulted in increases in receivables. The new systems were expected to be in place for the former DEEDI agencies prior to 30 June 2013 but are now expected to be in place during 2013-14.
31. The increase is mainly due to the current system arrangements for transacting and recovering expenses relating to a number of former DEEDI agencies as well as the rescheduling of payments from the sale of Ooonooba Research Station (ORS).
32. The decrease is mainly due to the rescheduling of payments from the sale of the ORS.
33. The decrease is largely due to a revised estimate for the indexation of departmental assets to reflect expected market values at 30 June 2013, revised timing of asset sales and transfers, and the transfer of assets to other Government agencies in 2011-12 as part of finalising the recent MoG.
34. The decrease is largely the result of the transfer of assets to other Government agencies in 2011-12 as part of finalising the recent MoG.

35. The 2012-13 Budget included an anticipated loss on disposal of OCC, which is no longer expected to occur in 2012-13 and is pending further negotiations.
36. The 2012-13 Estimated Actual includes a revised estimate for the indexation of departmental assets to reflect expected market values at 30 June 2013.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

37. The increase mainly represents the receipt of payments from the sale of the ORS and expected proceeds from the sale of assets during 2013-14.
38. The decrease relates to payments for the sale of the ORS.
39. The decrease is largely due to a revised estimate for the indexation of departmental assets to reflect expected market values at 30 June 2013, asset sales and transfers, and the transfer of assets to other Government agencies in 2011-12 as part of finalising the recent MoG. This is partly offset by the purchase of new and replacement plant and equipment, and the indexation of assets to reflect expected market values at 30 June 2014.
40. The decrease is largely the result of the transfer of assets to other Government agencies in 2011-12 as part of finalising the recent MoG and equity adjustments, which include funding for an election commitment relating to the commercial fishing industry and the Spyglass Beef Research property purchase.
41. The 2012-13 Budget included an anticipated loss on disposal of OCC which is no longer expected to occur in 2012-13 and is pending further negotiations.
42. The 2013-14 Estimate includes indexation of departmental assets to reflect expected market values during 2012-13 and 2013-14.

Major variations between 2012-13 Estimated Actual and the 2013-14 Estimate include:

43. The increase is largely due to the expectation that new finance and human resources systems will be in place during 2013-14, which will eliminate the need for DAFF to transact expenses for the former DEEDI agencies. Receivables will also reduce. The 2013-14 Estimate also includes the receipt of payments from the sale of the ORS and expected proceeds from the sale of assets during 2013-14.
44. The decrease is mainly due to new finance and human resources systems being in place in during 2013-14 for the former DEEDI agencies which will eliminate the need for DAFF to transact expenses for the former DEEDI agencies.
45. The decrease relates to payments for the sale of the ORS.
46. The decrease is largely due to asset sales and transfers. This is partially offset by the purchase of new and replacement plant and equipment, and the indexation of assets to reflect market values.
47. The decrease is largely due to equity adjustments, which include funding for an election commitment relating to the commercial fishing industry.
48. The 2013-14 Estimate includes an estimate for the indexation of departmental assets to reflect expected market values at 30 June 2014.

Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated Actual include:

49. The decrease is mainly due to the deferral of funding from 2012-13 to 2013-14 to align inflows with anticipated outflows for election commitments and departmental initiatives as part of the Agriculture Strategy, funding transferred to other Government agencies as part of finalising the recent MoG and adjustments to inflows for the postponement of EB. This is partially offset by additional inflows provided for the establishment of QCIBF and redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally.
50. The decrease is mainly due to the reclassification of NCS inflows during 2012-13 and adjustment to reflect reduced charges as part of CP arrangements.
51. The increase is mainly due to the reclassification of NCS inflows and additional inflows for R&D projects.
52. The increase is mainly due to additional royalties inflows from forest products.
53. The increase in employee expenses from 2012-13 Budget to Estimated Actual is mainly explained by the cost of redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally. Additional outflows for redundancy payments partially offset by an EB adjustment.

54. The decrease in outflows is mainly due to finalising recent MoG arrangements, CP arrangements and a deferral of funding from 2012-13 to 2013-14 to align inflows with anticipated outflows for election commitments and departmental initiatives. This is partially offset by additional outflows for R&D projects.
55. The decrease is mainly due to the deferral of funding from 2012-13 to 2013-14 to align inflows with anticipated outflows for election commitments and departmental initiatives, partially offset by QCIBF.
56. The increase is largely due to timing issues related to the need for DAFF to transact outflows for the former DEEDI agencies.
57. The decrease is largely due to timing issues related to the need for DAFF to transact outflows for the former DEEDI agencies.
58. The decrease is largely due to a delay in the new finance and human resources systems being in place for the DEEDI former agencies.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

59. The decrease is mainly due to the full year effect of budget savings measures, funding transferred to other Government agencies as part of finalising the recent MoG and an EB adjustment. This is partially offset by additional inflows for the QCIBF and the deferral of funding from 2012-13 to 2013-14 to align inflows with anticipated outflows for election commitments and departmental initiatives.
60. The decrease is mainly due to the reclassification of NCS inflows, adjustments to reflect reduced charges to other Government agencies as part of CP arrangements and an anticipated reduction in FFS projects and activities.
61. The increase is mainly due to the reclassification of NCS and R&D projects offset by RRP.
62. The increase reflects expected royalties inflows from forest products removed from Crown lands.
63. The decrease is mainly due to the full year effect of budget savings measures and an EB adjustment.
64. The decrease is mainly due to the full year effect of budget savings measures, finalising recent MoG arrangements, reduced cost of delivering services to other Government agencies, RRP and an anticipated reduction in FFS projects and activities. This is partially offset by the deferral of funding from 2012-13 to 2013-14 to align inflows with anticipated outflows expenditure for election commitments and departmental initiatives.
65. The increase is mainly due to additional outflows relating to the QCIBF.
66. The decrease is largely due to the expectation that new finance and human resources systems will be in place during 2013-14, which will eliminate the need for DAFF to transact expenses for the former DEEDI agencies.
67. The 2012-13 Budget includes the sale of Toorak, Brigalow and Southedge research facilities.
68. The 2012-13 Budget includes the final repayment of a funding advance for the purchase of the Spyglass beef property in 2010-11.
69. The increase mainly represents the receipt of payments from the sale of the ORS and expected the proceeds from the sale of assets during 2013-14.

Major variations between 2012-13 Estimated Actual and the 2013-14 Estimate include:

70. The decrease is mainly due to the full year effect in 2013-14 of budget savings measures and redundancy payments, partially offset by an EB increment, the scheduled completion of limited life initiatives in 2012-13 and the deferral of funding from 2012-13 to 2013-14 to align inflows with anticipated outflows for election commitments and departmental initiatives as part of the Agriculture Strategy.
71. The increase is mainly due to the finalisation of DAFF transacting expenses for the former DEEDI agencies during 2013-14, partially offset by an anticipated reduction in FFS projects and activities.
72. The decrease is mainly due to R&D projects, RRP and NCS inflows.
73. The decrease is mainly due to the full year effect of budget savings measures, redundancy payments and an anticipated reduction in FFS projects and activities, partially offset by EB.
74. The decrease is mainly due to the full year effect of budget savings measures, R&D projects, RRP, an anticipated reduction in FFS projects and activities and the scheduled completion of limited life initiatives. This is partially offset by the deferral of funding from 2012-13 to 2013-14 to align inflows with anticipated outflows for election commitments and departmental initiatives as part of the Agriculture Strategy.
75. The increase is mainly due to the deferral of funding from 2012-13 to 2013-14 to align revenue with anticipated cash flow expenditure for election commitments and departmental initiatives, partially offset by the planned cessation of RRP.

76. The decrease is largely due to the expectation that new finance and human resources systems will be in place during 2013-14, which will eliminate the need for DAFF to transact outflows for the former DEEDI agencies.
77. The 2012-13 Estimated Actual includes the sale of Toorak, Brigalow and Southedge research facilities.
78. The 2012-13 Estimated Actual includes the final repayment of a funding advance for the purchase of the Spyglass beef property in 2010-11.
79. The increase is largely due to timing issues related to the need for DAFF to transact outflows for the former DEEDI agencies.
80. The increase is largely due to the new finance and human resources systems being in place during 2013-14 for the former DEEDI agencies. In addition, the 2013-14 Estimate includes the receipt of payments from the sale of the ORS and proceeds from the sale of assets during 2013-14.

Administered income statement

Major variations between 2012-13 Budget and 2012-13 Estimated Actual include:

81. The increase in the 2012-13 Estimated Actual is mainly due to payments to AACC for redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally.

Major variations between 2012-13 Estimated Actual and the 2013-14 Estimate include:

82. The decrease in the 2013-14 Estimate is mainly due to payments to AACC for redundancy costs in 2012-13.

Administered cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated Actual include:

83. The increase in the 2012-13 Estimated Actual is mainly due to payments to AACC for redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally.

Major variations between 2012-13 Estimated Actual and the 2013-14 Estimate include:

84. The decrease in the 2013-14 Estimate is mainly due to payments to AACC for redundancy costs in 2012-13.

STATUTORY BODIES

AUSTRALIAN AGRICULTURAL COLLEGE CORPORATION

AGENCY OVERVIEW

Strategic direction

The Australian Agricultural College Corporation (AACC) delivers industry endorsed training for primary production and regional communities. Training activities are delivered in two modes: residential training delivered at Longreach and Emerald (27% of total delivery), and industry training delivered at various locations throughout Queensland (73% of total delivery). In 2012-13 residential training involved approximately 100 students out of a total student cohort of 2,255.

In February 2013, the AACC business model was the subject of a detailed review. The Government has approved a change in governance arrangements to give responsibility for the performance of the residential colleges at Emerald and Longreach to local boards. In addition, the Industry Training business model will be retained. The AACC will also become a Statutory Authority in 2013-14 with a corporation board responsible to the Minister for Agriculture, Fisheries and Forestry.

The AACC's priorities are to deliver appropriate training to the agriculture sector, to diversify its training products and services, develop training delivery methods that better meet industry and student expectations and promote agriculture careers and higher education pathways.

For 2013-14, the AACC will be focussed on implementing the new governance arrangements and a number of business improvement priorities in areas such as financial and asset management, seeking opportunities for increasing revenue and course redevelopment to better meet industry requirements. Whilst the AACC is forecast to record an operating deficit in 2012-13, the change in governance arrangements and other organisational change initiatives are expected to lead to improved financial results in the future.

RESOURCES AND PERFORMANCE

Achievements in 2012-13 include:

- finalisation of the review of the AACC's business model with the assistance of Ernst and Young
- extensive industry and stakeholder consultation incorporated into the review of the AACC's future business model
- appointment of local college boards and the appointment of College Directors
- establishment of the loan and overdraft facility through Queensland Treasury Corporation to fund capital expenditure requirements
- engagement of QBuild to project manage significant upgrade and renewal programs at Longreach Pastoral College and Emerald Agricultural College
- restructure of corporate support services that has resulted in year-to-date savings in wages and salaries expenditure of \$1 million

- successfully negotiated with the Department of Education, Training and Employment (DETE) for access to the same level of Vocational Education and Training (VET) Revenue General funding for 2013-14 as provided in 2012-13
- sale of surplus assets in the Burdekin area that will provide funding support to the colleges.

In 2013-14, the AACC will focus on:

- working with industry to ensure the most effective agriculture skills training
- developing more appealing residential courses that attract an increase in student numbers
- providing cost effective training developed in partnership with industry, tailored to students who demand more flexible educational opportunities
- developing the training and governance arrangements for the new Statutory Authority, to be renamed the Queensland Agricultural College Corporation, so that the Longreach Pastoral College, Emerald Agricultural College and the Industry Training area provide superior quality agricultural training
- continued sale of surplus assets.

AACC will focus on enhancing student/customer experience by the following red tape reduction initiatives being developed and prioritised in 2013-14:

- development of online courses and programs that enable students to study at convenience
- development of an online enrolment option
- streamlining the manual enrolment process to reduce the number of times students need to contact the organisation prior to course commencement
- upcoming courses and course calendar will be available on the internet
- use of technology to simplify student interaction with teacher.

STATEMENTS

Staffing

Australian Agricultural College Corporation	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1,2	192	145	137

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Variance results from the change to the business model and reduction in FTEs to more sustainable levels, particularly in corporate service delivery areas via a voluntary redundancy program.

Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services have been discontinued. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at www.budget.qld.gov.au.

Australian Agricultural College Corporation	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est
Service standards				
Level of stakeholder satisfaction with VET training services and products				
• Quality Indicator (QI) Learners Survey		85%	88%	85%
• Quality Indicator (QI) Employer Survey	1	75%	73%	75%
Percentage of successfully completed competencies compared with all modules assessed	2,3	90%	81%	90%
Percentage of completed competencies delivered at or above Certificate IV level		13%	11%	13%
Percentage of students employed or in further study 6 months after completing their training (NCVER Survey)		90%	90%	90%
Unit cost per Annual Hours Curriculum (AHC)	4,5	New measure	\$34	\$35
Annual Hours Curriculum per Instructional staff FTE	4,6,7	New measure	19,546	15,000

Australian Agricultural College Corporation	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est
Average cost per competency successfully completed	4	New measure	New measure	\$1,192

Notes:

1. This survey is undertaken annually, the results of which are not yet available.
2. Variance relates to the higher percentage of student withdrawals prior to assessment.
3. The 2013-14 target of 90% is in line with the result achieved by TAFE Queensland and is closer to the result achieved by the AACC in 2011-12. 2012-13 student withdrawals were higher than predicted.
4. These are new measures implemented for 2013-14. The measures are commonly used in the Vocational Education and Training (VET) sector to assess efficiency of training delivery. They will allow AACC to benchmark its performance against other public training providers.
5. The increase in unit cost from \$34 to \$35 results from the inclusion of investment in product development during 2013-14.
6. The variance in annual hours curriculum results from a higher utilisation of contracted trainers versus employed instructors.
7. The target of 15,000 hours for 2013-14 is that generally used by TAFE Queensland. This measure is used to gauge efficiency of instructional staff.

INCOME STATEMENT

Australian Agricultural College Corporation	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Income				
User charges	1,7,12	8,886	5,571	6,872
Grants and other contributions	2,8,13	14,339	14,930	13,892
Other revenue		603	387	311
Gains on sale/revaluation of property, plant and equipment and investments	3,9	..	2,062	1,923
Total income		23,828	22,950	22,998
Expenses				
Employee expenses	4,10	16,433	12,863	13,122
Supplies and services	5,11,14	9,246	10,047	10,433
Grants and subsidies		..	..	..
Depreciation and amortisation		1,508	1,482	1,262
Finance/borrowing costs		..	..	..
Other expenses		230	408	393
Losses on sale/revaluation of property, plant and equipment and investments	6,15	131	1,851	128
Total expenses		27,548	26,651	25,338
OPERATING SURPLUS/(DEFICIT)		(3,720)	(3,701)	(2,340)

STATEMENT OF CHANGES IN EQUITY

Australian Agricultural College Corporation	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve		(230)	(230)	(230)
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity		(230)	(230)	(230)
Surplus/(deficit) for the period		(3,720)	(3,701)	(2,340)
Total recognised income and expense for the period		(3,950)	(3,931)	(2,570)
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		(3,950)	(3,931)	(2,570)

BALANCE SHEET

Australian Agricultural College Corporation	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets	16,20	365	1,785	2,788
Receivables	17,23	1,384	13,588	1,639
Other financial assets	18,21,24	2,800	3,800	10,700
Inventories		405	404	404
Other		67	67	63
Non-financial assets held for sale		..	..	..
Total current assets		5,021	19,644	15,594
NON-CURRENT ASSETS				
Receivables		39	39	39
Other financial assets		93	94	81
Property, plant and equipment	19,22	122,953	82,989	83,379
Intangibles		..	..	..
Other	25	7,201	7,201	9,008
Total non-current assets		130,286	90,323	92,507
TOTAL ASSETS		135,307	109,967	108,101
CURRENT LIABILITIES				
Payables		1,384	1,437	1,406
Accrued employee benefits		1,697	1,621	1,831
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		268	292	292
Total current liabilities		3,349	3,350	3,529
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		677	554	1,079
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		677	554	1,079
TOTAL LIABILITIES		4,026	3,904	4,608
NET ASSETS/(LIABILITIES)		131,281	106,063	103,493
EQUITY				
Capital/contributed equity		(25,596)	(25,596)	(25,596)
Accumulated surplus/(accumulated deficit)		19,684	19,915	17,575
Reserves:				
- Asset revaluation surplus		137,193	111,744	111,514
- Other (specify)		..	..	..
TOTAL EQUITY		131,281	106,063	103,493

CASH FLOW STATEMENT

Australian Agricultural College Corporation	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	26,31,35	9,160	5,559	6,860
Grants and other contributions	27,32,36	14,339	14,930	13,892
Other		2,797	2,712	650
Outflows:				
Employee costs	28,33	(16,679)	(13,232)	(12,387)
Supplies and services	29,34,37	(9,468)	(10,269)	(10,429)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(1,786)	(995)	(475)
Net cash provided by/(used in) operating activities		(1,637)	(1,295)	(1,889)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	30,38	..	2,202	11,674
Investments redeemed		2,200	1,200	1,100
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		(2,227)	(2,227)	(1,882)
Payments for investments	39	..	..	(8,000)
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(27)	1,175	2,892
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		(1,664)	(120)	1,003
Cash at the beginning of financial year		2,029	1,905	1,785
Cash transfers from restructure		..	..	..
Cash at the end of financial year		365	1,785	2,788

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Decrease due to a reclassification of gain on biological assets from user charges revenue to gains on sale/revaluation of property plant and equipment and reduced student numbers.
2. The increase in grants from the 2012-13 Budget to the 2012-13 Estimated Actual is partially explained by the reimbursement for redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally.
3. Increase due to reclassification of gain on biological assets from user charges revenue and from gain on sale of a small portion of Longreach campus.
4. Decrease due to the redundancy program and vacancy management.
5. Increase in delivery costs associated with the engagement of contracted training providers.
6. Increase due to forecast loss on sale of Burdekin campus and cane farm and associated plant and equipment.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

7. Decrease due to a reclassification of gain on biological assets from user charges revenue to gains on sale/revaluation of property plant and equipment.
8. Decrease reflects the reimbursement of redundancy payments completed during 2012-13.
9. Increase due to a reclassification of gain on biological assets from user charges revenue to gains on sale/revaluation of property plant and equipment.
10. Decrease due to the redundancy program undertaken in 2012-13 and revised organisational structure in 2013-14.
11. Increase due to a major training product redevelopment program planned for 2013-14 and maintenance and repairs expenses associated with College infrastructure at Longreach and Emerald.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

12. Increase due to forecast increase in student numbers associated with more certainty around the AACC's future as well as the impact of the redeveloped product offering. Student numbers reflect similar enrolments to those recorded for 2011-12.
13. Decrease reflects the reimbursement of redundancy payments during 2012-13.
14. Increase due to a major training product redevelopment program planned for 2013-14.
15. Decrease due to completion of major asset disposals in 2012-13.

Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

16. Increase due to the impact of vacancy management and other whole-of-government savings measures and proceeds from the sale of Becker's cattle farm.
17. Increase reflects the expected proceeds from the sale of Burdekin campus and cane farm and a small portion of Longreach campus.
18. Increase reflects the redirection of funds from sale of assets to short term investment in accordance with operational cash requirements.
19. Decrease results from the impairment of Burdekin assets at 30 June 2012 after preparation of the 2012-13 budget. Decrease also reflects the sale of Becker's cattle farm, Burdekin campus and cane farm and a small portion of Longreach campus.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

20. Increase reflects the benefit of the proceeds from the sale of assets.
21. Increase reflects the redirection of funds from sale of assets to short term investment in accordance with operational cash requirements.
22. Decrease reflects the sale of Becker's cattle farm, Burdekin campus and cane farm and a small portion of Longreach campus.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

23. Decrease reflects the collection of proceeds from the sale of assets.
24. Increase reflects the redirection of funds from sale of assets to short term investment in accordance with operational cash requirements.
25. Increase reflects a reclassification of gain on biological assets from user charges revenue to gains on sale/revaluation of property plant and equipment.

Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

26. Decrease due to a reclassification of gain on biological assets from user charges revenue to gains on sale/revaluation of property plant and equipment and reduced student numbers.
27. The increase in grants from the 2012-13 Budget to the 2012-13 Estimated Actual is partially explained by the reimbursement for redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally.
28. Decrease due to redundancy program and vacancy management.
29. Increase in delivery costs associated with the engagement of contracted training providers.
30. Increase reflects the proceeds from the sale of Becker's cattle farm.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

31. Decrease due to a reclassification of gain on biological assets from user charges revenue to gains on sale/revaluation of property plant and equipment.
32. Decrease reflects the reimbursement of redundancy payments completed during 2012-13.
33. Decrease due to the redundancy program undertaken in 2012-13 and revised organisational structure in 2013-14.
34. Increase due to a major training product redevelopment program planned for 2013-14 and maintenance and repairs expenses associated with College infrastructure at Longreach and Emerald.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

35. Increase due to forecast increase in student numbers associated with more certainty around the AACC's future as well as the impact of the redeveloped product offering. Student numbers reflect similar enrolments to those recorded for 2011-12.
36. Decrease reflects the reimbursement of redundancy payments completed during 2012-13.
37. Increase due to a major training product redevelopment program planned for 2013-14.
38. Increase due to the collection of proceeds from the sale of Burdekin campus and cane farm and a portion of Longreach campus.
39. Increase reflects the redirection of funds from sale of assets to short term investment in accordance with operational cash requirements.

QRAA

AGENCY OVERVIEW

Strategic direction

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

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

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

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

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

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

RESOURCES AND PERFORMANCE

- During 2012-13, QRAA approved more than 6,800 applications (as at 31 March 2013) totalling over \$111 million in financial assistance across all programs. This compares with over 28,000 applications and \$285 million in 2011-12.
- Over \$54 million (as at 31 March 2013) in First Start and Sustainability Loans were approved to more than 175 Queensland primary producers, under the Queensland Government's Primary Industry Productivity Enhancement Scheme in 2012-13. This is on track to exceed the approval figure of just over \$60 million achieved in 2011-12.
- Year three of the Queensland Government Solar Hot Water Rebates Scheme saw the closure of the program with more than 2,100 applications and almost \$1.5 million in rebates approved up until 31 March 2013. This compares with over 16,000 applications, totalling more than \$11 million in 2011-12.
- During 2012-13, QRAA approved over \$54 million (as at 31 March 2013) in Natural Disaster Relief and Recovery Arrangement assistance to more than 4,500 primary producers, business owners and non-profit organisations. This compares with over 12,000 applications and approvals of just over \$212 million in 2011-12.

- QRAA secured and/or commenced administering six new programs /service arrangements, comprised of:
 - Hendra Virus Rebate Scheme;
 - Natural Disaster Relief (Non-Profit Organisations) Scheme;
 - Queensland East Coast Commercial Net Fishing Reduction Scheme ;
 - Western Basin Dredging and Disposal Project, Commercial Fisheries Compensation Program;
 - Special Disaster Assistance Scheme; and
 - Tropical Cyclone Oswald Exceptional Disaster Assistance Scheme.

In 2013-14, QRAA will continue to administer the Primary Industry Productivity Enhancement Scheme, Natural Disaster Relief and Recovery Arrangement assistance, and is also expecting to deliver a number of grant, loan, rebate and structural adjustment schemes on behalf of the Queensland Government. These include:

- Queensland Cattle Industry Biosecurity Fund
- Bovine Johne's Disease Assistance Scheme
- Stage 2 of the Queensland East Coast Commercial Net Fishing Reduction Scheme.

STATEMENTS

Staffing

QRAA	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	1	72	95	72

Notes:

1. Full-time equivalents (FTEs) as at 30 June. QRAA's 2013-14 Estimate reflects a forecast of the total number of FTEs based upon the projected business need for the financial year. The figure takes into consideration the anticipated closure of current Natural Disaster Relief and Recovery Arrangements (NDRRA) programs and the corresponding reduction in FTEs during the first and second quarters of 2013-14.

Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services have been discontinued. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at www.budget.qld.gov.au.

QRAA	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Service standards				
Maintain total loan arrears within target levels	1,2	3%	0.7%	<3%
Percentage growth of the Productivity Loan portfolio to achieve self sufficiency)	1,3	7%	12%	7%
Percentage of applications processed within agreed service delivery timeframes	1	85%	85.3%	85%

Notes:

1. These figures are as at 2 April 2013. It is expected that final actual will fluctuate to reflect the activity over the entire 2012-13 financial year.
2. This positive result reflects the underlying quality of the Loan Portfolio and the effectiveness of QRAA's lending and loan management practices.
3. As at 2 April 2013, QRAA had exceeded its progress target in the number of loans it had approved. \$54 million is already approved against a forecast of \$60 million for the 2012-13 financial year. The target estimate for 2013-14 remains the same as it was set using a five year time frame to reach self-sufficiency. 7% represents the average annual growth required to achieve self sufficiency.

INCOME STATEMENT

QRAA	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Income				
User charges		..	..	..
Grants and other contributions	1,7,11	40,408	84,673	43,518
Other revenue	2,8,12	22,068	23,771	24,100
Gains on sale/revaluation of property, plant and equipment and investments	3,13	3,100	..	2,507
Total income		65,576	108,444	70,125
Expenses				
Employee expenses	4,14	8,215	8,924	7,983
Supplies and services		3,050	2,787	3,015
Grants and subsidies	5,9,15	29,510	75,123	34,188
Depreciation and amortisation		426	326	292
Finance/borrowing costs	6,10,16	1,621	2,217	2,671
Other expenses		..	..	..
Losses on sale/revaluation of property, plant and equipment and investments	17	..	831	..
Total expenses		42,822	90,208	48,149
OPERATING SURPLUS/(DEFICIT)		22,754	18,236	21,976

STATEMENT OF CHANGES IN EQUITY

QRAA	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		22,754	18,236	21,976
Total recognised income and expense for the period		22,754	18,236	21,976
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		22,754	18,236	21,976

BALANCE SHEET

QRAA	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets	18,23,28	69,463	105,194	74,303
Receivables	19,29	46,654	42,724	46,649
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		116,117	147,918	120,952
NON-CURRENT ASSETS				
Receivables	19,24,29	387,106	378,216	416,798
Other financial assets		..	..	..
Property, plant and equipment		518	565	533
Intangibles	20,25,30	1,125	..	6,800
Other		..	..	..
Total non-current assets		388,749	378,781	424,131
TOTAL ASSETS		504,866	526,699	545,083
CURRENT LIABILITIES				
Payables		407	100	100
Accrued employee benefits	21,26,31	1,108	1,725	1,600
Interest-bearing liabilities and derivatives	22,27,32	18,737	28,967	28,542
Provisions		..	..	..
Other		..	..	..
Total current liabilities		20,252	30,792	30,242
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		400	278	278
Interest-bearing liabilities and derivatives	22,27,32	147,774	153,828	150,786
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		148,174	154,106	151,064
TOTAL LIABILITIES		168,426	184,898	181,306
NET ASSETS/(LIABILITIES)		336,440	341,801	363,777
EQUITY				
Capital/contributed equity		84,652	84,652	84,652
Accumulated surplus/(accumulated deficit)		251,788	257,149	279,125
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		336,440	341,801	363,777

CASH FLOW STATEMENT

QRAA	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		..	..	..
Grants and other contributions	33,42,49	40,408	86,683	43,518
Other	34,43	22,149	24,702	24,225
Outflows:				
Employee costs	35,50	(8,251)	(8,952)	(8,108)
Supplies and services		(2,895)	(3,084)	(3,015)
Grants and subsidies	36,44,51	(29,510)	(75,123)	(34,188)
Borrowing costs		(1,621)	(2,217)	(2,671)
Other		(200)	(931)	..
Net cash provided by/(used in) operating activities		20,080	21,078	19,761
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	52	..
Investments redeemed		..	..	..
Loans and advances redeemed	37,45,52	55,711	62,776	65,618
Outflows:				
Payments for property, plant and equipment and intangibles	38,46,53	(1,500)	(400)	(7,060)
Payments for investments		..	..	..
Loans and advances made	39,54	(88,620)	(103,225)	(105,743)
Net cash provided by/(used in) investing activities		(34,409)	(40,797)	(47,185)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	40,47,55	10,920	24,578	25,500
Equity injections		..	..	..
Outflows:				
Borrowing redemptions	48,56	(17,350)	(15,859)	(28,967)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(6,430)	8,719	(3,467)
Net increase/(decrease) in cash held		(20,759)	(11,000)	(30,891)
Cash at the beginning of financial year	41	90,222	116,194	105,194
Cash transfers from restructure		..	..	..
Cash at the end of financial year		69,463	105,194	74,303

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. The Queensland East Coast Commercial Net Fishing Reduction Scheme (QECCNFRS) commenced during 2012-13 and demand for Special Disaster Assistance (SDA) funding exceeded expectations.
2. Interest earned on loans and advances was higher than budgeted due to increased Primary Industry Productivity Enhancement Scheme (PIPES) lending.
3. The 2012-13 Budget included the anticipated write back of an impairment provision provided in the 2011-12 financial year. However, demand for Exceptional Disaster Assistance (EDA) Programs increased during 2012-13 resulting in the need to further increase the provision for impairments. Provision for impaired loans in the 2012-13 Estimated Actual is written back as revenue in the 2013-14 Estimate as a result of the Exceptional Disaster Assistance (EDA) loans' deferred interest period expiring in 2013-14.
4. An increase in the 2012-13 Estimated Actual compared to the 2012-13 Budget was due to the additional temporary staff recruited to administer SDA and NDRRA programs.
5. The increase in the 2012-13 Estimated Actual was due to higher demand for Special Disaster Assistance, Exceptional Disaster assistance and QECCNFRS.
6. The increase was a result of higher borrowings by QRAA to fund the increased demand for NDRRA loans.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

7. The QECCNFRS and Queensland Cattle Industry Biosecurity Fund commenced in the 2012-13 financial year and are expected to continue in the 2013-14 financial year.
8. Interest earned on loans and advances in the 2013-14 Estimate is expected to be higher than 2012-13 Budget due to increased PIPES and NDRRA lending.
9. An increase is due to the continuing demand for the QECCNFRS and Queensland Cattle Industry Biosecurity Fund.
10. The 2013-14 Estimate anticipates increased borrowings by QRAA to fund increased demand for NDRRA loans.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

11. SDA and NDRRA schemes relating to a number of disaster events are expected to be finalised in the 2012-13 financial year.
12. An increase in interest earned on loans and advances is expected due to the expiration of the 2 year interest free period on a number of EDA loans.
13. A provision for impaired loans is expected to be written back in 2013-14.
14. The 2013-14 Estimate reflects the departure of temporary staff recruited to administer SDA and NDRRA programs.
15. The decrease in the 2013-14 Estimate is due to the expected completion of SDA and NDRRA schemes.
16. The increase in the 2013-14 Estimate is due to QRAA's anticipated higher debt balance as a result of increased NDRRA lending in 2012-13.
17. Provision for impaired loans in the 2012-13 Estimated Actual is written back as revenue in the 2013-14 Estimate as a result of the Exceptional Disaster Assistance (EDA) loans' deferred interest period expiring in 2013-14.

Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

18. The increase in cash holdings is a result of actual opening balance for the 2012-13 financial year being higher than anticipated. In addition, client loan repayments have been higher than anticipated during 2012-13.
19. The decrease in client loan portfolio is due to higher client repayments than expected.
20. The decrease in the 2012-13 Estimated Actual resulted from delays in the acquisition of the Loans and Grants Administration System (LGAS).
21. The increase in the 2012-13 Estimated Actual is due to increased staff.
22. An increase is due to borrowings by QRAA to fund increased NDRRA lending.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

23. The increase in cash holdings is due to the anticipated increase in client loan repayments.
24. An increase in client loan portfolio is due to higher demand for NDRRA loans.
25. The increase reflects the capitalisation of the LGAS software.
26. The increase reflects an increase in staff numbers recruited to administer SDA and NDRRA programs.
27. An increase is due to higher NDRRA borrowings compared to previous year.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

28. The decrease in cash holdings is expected as a result of the repayment of borrowings by QRAA.
29. The increase in client loan portfolio balance is due to an anticipated increase in PIPES lending.
30. The increase reflects the capitalisation of the LGAS software.
31. A decrease in 2013-14 Estimate is due to the departure of temporary staff.
32. The decrease in borrowings is due to the reduction of loan principals anticipated in 2013-14.

Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

33. The Queensland East Coast Commercial Net Fishing Reduction Scheme (QECCNFRS) commenced this financial year and demand for Special Disaster Assistance (SDA) funding exceeded expectations.
34. Interest earned on loans and advances was higher than budgeted due to increased PIPES lending.
35. An increase in employee expenses was due to additional temporary staff recruited to administer NDRRA and SDA programs.
36. An increase in grants and subsidies paid to clients was due to higher demand for SDA assistance and QECCNFRS.
37. The increase in the 2012-13 Estimated Actual reflects increased client loan repayments.
38. The decrease reflects the delay in the purchase of the LGAS replacement during the 2012-13 financial year.
39. The increase is due to higher NDRRA lendings than originally anticipated.
40. An increase in borrowings is due to increased demand for NDRRA loans.
41. Opening cash balance is higher due to reduced PIPES lending and higher client loan repayments in the previous year.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

42. The QECCNFRS and Queensland Cattle Industry Biosecurity Fund commenced in the 2012-13 financial year and are expected to continue in the 2013-14 financial year.
43. An increase is due to higher interest earned on loans and advances.
44. An increase is due to the continuing demand for the QECCNFRS and Queensland Cattle Industry Biosecurity Fund.
45. An increase in client loan repayments is expected as deferred payments for Exceptional Disaster Assistance loans become due in 2013-14.
46. The increase in the 2013-14 Estimate is due to the purchase of the expected LGAS replacement equipment.
47. An increase is expected to higher NDRRA lendings.
48. The increase in loan redemptions is due to higher NDRRA borrowings compared to previous years.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

49. SDA and NDRRA schemes relating to a number of disaster events are expected to be finalised in 2012-13.
50. A decrease in employee expenses is due to the departure of temporary staff recruited to administer NDRRA programs.
51. A decrease in grants and subsidies is due to the expected finalisation of SDA and NDRRA schemes relating to disaster events.
52. An increase in client loan repayments is expected as deferred payments for Exceptional Disaster Assistance loans become due in 2013-14.
53. The increase is due to the purchase of the LGAS replacement in 2013-14.
54. An increase is due to the higher than anticipated demand for NDRRA loans.
55. An increase is due to higher than expected NDRRA lending.
56. An increase in loan redemptions due to higher than expected NDRRA borrowings compared to previous years.

GLOSSARY OF TERMS

Accrual Accounting — Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.

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

Agency/Entity — Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.

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

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

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

Capital — A term used to refer to an entity’s stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.

Cash Flow Statement — A financial statement reporting the cash inflows and outflows for an entity’s operating, investing and financing activities in a particular period.

Controlled Items — Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.

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

Equity — Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity’s accumulated surpluses/losses, capital injections and any reserves.

Equity Injection	— An increase in the investment of the Government in a public sector agency.
Financial Statements	— Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
Income Statement	— A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
Outcomes	— Whole-of-government outcomes are intended to cover all dimensions of community well being. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Own-Source Revenue	— Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
Priorities	— Key policy areas that will be the focus of Government activity.
Services	— The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.

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.

