

# ANNUAL REPORT

2017–2018



**Queensland**  
Government



# Welcome

## Welcome to the Queensland Rural and Industry Development Authority (QRIDA) Annual Report for 2017-2018.

QRIDA is a statutory authority of the Queensland Government established under the *Rural and Regional Adjustment Act 1994* (Qld) (the Act), reporting to the Minister for Agricultural Industry Development and Fisheries.

We support regional Queensland and provide specialist financial administrative services to the Queensland Government, Australian Government and state and territory governments throughout Australia.

This report highlights QRIDA's 2017-2018 achievements, performance and financial position.

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## Interpreter service statement

As a Queensland Government entity, we are committed to providing accessible services to all Queenslanders from culturally and linguistically diverse backgrounds.



If you have difficulty in understanding the Annual Report, you can contact us on Freecall 1800 623 946 and we will gladly arrange an interpreter to effectively communicate this report to you.

## Public availability and feedback

A copy of this Annual Report and a checklist outlining our completion of the annual reporting requirements can be accessed at [www.qrida.qld.gov.au/annual-report](http://www.qrida.qld.gov.au/annual-report).

For further information or to provide feedback on this report, please contact us:

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## To the Minister

28 September 2018

The Honourable Mark Furner MP  
Minister for Agricultural Industry Development and Fisheries  
PO Box 46  
Brisbane QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2017-2018 and financial statements for the Queensland Rural and Industry Development Authority.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* (Qld) and the Financial and Performance Management Standard 2009
- the detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found at page 55 of this annual report.

Yours sincerely

Wayne Carlson  
Chair of Board  
Queensland Rural and Industry Development Authority

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# Chief Executive Officer's report

The 2017-2018 financial year was one of significant growth and change. After 23 years of supporting Queensland agriculture, QRAA became the Queensland Rural and Industry Development Authority (QRIDA) on 1 July 2017.

The name change was a result of Government direction to expand our role and services and this year's activities demonstrate our staff, board and organisation has readily embraced this challenge of 'doing more' for Queensland.

This year we kept a strong focus on our clients and program owners, furthered our understanding of the market, and extended our reputation as an efficient and reliable service provider for administering loan, grant and rebate programs for Government.

Over the year we introduced a stream of new products and services to the QRIDA portfolio. Some of the notable undertakings include:

- Established the Farm Business Debt Mediation program from 1 July 2017, providing an efficient and equitable way for Queensland farmers and mortgagees to attempt to resolve matters relating to farm business debts.
- Opened the Farm Debt Restructure Office in Roma from 1 January 2018, assisting primary producers experiencing financial distress with access to independent expert financial information and analysis of their farm business.
- Launched our first consumer concessional loan administration service to support solar energy solutions for households under the Queensland Government's Affordable Energy Plan. This loan program is also unique for QRIDA in that the application process is totally online.

Over the 2017-2018 financial year, QRIDA approved a total of 3,974 applications, totalling over \$154.8 million in loans, grants and rebates. Despite the combination of drier seasonal conditions and lower commodity prices, there was steady demand for QRIDA's flagship Primary Industry Productivity Enhancement Scheme (First Start and Sustainability) programs in 2017-2018. A total of 228 new and existing primary producers were approved \$99.8 million, our second highest amount approved for these

productivity loan programs.

Demand remained strong for Farm Management Grants which are rebates to primary producers and their relatives to help offset the costs of professional advice associated with succession planning. In 2017-2018, QRIDA approved 561 applications worth \$961,309. The result is particularly pleasing when one considers the average age of the parent applicants was 63 years old and the average age of the associated relative was 42 years old, highlighting that this program is supporting important and timely succession conversations within Queensland farming families.

This year, QRIDA, in association with the Queensland Government Statistician's Office (QGSO) and with the support of all major rural lending institutions in Queensland, delivered the first Queensland Rural Debt Survey since 2011. The Queensland Rural Debt Survey plays an important role in shaping government policy and commercial product offerings available to primary production enterprises in Queensland. The Queensland Rural Debt Survey provided data on the extent, nature and size of gross rural debt in Queensland as at 31 December 2017. Additionally, the survey identified the performance, debt rating and other relevant factors and issues facing each of Queensland's agricultural industries. I wish to acknowledge the banks and rural industry allies for their assistance in producing the survey which we look forward to delivering every two years.

We would also like to recognise the support we have received over the past 12 months from our Minister, the Honourable Mark Furner MP, the Director General of the Department of Agriculture and Fisheries, Dr Elizabeth Woods, our Chair Wayne Carlson and the Board of Directors, particularly our Treasury representative, Warwick Agnew, a long-term director who completed his term during this financial year.

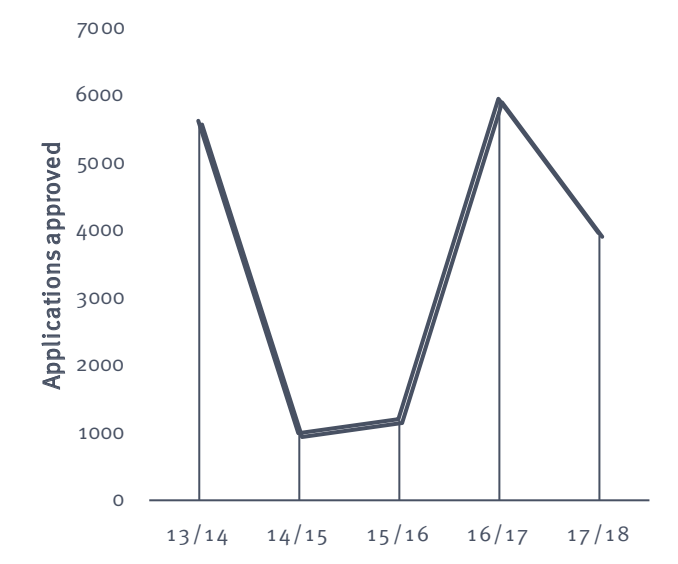
It is a tremendous result that this year of change has been met with opportunity, growth and a 'doing more' attitude within our organisation. We look forward to continuing to service rural and regional Queensland and growing as a professional service provider to assist Government in the delivery of financial assistance programs across rural and other industries.



Cameron MacMillan  
**Chief Executive Officer**

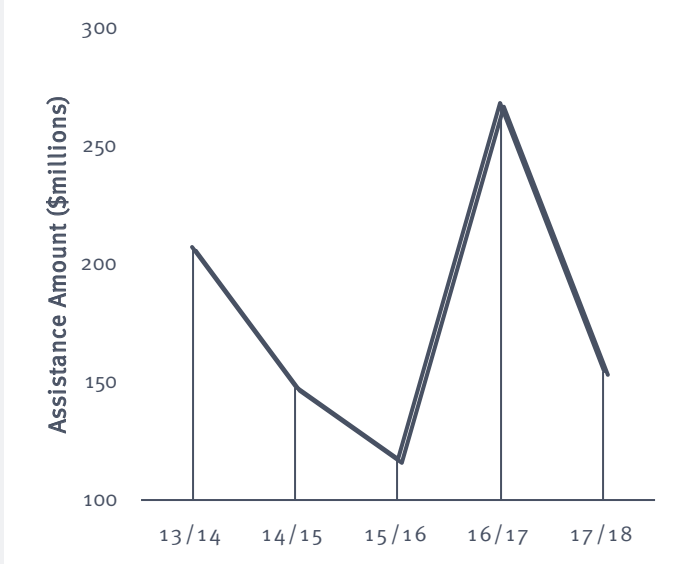
# Five year snapshot

## Applications approved



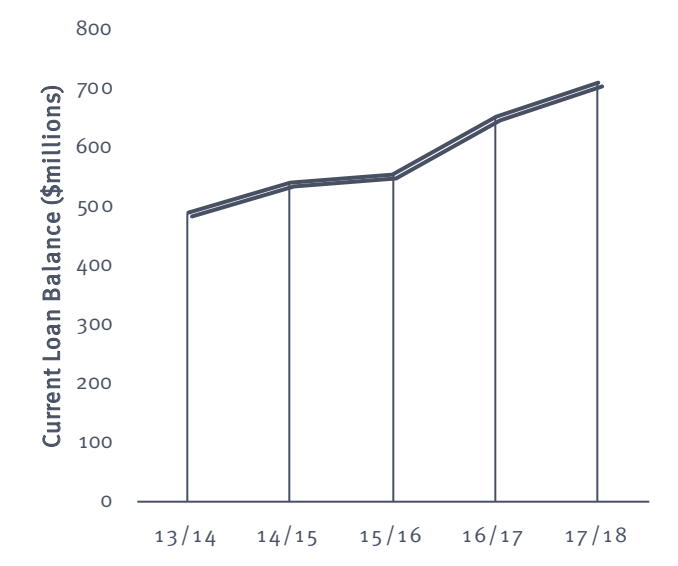
Number of loan and grant applications approved in the financial year

## Program approvals



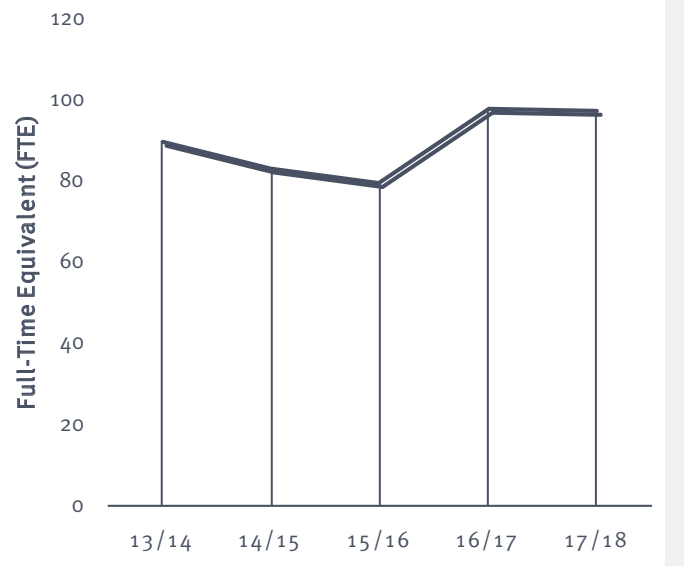
Total loan and grant assistance amount approved in the financial year

## Loan Register



Current Loan Balances (all open Loans) as at 30 June each year

## Staffing



Full-Time Equivalent of QRIDA employees as at 30 June each year

# About us

**The Queensland Rural and Industry Development Authority (QRIDA) is a specialist provider of government financial and advisory support to rural and regional Queensland.**

**For more than 23 years, we have been helping primary producers and industry recover from natural disasters, improve sustainability and profitability, make a start in business and overcome difficult conditions.**

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

## What we do

QRIDA is a specialist administrator of government financial assistance programs including loans, grants and rebates. Our responsibilities are to administer the Queensland Government's Primary Industry Productivity Enhancement Scheme (Productivity Enhancement Loans) Farm Management Grants and Interest Free Loans for Solar and Storage.

In addition, as the Queensland Government's experts in rural finance, we also administer the State Government's Farm Business Debt Mediation program, Farm Debt Restructure Office, conduct a biennial Rural Debt Survey, and undertake research to provide advice to the Minister for Agricultural Industry Development and Fisheries.

When required, QRIDA supports the delivery of Natural Disaster Relief and Recovery Assistance for primary producers, small businesses and non-profit organisations (jointly funded by the Queensland and Australian Governments).

By providing these services, we are committed to supporting the Queensland Government's objectives for the community – see page 6 for more information on how we actively contribute.

## Our values

Throughout 2017-2018, QRIDA's operations were governed by our commitment to four core values:

- dedicated to our stakeholders
- committed to excellence
- united, agile, honest and fair
- creating value for Queensland.

## Our future

Following a year of significant change, QRIDA will be looking to consolidate our strategic position as a professional administrator of loans, grants and rebates with a focus on rural and regional Queensland in 2018-2019.

This includes promoting and seeking efficiencies in the delivery of our core services and products including Productivity Enhancement Loans, the Farm Business Debt Mediation Program, the Farm Debt Restructure Office and Farm Management Grants.

With the delivery of the Queensland Rural Debt Survey in June 2018, QRIDA will continue to seek opportunities to undertake research, provide policy advice and seek to develop new products and services that meet the changing needs of Queensland's rural and regional industries.

Building on the successful implementation of the Queensland Government's Interest Free Loans for Solar and Storage, QRIDA will continue to seek new opportunities to provide specialist and professional loan and grant management services to the Queensland Government and other entities and to generate skills and revenue which guarantee our organisation's ongoing sustainability.

# How we contributed to Government objectives for the community

## Objective: creating jobs and a diverse economy

- Increasing workforce participation
- Ensuring safe, productive and fair workplaces
- Stimulating economic growth and innovation
- Delivering new infrastructure and investment

### How QRIDA contributed:

- Productivity Enhancement Loans funded the establishment and expansion of Queensland primary production enterprises, the key source of jobs and income in many regional communities.
- Delivered Farm Management Grants for farm succession planning to help facilitate generational change and productivity of Queensland primary production enterprises.

## Objective: delivering quality frontline services

- Achieving better education and training outcomes
- Strengthening our public health system
- Providing responsive and integrated government services
- Supporting disadvantaged Queenslanders

### How QRIDA contributed:

- Delivered our application processes through on-line application facilities.
- Administered the Farm Business Debt Mediation program.
- Delivered independent financial analysis to financially distressed farmers through the Farm Debt Restructure Office.
- Continued to work with the areas affected by Severe Tropical Cyclone Debbie and Central Coast Queensland Severe Weather disaster events to deliver grants and loans to impacted primary producers and small businesses.

## Objective: protecting the environment

- Protecting the Great Barrier Reef
- Conserving nature and heritage
- Ensuring sustainable management of natural resources
- Enabling responsible development

### How QRIDA contributed:

- Delivered Productivity Enhancement Loans that supported best management practice for sustainable land-use, water and energy efficiency and other initiatives.

## Objective: building safe, caring and connected communities

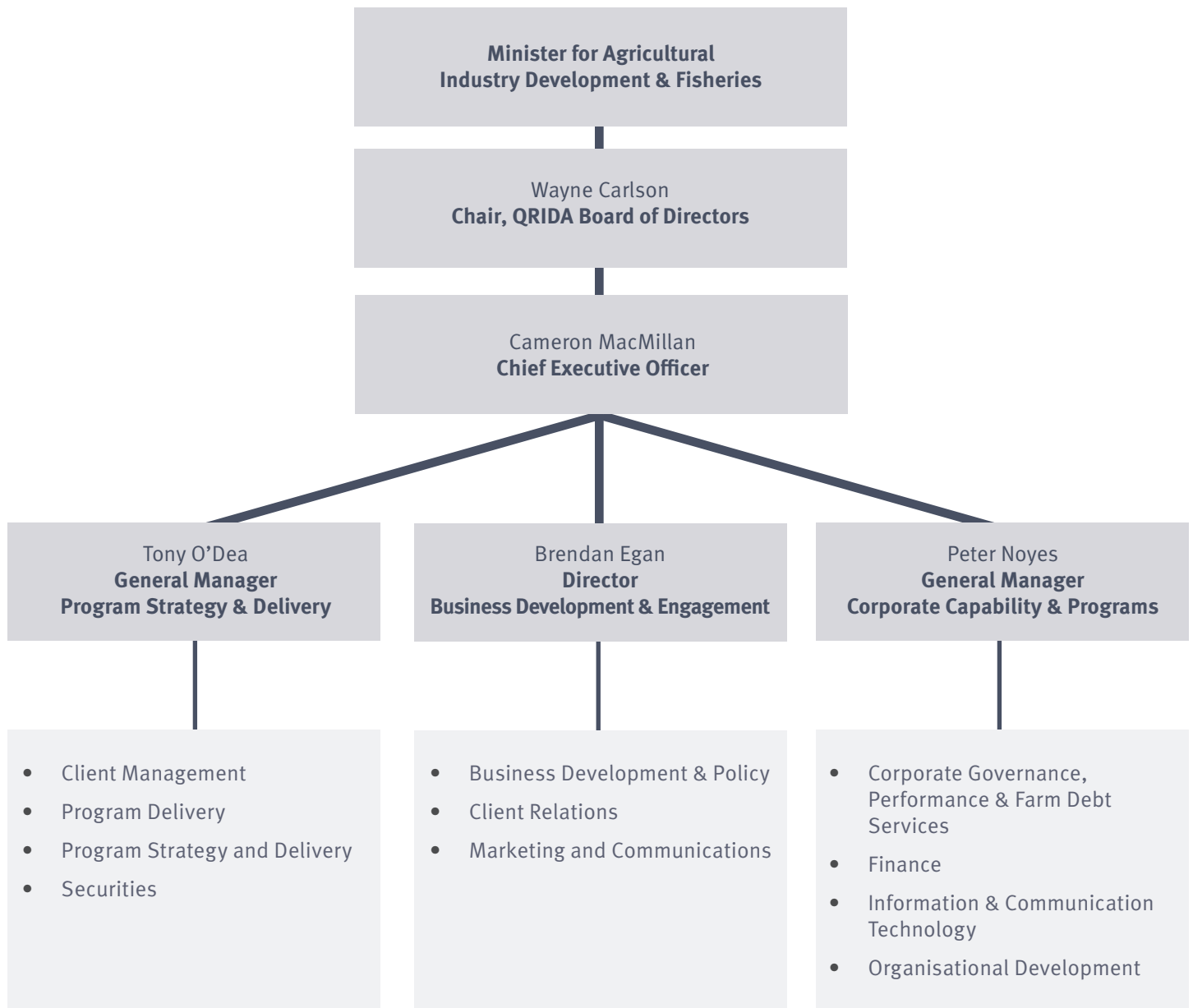
- Ensuring an accessible and effective justice system
- Providing an integrated and reliable transport network
- Encouraging safer and inclusive communities
- Building regions

### How QRIDA contributed:

- Strengthened regional economies through funding establishment, improvement and drought-support of primary producers.
- Continued in the recovery of our regions following Severe Tropical Cyclone Debbie and Central Coast flooding.



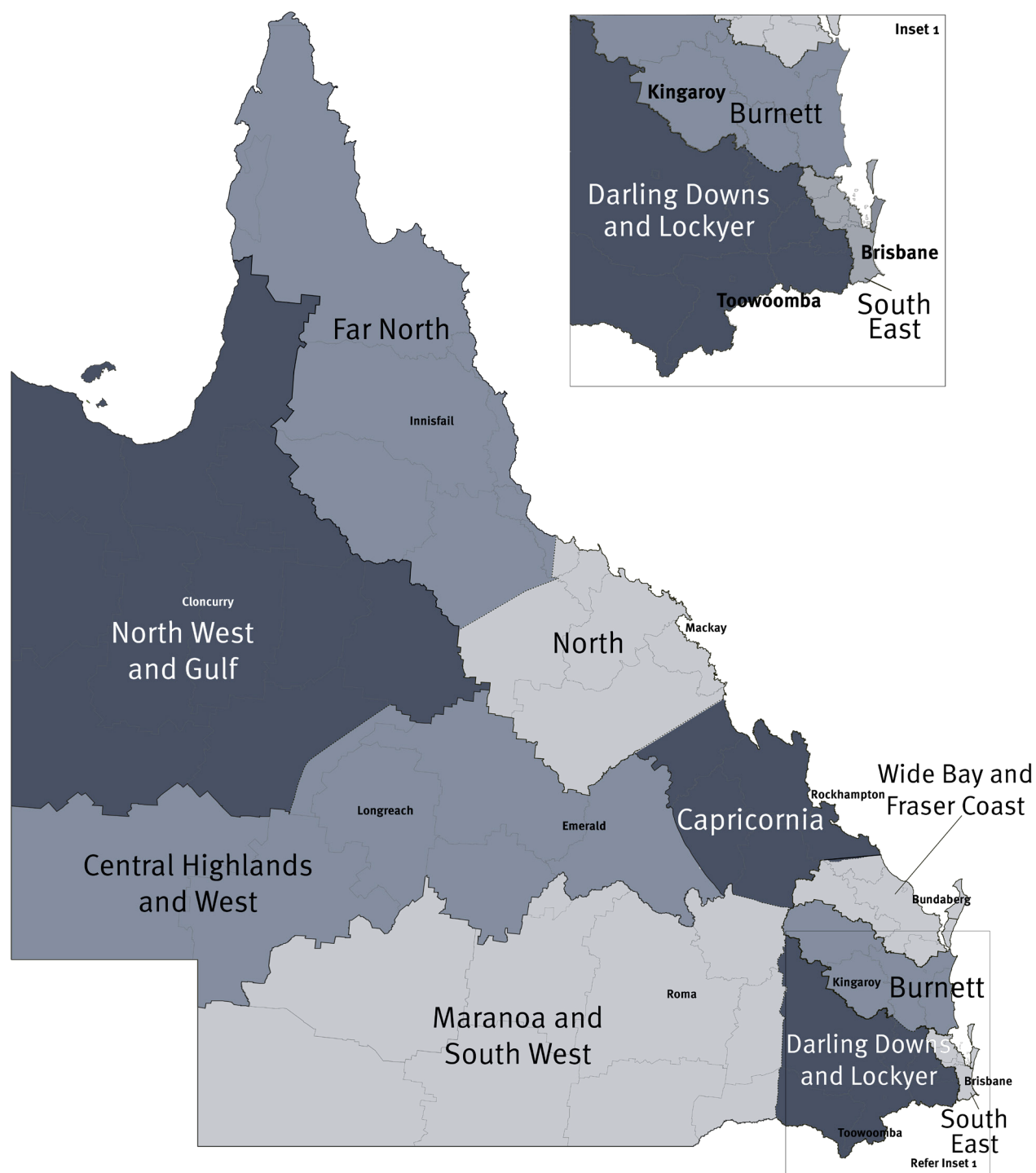
# Organisational structure



# Regional service

From our base in Brisbane, to regional offices across the state, QRIDA is committed to providing Queenslanders with accessible and supportive frontline services.

We have Regional Area Managers located in Bundaberg, Cloncurry, Emerald (with an office in Longreach), Innisfail, Kingaroy, Mackay, Rockhampton, Roma and Toowoomba. The Farm Debt Restructure Office manager is based in Roma, Assessment Officers are located in Roma and Toowoomba, and Brisbane-based staff also conduct regional outreach activities such as client visits and attendance at community support meetings.



# Corporate governance

## Board of Directors

QRIDA's Board of Directors (the Board) is responsible for the way QRIDA performs its functions and exercises its powers as established in the *Rural and Regional Adjustment Act 1994* (Qld) (the Act).

The Board consists of seven directors including representatives from Queensland industry as well as the Queensland Department of Agriculture and Fisheries (QDAF) and Queensland Treasury.

Directors are appointed for a term no longer than three years. This appointment can end at any time as directed by Governor in Council. A director is appointed on a part-time basis and is entitled to the remuneration and allowances fixed by Governor in Council.

The Board is formally accountable to the Minister for Agricultural Industry Development and Fisheries. During 2017-2018, the Board reported to the Minister on a quarterly basis.

Under the Act, the Board must meet at least once every three months. The QRIDA Board of Directors met seven times during 2017-2018. Achievements of the Board in this time include:

- contributing to the development of and approving the four-year strategic plan
- determining strategic policies to be owned and approved by the Board, and approving three policy statements
- ensuring QRIDA performed its functions properly, effectively and efficiently
- establishing the QRIDA Debt Management Committee
- completing the annual performance review of the Chief Executive Officer (CEO).

## Board committees

The Board has three sub committees that support its decision making; these are the Audit and Risk Management (A&RM) Committee, the Remuneration Committee and the Debt Management Committee (DMC).

### *Audit and Risk Management Committee*

The A&RM Committee consists of three directors with the QRIDA Chair attending as an ex-officio member. The Committee met five times during 2017-2018.

The Committee undertook independent reviews during 2017-2018 to improve QRIDA's operations and outputs and advised the QRIDA Board on:

- financial statements
- risk and fraud management
- internal controls
- performance management
- internal and external audit
- compliance
- reporting.

### *Remuneration Committee*

The Remuneration Committee includes three directors and meets on an annual basis. The primary purpose of this Committee is to review the performance and remuneration of the CEO.

### *Debt Management Committee*

The Debt Management Committee (DMC) includes the QRIDA Chair and the Director representing Queensland Treasury. QRIDA's Chief Executive Officer, General Manager Corporate Capability and Programs, and the General Manager Program Strategy and Delivery, are also members of the Committee. There are two advisors that participate in the Committee including a representative from the Queensland Treasury Corporation and the Financial Controller of QRIDA. The primary purpose of this committee is to provide debt and interest rate management oversight and governance.

## Board attendance

Position	Name	Meetings attended of eligible	Approved annual fee	Approved sub-committee fee (includes ARMC & Remuneration Committee)	Actual fees received (ex-Super)
Chair	Wayne Carlson	14/14	\$42,000	\$1,700	\$43,989.02
Director	Belinda Turner	13/14	\$12,000	\$1,700	\$13,790.54
Director	Warwick Agnew *	9/10	-	-	-
Director	Dugald Warby	12/13	\$12,000	\$1,700	\$13,790.54
Director	Elton Miller *	9/9	-	-	-
Director	Leith Bouilly	5/8	\$12,000	-	\$12,725.56
Director	Zoe Kenneally	7/8	\$12,000	-	\$12,725.56
Director	Alison Rayner *	2/3	-	-	-

Number of meetings scheduled including Sub Committee meetings: 14

Total out of pocket expenses: \$8,026.38 (this consists of mileage allowances (\$2,185.26) and accommodation and flights for the night prior to Board and Board Committee meetings (\$5,841.12).

\*No fees are paid to Queensland Government representatives

Note: Higher amounts of actual fees received versus approved annual fees were due to re-alignment of pays when transitioning to QRIDA's new payroll system.

Directors Bouilly and Kenneally also received an additional payment in the 2017-2018 financial year for back pay.

# Corporate governance (cont.)

## Measuring performance

Organisational performance goals and strategic targets are established as a result of the Board's strategic planning and budgeting processes and are subject to endorsement by the Minister.

Organisational performance is monitored and reported against strategies and performance indicators set out in QRIDA's Strategic Plan.

Refer to pages 18-19 for a summary of QRIDA's 2017-2018 performance.

## Risk management

QRIDA's risk management framework is aligned to AS/NZS/ISO 31000:2009 Risk Management Standard which provides guidance to staff to implement risk management practices and facilitate an active and high-performing risk management culture.

A risk management reference group, comprised of representatives of QRIDA's business units, assists and supports the Executive Leadership Team (ELT) and the A&RM Committee maintain an integrated risk management approach to:

- promote and further develop the risk management framework and act as risk champions to foster a culture of risk awareness and management
- review and consider the requirements and issues raised applicable to legislation, standards and guidelines
- effectively manage, monitor and review risk exposures and treatments
- promote emergency and business continuity management preparedness
- review fraud and corruption management practices and controls
- identify emerging risks and opportunities and develop appropriate action plans to manage those risks and opportunities.

Strategies that supported successful risk management in 2017-2018 included:

- management of the QRIDA strategic and operational risk register, incorporating the status of risk treatments (reviewed quarterly by ELT, A&RM Committee and the Board)
- implementation and reinforcement of the principles of QRIDA's risk management framework and risk management guidelines and tools to improve accessibility and enhance employee engagement
- utilised Program Risk Management methodology to identify, manage and report on risks to significant new project initiatives

- enhancement and annual testing of QRIDA's emergency and business continuity management preparedness.

## Internal audit

Crowe Horwath provided internal audit services during the year. This internal audit function assisted QRIDA in achieving strategic goals through reviewing internal controls and processes by providing an independent review of identified areas.

The reviews undertaken in 2017-2018 included:

- emergency and business continuity planning
- loan application, assessment and approval processes
- Farm Business Debt Mediation program.

Outcomes of these reviews highlight QRIDA's commitment to providing value for money and transparency in our decision making, while the recommendations confirm QRIDA's adoption of better practice in administration.

## External scrutiny

QRIDA complies with contractual arrangements in the delivery of schemes administered on behalf of other state, territory and Commonwealth government agencies including provisions for quality assurance of services rendered.

During 2017-2018, QRIDA was subject to external review of applications processed under the following schemes (as part of the service of agreements):

- Natural Disaster Recovery Grants administered on behalf of the Queensland Reconstruction Authority
- Farm Business Concessional Loans administered on behalf of the Australian Department of Agriculture and Water Resources.

## Ethical standards

QRIDA requires all directors, managers and employees to act with integrity and objectivity and to maintain high standards of ethical behaviour in the execution of their duties.

The QRIDA Code of Conduct requires officers to:

- act with integrity and impartiality, ensuring high standards of workplace behaviour and personal conduct
- promote the public good through excellence in customer service, community engagement and working with other agencies
- commit to the system of government through conscientious service to QRIDA and government
- act with accountability and transparency to support high standards of administration.

All new appointees to QRIDA provide a statement indicating that they have read and understood the

# Corporate governance (cont.)

QRIDA Code of Conduct. Every second year all staff acknowledge their understanding of the Code of Conduct and responsibilities as an ongoing reinforcement of ethical standards. All QRIDA policies and procedures are referenced to the Code of Conduct and are made available to staff via the QRIDA intranet. Internal communications support ongoing awareness, understanding and compliance.

To support the QRIDA Code of Conduct and to further strengthen connectivity with the *Public Sector Ethics Act 1994* (Qld), QRIDA continued to strengthen this commitment by also reviewing and enhancing policies relating to fraud and corruption practices.

## Policy framework

During 2017-2018, QRIDA continued to focus on the development and review of its corporate policies and procedures in line with a three-year cyclical work plan. This ensured ongoing connectivity with legislation and government directives, audit outcomes and best practice.

QRIDA has categorised its suite of policies, procedures and frameworks into strategic and operational streams and aligned approval processes accordingly. The Board now holds responsibility for the approval of all strategic policies with operational policies approved by the ELT.

Policies and procedures approved by the Board and ELT are made available on the QRIDA intranet and implemented with the support of education and training, monitoring and review mechanisms.

During 2017-2018, a total of six policy areas, including the corresponding policies, procedures and frameworks were developed, reviewed and approved. The Board of Directors approved three strategic policies or policy statements.

## Information systems and recordkeeping

Information systems and recordkeeping are managed in accordance with the *Public Records Act 2002* (Qld) and other key information standards, policies and guidelines that form the Queensland Government Recordkeeping Policy Framework.

During 2017-2018, key activities to support the ongoing achievement of compliance included:

- development and approval by Queensland State Archives of the QRIDA Retention and Disposal Schedule, which defines the timeframes for archiving and destruction of core business records
- further implementation of the Electronic Document Records Management System (EDRMS) for the management of corporate records
- continued on-going recordkeeping training and change

management sessions for staff readiness for the new system

- digitisation of all current loan security documentation and movement of original paper records to archive storage.

## Open data

Details of QRIDA's consultancies are published through the Queensland Government's Open Data website ([www.data.qld.gov.au](http://www.data.qld.gov.au)).

QRIDA did not engage in any overseas travel in the 2017-2018 year.

QRIDA is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. The Department of Immigration and Citizenship's National Translating and Interpreting Service was utilised in 2017-2018.

## Right to information

The *Right to Information Act 2009* (Qld) (RTI Act) is the Queensland Government's approach to providing the community with access to information controlled by the government.

QRIDA supports the principles of the RTI Act by operating in an open, transparent and accountable manner while protecting the privacy of clients and staff.

QRIDA provides access to information in accordance with the legislation, as well as publishing available information on the QRIDA website.

During 2017-2018, QRIDA received two new requests for access to information in accordance with the RTI Act. Given the nature of the information, QRIDA was not required to provide a disclosures log.

## Information privacy

The *Information Privacy Act 2009* (Qld) (IP Act) gives all members of the public a legally enforceable right to access and amend their personal information. The IP Act also requires QRIDA to safeguard the personal information it holds and only disclose such information to the individual that the information relates to, or where consent has been provided or where required and authorised under law.

During 2017-2018, there were no requests for personal information in accordance with the IP Act.

## Corporate governance (cont.)

### Work health and safety

QRIDA is committed to providing a work environment that is conducive to protecting the health, safety and well-being of QRIDA workers and visitors to the workplace. QRIDA is bound by the *Work Health and Safety Act 2011* (Qld) (WHS Act), *Work Health and Safety Regulation 2011* (Qld) and relevant codes of practice.

In applying due diligence in compliance with the Act, QRIDA conducts quarterly Health and Safety Committee meetings. Outcomes from the committee meetings, include updating procedures and forms, as well as the procurement of necessary equipment that supports the safe workplace environment.

In 2017-2018, QRIDA continued to inform new employees about the WHS Act and QRIDA Work Health and Safety Policies and Procedures through induction programs.

QRIDA's Organisational Development unit has an active workplace rehabilitation and return to work system that assists injured or ill employees to return to work in mutually beneficial arrangements. In 2017-2018 QRIDA's rehabilitation caseload remained at traditionally low levels with no significant expense or lost cases under management.

Influenza vaccinations were again offered to all staff prior to the onset of winter, with 57 staff members participating in the program.

## QRIDA workforce profile

QRIDA staff provide a strong foundation for the effective administration of assistance programs.

QRIDA's staffing levels and resources are highly flexible and are maintained at optimal levels, appropriate to business need.

As at 30 June 2018, QRIDA employed 97.72 full-time equivalent (FTE) staff, a minor change from the 2017-2018 adjusted budget of 96 FTE staff. A comparative breakdown of staff numbers is shown below.

The permanent officer separation rate for this period was 5.55 per cent. The permanent officer retention rate was 94.45 per cent. Separation is 'permanent resignations' divided by 108.

### QRIDA employees by employment type (as at 30 June 2018)

	2017-18	2016-17	Movement
Permanent	76.72	72.35	↑
Temporary	21	24.33	↓
Casual	0	1	↓
Total (FTE)	97.72	97.68	↑

### QRIDA employees (as at 30 June 2018)

	2017-18	2016-17	Movement
Management (Ao7 and above)	16	16	-
Professional (Ao5/6)	49.86	51.38	↓
Administrative (to Ao4)	31.86	30.3	↑
Total (FTE)	97.72	97.68	↑

### Engagement

Every year, QRIDA conducts an employee engagement survey conducted by an independent specialist survey provider. The results of the surveys inform and guide our employee engagement action plans across QRIDA. In the 2018 engagement survey we achieved an overall engagement rate of 83.8 per cent, exceeding the target of 80 per cent.

### Recruitment

Minimal permanent officer turnover occurred. External recruitment activity in 2017-2018 related to the customary turnover of staff and for temporary projects or business development purposes.

The voluntary turnover rate for this period was 9.59 per cent. This is an excellent result in the context of a year which has included considerable organisational change and program delivery. This turnover rate demonstrates a positive impact from QRIDA's employee retention and engagement strategies, enabling us to retain talent and intellectual property.



## QRIDA workforce profile (cont.)

### Early Retirement, Redundancy and Retrenchment

No redundancy, retrenchment or early retirement packages were paid during this period.

### Professional development

QRIDA is committed to managing employee performance and conduct as well as developing our employees' capabilities. QRIDA's performance and development process commences in July each year.

During 2017-2018 QRIDA continued to utilise a best practice performance management system which captures and measures the outcomes of both formal and informal performance conversations. This contemporary online performance approach focuses on achieving deliverables against key performance indicators and behavioural competencies, as well as matching employee training and development to business requirements and QRIDA's strategic direction. The introduction of the system, together with tailored performance management training has provided a strong foundation for QRIDA's performance culture into the future.

In 2017-2018, many staff undertook skill development programs related to their field of expertise via tailored training courses, online programs, and external tertiary studies. QRIDA also recognises the importance of on-job learning and has continued to support and encourage staff rotations, relief arrangements and secondment opportunities.

Throughout the year, QRIDA continued to develop and grow a concept called 'Learning Journeys' in which staff from all areas of the business receive direct exposure to our clients and allies. A number of visits were conducted to client farms and businesses thus giving QRIDA staff a first-hand understanding of the key issues impacting our clients.

### Industrial and employee relations

QRIDA's consultative employee relations framework continued to provide a mechanism to successfully address any employee concerns relating to organisational change or business process improvement. No formal concerns or grievances were received during the year.

### Agile, flexible and healthy workforce

QRIDA values its staff and strives to support quality work-life balance, with a suite of available options for staff to alter their working arrangements while maintaining a high level of service.

Formal flexible working arrangements, including working from home, part-time, job share and transition to retirement strategies, have been successfully embedded into QRIDA's employee relations model. The majority of QRIDA staff also access informal flexible working arrangements including compressed working weeks and flexitime arrangements.

QRIDA's 83.8 per cent staff satisfaction score is considered to be a strong indicator of the effectiveness of QRIDA's workforce flexibility and wellness programs.

### Strategic workforce plan

QRIDA's current three-year Workforce Plan has concluded. The current plan provided a pathway to assist QRIDA achieve a flexible and agile workforce that can meet current and future work demands with regards to program management and QRIDA's changing operational environment.

A new Workforce Plan is due to be developed during 2018-2019.

### Innovation

In 2017-2018 QRIDA pursued a variety of strategies to further embed innovation permanently into the values and culture of the organisation. This included wide-ranging employee consultation and specific mechanisms to capture and evaluate innovation ideas. More than 50 individual ideas have been tabled and evaluated. In 2018-2019 the strategies and mechanisms will be reviewed to ensure QRIDA remains an innovation-based organisation.

### Looking ahead

QRIDA is increasingly focussing on organisational improvement activities and initiatives, as well as continuing to review employment arrangements, capability strategies, workforce planning initiatives, succession strategies and staff engagement. Together these strategies will continue to ensure appropriate human resource capability is in place to meet workloads associated with existing programs, new functions, emerging business opportunities and future natural disaster events.

# Loans and grants

Program owner	Program	Purpose of program/service
<b>Productivity Enhancement</b>		
Queensland Government	First Start 2010*	Provide loans at concessional rates of interest to an applicant in the first years of establishment of a primary production enterprise in Queensland.
	Sustainability 2010*	Provide concessional loans to primary producers to implement systems and management practices that enhance sustainable primary production in Queensland.
<b>Natural disaster</b>		
Australian and Queensland Governments ( <i>Natural Disaster Relief and Recovery Arrangements</i> )	Natural Disaster Assistance Scheme Individually Disaster Stricken Properties	Assist in meeting the recovery needs of primary producers affected by isolated disaster events outside of declared local government areas.
	Natural Disaster Assistance Scheme Tropical Cyclone Debbie	Assist primary producers, small businesses and non-profit organisations pay for costs arising out of direct damage.
	Special Disaster Assistance Scheme Tropical Cyclone Debbie	Assist primary producers, small businesses and non-profit organisations pay for costs arising out of direct damage.
	Natural Disaster Assistance Scheme Central Coast Queensland Severe Weather	Assist primary producers pay for costs arising out of direct damage.
	Natural Disaster Recovery Grants Scheme Central Coast Queensland Severe Weather	Assist primary producers pay for costs arising out of direct damage.
<b>Drought and drought recovery</b>		
Australian Government	2015-16 Drought Concessional Loan Scheme (Queensland)	Assist Queensland farm businesses that are experiencing a significant financial impact as a result of the effects of drought.
	2015-16 Drought Recovery Concessional Loan Scheme (Queensland)	Assist drought affected farm businesses in need of financial assistance, including those affected by the mid-2011 imposed disruption to live cattle exports.
	2016-17 Drought Assistance Concessional Loan Scheme (Queensland)	Assist drought affected farm businesses in need of financial assistance
	2017-18 Drought Assistance Concessional Loan Scheme (Queensland)	Assist drought affected farm businesses in need of financial assistance
	2017-18 Drought Assistance Concessional Loan Scheme (Northern Territory) ^	Assist drought affected farm businesses in need of financial assistance
	2017-18 Business Improvement Concessional Loan Scheme (Queensland)	Assist drought affected farm businesses in need of financial assistance
	2017-18 Business Improvement Concessional Loan Scheme (Northern Territory) ^	Assist drought affected farm businesses in need of financial assistance
<b>Adjustment</b>		
Queensland Government	Fisheries Compensation 2015	Provide financial assistance to the commercial fishers most affected by the introduction of the net-free fishing zones
	Net-Free Fishing Zones - Settlement Scheme 2015	Provides payments to assist commercial fishers in transitioning their business following the establishment of the net-free fishing zones
	2016 Net Fishing Buyback Scheme	Licence buyback to reduce the potential for commercial net fishing to increase in other areas and fisheries following the establishment of the net-free fishing zones in Cairns, Mackay and Rockhampton.
<b>Other</b>		
Queensland Government	Queensland Government Hendra Virus Personal Protective Equipment Rebate Scheme	Assist in offsetting the purchase price of prescribed personal protective equipment (PPE) for eligible veterinary surgeons who may be at significant risk of being exposed to the Hendra virus
	Translink Transitional Assistance Payments Scheme	This component of the Industry Adjustment Assistance Package assists the Queensland Taxi and limousine industries transition to a new regulatory framework by providing payments to help eligible licence holders adjust to the changes.
	Translink Industry Hardship Assistance Scheme	This component of the Industry Adjustment Assistance Package assists the Queensland Taxi and limousine industries transition to a new regulatory framework by providing payments to eligible licence holders and operators experiencing hardship as a result of the changes.
	Farm Management Grants Scheme	Assist primary producers or interested persons who have received eligible professional advice from a suitable qualified adviser by providing rebates of up to 50 per cent of the amount paid.
	Interest Free Loans for Solar and Storage	Interest-free loans for solar systems and battery storage as part of the Affordable Energy Plan. The program will help Queensland households and small businesses purchase these systems.

\* 2016-17 figures have been amended to reflect cancellations and adjustments that occurred during 2017-18.

^ Program was open for applications in 2017-18 but none were received.

Figures are accurate as at 30 June 2018.



Support available	Application approvals				
	2016-17 (#)	2017-18(#)	2016-17 (\$)	2017-18 (\$)	Variance (\$)
Maximum loan amount of \$2,000,000	106	110	\$63,112,585	\$59,279,710	Down
Maximum loan amount of \$1,300,000	151	118	\$53,319,052	\$40,552,967	Down
Loan up to \$250,000 for primary producers	-	1	-	\$100,000	Up
Loan up to \$250,000 for primary producers and small businesses and a loan/grant package of up to \$105,000 for non-profit organisations	15	19	\$1,025,285	\$2,398,424	Up
Grants up to \$25,000 for primary producers, small businesses and non-profit organisations	881	1983	\$5,190,632	\$19,804,831	Closed
Loan up to \$250,000 for primary producers	-	8	-	\$1,478,917	New
Grants up to \$25,000 for primary producers	-	341	-	\$2,597,554	New
Loan up to 50% of eligible debt to a maximum of \$1,000,000	30	-	\$20,599,495	\$-	Closed
Loan up to 50% of eligible debt to a maximum of \$1,000,000	29	-	\$11,358,250	\$-	Closed
Loan up to 50% of eligible debt to a maximum of \$1,000,000	55	10	\$33,106,818	\$6,075,110	Closed
Loan up to 50% of eligible debt to a maximum of \$1,000,000	-	24	\$-	\$11,719,979	New
Loan up to 50% of eligible debt to a maximum of \$1,000,000	-	0	\$-	\$-	New
Loan up to 50% of eligible debt to a maximum of \$1,000,000	-	5	\$-	\$2,032,900	New
Loan up to 50% of eligible debt to a maximum of \$1,000,000	-	0	\$-	\$-	New
Payment of prescribed amounts to commercial fishers impacted by the prohibition of net-fishing in the net-free zones.	-	2	\$-	\$89,868	Closed
Payment is a prescribed amount per net-free zone, multiplied by the fishing effort of the eligible licence holder in the net-free zone.	1	-	\$100,000	\$-	Closed
Payment of prescribed amounts for the surrender of relevant licences and fishery symbols.	19	-	\$2,614,000	\$-	Closed
a) Rebate of \$250 for each eligible veterinary surgeon employed in a veterinary practice for the initial purchase of prescribed PPE; and b) Rebate of \$250 for the purchase of prescribed PPE payable after an approved test of a suspected Hendra virus infection sample has been completed	13	-	\$17,904	\$-	Closed
Payments to eligible licence holders as follows; \$20,000 per taxi service licence (capped at 2 per licence holder); \$10,000 per limousine service licence (other than special purpose limousines with no licence cap).	2480	3	\$59,730,000	\$50,000	Closed
Amounts of assistance under the scheme are: \$9,000 for a taxi service licence; and \$4,500 for a limousine service licence.	2125	775	\$19,176,750	\$7,598,250	Closed
Rebate of 50 per cent of the amount paid for the advice, up to a maximum of \$2,500 for each official receipt and up to a maximum total amount of \$2,500 per financial year.	46	561	\$83,457	\$961,309	Up
Will help 5,000 customers, with around 3,500 solar assistance packages and 1,500 battery assistance packages being made available.	-	14	\$-	\$62,969	New

# Farm Debt Services

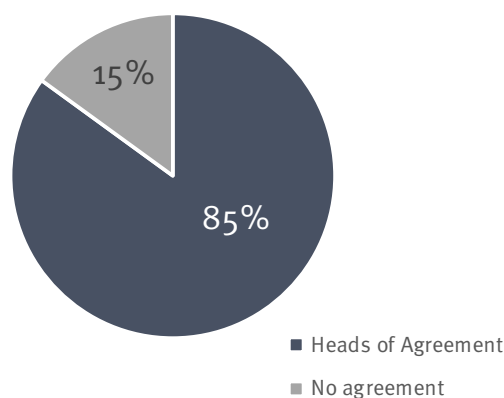
The *Farm Business Debt Mediation Act 2017* (Qld) came into effect on 1 July 2017 which introduced the Farm Business Debt Mediation program that QRIDA is administering. Two further programs, the Farm Debt Restructure Office and responsibility for the biennial Rural Debt Surveys were introduced through the *Rural and Regional Adjustment Act 1994* (Qld). The Farm Business Debt Mediation and Farm Debt Restructure Office programs are supported by a dedicated Farm Debt Services team that operate under the Corporate Governance and Performance Business unit.

The following outline the broad purpose of the respective programs:

## Farm Business Debt Mediation Program

The Farm Business Debt Mediation Program replaced the voluntary mediation scheme from 1 July 2017. The purpose of the program is to provide an efficient and equitable way for farmers and mortgagees to attempt to resolve matters relating to farm business debts. As at 30 June 2018, 72 mediation matters had commenced, with 45 in progress. QRIDA has accredited a panel of 41 mediators the farmer and lender can agree to engage with to conduct the mediation.

### Outcome of mediation meetings



## Farm Debt Restructure Office

The Farm Debt Restructure Office, which commenced on 1 January 2018, assists primary producers experiencing financial distress with independent expert financial information and analysis on debt restructure options. As at 30 June 2018, seven applications for Farm Business Analysis Assistance had been received with four reports delivered to primary producers.

## The Queensland Rural Debt Survey

The Queensland Rural Debt Survey provides a comprehensive report that details the value and rating of rural debt and number of borrowers by industry and region across Queensland. QRIDA undertook the 2017 survey as at 31 December 2017 in collaboration with the Queensland Government Statistician’s Office (QGSO) and with the support of all major rural lending institutions and agriculture industry organisations. The 2017 survey report was tabled by the Minister for Agricultural Industry Development and Fisheries, the Honourable Mark Furner MP on 25 July 2018. The survey found total rural debt in Queensland as at 31 December 2017 was \$17.24 billion, up 1.57 per cent from the previous survey in 2011. There were 18,335 borrowers with an average debt of \$0.94 million. The level of viable ‘A’ rated debt increased by 18 per cent since 2011.

# Advisory Services

QRIDA's Business Development and Policy (BDP) team provides a range of advisory services as part of its business development, policy, and program establishment activities. The following is an overview of achievements for the 2017-2018 period.

## Business Development

BDP secured seven new fee-for-service programs which generated revenue of \$0.39 million for QRIDA in 2017-2018. A pro-active business development approach and increased profile within government has attributed to this result.

The team was also successful in securing a place on the Queensland Government Standing Offer Arrangement for the Professional Services Panel to provide financial assessment services and business case reviews to agencies. It is envisaged that this appointment will draw additional fee-for-service arrangements for 2018-2019.

## Policy

Increased policy services have been implemented through the *Rural and Regional Adjustment Act 1994* (Qld), which expanded QRIDA's capability to undertake research to develop policies, initiatives and advice for government. Over the 2017-2018 period, BDP provided policy advice and analysis for a range of projects including the Farm Debt Restructure Office, Rural Economic Development Grants and the Queensland Rural Debt Survey.

## Advisory

BDP provided advisory services on community grant programs for four Local Government Authorities in 2017-2018. Those Authorities who have received the service have indicated that they will implement at least one of the recommendations from the service, supporting better-practice aligned grant making capability across Queensland.

## Program Establishment

QRIDA provides advisory services as part of its program design and establishment activities including financial administration and fit for purpose schemes.

The services provided by BDP were positively received by all program owners. The 2017-2018 program owner survey results indicated a 100% rate of satisfaction with QRIDA services, 90% of which were 'very satisfied'.

For 2018-2019, QRIDA will seek to be the go-to agency to provide policy advice and financial assistance program administration solutions to Queensland Government.

# Organisational performance summary

Our priorities	Our objectives	Performance indicators
<b>Rural and regional communities</b>	Support rural and regional Communities	Percentage of applications processed within agreed service delivery timeframes and within budget
		Percentage of applications for a FBDM certificate reaching a decision within legislated timeframes
		Percentage of original FBDM decisions made by QRIDA that are upheld in the review process
		Net number of successful PIPES applications
		Percentage of successful PIPES applications that are for First Start Loans
		Approval percentage for PIPES applications
		Percentage of successful PIPES applications that are for clients new to the PIPES Program
<b>Sustainability</b>	A viable and sustainable business long-term	Net value of successful PIPES applications
		Maintain total loan arrears within budget levels
		Revenue administration*
		Net operating margin administration*
		Average number of loans per permanent FTE in program service delivery
		Number of programs administered
		Number of new programs
<b>Innovation</b>	Enhance our operations and client experience	Percentage of applications received on-line for available programs
		Implemented innovation program measures that either save costs or improve service delivery
<b>People</b>	“People centred” operations and services	Percentage of overall satisfaction within the staff engagement survey
		Percentage of overall satisfaction within the client satisfaction survey
		Percentage of overall satisfaction within the program owner satisfaction survey
<b>New business</b>	Reach more varied communities and audience	Number of departments or agencies using QRIDA's services
		Programs delivered to non primary production industries

✓ ACHIEVED ✗ NOT ACHIEVED

Target	Result		Commentary	2018-2019 Target
85%	99%	✓	QRIDA's high service standards were again strengthened this year with target service delivery timeframes well exceeded	85%
100%	100%	✓	Target was achieved	100%
80%	100%	✓	Target was exceeded	80%
300	228	✗	Subdued demand in 2017-2018 due to prolonged drought and market conditions across Queensland	230
40%	48%	✓	Result achieved due to strong organisational focus on farm succession and First Start applicants	60%
70%	69%	✗	Result was in line with expectations	70%
70%	71%	✓	Result achieved in line with historical trends	70%
\$120 million	\$99.8 million	✗	Subdued demand in 2017-2018 due to prolonged drought and market conditions across Queensland	\$100 million
<1.5%	0.30%	✓	The achievement of 0.30% loan arrears is well within the target of less than 1.5% arrears	<1.5%
\$16,435,327	\$14,764,474	✗	Due to lower activity from Commonwealth loans, new business being lower than anticipated and delays in the commencement of energy schemes the revenue target was not achieved.*	\$19,247,884
-\$1,192,702	-\$480,940	✓	Due to lower than anticipated expenditure, a reduced administration deficit was incurred. The lower than anticipated expenditure is primarily due to delays in engagement of staff due to later than expected commencement of assistance programs.*	-\$1,504,324
60	60.5	✓	Result was in line with expectations	60
8	14	✓	Result achieved	8
4	7	✓	QRIDA secured 7 new fee for service arrangements this year, generating revenues of \$0.39 million for 2017-2018	4
50%	30%	✗	QRIDA is progressively introducing its clients to online application processes	50%
4	4	✓	Result achieved	4
80%	84%	✓	The Staff Engagement Survey was conducted in June 2018 Targets were exceeded	80%
80%	-	NA	Client Satisfaction Survey will be performed in 2018-2019	80%
80%	100%	✓	The Program Owner Satisfaction Survey was conducted in June 2018. Targets were exceeded	80%
5	7	✓	Result achieved	5
3	3	✓	Result achieved	3

\* Section 24 of the *Rural and Regional Adjustment Act 1994* (Qld) requires QRIDA to submit an administration budget to the Minister each year, which forms a component of the consolidated financial statements.

# Queensland Rural and Industry Development Authority

## Financial Statements

for the year ended 30 June 2018

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For information in relation to QRIDA's financial statements please call 07 3032 0100, email [contact\\_us@qrida.qld.gov.au](mailto:contact_us@qrida.qld.gov.au) or visit [www.qrida.qld.gov.au](http://www.qrida.qld.gov.au).

# Queensland Rural and Industry Development Authority

## Statement of Comprehensive Income

for the year ended 30 June 2018

		2018 Actual	2018 Original Budget	Budget Variance*	2017 Actual
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Income from Continuing Operations</b>					
Grants	3	54,045	26,528	27,517	102,948
Fees	4	1,712	3,417	(1,705)	2,746
Interest	5	37,340	37,387	(47)	35,968
Bad debt recovery		-	-	-	696
Other revenue	7	-	-	7	8
<b>Total Revenue</b>		<b>93,105</b>	<b>67,332</b>	<b>25,772</b>	<b>142,366</b>
Gain on borrowings received at greater than fair value	13.1, 14.1	669	325	344	1,187
Gain on impairment reversal	10.3	-	-	-	877
Gain on disposal of plant and equipment		108	80	28	272
<b>Total Income from Continuing Operations</b>		<b>93,882</b>	<b>67,737</b>	<b>26,144</b>	<b>144,702</b>
<b>Expenses from Continuing Operations</b>					
Employee expenses	6	10,583	12,089	(1,506)	9,930
Supplies and services	7	4,578	5,444	(866)	5,355
Grants and subsidies		32,485	18,900	13,585	86,418
Depreciation and amortisation	11,12	108	95	13	217
Loss on loans issued at greater than fair value	10.4	22,206	21,279	927	17,608
Impairment losses		717	1,631	(914)	-
Finance/borrowing costs	8	18,454	13,163	5,291	11,729
<b>Total Expenses from Continuing Operations</b>		<b>89,133</b>	<b>72,601</b>	<b>16,530</b>	<b>131,257</b>
<b>Operating Result from Continuing Operations</b>		<b>4,750</b>	<b>(4,864)</b>	<b>9,614</b>	<b>13,445</b>
<b>Operating Result for the Year</b>		<b>4,750</b>	<b>(4,864)</b>	<b>9,614</b>	<b>13,445</b>
<b>Total Comprehensive Income</b>		<b>4,750</b>	<b>(4,864)</b>	<b>9,614</b>	<b>13,445</b>

The accompanying notes form part of these statements.

\*An explanation of major variances is included at Note 21

# Queensland Rural and Industry Development Authority

## Statement of Financial Position

as at 30 June 2018

	Notes	2018 Actual \$'000	2018 Original Budget \$'000	Budget Variance * \$'000	2017 Actual \$'000
<b>Current Assets</b>					
Cash and cash equivalents	9	141,399	109,675	31,724	123,552
Loans and advances	10	53,304	77,337	(24,033)	42,208
Receivables		783	110	673	5,955
<b>Total Current Assets</b>		<b>195,486</b>	<b>187,122</b>	<b>8,364</b>	<b>171,715</b>
<b>Non-Current Assets</b>					
Loans and advances	10	448,248	441,608	6,640	431,333
Property, plant and equipment	11	431	314	117	455
Intangible Assets	12	1,286	-	1,286	-
<b>Total Non-Current Assets</b>		<b>449,965</b>	<b>441,922</b>	<b>8,043</b>	<b>431,788</b>
<b>Total Assets</b>		<b>645,451</b>	<b>629,044</b>	<b>16,407</b>	<b>603,503</b>
<b>Current Liabilities</b>					
Payables		493	185	308	346
Unearned Revenue		11,650	5,834	5,816	7,855
Interest-bearing borrowings	13	31,779	27,160	4,619	19,403
Non-interest-bearing borrowings	14	4,916	7,495	(2,579)	5,206
Accrued employee benefits		2,648	2,217	431	2,668
<b>Total Current Liabilities</b>		<b>51,487</b>	<b>42,892</b>	<b>8,595</b>	<b>35,478</b>
<b>Non-Current Liabilities</b>					
Interest-bearing borrowings	13	220,805	224,107	(3,302)	197,177
Non-interest-bearing borrowings	14	15,331	30,149	(14,818)	17,647
Accrued employee benefits		117	202	(85)	141
Lease incentive		183	233	(50)	283
Provisions		-	299	(299)	-
<b>Total Non-Current Liabilities</b>		<b>236,437</b>	<b>254,990</b>	<b>(18,554)</b>	<b>215,248</b>
<b>Total Liabilities</b>		<b>287,924</b>	<b>297,882</b>	<b>(9,959)</b>	<b>250,726</b>
<b>Net Assets</b>		<b>357,527</b>	<b>331,162</b>	<b>26,366</b>	<b>352,777</b>
<b>Equity</b>					
Contributed equity		137,652	137,652	-	137,652
Accumulated surplus		219,875	193,510	26,366	215,125
<b>Total Equity</b>		<b>357,527</b>	<b>331,162</b>	<b>26,366</b>	<b>352,777</b>

The accompanying notes form part of these statements.

\* An explanation of major variances is included at Note 21



# Queensland Rural and Industry Development Authority

## Statement of Changes in Equity

for the year ended 30 June 2018

	Accumulated Surplus	Contributed Equity	Total
	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2016</b>	201,680	137,652	339,332
Operating result for the year	13,445	-	13,445
Total Comprehensive Income for the year	13,445	-	13,445
<b>Balance as at 30 June 2017</b>	<b>215,125</b>	<b>137,652</b>	<b>352,777</b>
<b>Balance as at 1 July 2017</b>	215,125	137,652	352,777
Operating result for the year	4,750	-	4,750
Total Comprehensive Income for the year	4,750	-	4,750
<b>Balance as at 30 June 2018</b>	<b>219,875</b>	<b>137,652</b>	<b>357,527</b>

*The accompanying notes form part of these statements.*

# Queensland Rural and Industry Development Authority

## Statement of Cash Flows

for the year ended 30 June 2018

	Notes	2018 Actual \$'000	2018 Original Budget \$'000	Budget Variance* \$'000	2017 Actual \$'000
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
Grants		58,747	26,528	32,219	97,969
Fees		5,997	1,912	4,085	3,057
Interest received		22,744	24,722	(1,978)	22,628
GST input tax credits from ATO		137	-	137	306
GST collected from customers		142	-	142	60
Other		7	-	7	704
<i>Outflows:</i>					
Employee expenses		(10,678)	(12,089)	1,411	(9,509)
Supplies and services		(4,571)	(5,494)	923	(5,289)
Grants and subsidies		(32,485)	(18,900)	(13,585)	(86,418)
Finance/borrowing costs		(5,714)	(6,301)	587	(4,955)
GST paid to suppliers		(142)	-	(142)	(275)
GST remitted to ATO		(134)	-	(134)	(135)
<b>Net cash provided by operating activities</b>	CF-1	<b>34,050</b>	<b>10,378</b>	<b>23,672</b>	<b>18,144</b>
<b>Cash flows from investing activities</b>					
<i>Inflows:</i>					
Sales of property, plant and equipment		109	80	29	200
Loans and advances redeemed		70,551	58,918	11,633	86,213
<i>Outflows:</i>					
Payments for property, plant and equipment		(66)	-	(66)	(151)
Payments for intangible assets		(1,193)	-	(1,193)	-
Loans and advances made		(106,930)	(105,500)	(1,430)	(116,899)
<b>Net cash provided by investing activities</b>		<b>(37,530)</b>	<b>(46,502)</b>	<b>8,973</b>	<b>(30,637)</b>
<b>Cash flows from financing activities</b>					
<i>Inflows:</i>					
Interest-bearing and non-interest-bearing-borrowings	CF-2	52,080	47,500	4,580	45,445
<i>Outflows:</i>					
Interest-bearing and non-interest-bearing borrowing redemptions	CF-2	(30,753)	(22,614)	(8,139)	(46,743)
<b>Net cash used in financing activities</b>		<b>21,327</b>	<b>24,886</b>	<b>(3,559)</b>	<b>(1,298)</b>
Net increase (decrease) in cash and cash equivalents		17,847	(11,237)	29,084	(13,790)
<b>Cash and cash equivalents at beginning of financial year</b>		<b>123,552</b>	<b>120,912</b>	<b>2,640</b>	<b>137,343</b>
<b>Cash and cash equivalents at end of financial year</b>	9	<b>141,399</b>	<b>109,675</b>	<b>31,724</b>	<b>123,552</b>

The accompanying notes form part of these statements.

\*An explanation of major variances is included at Note 21.

# Queensland Rural and Industry Development Authority

## Statement of Cash Flows

for the year ended 30 June 2018

### NOTES TO THE STATEMENT OF CASH FLOW

#### CF-1 Reconciliation of Operating Result to Net Cash Provided by Operating Activities

	2018 \$'000	2017 \$'000
Operating surplus/(deficit)	4,750	13,445
<i>Non-Cash items included in operating result:</i>		
Depreciation and amortisation expense	108	217
Gain on disposal of Motor Vehicles	(108)	(272)
Gain on impairment reversal	-	(877)
Impairment losses	717	-
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in accrued interest income	(53)	-
(Increase)/decrease in unamortised discount on borrowings received at greater than fair value	12,073	5,588
(Increase)/decrease in GST input tax credits receivable	3	(20)
(Increase)/decrease in other receivables	5,168	(5,905)
Increase/(decrease) in accounts payable	221	99
Increase/(decrease) in interest payable	(211)	-
Increase/(decrease) in unamortised discount on loans issued at greater than fair value	7,704	4,549
Increase/(decrease) in accrued employee benefits	(44)	390
Increase/(decrease) in GST payable	(23)	(23)
Increase/(decrease) in provisions	-	(219)
Increase/(decrease) in lease incentive	(50)	283
Increase/(decrease) in unearned revenue	3,795	890
<b>Net cash provided by operating activities</b>	<b>34,050</b>	<b>18,144</b>

#### CF-2 Changes in Liabilities Arising from Financing Activities

	Closing Balance 2017 \$'000	Cash Flows		Non-Cash Changes Amortised cost changes \$'000	Closing Balance 2018 \$'000
		Cash Received \$'000	Cash Repayments \$'000		
Interest-bearing borrowings	216,580	48,360	(23,426)	11,070	252,584
Non-interest-bearing borrowings	22,853	3,720	(7,327)	1,003	20,248
<b>Total</b>	<b>239,433</b>	<b>52,080</b>	<b>(30,753)</b>	<b>12,073</b>	<b>272,832</b>

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

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# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Section 1 - About QRIDA and this financial report

#### Note 1: Basis of financial statement preparation

##### 1.1 General Information

QRIDA is established as a statutory body under the *Rural and Regional Adjustment Act 1994* (Qld).

The head office and principal place of business of QRIDA is Level 26, 32 Turbot Street, Brisbane Qld 4000.

##### 1.2 Compliance with prescribed requirements

QRIDA has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2017.

QRIDA is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in **Note 25**.

##### 1.3 Presentation

###### Currency and Rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required. Subtotals shown in these financial statements reflect the unrounded amounts in QRIDA's financial records, rounded as above. Therefore, rounded amounts shown in these financial statements may not add to the rounded sub-totals.

###### Comparatives

Comparative information reflects the audited 2016-17 financial statements.

###### Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or QRIDA does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

##### 1.4 Authorisation of financial statements for issue

The financial statements are authorised for issue by the Board of Directors at the date of signing of the Management Certificate.

##### 1.5 Basis of measurement

Historical cost is used as the measurement basis in this financial report except where another measurement basis is stated in the relevant note.

#### Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

#### Fair Value

Refer to **Note 15** for an explanation of Fair Value.

#### Present Value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

#### Amortised Cost using the effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

The amortised cost of a financial asset or financial liability is equal to the present value of estimated future cash flows at the financial instrument's original effective interest rate.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, when appropriate, a shorter period) to the net carrying amount of that instrument.

#### Note 2: Objectives of QRIDA

QRIDA's vision is to foster growth, sustainability and economic development in rural and regional communities, through the strategic purpose of doing more by providing proactive, responsible and reliable financial services and assistance.

QRIDA's objectives are to:

- support rural and regional communities;
- ensure a viable and sustainable business long-term;
- enhance QRIDA's operations and client experience;
- ensure QRIDA's operations are supported by people centred operations and services; and
- reach more varied communities and audiences through new and enhanced services.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Section 2 - Notes about our financial performance

#### Note 3: Grants

##### Accounting Policy

Grants are non-reciprocal in nature so do not require any goods or services to be provided in return. Corresponding revenue is recognised in the year in which QRIDA obtains control over the grant (control is generally obtained at the time of receipt).

##### Additional Disclosure

Included in revenue from Grants for 2018 is a grant of \$12.31 million (2017: \$11.2 million) from the Queensland Government for the funding of QRIDA. The Grant has been recognised in its entirety upon receipt as QRIDA has met the grant agreement's conditions entitling it to receipt of the funding.

#### Note 4: Fees

**Accounting Policy** – Fees controlled by QRIDA are recognised as revenues when the services have been performed and the revenue can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services, the recognition of accrued revenue, or the de-recognition of provisions for unearned revenue. Fees are controlled by QRIDA where they can be deployed for the achievement of QRIDA's objectives.

#### Note 5: Interest

	Note	2018 \$'000	2017 \$'000
Contractual interest received on loans		19,882	19,303
Amortisation of discount on loans	10.4	14,503	13,230
Effective interest income on loans		34,385	32,533
Add: Interest earned on cash and investments		2,956	3,435
<b>Total</b>		<b>37,340</b>	<b>35,968</b>

#### Note 6: Employee expenses

	2018 \$'000	2017 \$'000
<b>Employee Benefits</b>		
Wages and salaries	7,864	7,301
Annual leave expense	643	637
Employer superannuation contributions	1,034	963
Long service leave expense	135	227
Termination benefit	71	72
Other employee benefits	151	132
<b>Employee Related Expenses</b>		
Workers' compensation premium	17	14
Payroll tax	475	437
Other employee related expenses	193	148
<b>Total</b>	<b>10,583</b>	<b>9,930</b>

	2018 No.	2017 No.
<b>Full-time equivalent employees</b>	<b>98</b>	<b>98</b>

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 6: Employee expenses (continued)

#### Accounting Policies

Wages and Salaries – Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. QRIDA has classified these as current liabilities. Therefore, the liabilities are recognised at undiscounted amounts.

Sick Leave – Prior history indicates that on average, sick leave taken in each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual Leave and Time Off in Lieu (TOIL) – Annual leave and TOIL liabilities are classified and measured as ‘other long-term employee benefits’ as QRIDA does not expect to wholly settle all such liabilities within the 12 months following reporting date. The liabilities are recognised as a current liability at the present value of the expected future payments to be made to employees using the remuneration rate expected to apply at the time of settlement.

All directly associated on-costs (e.g. employer superannuation contributions, payroll tax and workers’ compensation insurance) are also recognised as liabilities, where these on-costs are material.

Long Service Leave – Long service leave liabilities are accounted for as ‘other long-term employee benefits’ in accordance with AASB 119 and split between current and non-current components. Accounting for ‘other long-term employee benefits’ requires:

- using an actuarial technique to estimate the cost of the employee benefits earned by employees, and
- discounting that benefit in order to determine the present value of QRIDA’s obligation and current service cost.

All directly associated on-costs (e.g. employer superannuation contributions, payroll tax and workers’ compensation insurance) are also recognised as liabilities, where these on-costs are material. The discount rates used to calculate the present value of long service leave are from 1.62 per cent to 2.37 per cent (2017: 1.52 per cent to 2.05 per cent). The discount rates are attached to Australian Stock Exchange (ASX) government bonds yields at the reporting date, which most closely matched the terms of maturity of the related obligations.

Superannuation – Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government’s QSuper defined benefit plan as determined by the employee’s conditions of employment.

Defined Contribution Plans – Contributions are made to eligible complying superannuation funds based on the rates specified in *State Government Entities Certified Agreement 2015* or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee’s service each pay period.

Defined Benefit Plan – The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the authority at the specified rate following completion of the employee’s service each pay period. QRIDA’s obligation is limited to those contributions paid.

Workers’ Compensation Premiums – QRIDA pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers’ compensation insurance is a consequence of employing employees but is not counted in an employee’s total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in **Note 22**.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 7: Supplies and services

	2018 \$'000	2017 \$'000
Advertising and promotion	188	225
Queensland Audit Office - fees for the external audit of financial statements	20	66
Audit fees - Internal	55	62
Bank and other financial institution fees and charges	15	15
Computer expenses	943	768
Consultants	-	86
Contractors	1,505	2,139
Insurance	48	53
Motor vehicle expenses	118	111
Photocopying, printing and stationery	44	71
Postage	74	109
Professional and legal expenses	94	73
Rent	905	912
Securities expenses	63	94
Telephone and fax	115	177
Travel and accommodation	208	191
Other	183	203
<b>Total</b>	<b>4,578</b>	<b>5,355</b>

#### Audit Fees

Total audit fees quoted by the Queensland Audit Office relating to the 2017-18 financial statements are \$62,000 (2017: \$60,200). The majority of the expense for the audit of the 2017-18 financial statements will be recognised when services are performed in the 2018-19 financial year.

#### Accounting Policies

**Distinction between Grants and Procurement** – For a transaction to be classified as supplies and services, the value of goods or services received by QRIDA must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant in the Statement of Comprehensive Income.

**Rent** - Rent payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred. Incentives received on entering operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

**Operating leases** - Operating leases are entered as a means of acquiring access to office accommodation and storage facilities. Lease terms extend over a period of 6 years. QRIDA has no option to purchase the leased item at the conclusion of the lease although the lease terms can be renegotiated upon expiry. Operating lease rental expenses comprise the minimum lease payments payable under operating lease contracts. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

**Motor vehicle expenses** - Motor vehicle expenses include motor vehicle lease expenses in the period in which they are incurred. The lease terms extend over a period of 12 to 45 months. QRIDA has no option to purchase the vehicle at the conclusion of the lease.



# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 8: Finance/borrowing costs

	Note	2018 \$'000	2017 \$'000
Contractual interest on borrowings		5,714	4,803
Amortisation of discount on interest-bearing and non-interest-bearing borrowings	13.1, 14.1	12,741	6,926
<b>Total effective interest on borrowings</b>		<b>18,454</b>	<b>11,729</b>

#### Accounting Policy

Finance/Borrowing Costs - Finance costs are recognised as an expense in the period in which they are incurred. Finance costs include amortisation of discounts or premiums relating to borrowings and provisions. No borrowing costs are capitalised into qualifying assets.

## Section 3 - Notes about our financial position

### Note 9: Cash and cash equivalents

	2018 \$'000	2017 \$'000
Cash at Bank	11,535	19,504
Queensland Treasury Corporation (QTC) - at call	129,864	104,048
<b>Total</b>	<b>141,399</b>	<b>123,552</b>

#### Accounting Policy

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions. It also includes investments with short periods of maturity that are readily convertible to cash on hand at QRIDA's option and that are subject to a low risk of changes in value. Cash and cash equivalents are measured at fair value through profit and loss, which is assumed to be equal to the nominal amounts notified by QRIDA's banks and investment counterparties.

Cash surplus to immediate requirements is invested according to the guidelines in the *Rural and Regional Adjustment Act 1994* (Qld), the *Statutory Bodies Financial Arrangements Act 1982* (Qld) and QRIDA's Investment Policy.

All bank and QTC cash holdings are interest-bearing. Total cash includes cash and interest revenue related to the funding of QRIDA's financial assistance programs. These are quarantined using separate bank accounts and separate accounting ledgers from cash that QRIDA uses to pay for employee expenses and supplies and services, and only reissued as future payments to program applicants, or repaid to the Government Agencies that funded the respective financial assistance programs.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 10: Loans and advances

	2018 \$'000	2017 \$'000
Gross carrying amount	605,287	568,855
Less: Allowance for impairment losses	(1,535)	(818)
Discount on loans issued at greater than fair value	(102,200)	(94,496)
<b>Total</b>	<b>501,552</b>	<b>473,541</b>
Current	53,304	42,208
Non-Current	448,248	431,333
<b>Total</b>	<b>501,552</b>	<b>473,541</b>

### Accounting Policy

Loans and advances - Loans and advances are recognised in the Statement of Financial Position when QRIDA becomes party to the contractual provisions of the financial instrument.

#### 10.1 Credit risk exposure of loans and advances

Definition	Exposure	Measurement Method	Risk Management Strategies
Credit risk exposure refers to the situation where QRIDA may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	<ul style="list-style-type: none"> <li>The maximum exposure to credit risk at Statement of Financial Position date in relation to each class of recognised Loans and advances is the gross carrying amount of those assets before allowing for any fair value adjustments or provisions for impairment.</li> <li>Loans that are secured on real property in Australia are exposed to the risk of the increase of the Loan to Value Ratio (LVR) should the property market be subject to a decline.</li> </ul>	<ul style="list-style-type: none"> <li>Ageing Analysis</li> <li>Security Coverage Analysis</li> <li>Concentrations of credit risk in relation to loans</li> </ul>	<ul style="list-style-type: none"> <li>The method of managing credit risk exposure is by way of credit assessment procedures, annual loan reviews, and quarterly reporting of arrears to the Board.</li> <li>The risk of loss from the loans undertaken is primarily reduced by the nature and quality of the security taken. The valuation of securities is assessed annually to ensure sufficient collateral to cover the indebtedness of borrowers. QRIDA's policy is to hold security over real property where available.</li> </ul>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to internal client loan risk classification based on collateral provided by borrowers:

Collateral coverage	2018 \$'000	2017 \$'000
Loans and advances with:		
Full collateral coverage	575,102	548,694
Partial collateral coverage	30,185	20,161
<b>Total</b>	<b>605,287</b>	<b>568,855</b>

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 10: Loans and advances (continued)

#### 10.2 Maximum Credit Risk Exposure

The following table represents the maximum exposure to credit risk based on geographical area and industry:

	Maximum credit risk exposure			
	% of total loans		\$'000	
	2018	2017	2018	2017
<b>Geographical area</b>				
Central Queensland	22.94%	24.42%	138,861	138,940
North Queensland	10.87%	10.58%	65,816	60,179
South East Queensland	43.14%	43.00%	261,143	244,599
South West Queensland	15.88%	15.32%	96,108	87,141
West Queensland	6.28%	5.74%	38,008	32,629
Northern Territory	0.89%	0.94%	5,351	5,367
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>605,287</b>	<b>568,855</b>
<b>Industry</b>				
Aquaculture & Fishing	1.03%	0.98%	6,231	5,592
Banana Growing	0.99%	1.25%	5,966	7,107
Beef Cattle	54.58%	52.32%	330,342	297,636
Dairy Cattle	2.59%	2.96%	15,700	16,854
Grain & Livestock	9.12%	9.85%	55,213	56,022
Other Crops	7.31%	7.60%	44,266	43,215
Other Livestock	4.73%	4.63%	28,641	26,332
Small Crops & Fruit	4.41%	4.61%	26,711	26,240
Sugar Cane	14.27%	14.47%	86,365	82,290
Small Business	0.97%	1.33%	5,852	7,567
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>605,287</b>	<b>568,855</b>

#### 10.3 Impairment of Loans and Advances

##### Accounting Policy

*Impairment of Loans and Advances* - The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is significantly overdue in making a contractual repayment to QRIDA.

A loan is past due when the client has failed to make payment when contractually due. Past due does not mean that a client will never pay, but it can trigger various actions such as renegotiation, enforcement of covenants or legal proceedings.

If appropriate, the estimated recoverable amount of the loan is determined, and any impairment loss based on the net present value of future anticipated cash flows is recognised in the financial statements.

If QRIDA determines that an amount owing by such a debtor does become uncollectible (after an appropriate range of debt recovery actions), that amount is recognised as a Bad Debt expense and written-off directly against Loans and advances.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 10: Loans and advances (continued)

#### Disclosure 1- Ageing of Past Due but Not Impaired Loans and Advances

	2018 \$'000	2017 \$'000
<b>Overdue</b>		
Less than 31 days	31,054	19,693
31 to 63 days	4,133	3,886
63 to 95 days	2,754	2,886
Greater than 95 days	5,874	7,260
<b>Total overdue</b>	<b>43,816</b>	<b>33,725</b>

#### Disclosure 2 - Individually Impaired Loans and Advances Position (Aged)

	2018			2017		
	Amortised cost gross of impairment provision	Provision for impairment	Carrying amount	Amortised cost gross of impairment provision	Provision for impairment	Carrying amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Overdue</b>						
Less than 31 days	113	(109)	4	76	(62)	14
31 to 63 days	-	-	-	-	-	-
63 to 95 days	-	-	-	-	-	-
Greater than 95 days	1,182	(450)	732	1,242	(497)	745
<b>Overdue</b>	<b>1,295</b>	<b>(559)</b>	<b>736</b>	<b>1,318</b>	<b>(559)</b>	<b>759</b>
Not overdue	1,137	(976)	161	392	(259)	133
<b>Total</b>	<b>2,432</b>	<b>(1,535)</b>	<b>897</b>	<b>1,710</b>	<b>(818)</b>	<b>892</b>

#### Disclosure 3 - Movement in Allowance for Impairment of Loans and Advances

	2018 \$'000	2017 \$'000
Balance at 1 July	818	2,565
Increase/(decrease) in allowance recognised in operating result	717	(877)
Amounts written-off during the year	-	(870)
<b>Balance at 30 June</b>	<b>1,535</b>	<b>818</b>

#### 10.4 Movement in Discount on Loans Issued at Greater Than Fair Value

	Note	2018 \$'000	2017 \$'000
Balance at 1 July		94,496	90,118
Loss on loans issued at greater than fair value		22,206	17,608
Amortisation of discount on loans	5	(14,503)	(13,230)
<b>Balance at 30 June</b>		<b>102,200</b>	<b>94,496</b>

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 10: Loans and advances (continued)

#### Accounting Policy

Loans and advances are measured initially at fair value. Where loans and advances are provided with interest free periods or at concessional interest rates, they are considered to have a fair value which is less than the amount lent. This fair value is calculated in accordance with **Note 15.1**. The difference between the amount lent and the fair value is recognised as a charge for discounted loans in profit or loss.

Subsequently, loans and advances are measured at amortised cost using the effective interest method as defined in **Note 1.5**. The discount rate used to calculate the amortised cost is the original effective interest rate applied to the loan and is calculated in accordance with **Note 15.1**.

### Note 11: Property, plant and equipment and depreciation expense

#### 11.1 Recognition and Acquisition

##### Accounting Policy - Recognition

*Basis of Capitalisation and Recognition Thresholds* - Items of plant and equipment with a historical cost or other value equal to or in excess of the asset recognition threshold of \$5,000 are recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition. Expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Plant and Equipment is measured at historical cost in accordance with the Queensland Government's Non-Current Asset Policies.

#### 11.2 Depreciation Expense

##### Accounting Policy

Plant and equipment is depreciated on a straight-line basis to allocate the net cost of each asset, less its estimated residual value, progressively over its estimated useful life to QRIDA.

Residual values are estimated based on the second-hand market for any assets with resale potential.

**Key Judgement:** Straight line depreciation is used in reflecting the progressive consumption of future economic benefits over their useful life to QRIDA.

**Key Estimate:** For each class of Plant and equipment, the following depreciation rates are used:

Class	Rate %
Computer equipment	20
Leasehold improvements	16.7
Motor vehicles	33.3
Office equipment	17

#### 11.3 Impairment

##### Accounting Policy

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, QRIDA determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

There were no impairment losses identified for plant or equipment in the current or prior financial years.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 12: Intangibles and amortisation expense

#### 12.1 Closing Balances and Reconciliation of Carrying Amount

	Computer Software-Work in Progress	
	2018 \$'000	2017 \$'000
Gross	1,286	-
Less: Accumulated amortisation	-	-
<b>Carrying amount at 30 June</b>	<b>1,286</b>	<b>-</b>
<i>Represented by movements in carrying amount:</i>		
Carrying amount at 1 July	-	-
Acquisitions	1,286	-
Amortisation	-	-
<b>Carrying amount at 30 June</b>	<b>1,286</b>	<b>-</b>

The amount for acquisitions above represents work in progress for the development of the loans and grant management software (RAPID).

#### 12.2 Recognition and Measurement

##### Accounting Policy

Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to QRIDA. The residual value is zero for all QRIDA's intangible assets.

It has been determined that there is not an active market for any of QRIDA's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

The purchase cost of intangible assets as well as any employee benefit costs and professional fees arising directly from testing the asset or bringing it into its working condition are capitalised and amortised on a straight-line basis over the period of the expected benefit to QRIDA. The period of expected benefit is 10 years.

Internal costs associated with the development of computer software are capitalised in accordance with the Queensland Government's Non-Current Asset Policy.

#### 12.3 Impairment

##### Accounting Policy

Intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, QRIDA determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by QRIDA, including discontinuing the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 13: Interest-bearing borrowings

	2018 \$'000	2017 \$'000
<b>Current</b>		
Queensland Treasury Corporation*	8,860	4,784
Queensland Government**	14,011	14,566
Northern Territory Government	2,000	-
Australian Government	6,908	53
<b>Total</b>	<b>31,779</b>	<b>19,403</b>
<b>Non-Current</b>		
Queensland Treasury Corporation*	76,896	36,960
Queensland Government**	52,714	62,059
Northern Territory Government	3,363	5,011
Australian Government	87,832	93,147
<b>Total</b>	<b>220,805</b>	<b>197,177</b>
<b>Total</b>	<b>252,584</b>	<b>216,580</b>

\*The loan facility was approved under the Queensland Government's State Borrowing Program (SBP). The approved limit for 2017-18 was \$85 million. As at 30 June 2018, the amount undrawn under the facility was \$40.4 million (2017: \$63.26 million). Approval has been received under the 2018-19 SBP to a limit of \$125 million.

\*\* Under the NDRRA Program, QRIDA borrows funds from the Queensland Government. Part of the funds borrowed is interest-bearing and is shown in this **Note 13**. The other part is interest-free and is shown in **Note 14**.

#### Accounting Policy

Financial liabilities are recognised in the Statement of Financial Position when QRIDA becomes party to the contractual provisions of the financial instrument.

#### Additional Disclosures

QRIDA borrows money from the Australian and Northern Territory Governments to be on-lent to successful applicants under the Australian Government's Concessional Loans Schemes. All borrowings are in Australian dollars denominated amounts. The timing and quantum of interest payable to the Australian and Northern Territory Governments is directly linked to the timing and quantum of bank and loan interest received by QRIDA.

Where QRIDA is unable to recover concessional loans made to businesses on behalf of the Australian or Northern Territory Governments, QRIDA's obligation to repay the respective liability to the Australian or Northern Territory Governments will be reviewed in accordance with the loan agreements between QRIDA and those governments. Effective 1 July 2015, QRIDA acted as an agent in managing certain funds on behalf of a number of government agencies. Transactions and balances where QRIDA is an agent are disclosed in **Note 27**.

Interest rates on interest-bearing borrowings range from 1.25 per cent to 3.51 per cent (2017: 1.16 per cent to 3.03 per cent)

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 13: Interest-bearing borrowings (continued)

#### 13.1 Movement in Discount on interest-Bearing Borrowings

	Note	2018 \$'000	2017 \$'000
Balance at 1 July		17,087	18,723
Gain on borrowings received at greater than fair value		-	3,310
Amortisation of discount in borrowings:			
Effective interest	8	(2,189)	(4,946)
Other unwinding of discount	8	(8,879)	-
<b>Balance at 30 June</b>		<b>6,018</b>	<b>17,087</b>

#### Accounting Policy

Borrowings are initially recognised at fair value. Where borrowings are provided with interest-free periods or at concessional interest rates, they are considered to have a fair value which is less than the amount borrowed. This fair value is calculated in accordance with **Note 15**. The difference between the amount received and the fair value of those amounts is recognised as a gain on borrowings received at greater than fair value in the Statement of Comprehensive Income.

Subsequently, borrowings are measured at amortised cost using the effective interest method as defined in **Note 1.5**. The discount rate used to calculate the amortised cost is the original effective interest rate applied to the borrowing and is calculated in accordance with **Note 15**.

Finance costs are recognised as Finance/borrowing costs in the Statement of Comprehensive Income in the period in which they are incurred. Interest on the borrowings which is calculated using the effective interest method as defined in **Note 1.5** is also reported under Finance/borrowing costs (refer to **Note 8**).

#### Additional Disclosure

Re-assessment of effective interest rates - the effective interest rates for borrowings from the Australian Government and Northern Territory Government have been re-assessed. The effective interest rates are considered the same as the current year's book rates. The unwinding of discount on borrowings of \$8.91 million from prior years is included in Amortisation of Discount on Borrowings – Other Unwinding of Discount.



# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 14: Non-interest-bearing borrowings

	2018 \$'000	2017 \$'000
<b>Current</b>		
Queensland Government**	4,916	5,206
<b>Non-current</b>		
Queensland Government**	15,332	17,647
<b>Total Non-Interest-Bearing Borrowings</b>	<b>20,248</b>	<b>22,853</b>

\*\* Interest-free component of loans for the NDRRA program (refer to Note 13).

The accounting policy appearing under **Note 13** also applies to the balances shown in this **Note 14**.

#### 14.1 Movement in discount on non-interest-bearing borrowings

	Note	2018 \$'000	2017 \$'000
Balance at 1 July		4,106	8,209
Gain on borrowings received at greater than fair value		669	110
Reclassification to interest-bearing borrowings		-	(2,233)
Amortisation of discount on borrowings:			
Effective interest	8	(1,211)	(1,980)
Other unwinding of discount	8	(461)	-
<b>Balance at 30 June</b>		<b>3,103</b>	<b>4,106</b>

#### 14.2 Additional Disclosure

Reclassification to interest-bearing borrowings – the interest-free portion of borrowings for NDRRA programs are determined by the Queensland Government and the Commonwealth Government. During 2016-17, QRIDA was advised that a combination of prior year recognised interest-free borrowings of \$17.4 million were reclassified as interest-bearing borrowings. Consequently, the associated gain on borrowings received at greater than fair value is reclassified to interest-bearing borrowings.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Section 4 - Notes about risks and other accounting uncertainties

#### Note 15: Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price).

##### 15.1 Fair Value Measurement Hierarchy

All assets and liabilities of QRIDA for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

<b>Level 1</b>	represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
<b>Level 2</b>	represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
<b>Level 3</b>	represents fair value measurements that are substantially derived from unobservable inputs.

The fair value of borrowings from the Queensland Treasury Corporation (QTC) is notified by QTC. It is calculated using discounted cash flow analysis and the effective interest rate. They are categorised as level 3 fair values within the fair value hierarchy.

All QRIDA's other financial assets and liabilities are classified within level 2 of the fair value hierarchy.

The initial fair value of loans, advances and borrowings is estimated using a valuation technique (i.e. the fair value can be estimated as the present value of all future cash receipts discounted using the prevailing market rate(s) of interest for a similar instrument with a similar credit risk).

For loans and advances, QRIDA estimates these prevailing market rates by reference to the 90-day bank bill swap bid rate (BBSY 90 Bid) plus a risk premium. The risk premium takes account of the term of the loan and the security available. These risk premiums range from 335 basis points to 720 basis points (2017: from 335 basis points to 720 basis points).

For borrowings from the Australian and Northern Territory Governments, QRIDA estimates the prevailing market rate of interest to be equal to the market rate of interest applying to loans and advances made under the concessional loans schemes that QRIDA administers on behalf of those governments.

For borrowings from the Queensland Government, QRIDA estimates the Queensland Treasury Corporation ten-year debt pool interest rates to be the prevailing market rates for a Queensland Government Agency receiving ten-year loans from another Government Agency.

##### 15.2 Fair Value Disclosures for Financial Assets and Liabilities Measured at Amortised Cost

	2018		2017	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
<b>Financial assets at amortised cost</b>				
Loans and advances	501,552	511,052	473,541	482,084

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 15: Fair value measurement (continued)

	2018		2017	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>Financial Liabilities</b>				
<b>Financial liabilities at amortised cost</b>				
Australian Government Borrowings	94,740	94,740	93,200	100,743
Northern Territory Government Borrowings	5,363	5,363	5,011	5,387
Queensland Government Borrowings	86,974	90,484	99,478	104,434
Queensland Treasury Corporation Borrowings	85,756	85,857	41,744	41,600
<b>Total</b>	<b>272,831</b>	<b>276,444</b>	<b>239,433</b>	<b>252,164</b>

### Note 16: Financial risk disclosures

#### 16.1 Financial instrument categories

Financial assets and liabilities are recognised in the Statement of Financial Position when QRIDA becomes party to the contractual provisions of the financial instrument.

Category	Note	2018 \$'000	2017 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents	9	141,399	123,552
Loans and advances	10	501,552	473,541
Receivables		783	5,955
<b>Total</b>		<b>643,735</b>	<b>603,048</b>
<b>Financial Liabilities</b>			
Financial liabilities measured at amortised cost:			
Payables		340	346
Interest-bearing borrowings	13	252,583	216,580
Non-interest-bearing borrowings	14	20,248	22,853
<b>Total</b>		<b>273,171</b>	<b>239,779</b>

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

#### 16.2 Financial risk management

##### (a) Risk Exposure

Financial risk management is implemented pursuant to the Queensland Government's and QRIDA's policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of QRIDA.

The management of financial risk is overseen by the Board of Directors, the Audit and Risk Management Committee and the Debt Management Committee under policies approved by QRIDA. QRIDA provides written principles for overall risk management, as well as policies covering specific areas.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 16: Financial risk disclosures (continued)

QRIDA's activities expose it to a variety of financial risks a set out in the following table:

Risk Exposure	Definition	Exposure	Measurement Method	Risk Management Strategies
Credit risk	Refer to <b>Note 10</b>	Refer to <b>Note 10</b>	Refer to <b>Note 10</b>	Refer to <b>Note 10</b>
Liquidity risk	Liquidity risk refers to the situation where QRIDA may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	QRIDA is exposed to liquidity risk in respect of its payables and borrowings from Queensland Treasury Corporation, Queensland Treasury, the Australian Government and the Northern Territory Government for on-lending.	Maturity analysis	QRIDA manages liquidity risk using a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring QRIDA has sufficient funds available to meet payment obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts to match the expected duration of the various liabilities.
Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	QRIDA does not trade in foreign currency and is not materially exposed to commodity price changes. QRIDA is exposed to interest rate risk through its interest-bearing borrowings, cash deposited in interest bearing accounts, and through the variable interest rates applying to certain loans issued by QRIDA.	Interest rate sensitivity analysis	QRIDA does not undertake any hedging in relation to interest risk and manages its risk as per QRIDA's liquidity risk management strategy.

#### (b) Liquidity risk – Contractual maturity of financial liabilities

The following table sets out the liquidity risk of financial liabilities held by QRIDA. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date as advised by Queensland Treasury Corporation, the Australian Government and the Northern Territory Government. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that are based on discounted cash flows.

Queensland Treasury Corporation borrowings in respect of the Primary Industry Productivity Enhancement Scheme (PIPES) are interest only with no fixed repayment date for the principal component. For the purposes of completing the maturity analysis, the principal component of these loans has been included in the more than five-year time band with 30 years interest payment assumed.

Financial Liabilities	2018	Contractual maturity payable in			2017	Contractual maturity payable in		
	Total \$'000	< 1 Yr \$'000	1 - 5 Yrs \$'000	> 5 Yrs \$'000	Total \$'000	< 1 Yr \$'000	1 - 5 Yrs \$'000	> 5 Yrs \$'000
Payables	340	340	-	-	346	346	-	-
Australian Government borrowings	94,740	6,908	84,858	2,974	110,325	3,215	103,940	3,170
Northern Territory Government borrowings	5,363	2,000	3,363	-	5,831	189	5,642	-
Queensland Government borrowings	99,148	19,837	73,230	6,081	115,357	20,756	74,103	20,498
Queensland Treasury Corporation borrowings	142,060	10,637	7,766	123,657	68,322	5,617	3,541	59,164
<b>Total</b>	<b>341,651</b>	<b>39,722</b>	<b>169,217</b>	<b>132,712</b>	<b>300,181</b>	<b>30,123</b>	<b>187,226</b>	<b>82,832</b>

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 16: Financial risk disclosures (continued)

#### (c) Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that provided to management, depicting the outcome on net income if interest rates would change by +/- 1 per cent from the year-end rates applicable to QRIDA's financial assets and liabilities. With all other variables held constant, QRIDA would have a surplus and equity increase/(decrease) of \$3.90 million (2017: \$3.81 million).

The impact of interest rate movement on QRIDA's profit and equity has increased in the current period due to a decrease in the ratio of QRIDA's interest-bearing assets to interest-bearing borrowings from 2.76:1 (2017) to 2.55:1 (2018).

Financial instruments	Carrying amount	2018 interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	141,399	(1,414)	(1,414)	1,414	1,414
Loans and advances	501,552	(5,016)	(5,016)	5,016	5,016
Australian Government borrowings	94,740	947	947	(947)	(947)
Northern Territory Government borrowings	5,363	54	54	(54)	(54)
Queensland Government borrowings*	66,725	667	667	(667)	(667)
Queensland Treasury Corporation borrowings	85,756	858	858	(858)	(858)
<b>Overall effect on profit and equity</b>		<b>(3,904)</b>	<b>(3,904)</b>	<b>3,904</b>	<b>3,904</b>

Financial instruments	Carrying amount	2017 interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	123,552	(1,236)	(1,236)	1,236	1,236
Loans and advances	473,541	(4,735)	(4,735)	4,735	4,735
Australian Government borrowings	93,200	932	932	(932)	(932)
Northern Territory Government borrowings	5,011	50	50	(50)	(50)
Queensland Government borrowings*	76,625	766	766	(766)	(766)
Queensland Treasury Corporation borrowings	41,744	417	417	(417)	(417)
<b>Overall effect on profit and equity</b>		<b>(3,806)</b>	<b>(3,806)</b>	<b>3,806</b>	<b>3,806</b>

\* Interest-bearing component of borrowings for the NDRRA program (refer to **Note 13**).

### Note 17: Contingencies

QRIDA did not have any contingent assets or liabilities as at 30 June 2018 (2017: nil).

### Note 18: Commitments

#### 18.1 Non-cancellable operating lease

Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable as follows:

	2018	2017
	\$'000	\$'000
Not later than one year	651	617
Later than one year and not later than five years	2,696	2,823
Later than five years	-	525
<b>Total</b>	<b>3,347</b>	<b>3,965</b>

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 18: Commitments (continued)

#### 18.2 Capital expenditure commitments

At the reporting date, QRIDA had no commitments for capital expenditure (2017: Nil)

#### 18.3 Financial assistance commitments

At reporting date, QRIDA has undrawn financial assistance commitments of \$18.12 million (2017: \$22.19 million). Undrawn commitments are loans and grants that have been approved and are awaiting client drawdown at balance date.

### Note 19: Events occurring after the balance date

QRIDA has not identified any event occurring after the balance date, which would have a material effect on the information provided in the QRIDA's financial statements.

### Note 20: Future impact of accounting standards not yet effective

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future commencement dates are set out below:

#### ***AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers***

These Standards will first apply to QRIDA from its financial statements for 2019-20.

QRIDA has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report are as follows:

- Special purpose grants received to construct non-financial assets controlled by QRIDA will be recognised as a liability, and subsequently recognised progressively as revenue as QRIDA satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Under the new standards, other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. QRIDA has commenced evaluating the existing grant arrangements as to whether revenue from those grants could be deferred under the new requirements. No conclusion on the potential impact, if any, has been determined at the present time.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral and continue to be recognised as revenue as soon as they are controlled. QRIDA receives several grants from the Queensland Government for which there are no sufficiently specific performance obligations. The total of these grants in the 2017-18 year were \$54.05 million and are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

- Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of QRIDA's services such that some revenue may need to be deferred to a later reporting period to the extent that QRIDA has received cash but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). QRIDA is yet to complete its analysis of existing arrangements for sale of its services and the impact, if any, on revenue recognition has not yet been determined.
- A range of new disclosures will also be required by the new standards in respect of QRIDA's revenue.

#### ***AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)***

These standards will first apply to QRIDA from its financial statements for 2018-19 with a 1 July 2018 date of transition. The main impacts of these standards on QRIDA are that they will change the requirements for the classification, measurement, impairment and disclosures associated with QRIDA's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value. QRIDA has reviewed the impact of AASB 9 on the classification and measurement of its financial assets. The following summarises the estimated impact (or ranges of estimates) of AASB 9 that will change the categorisation and valuation of the amounts reported in **Note 10** and **Note 16.1**:

- There will be no change to either the classification or valuation of the cash and cash equivalent item.
- QRIDA makes concessional loans to farmers and rural businesses across Queensland and other states to support the rural and regional industries. QRIDA's objective of holding the loans is to collect the contractual cash flows. Therefore, these loans meet the Solely Payment of Principal and Interest (SPPI) test under AASB 9. Loans and advances will be classified and measured at amortised cost, similar to the current classification of loans and advances. However, new impairment requirements will result in a provision being applied to all loans and advances rather than only those loans and advances that are credit impaired. QRIDA will be adopting the general approach under AASB 9 and will recognise a loss allowance based on either 12 month expected credit losses or lifetime expected credit losses depending on whether there has been a significant increase in credit risk since initial recognition.
- All financial liabilities listed in **Note 16.1** will continue to be measured at amortised cost. QRIDA does not expect a material change in the reported value of financial liabilities.

QRIDA will not restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19.

Aside from a number of one-off disclosures in the 2018-19 financial statements to explain the impact of adopting AASB 9, a number of new or changed disclosure requirements will apply from that time. Assuming no change in the types of financial instruments that QRIDA enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment. QRIDA has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 9 to its current financial instrument, including the extent of additional disclosure required.



# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 20: Future impact of accounting standards not yet effective (continued)

#### AASB 16 Leases

This standard will first apply to QRIDA from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases – Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

#### Impact for Lessees

Unlike AASB 117 *Leases*, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the Statement of Financial Position under AASB 16. There will be an increase in assets and liabilities for QRIDA. The impact is expected to be insignificant compared with QRIDA's existing assets and liabilities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. QRIDA will await further guidance from Queensland Treasury on the transitional accounting method to be applied.

QRIDA has analysed its existing operating lease commitments at **Note 7** by type of lessor based on information available at 30 June 2018. QRIDA's operating lease commitments are all with Queensland Government agencies as lessor (i.e. internal-to-Government leases).

QRIDA's lease with internal-to-Government lessors is for office accommodation through the Queensland Government Accommodation Office.

At 30 June 2018, QRIDA has operating lease commitments of \$3,347,698 for office accommodation with annual lease payments of \$651,439 per year.

Considering the operation and impact across the whole-of-Government, QRIDA is currently awaiting formal guidance from Queensland Treasury as to whether the arrangement should be accounted for on-balance sheet under AASB 16.

QRIDA also has a number of cancellable motor vehicle leases with QFleet that are not presently included as part of the operating lease commitments note as they do not constitute a lease under AASB 117 and Accounting Interpretation 4. QRIDA is also awaiting confirmation from Queensland Treasury that QFleet arrangements will continue to fall outside the requirements of AASB 16 for on-balance sheet accounting.

QRIDA has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure required.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to QRIDA's activities or have no material impact on QRIDA.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Section 5 - Notes about our performance compared to budget

#### Note 21: Budgetary reporting disclosures

This section discloses QRIDA's original published budgeted figures for 2017-18 compared to actual results, with explanations of major variances, in respect of QRIDA's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

##### Overall Comments

As a specialist administrator of financial assistance programs on behalf of various government agencies, QRIDA often is required to deliver new programs that are announced after QRIDA's annual budget has been finalised. This can have a significant impact on QRIDA's financial results.

##### Explanation of major variances - Statement of Comprehensive Income

Grants	The increase of \$27.52 million is largely due to the Interest Free Loans for Solar and Storage Scheme (IFLSSS) of \$14.61 million, the Vessel Tracking Rebate Scheme (VTRS) of \$2.80 million and the Natural Disaster Relief and Recovery Arrangement (NDRRA) for Tropical Cyclone Debbie and Central Coast QLD Severe Weather of \$10.13 million due to higher than anticipated applications. The IFLSSS and VTRS were announced after the 2017-18 budget was finalised.
Fees	The decrease of \$1.70 million on fee for service revenue is due to the lower than anticipated activity on Australian Government Concessional Loans and the budgeted revenue target on new business not being achieved.
Gain on borrowings received at greater than fair value	The increase of \$0.34 million is due to the higher than anticipated variations between book interest rates and market interest rates on borrowings for NDRRA.
Employee expenses	The decrease of \$1.5 million is largely due to variations in the planned timing of engaging resources required to deliver QRIDA's services and programs.
Supplies and services	The decrease of \$0.87 million is largely due to the savings on Property costs \$0.15 million, Transport costs \$0.17 million and other Supplies and services \$0.60 million due to the budgeted costs for the new loans and grant software system being capitalised to intangible assets.
Grants and subsidies	The increase of \$13.59 million is largely due to higher than expected applications for NDRRA Tropical Cyclone Debbie and Central Coast QLD Severe Weather during 2017-18 of \$10.14 million and the Industry Hardship Assistance Scheme (IHAS) being extended into 2017-18 of \$3.39 million.
Impairment loss	The decrease of \$0.91 million on impairment loss is due to the lower than expected bad debt write-offs for loans.
Finance/borrowing costs	The increase of \$5.29 million on Finance costs is largely due to the unwinding of discount on borrowings of \$9.34 million (Refer Note 13.1 and Note 14.1) and offset by lower than budgeted interest on borrowing of \$1.19 million and Amortisation of discount through effective interest of \$2.90 million.

##### Explanation of major variances - Statement of Financial Position

Cash and cash equivalents	Part of the increase for Cash and Cash Equivalents of \$31.72 million is attributable to a higher actual opening balance; due to the difference between estimated and actual cash flows from the previous financial year. The remainder of the variance is substantially due to the factors outlined in the explanations of major variances for the Statement of Cash Flows.
Loans and advances (Current)	The current Loans and advances is \$24.03 million lower than budget largely due to reduced expected repayments in the next twelve months on PIPES \$17.33 million, NDRRA \$3.44 million and Australian Government Concessional \$3.81 million as a result of early repayments during the year.
Receivables	The increase of \$0.67 million higher than budget on current receivables is largely due to the \$0.28 million on NDRRA grant receivables and \$0.32 million on accrued QTC interest.
Intangible Assets	The increase of \$1.29 million is due to the new loans and grants software system currently being developed not having been considered as an intangible asset. The project costs were initially budgeted as Employee expenses of \$0.23 million and Supplies and services of \$0.60 million.
Payables	The increase of \$0.31 million on current payables is largely due to the miscellaneous expenses relating to Suppliers and services incurred but not paid in 2017-18.
Unearned Revenue	The increase is largely due to the unearned fee for service revenue associated with the administration of the 2017-18 Australian Government Concessional Loans Schemes \$1.25 million, IFLSSS \$2.92 million and VTRS \$0.16 million. These programs were not approved when the 2017-18 budget was finalised.



# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 21: Budgetary reporting disclosures (continued)

Interest-bearing borrowings - Current	The majority of the \$4.62 million increase is due to the increased variable loan from QTC for QRIDA's PIPES loans of \$6.14 million and \$2.32 million repayments on reclassified NDRRA borrowings, offset by the \$3.83 million decreased current liability of Australian Government Concessional Loan Schemes as a result of the early repayments in 2017-18.
Non-interest-bearing borrowings - Current	The majority of the decrease is due to the decreased repayments on reclassified NDRRA borrowings in 2016-17. Refer Note 14.2.
Accrued employee benefits	The increase of \$0.42 million is due to an additional accrual of unpaid employee costs of \$0.21 million for the end of financial year due to the change in the payroll cycle and the understatement of employee accruals in the 2017-18 budget.
Non-interest-bearing borrowings Non-current	The majority of the decrease of \$14.8 million is due to the decreased repayments on reclassified NDRRA borrowings in 2016-17. Refer Note 14.2.

### Explanation of major variances - Statement of Cash Flows

Grants	The increase of \$32.22 million is largely due to IFLSSS of \$14.61 million, VTRS of \$2.80 million and the NDRRA for Tropical Cyclone Debbie and Central Coast QLD Severe Weather of \$10.13 million due to higher than anticipated applications and grant received for 2016-17 grant receivables of \$4.98 million. The IFLSSS and VTRS were announced after the 2017-18 budget was finalised.
Fees	The increase of \$4.09 million is largely due to the fee for service revenue associated with IFLSSS \$3.28 million and VTRS \$0.20 million. These programs were not approved when the 2017-18 budget was finalised.
Employee expenses	The decrease of \$1.4 million is largely due to variations in the planned timing of engaging resources required to deliver QRIDA's services and programs.
Supplies and services	The decrease of \$0.92 million is largely due to the savings on Property costs \$0.15 million, Transport costs \$0.17 million and other Supplies and services \$0.48 due to variations in the planned timing to deliver QRIDA's services and programs.
Grants and subsidies	The increase of \$13.59 million is largely due to higher than expected applications for NDRRA Tropical Cyclone Debbie and Central Coast QLD Severe Weather during 2017-18 of \$10.14 million and the Industry Hardship Assistance Scheme (IHAS) being extended into 2017-18 of \$3.39 million.
Loans and advances redeemed	The increase of \$11.63 million is mainly due to higher than anticipated early repayments on Australian Government Concessional Loans Schemes of \$8.29 million, PIPES of \$2.05 million and NDRRA of \$0.88 million.
Payments for intangible assets	The increase of \$1.19 million is due to the new loans and grants software system currently being developed not having been considered as an intangible asset. The project costs were initially budgeted as expenses.
Interest-bearing and non-interest-bearing borrowing redemptions	The increase of \$8.14 million is largely due to higher than anticipated early repayments on Australian Government Concessional Loans Schemes.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Section 6 - Other information

#### Note 22: Key management personnel (KMP) disclosures

##### 22.1 Details of key management personnel

As from 2017-18, the responsible Minister is identified as part of QRIDA's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is The Honourable Mark Furner MP, Minister for Agricultural Industry Development and Fisheries (12 December 2017 – present). The former Minister was The Honourable Bill Byrne MP, Minister for Agriculture and Fisheries and Minister for Rural Economic Development (11 November 2016 – 6 October 2017).

The following details for non-Ministerial KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of QRIDA during 2017-18 and 2016-17.

Position	Position Responsibility
<b>Chief Executive Officer</b>	Responsible for leading and managing the affairs of QRIDA including strategically positioning QRIDA to achieve organisational and financial goals and implement Board policy.
<b>General Manager, Program Strategy and Delivery</b>	Delivers financial assistance programs that foster the development of the rural and regional sector that supports the Queensland economy. Delivers programs in response to emergencies and natural disasters and fosters strong relationships with community and industry.
<b>General Manager, Corporate Capability and Programs</b>	Develops and manages QRIDA's systems, infrastructure and policies in the areas of finance, human resources and information services, facilitates planning, performance improvement and debt services including Farm Business Debt Mediation and the Farm Debt Restructure Office.
<b>Director, Business Development and Engagement</b>	Develops and implements business development strategies, leads the scoping and planning for new programs, delivers strategic communications and manages client and stakeholder partnerships.

##### 22.2 KMP remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. QRIDA does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements as from 2017-18, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for QRIDA's other key management personnel is set by QRIDA's Board of Directors as provided under the *Rural and Regional Adjustment Act 1994* (Qld).

During the 2017-18 year there was a classification review of the Chief Executive Officer's role that resulted in increased remuneration which was approved by the Board.

Base remuneration of the General Manager Program Strategy and Delivery, General Manager Corporate Capability and Programs and Director Business Development and Engagement, increased by 2.5% on previous year's remuneration (2016-17: 2.5%).

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 22: Key management personnel (KMP) disclosures (continued)

Remuneration expenses for non-Ministerial KMP comprise the following components:

- *Short-term employee benefits* which include:
  - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the KMP position; and
  - non-monetary benefits – consisting of provision of a vehicle together with fringe benefits tax applicable to the benefit.
- Performance bonuses are not paid under the contracts in place.
- Long-term employee benefits include amounts expensed in respect of long service leave entitlements earned.
- Post-employment benefits include amounts expensed in respect of employer superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide for notice periods or payment in lieu of notice on termination, plus other aspects of termination benefits as required in various circumstances.

The following disclosures focus on the expenses incurred by QRIDA attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

#### 1 July 2017 - 30 June 2018

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	266	30	8	25	-	328
General Manager, Program Strategy and Delivery	154	16	4	22	-	196
General Manager, Corporate Capability and Programs	165	20	5	19	-	209
Director, Business Development and Engagement (1)	151	21	4	18	-	194

(1) From 1 July 2017, the Director, Business Development and Engagement joined the Executive Leadership Team

#### 1 July 2016 - 30 June 2017

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	215	31	6	27	-	279
General Manager, Program Strategy and Delivery	159	16	4	23	-	202
General Manager, Corporate Strategy and Programs	143	20	4	19	-	186

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 23: Board members' fees

Remuneration, including meeting fees and superannuation are paid to Board members. QRIDA does not reimburse Board members who are government representatives.

	2018 \$'000	2017 \$'000
Board members' remuneration	109	112
Number of Board members receiving remuneration in the following ranges		
\$1 to \$9,999	-	-
\$10,000 to \$19,999	4	4
\$50,000 to \$59,999	1	1

The Board members of QRIDA who have served at any point in the financial year are:

Name	Date of joining	Date of leaving	Additional information
Wayne Carlson	3/12/2009	Current	Chair of the Board, Chair of the Remuneration Committee, and Chair of the Debt Management Committee
Dugald Warby	3/06/2014	Current	Chair of the Audit and Risk Management Committee
Elton Miller	20/11/2015	Current	Representative of the Department of Agriculture and Fisheries
Belinda Turner	3/12/2015	Current	
Warwick Agnew	3/06/2014	31/05/2018	Representative of Queensland Treasury
Leith Bouilly	3/06/2017	Current	
Zoe Kenneally	3/06/2017	Current	
Alison Rayner	31/05/2018	Current	Representative of Queensland Treasury

### Note 24: Related party transactions

#### Transactions with other Queensland Government-controlled entities

QRIDA's primary ongoing sources of funding from Government for its services are appropriation revenue which is provided in cash via the Department of Agriculture and Fisheries. The revenue received was \$12,310,000 (\$11,170,000 for 2016-17).

QRIDA has borrowings of \$85,755,633 (\$41,743,737 for 2016-17) from QTC and **Note 13** outlines the key terms and conditions of those borrowings.

QRIDA receives car leasing services from QFleet, a commercialised business unit owned by Government. The lease expenses were \$217,505 (\$126,629 for 2016-17).

QRIDA provided services to deliver the Natural Disaster Relief and Recovery Arrangements Schemes for the Queensland Government. The fees charged in 2017-18 were \$512,117 (\$190,121 for 2016-17).

The 2017-18 year was the first year that QRIDA provided services to deliver the Affordable Energy Plan Schemes for the Department of Natural Resources, Mines and Energy. The fees charged in 2017-18 were \$361,831 (Nil for 2016-17).

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 25: First year application of new Accounting Standards or change in Accounting Policy

#### Changes in Accounting Policy

QRIDA did not voluntarily change any of its accounting policies during 2017-18.

#### Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2017-18.

#### Accounting Standards Applied for the First Time

AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* requires the disclosure of information that will allow users to understand changes in liabilities arising from financing activities. Disclosure of the relevant figures can be found in **Note CF-2**.

### Note 26: Taxation

QRIDA is a State body as defined under the *Income Tax Assessment Act 1936* (Cwlth) and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). GST credits receivable from, and GST payable to the ATO are recognised within payables and receivables

### Note 27: Transactions and balances where QRIDA is an agent

QRIDA acts as an agent in its management of certain funds on behalf of a number of government agencies. As QRIDA performs only a custodial role in respect of these transactions and balances, they are not recognised in QRIDA's financial statements but are disclosed in these notes for the information of users. This is explained further in **Note 13** under the heading "Additional Disclosures". Revenue relating to fees received by QRIDA for providing agency services are included in Fees in **Note 4**.

#### Revenue received by QRIDA on behalf of Principals

##### Revenues

Interest earned on loans and advances

Interest earned on cash and investments

##### Total

2018 \$'000	2017 \$'000
2,879	1,457
1,335	1,033
<b>4,214</b>	<b>2,490</b>

#### Assets held by QRIDA on behalf of Principals

##### Current assets

Cash and cash equivalents

##### Non-current assets

Loans and advances

##### Total

2018 \$'000	2017 \$'000
47,172	33,870
109,032	87,067
<b>156,204</b>	<b>120,937</b>

# Queensland Rural and Industry Development Authority

## Management Certificate

for the year ended 30 June 2018

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (Qld) (the Act), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act, we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping of accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of QRIDA for the financial year ended 30 June 2018 and of the financial position of QRIDA at the end of that year; and
- c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

ORIGINAL SIGNED

W S CARLSON

*Chair*

ORIGINAL SIGNED

D WARBY

*Chair – Audit and Risk Management Committee*

ORIGINAL SIGNED

C MACMILLAN

*Chief Executive Officer*

ORIGINAL SIGNED

P WYLLIE

*Financial Controller*

Dated: 21 August 2018

# Independent Auditor's report

## To the Board of the Queensland Rural and Industry Development Authority

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Queensland Rural and Industry Development Authority.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2018, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009* (Qld), the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009* (Qld), the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

#### Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009* (Qld), for the year ended 30 June 2018:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

28 August 2018

ORIGINAL SIGNED  
Melissa Fletcher  
As delegate of the Auditor-General

ORIGINAL STAMPED  
Queensland Audit Office  
Brisbane



# Glossary

<b>A &amp; RM Committee</b>	Audit and Risk Management Committee. This committee consists of three directors who undertake independent reviews to improve QRIDA's operations and outputs.
<b>BICL</b>	Business Improvement Concessional Loans. QRIDA administered these loans for Queensland and Northern Territory under the Farm Business Concessional Loans Scheme. This scheme was funded by the Australian Government. Applications have now closed and QRIDA continues to manage clients in the Queensland and the Northern Territory with these loans for the life of the agreement.
<b>BLT</b>	Business Leadership Team.
<b>Board of Directors</b>	QRIDA is governed by a Board of Directors which is formally accountable to the Minister for Agricultural Industry Development and Fisheries.
<b>Code of Conduct</b>	The Code of Conduct supports the QRIDA Board of Directors and staff to act with integrity and objectivity and to maintain high standards of ethical behaviour in the execution of their duties.
<b>DACL</b>	Drought Assistance Concessional Loans. QRIDA administered these loans for Queensland and Northern Territory under the Farm Business Concessional Loans. This scheme was funded by the Australian Government. Applications have now closed and QRIDA continues to manage clients in Queensland and the Northern Territory with these loans for the life of the agreement.
<b>DCLS</b>	The Drought Concessional Loans Scheme was previously delivered in Queensland and the Northern Territory and was funded by the Australian Government. This scheme is no longer open to applications. However, QRIDA continues to manage clients with these loans for the life of the agreement.
<b>DRCLS</b>	The Drought Recovery Concessional Loans Scheme was previously delivered in Queensland and was funded by the Australian Government. This scheme is no longer open to applications. However, QRIDA continues to manage clients with these loans for the life of the agreement.
<b>ELT</b>	Executive Leadership Team. An oversight group consisting of the Chief Executive Officer, General Manager of Program and Strategy Delivery, General Manager of Corporate Capability and Programs and the Director of Business Development and Engagement.
<b>FFCLS</b>	Farm Finance Concessional Loans Scheme was previously delivered in Queensland and the Northern Territory and was funded by the Australian Government. This scheme is no longer open to applications. However, QRIDA continues to manage clients with these loans for the life of the agreement.
<b>FBCL</b>	The Farm Business Concessional Loans Scheme encompass both Drought Assistance Concessional Loans (DACL), and Business Improvement Concessional Loans (BICL). This scheme is no longer open to applications. QRIDA continues to manage clients in Queensland and the Northern Territory with these loans for the life of the agreement. This scheme was funded by the Australian Government.
<b>FBDM</b>	Farm Business Debt Mediation is a mandatory process introduced to provide an efficient and equitable way for farmers and mortgagees to attempt to resolve matters relating to farm business debts.
<b>FDRO</b>	The Farm Debt Restructure Office offers Farm Business Analysis Assistance to primary producers experiencing financial distress. The Assistance provides the primary producer with independent expert financial information and analysis of their farm business.
<b>FMG</b>	Farm Management Grants are a part of the Queensland Government's Rural Assistance Package. Farm Management Grants assist eligible Queensland primary producers, or their relatives offset the costs of professional advice associated with succession planning.
<b>IFLSS</b>	Interest Free Loans for Solar and Storage is funded under the Queensland Government's Affordable Energy Plan.
<b>NDRRA</b>	Natural Disaster Relief and Recovery Arrangements. NDRRA is a joint Queensland and Australian Government funded program. QRIDA is a long-standing delivery partner of NDRRA loan and grant assistance activated to support disaster affected primary producers, businesses and non-profit organisations.
<b>PIPES</b>	The Queensland Government's Primary Industry Productivity Enhancement Scheme. This scheme is comprised of the First Start and Sustainability Loan programs.
<b>Productivity Loans</b>	First Start and Sustainability Loans are offered under the Queensland Government's Primary Industry Productivity Enhancement Scheme.
<b>Program owner</b>	Government agency/departmental representative which has engaged QRIDA to deliver specialist services on its behalf.
<b>Queensland Rural and Industry Development Authority (QRIDA)</b>	A statutory authority of the Queensland Government established under the <i>Rural and Regional Adjustment Act 1994</i> (Qld).



# Attachment A - Compliance checklist

Summary of requirement		Basis for requirement	Annual Report reference
<b>Letter of compliance</b>	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	1
<b>Accessibility</b>	Table of contents	ARRs – section 9.1	2
	Glossary		54
	Public availability	ARRs – section 9.2	1
	Interpreter service statement	Queensland Government Language Services Policy ARRs – section 9.3	1
	Copyright notice	<i>Copyright Act 1968</i> (Cwlth) ARRs-section 9.4	1
	Information licensing	QGEA-Information Licensing ARRs-section 9.5	NA
<b>General information</b>	Introductory Information	ARRs – section 10.1	3-5
	Agency role and main functions	ARRs – section 10.2	5
	Operating environment	ARRs – section 10.3	5
<b>Non-financial performance</b>	Government's objectives for the community	ARRs – section 11.1	6
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	NA
	Agency objectives and performance indicators	ARRs – section 11.3	18-19
	Agency service areas and service standards	ARRs – section 11.4	14-17
<b>Financial performance</b>	Summary of financial performance	ARRs – section 12.1	20
<b>Governance – management and structure</b>	Organisational structure	ARRs – section 13.1	7
	Executive management	ARRs – section 13.2	9
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	9
	<i>Public Sector Ethics Act 1994</i> (Qld)	<i>Public Sector Ethics Act 1994</i> (Qld) ARRs- section 13.4	10-11
	Queensland public service values	ARRs – section 13.5	NA
<b>Governance – risk management and accountability</b>	Risk management	ARRs – section 14.1	10
	Audit committee	ARRs – section 14.2	9
	Internal audit	ARRs – section 14.3	10
	External scrutiny	ARRs – section 14.4	10
	Information systems and recordkeeping	ARRs – section 14.5	11
<b>Governance – human resources</b>	Strategic workforce planning and performance	ARRs – section 15.1	12-13
	Early retirement, redundancy and retrenchment	Directive No.11/12 Early Retirement, Redundancy and Retrenchment  Directive No.16/16 Early Retirement, Redundancy and Retrenchment (from 20 May 2016)  ARRs – section 15.2	13

Summary of requirement (continued)		Basis for requirement	Annual Report reference
Open data	Statement advising publication of information	ARRs - section 16	11
	Consultancies	ARRs - section 33.1	NA
	Overseas travel	ARRs - section 33.2	NA
	Queensland Language Services Policies	ARRs - section 33.3	NA
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	52
	Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	53

FAA *Financial Accountability Act 2009* (Qld)

FPMS *Financial and Performance Management Standard 2009* (Qld)

ARRs *Annual report requirements for Queensland Government agencies*



