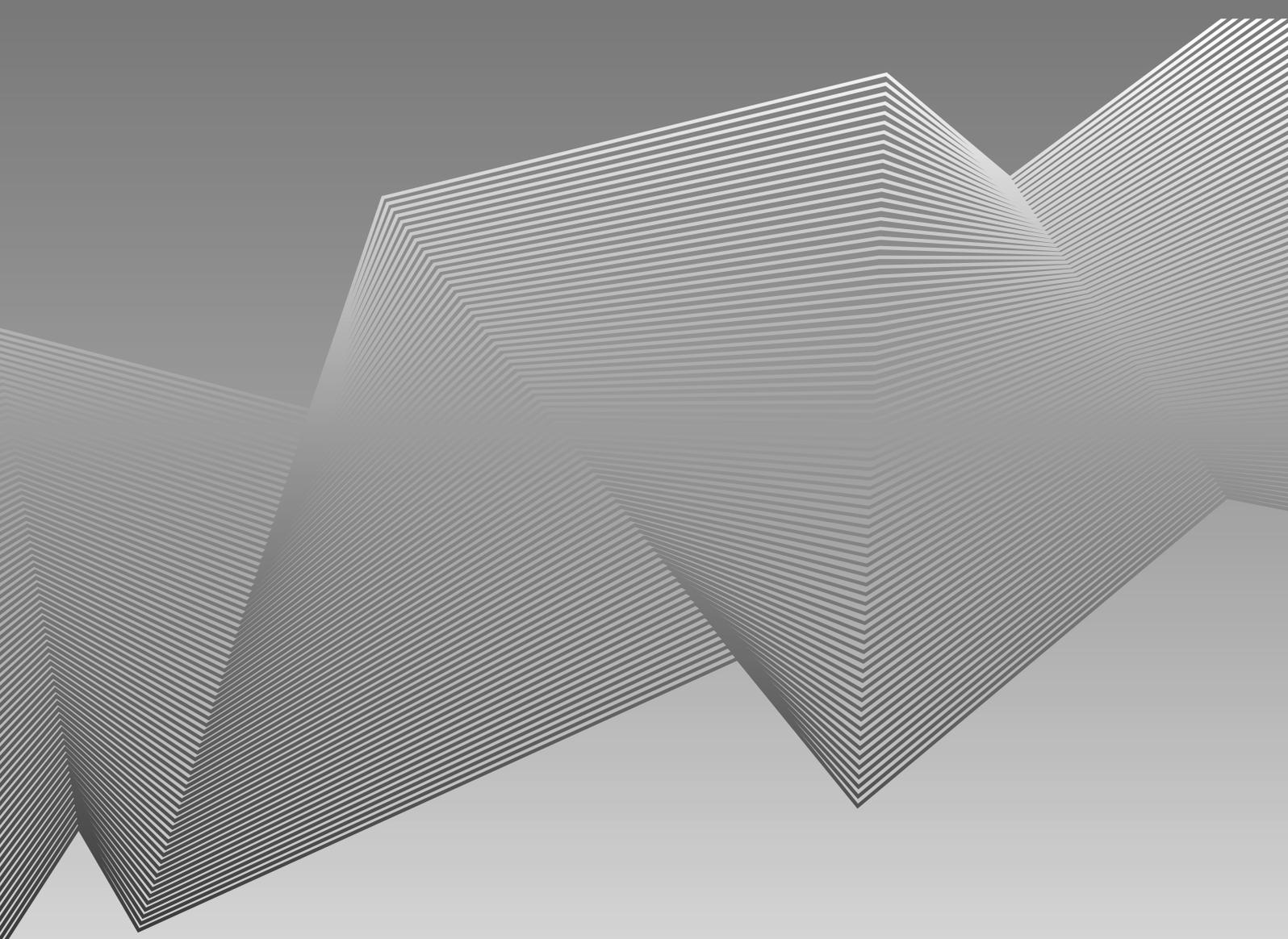


Queensland Rural and Industry  
Development Authority

# ANNUAL REPORT 2020–2021



**Queensland**  
Government



# Welcome to the Queensland Rural and Industry Development Authority (QRIDA) Annual Report for 2020-2021.

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 and Minister for Rural Communities.

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 2020-2021 achievements, performance and financial position.

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ISSN: 2203-8094 (print)

## 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 [qrda.qld.gov.au/annual-report](http://qrda.qld.gov.au/annual-report).

For further information, to obtain a paper copy of the report or to provide feedback on this report, please contact us:

**Telephone:** Freecall 1800 623 946  
**Email:** [contact\\_us@qrda.qld.gov.au](mailto:contact_us@qrda.qld.gov.au)  
**Facsimile:** (07) 3032 0300  
**Mail:** QRIDA  
GPO Box 211  
Brisbane QLD 4001

## To the Minister

16 September 2021

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

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2020-2021 and financial statements for the Queensland Rural and Industry Development Authority.

I certify this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* (Qld) and the *Financial and Performance Management Standard 2019*, and
- 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 68 of this annual report.

Yours sincerely

John Corbett  
Chair of the Board  
Queensland Rural and Industry Development Authority



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# Chief Executive Officer's report

**We are helping more Queenslanders than ever before, we have seen a year of growth and dedication from our employees to Queensland's primary producers, small businesses, and non-profit organisations.**

This financial year QRIDA approved more than 16,700 applications worth over \$304 million, the largest number of applications in a single year over our 27 year history.

We live and breathe rural and regional Queensland and supporting these communities is at the heart of our service delivery. Whether it's helping a young family buy their first property outside Longreach, funding for a fruit packing facility on the Southern Downs, or helping a small business recover from a natural disaster in Far North Queensland, we are proud of our history and passionate about our future in delivering more, new and varied programs and services to Queensland.

The diversity of programs and services we delivered in 2020-2021 demonstrates our capability as professional administrators of government grants and loans. We are proud of our people, processes and technology that enable us to scale up and respond to major events with confidence.

Our modern and agile service delivery model was tested again this past financial year by external factors such as the COVID-19 lockdowns. Through our business adaptation experience, we have been able to confidently broaden and expand our service delivery, offering program management to a range of government departments and agencies whilst taking care of our people and environment.

## Rural and regional support

Our longest running program, the Primary Industry Productivity Enhancement Scheme (PIPES), supports primary producers and shapes our values and culture at QRIDA.

We approved 193 applications for First Start and Sustainability Loans under the PIPES program, totalling almost \$104 million in 2020-2021.

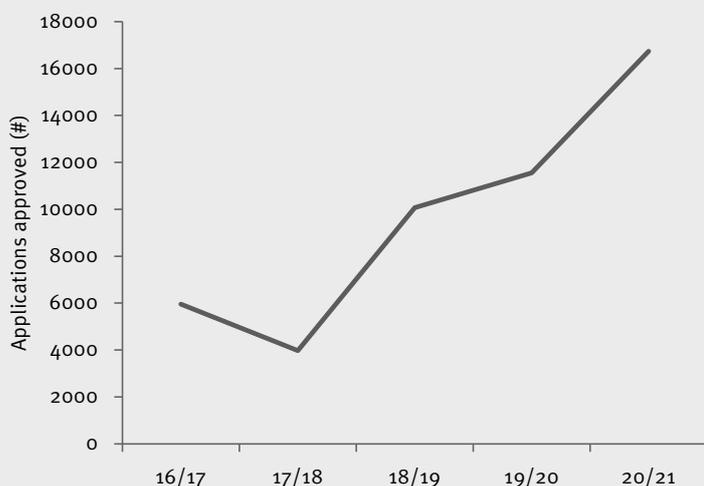
This scheme continues to help establish the next generation of primary producers and allow existing producers achieve more productive and sustainable enterprises with investments in water infrastructure to mitigate the effects of drought and other on-farm infrastructure to improve biosecurity, reduce pests and market risks.

In the coming year, 2021-2022, the Queensland Government has extended the annual funding pool for PIPES by a further \$20 million to \$120 million, a testament to the value of this program to primary producers across our state.

We were proud to continue our support for Queensland's beef industry at Beef Australia 2021 in Rockhampton. Although this triennial event was somewhat different to previous years due to COVID-19 restrictions, the strong attendance showcased how this vibrant industry still thrives despite global challenges.

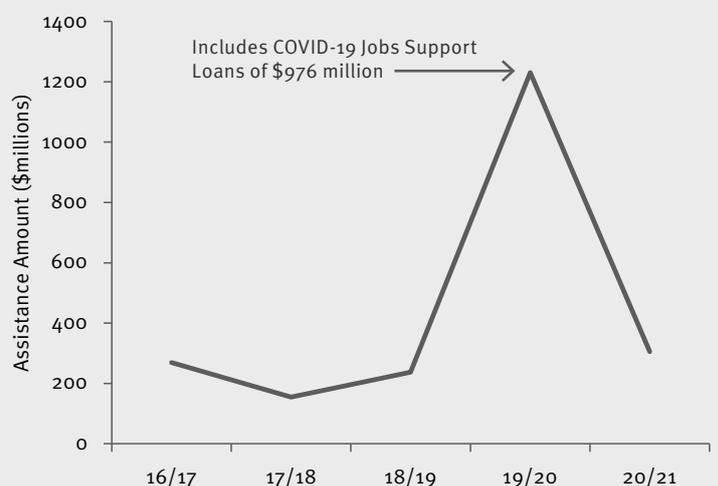
## Five year snapshot

### 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.



### Continued COVID-19 response

QRIDA has continued to play its part this year in helping support the Queensland Government’s Economic Recovery Strategy in response to the COVID-19 pandemic by delivering multiple programs and millions of dollars in business assistance to rural and regional communities. These include:

- Small Business COVID-19 Adaption Grant (Round 2) which saw \$99.9 million in funding delivered to more than 11,000 Queensland small businesses as they adjusted their operations as part of their pandemic response
- COVID-19 International Tourism Adaption Grant Program delivered \$2.4 million to 258 approved tourism businesses to help businesses pivot to a domestic market or hibernate until international markets open
- COVID-19 Marine Tourism Rebate delivered \$1.8 million to keep 132 marine operators afloat, predominantly in North and Far North Queensland
- Ongoing management of the COVID-19 Jobs Support Loan portfolio which has provided \$996 million across 6,928 businesses supporting 86,464 local jobs.

### Natural disaster response

Recovery from disasters can take many years and help can take many shapes and forms. This financial year QRIDA:

- Administered \$24 million in assistance to Queenslanders under the Australian and Queensland Government funded Disaster Recovery Funding Arrangements for Tropical Cyclone Niran
- Approved \$18 million in North Queensland Restocking, Replanting and On-Farm Infrastructure Co-Contribution Grants on behalf of the Australian Government to help producers in their long-term recovery following the 2019 Monsoon Trough event

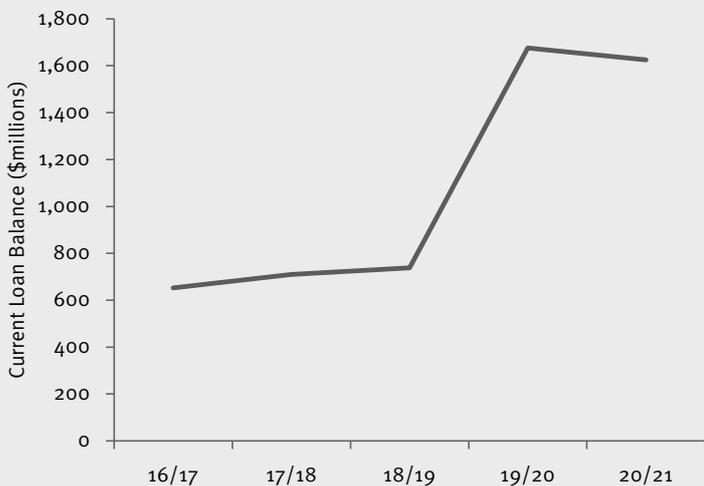
- Developed three new programs in partnership with the Australian Government to assist long term community recovery in North and Far North Queensland regions impacted by the 2019 Monsoon Trough event. These programs are providing funding to help address economic diversity, telecommunications and energy improvement and preventative youth mental health programs, again highlighting our role in supporting our regions.

Here at QRIDA, we’re proud to stay true to our roots in contributing to support Queensland’s rural and regional communities. Our growth, as a result of an increase in the volume and diversity of programs we deliver, has strengthened our commitment to Queenslanders across more industries and regions than ever before.

I would like to thank our employees located across the state, our allies, the Board of Directors, and the Honourable Mark Furner, Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities, for their support during another challenging and successful year. We look forward to continuing our special relationship with rural and regional Queensland and delivering new programs and services that support and provide value to Queenslanders.

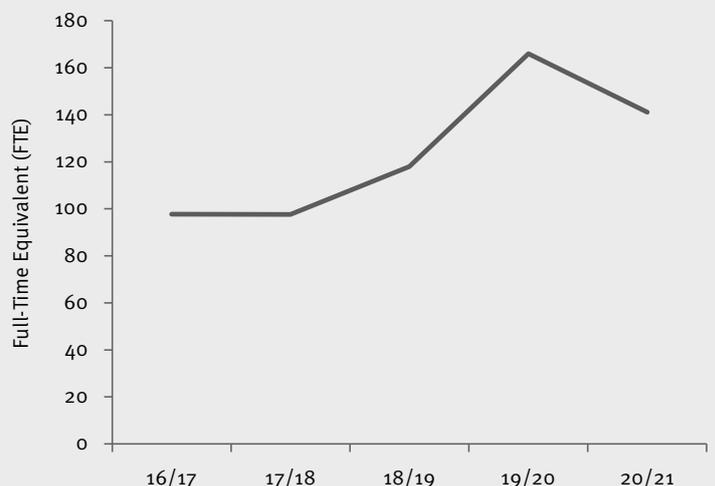
Cameron MacMillan  
Chief Executive Officer

### Loan register



Current loan balances (all open loans) as at 30 June each year.

### Staffing



Full-time equivalent (FTE) 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.**

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.

For more than 25 years, we have been helping primary producers and industry improve sustainability and profitability, make a start in business and overcome difficult conditions.

### What we do

QRIDA is a specialist administrator of government financial assistance programs including loans, grants and rebates.

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 and Minister for Rural Communities. We administer the COVID-19 Jobs Support Loans on behalf of Queensland Treasury and Department of Agriculture and Fisheries.

When required, QRIDA also supports the delivery of 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 7 for more information on how we actively contribute.

### Our values

Throughout 2020-2021, QRIDA's commitment to four core values governed our operations:

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

### Operating environment

Following a year of significant challenges, QRIDA has consolidated our strategic position as a Queensland rural and regionally focused professional administrator of loans, grants and rebates. This includes promoting and seeking efficiencies in the delivery of our core services and products including Primary Industry Productivity Enhancement Scheme loans, disaster assistance, the Farm Business Debt Mediation Program and the Farm Debt Restructure Office.

The COVID-19 operating environment has demonstrated QRIDA's capability to expand our service delivery model and ensure our responsiveness to meet government needs. By enhancing the quality of our technology we have ensured the needs of our clients' and staff are met. Key strategic risks remain in maintaining technology, security mechanisms and core programs to avoid business disruption and retain resilience in climate adaptation.

QRIDA will continue to seek opportunities to undertake research, provide policy advice and develop new products and services that meet the changing needs of Queensland's rural and regional industries. This includes 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: Supporting jobs

- Create jobs
- Increase private sector investment
- Engage more young Queenslanders in education, training or work
- Support increased jobs in more industries to diversify the Queensland economy and build on existing strengths in agriculture, resources and tourism

### How QRIDA contributed:

- Through delivering our core loans and grants programs and farm debt services we are supporting increased jobs in more industries to diversify the Queensland economy and build on existing strengths in agriculture and associated industries.
- By delivering a number of COVID-19 financial assistance programs to help businesses recover and support jobs in Queensland.
- By developing policy for viable lending that reaches more recipients, will contribute to increased jobs.

## Objective: Backing small business

- Help small business, the backbone of the state's economy, thrive in a changing environment

### How QRIDA contributed:

- Helping small business thrive in a changing environment by enhancing our online service delivery model.

## Objective: Protecting the environment

- Reduce Queensland's contribution to climate change
- Improve water quality
- Protect and enhance our natural environment and heritage for future generations and achieve a 50 per cent renewable energy target by 2030

### How QRIDA contributed:

- By partnering with government agencies and expanding our services across new and existing industry sectors, the recipients of our programs can protect and enhance our natural environment and heritage for future generations.

## Objective: Growing our regions

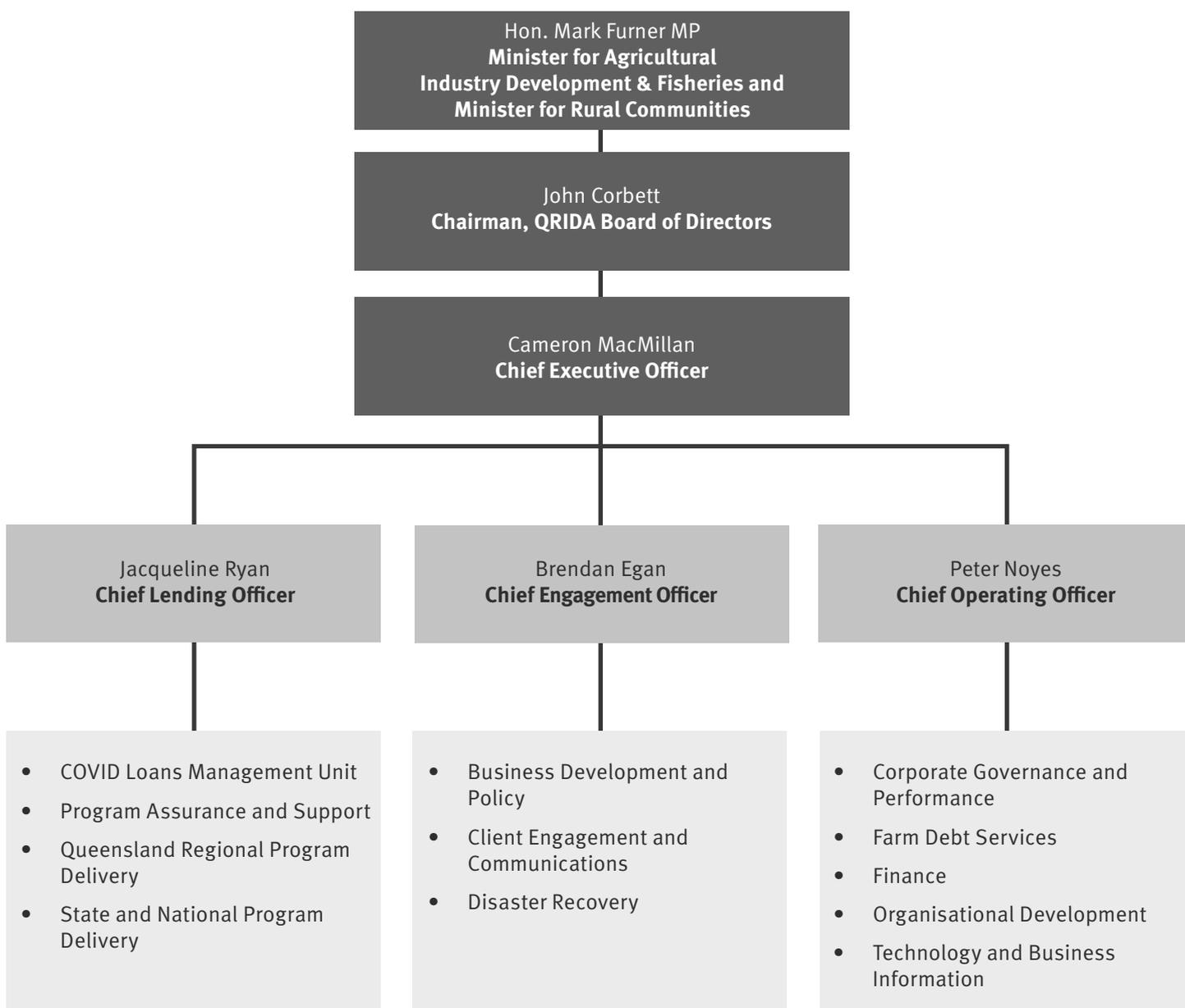
- Help Queensland's regions grow by attracting people, talent and investment, and driving sustainable economic prosperity

### How QRIDA contributed:

- Helping Queensland's regions grow by attracting people, talent and investment, and driving sustainable economic prosperity by focusing on people centred operations and services to the recipients of our programs.

# Governance - Management & structure

## Organisational structure





## 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 under 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 of no longer than three years. This appointment can end at any time as decided by Governor in Council. A director is appointed on a part-time basis and is entitled to the remuneration and allowances the Governor in Council fixes.

The Board is formally accountable to the Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities. During 2020-2021, 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 eight times during 2020-2021. Achievements of the Board in this time include:

- contributing to the development of and approving the four-year strategic plan
- determining strategic policies
- ensuring QRIDA performed its functions properly, effectively and efficiently
- completing the annual performance review of the Chief Executive Officer (CEO).

## Board committees

The Board has two sub committees that support its decision making. These are the Audit and Risk Management Committee (ARMC) and the Debt Management Committee (DMC). Refer to the *Governance – Risk management and accountability* section on page 12 for further detail.

## Board attendance

Position	Name	QRIDA Board	Audit and Risk Management Committee	Debt Management Committee	Total
Board Chairman	John Corbett	8/8	5/5	4/4	17/17
Director ARMC Chair	Belinda Turner	8/8	5/5		13/13
Director	Elton Miller	7/8			7/8
Director	Zoe Kenneally <sup>3,4</sup>	5/6	2/3		8/9
Director	Scott Spencer <sup>3,5</sup>	6/6		3/3	9/9
Director	Elizabeth Alexander <sup>3</sup>	6/6			6/6
Director	Drew Ellem	8/8	5/5	4/4	17/17

## Board remuneration

Position	Name	Meetings attended of eligible <sup>1</sup>	Approved annual fee	Approved sub-committee fee (includes ARMC)	Actual fees received (ex-Super) <sup>2</sup>
Board Chairman	John Corbett	17/17	\$42,000	\$1,700	\$43,551
Director ARMC Chair	Belinda Turner	13/13	\$12,000	\$1,700	\$13,653
Director	Elton Miller	7/8	Nil	Nil	Nil
Director	Zoe Kenneally <sup>3,4</sup>	8/9	\$12,000	\$1,700	\$10,852
Director	Scott Spencer <sup>3,5</sup>	9/9	\$12,000	Nil	\$9,751
Director	Elizabeth Alexander <sup>3</sup>	6/6	\$12,000	Nil	\$9,751
Director	Drew Ellem	17/17	Nil	Nil	Nil

<sup>1</sup> Includes Board, Audit and Risk Management Committee (ARMC) and Debt Management Committee (DMC) meetings.

<sup>2</sup> Based on the fortnightly pay periods ending in 2020-21.

<sup>3</sup> The Board of Director appointments for Directors Alexander, Spencer and Kenneally commenced as at 27 August 2020 with participation in Board of Directors meetings from 27 October 2020.

<sup>4</sup> Director Kenneally joined the ARMC from 18 February 2021.

<sup>5</sup> Director Spencer joined the DMC from 19 February 2021.

No fees are paid to Queensland Government representatives, being Directors Miller and Ellem.

## Governance - Management & structure (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 24-25 for a summary of QRIDA's 2020-2021 performance.

### Public sector ethics - 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 they have read and understood the 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 through also reviewing and enhancing policies relating to fraud and corruption practices.

### Human rights

The *Human Rights Act 2019* (Qld) sets out the basic rights, freedoms and responsibilities of all people in Queensland. It also sets out the relationship between government and the people it serves. From 1 January 2020 the Act required public authorities, including QRIDA, to act consistently with human rights and to give proper consideration to human rights in making decisions.

QRIDA supports the aim of the *Human Rights Act 2019* to embed respect for human rights in the culture of the Queensland public sector and has communicated its commitment to the public by publishing the Board and Executive Leadership Team (ELT) approved organisational statement on the QRIDA intranet and website.

Other actions that have been taken to further the objects of the act include:

- raising awareness within the organisation to human rights considerations and obligations initially through education and training
- maintaining increased appreciation of human rights considerations moving forward by embedding and monitoring education and awareness in the QRIDA recruitment and induction processes
- incorporating QRIDA's human rights commitment in the QRIDA website page which hosts the QRIDA Strategic Plan 2021-25
- revising privacy, disclosure and use of information statements in paper and online applications to include an acknowledgment to human rights considerations.

In 2020-2021, the ongoing review of policy, procedures and frameworks has resulted in a further 25 policies and procedures being assessed and revised to align with QRIDA's commitment to meet its obligations under the *Human Rights Act 2019* (Qld).

Since commencement of the *Human Rights Act 2019* to the year ending 30 June 2021, QRIDA received no human rights complaints.



# Governance - Risk management & accountability

## Risk management

QRIDA's risk management framework is aligned to AS/NZS/ISO 31000:2018 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 ELT, ARMC and the Board 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, trends and opportunities and develop appropriate action plans to manage those risks and opportunities.

Strategies that supported successful risk management in 2020-2021 included:

- management of the QRIDA strategic and operational risk register, incorporating the status of risk treatments (reviewed quarterly by ELT, ARMC and the Board)
- implementation and reinforcement of QRIDA's risk management principles, framework, guidelines and tools to improve accessibility and enhance employee engagement. Achieved through the use of program risk management methodology to identify, manage and report on risks to significant new project initiatives
- enhancing and annually testing QRIDA's emergency and business continuity management preparedness.

## Policy framework

During 2020-2021, QRIDA continued to focus on the development and review of its corporate policies and procedures in line with a two-year cyclical work plan. This ensured ongoing compliance 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.

All approved policies and procedures are made available on the QRIDA intranet and implemented with the support of education and training, monitoring and review mechanisms.

During 2020-2021, 20 policy areas, including the corresponding policies, procedures and frameworks were developed, reviewed and approved. The Board of Directors approved five strategic policies or policy statements.

## 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 the government controls.

QRIDA supports the principles of the RTI Act through 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 2020-2021, QRIDA received four 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 disclosure 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 2020-2021, there was one request for personal information in accordance with the IP Act.

## Governance - Risk management & accountability (cont.)

### Board committees

#### *Audit and Risk Management Committee*

The ARMC consists of three directors with the QRIDA Chair attending as an ex-officio member. The committee met five times during 2020-2021.

The committee undertook independent reviews during 2020-2021 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.

#### *Debt Management Committee*

The Debt Management Committee (DMC) includes the QRIDA Chair, the Director representing Queensland Treasury, and one other Director. QRIDA's Chief Executive Officer, Chief Operating Officer and Chief Lending Officer 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 Chief Financial Officer of QRIDA. The primary purpose of this committee is to provide debt and interest rate management oversight and governance.

The Debt Management Committee met four times during 2020-2021.

### Internal audit

The internal audit services were provided by Vincents Accountants 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 2020-2021 included:

- Queensland Government's \$1 billion COVID-19 Jobs Support Loan scheme: Phase 1 Scheme compliance program
- Queensland Government's \$1 billion COVID-19 Jobs Support Loan scheme: Phase 2 – Portfolio Management
- Risk management

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

### Information systems and recordkeeping

Information systems are managed in accordance with the Queensland Government Information Security Standard (IS18:2018) and its associated policies and guidelines.

QRIDA information assets have been reviewed in the past year, coincident with COVID-19 workplace challenges, and these have been expanded and strengthened. New firewalls, updated cyber threat detection and response tools and enhanced identity management frameworks have been implemented. QRIDA's core loans and grants management system, RAPID, and its associated application portal were tested during the high-intensity period when servicing the large number of COVID-19 Jobs Support Loans and Small Business COVID-19 Adaption Grants, proving the success of recent improvements to operational system scalability within the cloud environments. Microsoft Teams was recently rolled out which has improved methods of team collaboration and management and enhanced the capabilities of meetings with team members and external parties.

Recordkeeping within QRIDA is managed in accordance with the *Public Records Act 2002* (Qld), the Queensland Government Records Governance Policy and the Queensland Government Information Access and Use Policy (IS33).

During 2020-2021, key activities to support the ongoing achievement of compliance included:

- an upgrade of the electronic Document Records Management System (eDRMS), including training of staff in new functions
- continued recordkeeping awareness training
- development of an information asset identification register to identify the strategic information assets within QRIDA and accurately classify the security of information assets with respect to their Confidentiality, Integrity and Availability (CIA) as per the Queensland Government Information Security Classification Framework (QGISCF)
- commencement of identification and application of security classifications and Dissemination Limiting Markers (DLMs) for handling requirements for information assets
- review of the recordkeeping framework
- testing of the new eDRMS retention and disposal module
- identification of 'at risk' records and implementation of risk mitigation strategies to protect the records
- commencement of review of recordkeeping tools.



## Work health and safety

QRIDA is committed to providing a work environment which 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 Work Health and Safety Committee meetings. These meetings monitor any active caseload and non-compliance activity and seek to develop process improvements to prevent future occurrences. Further, the Work Health and Safety Committee seeks to proactively identify potential risks and hazards before they result in undesirable outcomes and to implement mitigation plans. This may include staff education, updating procedures and forms, as well as the procurement of necessary equipment that supports a safe workplace environment.

QRIDA also recognises a component for providing a safe workplace for employees is ensuring risks associated with work-related driving are managed. Over the past 12 months, staff mobility for work purposes was reduced due to COVID-19 influences. Where travel did occur, QRIDA continued to use comprehensive travel plans as well as a heightened awareness of hygiene practices and compliance with Queensland Government travel restrictions. QRIDA remains committed to a culture of work-related driving safety. Safe work-related driving is equal in importance to any office based safe work practices QRIDA has implemented. QRIDA's culture of safety recognises the driving task is often high risk and needs to be managed appropriately.

As a follow-up to the 2019-2020 'employee care calls', the Organisational Development team continued to actively monitor individual care programs for several employees who have experienced degrees of stress and anxiety directly and indirectly linked to the COVID-19 pandemic. Workplace adjustments were implemented where required, including the establishment of a room with lowered lighting and increased privacy to assist an employee with specific coping requirements.

In 2020-2021, 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 2020-2021 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.

## 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 2020-2021, QRIDA was subject to an annual assurance review over the Commonwealth loan portfolio under administration. In addition to the normal assurance processes, an impairment review was conducted to ensure compliance with AASB 9 *Financial Instruments*. This assessment provided confirmation to external auditors that concessional loan balances and transactions were accurately valued in the Department of Agriculture, Water and Environment's financial statements.

## Open data

QRIDA did not undertake any consultancies, overseas travel or use of Queensland Language Services Policies in 2020-2021. Therefore there is no requirement to publish through the Queensland Government's Open Data website ([www.data.qld.gov.au](http://www.data.qld.gov.au)).

# QRIDA workforce profile

The multitude of schemes QRIDA administers require a highly flexible and agile workforce.

QRIDA maintains a core permanent workforce which is supplemented by temporary officers and contract staff when required. This allows QRIDA to ensure staffing levels and resources are highly flexible and maintained at optimal levels, appropriate to business need.

As at 30 June 2021, QRIDA employed 149.08 full-time equivalent (FTE) staff, an increase from the 2020-2021 budget of 134 FTE staff, due to temporary staff required to manage ongoing loan repayments resulting from the Queensland Government's COVID-19 Jobs Support Loan Scheme, plus additional temporary resources administering the Small Business COVID-19 Adaption Grants and the North Queensland Replanting, Restocking and On-Farm Infrastructure Grants Scheme, together with several other financial assistance schemes QRIDA is administering.

Staff numbers as at 30 June 2021 were comprised of 49.36 per cent female and 50.64 per cent male staff.

The permanent officer separation rate for this period was 3.25 per cent, while the permanent officer retention rate was 96.75 per cent.

A comparative breakdown of staff numbers is shown below.

## QRIDA employees by employment type as at 30 June 2021

	2020-21	2019-20	Movement
Permanent	87.02	87.57	↓
Temporary	62.06	77.48	↓
Casual	0	1	↓
Total (FTE)*	149.08	166.05	↓

## QRIDA employees by level as at 30 June 2021

	2020-21	2019-20	Movement
Management (A07 and above)*	30	34.9	↓
Professional (A05/6)	64.85	80.58	↓
Administrative (to A04)	54.23	50.57	↑
Total (FTE)*	149.08	166.05	↓

\* Minimum Obligatory Human Resource Information (MOHRI) FTE data for fortnight ending 18 June 2021.

## Engagement

Every year, QRIDA conducts an employee engagement survey through an independent specialist survey provider. The results of the surveys inform and guide our employee engagement action plans across QRIDA.

In 2021 the engagement survey was conducted at the end of the financial year with an average engagement score of 80 per cent level of satisfaction with QRIDA as a place to work. In August 2020 QRIDA achieved an average engagement score of 87 per cent level of satisfaction. Following the 2020-2021 survey QRIDA will be aiming to exceed the target of 85 per cent.

As an outcome of the 2019-2020 survey, QRIDA increased engagement and consultation with employees via a series of formal manager-led team conversations and a new employee feedback email address together with a new employee representative consultation group.

## Recruitment

Minimal permanent officer turnover occurred this financial year. Recruitment activity in 2020-2021 remained high due to the recruitment of temporary staff required to support the delivery of the COVID-19 Jobs Support Loan Scheme in addition to the usual and customary turnover of temporary resourcing.

The voluntary turnover rate for this period was 12.31 per cent. This is a strong result in the context of a year which has included a large percentage of temporary staff plus considerable organisational change and scheme delivery. This turnover rate demonstrates a positive impact from QRIDA's employee retention and engagement strategies, enabling us to retain talent and intellectual property.

## Early retirement, redundancy and retrenchment

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



## Professional development

Whilst 2020-2021 involved an unusually high delivery focus resulting from such aspects as the ongoing impacts of the North Queensland Restocking Planting and On-farm Infrastructure Grant Scheme, the Small Business COVID-19 Adaption Grants and the COVID-19 Jobs Support Loan Scheme, QRIDA remained 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 2020-2021 QRIDA continued to use 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 2020-2021, many staff undertook skill development programs related to their field of expertise via tailored training courses, and external tertiary studies, amongst other bespoke learning outcomes.

QRIDA also recognises the importance of on-job learning and has continued to support and implement a considerable number of staff rotations, relief arrangements and secondment opportunities.

## 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. One formal grievance was received during the year which was successfully resolved through management action. This grievance represents 0.005 per cent of QRIDA's peak annual staffing number.

## Agile, flexible and healthy workforce

During the COVID-19 pandemic, QRIDA implemented plans to immediately out place the entire workforce, excluding 0.04 per cent key personnel retention. This was successfully achieved with 100 per cent of staff electing to work from home successfully doing so. In the 2020-2021 financial year QRIDA commenced returning staff to the office environment with varying levels of attendance required for executives, managers and staff. This attendance pattern is adjusted in accordance with Queensland Government health advice and to accommodate personal circumstances on a case-by-case basis.

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 flexible working arrangements including compressed working weeks and flexitime arrangements.

QRIDA's traditionally high staff satisfaction scores are considered a strong indicator of the effectiveness of QRIDA's workforce flexibility and wellness programs.

## Strategic workforce planning

QRIDA seeks to provide a pathway to assist the organisation 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. During the reporting period, QRIDA undertook a multi-channel recruitment approach to rapidly deliver a diverse and capable temporary workforce. The organisation redeployed internal resources, attracted Queensland Government candidates through targeted advertising, seconded additional Queensland Government employees through mobility schemes and engaged further resources from external professional services firms. QRIDA continues to refine recruitment and onboarding practices to meet the continuing capability challenges associated with schemes delivery.

## Looking ahead

QRIDA is continuing to focus on managing a 10 year client account legacy from the COVID-19 Jobs Support Loan Scheme and remaining focused 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>Disaster Recovery Funding Arrangements</i> )	Disaster Recovery Funding Arrangements 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.
	Natural Disaster Assistance Scheme Wide Bay-Burnett Severe Storms	Assist primary producers pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme Central Queensland Bushfires	Assist primary producers and small businesses pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme North and Far North Queensland Monsoon Trough	Assist primary producers, small businesses and non-profit organisations pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme North and Far North Queensland Monsoon Trough	Assist primary producers, small businesses and non-profit organisations pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme Tropical Cyclone Trevor	Assist primary producers pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme Tropical Cyclone Trevor	Assist primary producers pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme Queensland Bushfires	Assist primary producers, small businesses and non-profit organisations pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme Queensland Bushfires	Assist primary producers pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme TC Nirán	Assist primary producers and small businesses pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme TC Nirán	Assist primary producers and small businesses pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme Southern Queensland Severe Weather	Assist primary producers and small businesses pay for costs arising out of direct damage.
	North Queensland Restocking, Replanting and On-farm Infrastructure Grants	Assist primary producers on co-contribution (dollar for dollar) basis to re-stock, replant and repair or replace damaged infrastructure.
Australian Capital Territory Government	Australian Capital Territory Special Disaster Loans - Bushfire Emergency	Assist primary producers, small businesses and non-profit organisations pay for costs arising out of direct damage.
	<b>Other</b>	
Queensland Government	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 - Solar Loans	These loans helped households without the available funds to purchase a solar system up-front.
	Interest Free Loans for Solar and Storage - Battery Grants	Households were able to apply for grants to purchase a battery storage system.
	Interest Free Loans for Solar and Storage - Battery Small Business Grants	Small businesses were able to apply for grants to purchase a battery storage system.
	Interest Free Loans for Solar and Storage - Battery Loan and Grant Packages	Households were able to apply for interest-free loans and grants to purchase a battery storage system.
	Interest Free Loans for Solar and Storage - Solar and Battery Grants	Households were able to apply for grants to purchase a combined solar and battery storage system.
	Interest Free Loans for Solar and Storage - Solar and Battery Loan and Grant Packages	Households were able to apply for interest-free loans or grants to purchase a combined solar and battery storage system.
	Solar for Rentals	The Solar for Rentals Trial incentivises landlords to install eligible solar PV systems on their rental properties and share the system benefits with their tenants. This will be achieved through providing landlords with a rebate to offset the cost of purchasing and installing an eligible solar PV system and allowing tenants to use the solar system to reduce their electricity costs.

\* 2019-2020 figures have been amended to reflect cancellations and adjustments that occurred during 2020-2021. Figures are accurate as at 30 June 2021.



Support available	Application approvals				
	2019-20(#)	2020-21(#)	2019-20(\$)	2020-21 (\$)	Variance (\$)
Maximum loan amount of \$2,000,000.	100	115	\$57,642,651	\$75,620,489	Up
Maximum loan amount of \$1,300,000.	125	78	\$55,985,946	\$28,361,259	Down
Loans up to \$250,000.	6	-	\$1,262,745	-	Down
Loans up to \$250,000 for primary producers and small businesses and a loan/grant package of up to \$105,000 for non-profit organisations.	2	-	\$130,865	-	Closed
Loans up to \$250,000 for primary producers and small businesses.	1	-	\$191,200	-	Closed
Loans up to \$250,000 for primary producers and small businesses.	3	-	\$273,000	-	Closed
Loans up to \$250,000 for primary producers and small businesses and loans up to \$100,000 for non-profit organisations.	22	4	\$5,412,997	\$570,547	Closed
Grants up to \$75,000 for primary producers, and grants up to \$50,000 for small businesses and non-profit organisations.	1,394	35	\$49,611,814	\$842,353	Closed
Loans up to \$250,000 for primary producers.	5	-	\$954,693	-	Closed
Grants up to \$25,000.	47	-	\$822,309	-	Closed
Loans up to \$500,000.	4	1	\$526,700	\$50,000	Down
Grants up to \$75,000.	54	43	\$2,699,646	\$1,468,160	Closed
Loans up to \$250,000 for primary producers.	-	4	-	\$902,113	-
Grants up to \$75,000.	-	183	-	\$2,201,340	-
Grants up to \$75,000.	-	4	-	\$58,701	-
Co-contribution grants up to \$400,000.	191	79	\$49,099,977	\$17,939,817	Down
Loans up to \$500,000.	3	-	\$638,434	-	Closed
Rebates 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.	380	-	\$734,032	-	Closed
Households who met certain criteria could have applied for an interest free loan of up to \$4,500 to purchase a solar system. The loan must be repaid within 7 years.	22	-	\$97,807	-	Closed
Grants of up to \$3,000.	20	-	\$60,000	-	Closed
Grants of up to \$3,000.	6	-	\$18,000	-	Closed
Assistance packages were available for battery systems - offering grants of \$3,000 and interest-free loans of up to \$6,000, repayable within 10 years.	49	-	\$431,363	-	Closed
Grants of up to \$3,000.	10	-	\$30,000	-	Closed
Assistance packages were available for combined solar and battery systems - offering grants of \$3,000 and interest-free loans of up to \$10,000, repayable within 10 years.	317	-	\$4,076,064	-	Closed
Approximately 1,000 rebates of up to \$3,500 are available for eligible landlords to install a solar system with solar monitoring technology. Rental properties must be located in Bundaberg Regional Council, Gladstone Regional Council or Townsville City Council.	620	8	\$2,150,000	\$28,000	Closed

Table continued over the page.

# Loans and grants

Program owner	Program	Purpose of program/service
	<b>Other (continued)</b>	
Queensland Government	<b>Energy Saver Plus Extension Payment Scheme</b>	The objective of the Energy Savers program is to assist farmers reduce energy costs by supporting the accelerated adoption of improvements in on-farm energy use.
	<b>Large Electricity Customer Adjustment Program</b>	This program provides assistance to large electricity customers in regional Queensland who are currently on obsolete electricity tariffs. Successful customers taking part in the program will receive a free energy audit and advice, co-contribution grant to help implement energy management strategies.
	<b>Vessel Tracking Rebate Scheme</b>	The Queensland Sustainable Fisheries Strategy 2017-2027 requires vessel tracking on all commercial fishing boats by 2020 to assist in the management of Queensland fisheries. The objective of the Queensland Government Vessel Tracking Rebate Scheme is to help commercial fishers with the costs of purchasing and/or installing approved vessel tracking units on their commercial fishing boat(s).
	<b>Rural Economic Development Grants Scheme Round 2</b>	The objective of the Rural Economic Development Grants Scheme is to strengthen primary production sectors and bolster rural communities. The scheme will achieve its objective by assisting eligible applicants to carry out projects which will create employment relating to primary production value chains in rural areas.
	<b>Rural Economic Development Grants Scheme Round 3</b>	The objective of the Rural Economic Development Grants Scheme is to strengthen primary production sectors and bolster rural communities. The scheme will achieve its objective by assisting eligible applicants to carry out projects which will create employment relating to primary production value chains in rural areas.
	<b>Taxi and Limousine Business Support Grants</b>	The objective of the Taxi and Limousine Business Support Grants Scheme is to support Queensland taxi and limousine licence holders to acquire business improvement services or financial advocacy services to adjust to changes in the personalised transport industry.
	<b>Waste Management Viability Assessment Reports</b>	The objective of the Waste Management Viability Assessment Reports is to assess existing recyclers who are claiming an exception from the waste levy on the basis of financial hardship.
	<b>Household Waste Rebate</b>	The objective of the Household Waste Rebate Scheme is to ensure the introduction of the waste levy has no direct impact on Queensland households by providing assistance to households to offset the cost of waste going to landfill.
	<b>Wheelchair Accessible Taxi Grant</b>	The objective of the Wheelchair Accessible Taxi Grants Scheme is to support the modernisation and expansion of Queensland's wheelchair accessible taxi fleet to ensure continuity of service to those with reduced mobility.
	<b>Bus Driver Safety Scheme</b>	The objective of the Queensland Bus Driver Safety Scheme is to assist bus operators delivering eligible bus services, offset the costs of acquiring and installing driver barrier and anti-shatter film safety measures on buses.
	<b>Farming in Reef Catchments Rebate Scheme</b>	The objective of the Farming in Reef Catchments Rebate Scheme is to help sugarcane, beef cattle and banana producers in the Great Barrier Reef regions offset the cost of obtaining professional advice about managing nutrient and sediment pollution in line with minimum practice agricultural standards for improved water quality outcomes for the Great Barrier Reef.
	<b>Carbon Farming Advice Rebate - Pre-approval</b>	The objective of the Carbon Farming Advice Rebate program is to assist eligible applicants with the cost of accessing eligible advice about undertaking a carbon farming project on their land through the Land Restoration Fund.
	<b>Carbon Farming Advice Rebate - Claim</b>	
	<b>Queensland COVID-19 Jobs Support Loans</b>	The objective of the COVID-19 Jobs Support Loans Scheme is to assist Queensland businesses and non-profit organisations financially impacted by COVID-19 retain employees and maintain their operations.
	<b>COVID-19 Small Business Adaption Grants - Round 2</b>	The objective of the COVID-19 Small Business Adaption Grants - Round 2 is to assist eligible small businesses in Queensland who have been forced into hibernation, or those who have experienced a significant structural adjustment or forced to re-pivot their business operations as a result of the pandemic. Grant funding will support impacted small businesses to adapt and sustain their operations and build resilience.
	<b>COVID-19 Taxi and Limousine Industry Assistance Scheme</b>	The objective of the COVID-19 Taxi and Limousine Industry Assistance Scheme is to support the taxi and limousine industry to alleviate the economic impacts of COVID-19 and to ensure services can continue to operate in recognition of their important role in Queensland communities and to assist the recovery of the industry.

\* 2019-2020 figures have been amended to reflect cancellations and adjustments that occurred during 2020-2021. Figures are accurate as at 30 June 2021.



Support available	Application approvals				
	2019-20(#)	2020-21 (#)	2019-20(\$)	2020-21 (\$)	Variance (\$)
Participants can receive a co-contribution grant of up to 50% towards the cost of implementing recommendations, to a maximum of \$20,000.	59	76	\$1,008,753	\$1,215,169	Up
Subject to the outcomes of the audit process and the agreement on grant terms, eligible participants will receive a government co-contribution grant to support implementation of the audit recommendations, including plant and equipment upgrades. The amount will be up to 50% of implementation costs, capped at \$250,000.	5	1	\$811,896	\$130,387	Down
The assistance is a purchase and/or installation rebate to offset the costs of purchasing and/or installing approved vessel tracking units required on all commercial fishing boats by the end of 2020. The purchase rebate amount is: For a Category A approved vessel tracking unit – the purchase cost up to a maximum of \$300 and for a Category B approved vessel tracking unit – the purchase cost up to a maximum of \$750. The installation rebate is for the cost of a professional installation of an approved vessel tracking unit up to a maximum of \$220.	226	73	\$270,695	\$77,248	Down
Grants are available up to \$250,000 as a co-contribution to be matched by applicants.	14	-	\$3,340,000	-	Closed
Grants are available up to \$250,000 as a co-contribution to be matched by applicants.	-	15	-	\$3,143,283	Closed
Co-contribution grants are available, with matched funding of up to \$5,000 for individuals and up to \$20,000 for applicant groups intending to purchase business improvement services. Alternatively, individual applicants can apply for a grant of up to \$5,000 for the total cost of purchasing financial advocacy services.	69	-	\$340,000	-	Closed
N/A	7	-	N/A	N/A	N/A
This is a formula based payment whereby funding amount is calculated from the average amount of domestic waste only generated by a household, the bin capacity and the direct waste levy cost to dispose of that waste.	185	150	\$564,322	\$547,431	Down
Grants are available up to \$45,000 with a 50 per cent co-contribution from applicants to offset the cost of purchasing and modifying a new wheelchair accessible taxi (WAT).	58	84	\$2,437,391	\$3,638,915	Up
Rebate amounts available are: (a) 50 per cent of the total amount paid for acquiring and installing a driver barrier up to a maximum of \$2,000 per bus operating in a high risk area (b) the amount paid for acquiring and installing anti-shatter film up to a maximum of \$1,200 for a standard bus (or smaller bus) and up to \$2,400 for a large bus (articulated, double decker or long wheel base). (Note: the two applicants approved in 2019-2020 both fitted fleets of busses with safety measures as per the program guidelines, resulting in a high program value relative to the number of applications)	2	-	\$501,795	-	N/A
Rebates are available up to \$1,000.	1	2	\$1,000	\$1,850	Up
Rebates are available up to a maximum amount of \$10,000.	94	26	N/A	N/A	N/A
	9	75	N/A	N/A	N/A
Concessional loans are available up to 50 per cent of an eligible entity's annual wage expense, to a maximum of \$250,000.	6,780	148	\$976,137,303	\$19,846,173	Closed
Grants up to \$10,000.	N/A	11,273	N/A	\$99,884,318	New
\$1,000 for taxi and limousine licence holders.	N/A	3,632	N/A	\$18,891,500	New
\$3,500 for taxi and limousine licence operators + \$1,00 for each WAT licence.	N/A	3,632	N/A	\$18,891,500	New

Table continued over the page.

# Loans and grants

Program owner	Program	Purpose of program/service
	<b>Other (continued)</b>	
<b>Queensland Government</b>	<b>COVID-19 International Tourism Adaptation Grants</b>	The objective of the COVID-19 International Tourism Adaptation Grants is to assist tourism businesses to pivot to a domestic market or hibernate until international markets open.
	<b>COVID-19 Marine Tourism Rebate</b>	The objective of the COVID-19 Marine Tourism Rebate program is to provide financial assistance to marine tourism businesses operating vessels in the Livingstone, Townsville, Douglas, Whitsunday, Bundaberg, Burdekin, Cassowary Coast, Cairns, Cook, Fraser Coast, Gladstone, Hinchinbrook, Isaac and Mackay Local Government Areas. It directly supported tourism vessel operators who suffered losses of income because of the COVID-19 travel restrictions. It was designed to assist eligible applicants in the above Local Government Areas by offsetting the cost of privately owned marina berthing fees paid in 2020-2021.
	<b>COVID-19 Daintree Area Scheme</b>	The purpose of the COVID-19 Daintree Area Scheme is to assist the Daintree community in responding to the COVID-19 emergency by providing financial assistance to eligible households, small businesses and non-profit organisations operating from off-grid premises in the area (i.e. not connected to the Ergon electricity network or have an Ergon power card).
	<b>Back to Work in Agriculture Incentive Scheme</b>	The Back to Work in Agriculture Incentive Scheme aims to ensure that, despite being highly impacted by the closure of international borders due to the COVID-19 pandemic, agribusinesses have the workforce they need to continue operating and maintain production capacity where possible. This will be achieved by attracting and assisting Queenslanders, including job seekers who do not currently work in agriculture, to mobilise to available seasonal jobs.
<b>Northern Territory Government</b>	<b>Northern Territory Loans</b>	Business Investment Concessional Loans provide loan finance, matched by borrower sourced private sector debt, to de-risk project opportunities, bring forward private investment and deliver projects to final investment. All projects seeking finance must demonstrate how they will create and sustain new local jobs and drive increased economic activity.
<b>Australian Government</b>	<b>North Queensland Telecommunications and Energy Improvement Grants (North &amp; Far North Queensland Monsoon Trough, 25 January - 14 February 2019)</b>	The objective of the North Queensland Telecommunications and Energy Improvement Grants (North & Far North Queensland Monsoon Trough, 25 January - 14 February 2019) is to fund eligible projects that trial and adapt new technologies, or upgrade existing technologies, that improve access to reliable and cost-effective telecommunications connectivity or energy supply.
	<b>North Queensland Resilient Kids Grants (North &amp; Far North Queensland Monsoon Trough, 25 January - 14 February 2019)</b>	The North Queensland Resilient Kids Grants (North & Far North Queensland Monsoon Trough, 25 January - 14 February 2019) aim to fund the development and delivery of preventative youth mental health programs for school-aged children in the eligible area.

\* 2019-2020 figures have been amended to reflect cancellations and adjustments that occurred during 2020-2021. Figures are accurate as at 30 June 2021.



Support available	Application approvals				
	2019-20(#)	2020-21 (#)	2019-20(\$)	2020-21 (\$)	Variance (\$)
Grants up to \$10,000.	N/A	258	N/A	\$2,416,266	New
Rebates up to \$20,000.	N/A	132	N/A	\$1,831,216	New
\$200.00 for eligible households.					
\$500.00 for eligible small businesses and non-profit organisations.	N/A	185	N/A	\$57,400	New
Payments up to \$1,500.	N/A	25	N/A	\$36,500	New
Loans from \$100,000 to \$3 million.	N/A	4	N/A	\$9,150,000	New
Grants up to \$1 million.	N/A	23	N/A	\$14,000,741	New
Grants up to \$2 million.	N/A	1	N/A	\$2,000,000	New
	<b>10,890</b>	<b>16,737</b>	<b>\$ 1,218,263,398</b>	<b>\$304,911,175</b>	<b>Down</b>

## Farm Debt Services

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

The following outlines the broad purpose of the respective programs.

### Farm Business Debt Mediation Program

From 1 July 2017, the Farm Business Debt Mediation program replaced the voluntary mediation scheme that was part of the Queensland Farm Finance Strategy. 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. The farmer and the lender equally share the costs for the mediation process.

QRIDA maintains a panel of 28 mediators of which the farmer and lender can agree to engage with to conduct the mediation. In accordance with the legislation, QRIDA has begun the biennial review of the panel of mediators, opening the panel to new applications and requiring existing mediators wishing to remain on the panel to apply for re-accreditation.

As at 30 June 2021, 273 mediation matters have been initiated since scheme inception, with 42 remaining in progress.

In 2020-2021, 64 mediation matters commenced with a total of 53 matters overall having been finalised.

QRIDA remains committed to robust information barriers between the administration of this program and the delivery of QRIDA loans and grants programs.

### Farm Debt Restructure Office

The Farm Debt Restructure Office commenced on 1 January 2018. The office has an important role to play between rural lenders and farmers in financial distress, particularly when communication between the parties ceases to be productive.

It administers the Farm Business Analysis Assistance (FBAA) program, which provides farmers a funded package to access financial experts to analyse the enterprise and provide a range of debt restructure options to address the farmer's situation. This is a unique program for primary producers experiencing financial difficulties and compliments QRIDA's other farm debt services.

Since commencement of the program, 69 applications for FBAA have been received with 56 reports delivered to primary producers.

In 2020-2021, 20 FBAA applications were received by the Farm Debt Restructure Office providing support to 33 Queensland business entities.

Awareness of the program continues to grow with marketing activity targeting primary producers in financial difficulty initiated through active consultation with key stakeholders such as banks, accountants, industry representatives, government agencies and Rural Financial Councillors.



# Business Development and Policy

## Business Development

During 2020-2021, the Business Development and Policy (BDP) team continued to support the acquisition and development of new business opportunities for QRIDA and focused on building QRIDA's profile as a preferred agency for government financial assistance program design and delivery services.

In 2020-2021, BDP secured 15 new business opportunities for QRIDA. This included delivering programs for seven different program owners, of which two were new program owners.

Eleven programs were delivered to non-rural sectors in 2020-2021, further expanding QRIDA's delivery scope and experience.

These results were achieved through BDP's active business development strategy, which concentrated on developing additional delivery partnerships with Queensland Government agencies as well as leveraging our success in delivering a range of COVID-19 assistance programs.

QRIDA's services were positively received with the 2020-2021 program owner survey results indicating a 95 per cent rate of satisfaction with QRIDA services.

## Policy

During the 2020-2021 period, BDP delivered and launched the 2019 Rural Debt Survey.

BDP also provided program design advice to the Department of Agriculture and Fisheries for the new Queensland drought reform measures and the National Recovery and Resilience Agency for the North Queensland Resilient Kids Grant, North Queensland Economic Diversification Grants and North Queensland Telecommunications and Energy Improvement Grants.

## Advisory

BDP delivered its community grants review advisory services to one Local Government Authority through QRIDA's no-cost grant program review service. The 2020-2021 survey of this Local Government Authority indicated a 100 per cent satisfaction rate.

## Program Establishment

For 2021-2022, BDP aims to continue growing QRIDA's profile as a preferred delivery agency for financial assistance programs in Queensland and other jurisdictions where appropriate.

This will be achieved through QRIDA continuing to work with existing customers to deliver successful programs and creating new relationships across all levels of government.

# Organisational performance summary

Our objectives	Performance indicators
<b>Rural and regional communities</b>	Net number of successful PIPES applications
	Approval percentage for PIPES applications
	Percentage of successful PIPES applications that are for clients new to the PIPES program
	Percent of overall satisfaction within the Client Satisfaction Survey
	PIPES applications processed within agreed service delivery timeframes
	DRFA applications processed within agreed service delivery timeframes
	Fee for service applications processed within agreed service delivery timeframes
	Appeals processed within agreed service delivery timeframes
	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
	Farm Business Analysis Assistance applications received per year
<b>Sustainability</b>	Net value of successful PIPES applications
	Maintain total loan arrears within budget levels
	Maintain PIPES portfolio arrears within budget levels
	Average number of core program loans per permanent FTE in Program Service Delivery
	Administration revenue
	Administration net operating margin
	Subsequent dealing requests finalised within 5 days
	Network and systems availability
<b>Partnerships</b>	Percent of overall satisfaction within the program owner satisfaction survey
	Percent of response 'very satisfied' within the program owner satisfaction survey
	Number of departments or agencies using QRIDA's services
<b>People and culture</b>	Percentage of overall satisfaction within the staff engagement survey
	Corporate policies and frameworks reviewed and approved
	Staff wellness program events (health / information / social) per year
<b>New value</b>	Programs delivered to non primary production industries
	Number of new programs administered from existing program owners
	Number of programs administered from new program owners



✓ Achieved    ✗ Not Achieved

Target	Result	Commentary	2021-202 Target
230	193	✗ Average PIPES Loan approval for 2020-2021 is \$40,000 higher than in 2019-2020.	230
70%	70%	✓ Result achieved.	70%
70%	67%	✗ Result not achieved. Interest from new clients to take up loans may have been tempered by the uncertainty with the COVID-19 pandemic and current agricultural property market prices.	75%
90%	82%	✗ Result not achieved. The client cohort this year included fewer client profiles that traditionally rate QRIDA services higher, resulting in a lower than expected satisfaction rating.	90%
95%	97.81%	✓ Result achieved.	95%
90%	100%	✓ Result achieved.	90%
90%	96.43%	✓ Result achieved.	90%
100%	100%	✓ Result achieved.	100%
100%	100%	✓ 10 applications were assessed in the period and all decided within the statutory timeframe of 20 business days after the expiry of the show cause period.	100%
80%	100%	✓ 3 reviews were undertaken and all upheld the original decision.	80%
36	20	✗ Result not achieved. Application volumes tempered by strong economic conditions and high capital growth. Further insulated by low concessional and commercial interest rates.	36
\$100 million	\$104 million	✓ Result achieved.	\$120 million
<1.0%	0.14%	✓ Result achieved.	<1.0%
<0.5%	0.22%	✓ Result achieved.	<0.5%
60	50.6	✗ This measure captures all permanent FTEs involved in the delivery of the suite of financial assistance programs, including loans and grants.	60
\$23,151,957	\$23,111,182	✗ The lower revenue result is due to less than anticipated interest revenue from cash at bank.	\$25,669,600
\$71,879	-\$1,305,560	✗ The lower net operating margin is due to QRIDA charging only additional costs for administering a number of COVID-19 support programs in 2020-2021.	\$61,644
90%	91%	✓ Result achieved. Average 1.94 days per dealing.	90%
98%	99.97%	✓ Result achieved.	98%
95%	95%	✓ Result achieved.	95%
80%	58%	✗ Result not achieved. Increasing expectations from program owner customers combined with varied interpretations on the term "very satisfied" has produced a lower than anticipated figure.	80%
7	15	✓ Result achieved.	5
85%	80%	✗ Result not achieved. Business and personal disruption as a result of COVID-19 is believed to have caused the downturn in satisfaction more generally.	85%
12	25	✓ Results achieved. Reflects an active year in terms of policy and framework review.	12
4	3	✗ Result not achieved. Business disruption as a result of COVID-19 have resulted in 2 scheduled events falling outside the financial year.	100%
5	16	✓ Result achieved.	3
8	13	✓ Result achieved.	8
3	3	✓ Result achieved.	3

# Queensland Rural and Industry Development Authority

## Financial Statements

for the financial year ended 30 June 2021

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

# Queensland Rural and Industry Development Authority

## Statement of Comprehensive Income

for the year ended 30 June 2021



	Notes	2021 Actual \$'000	2021 Original Budget \$'000	Budget Variance* \$'000	2020 Actual \$'000
<b>Income from Continuing Operations</b>					
Grants and other contributions	3	181,629	344,126	(162,497)	148,587
Fees	4	9,691	9,893	(202)	10,115
Interest	5	92,548	81,426	11,122	43,203
Other revenue		8	-	8	17
<b>Total Revenue</b>		<b>283,876</b>	<b>435,445</b>	<b>(151,569)</b>	<b>201,922</b>
Gain on borrowings received at greater than fair value	14.1	205	908	(703)	981
Gain on reversal of impairment loss	12.2	9,184	-	9,184	-
Gain on disposal of property, plant and equipment		-	-	-	2
<b>Total Income from Continuing Operations</b>		<b>293,265</b>	<b>436,353</b>	<b>(143,088)</b>	<b>202,905</b>
<b>Expenses from Continuing Operations</b>					
Employee expenses	6	17,649	18,123	(474)	16,256
Supplies and services	7	6,436	8,394	(1,958)	10,993
Grants and subsidies	8	154,558	348,598	(194,040)	98,270
Depreciation and amortisation		332	313	19	334
Loss on loans and loan commitments issued at greater than fair value	12.4 & 12.5	22,776	23,782	(1,006)	231,608
Impairment losses	12.2	-	493	(493)	103,836
Finance/borrowing costs	9	5,618	5,256	362	7,100
Other Expenses	10	15,758	12,542	3,216	11,724
<b>Total Expenses from Continuing Operations</b>		<b>223,127</b>	<b>417,501</b>	<b>(194,374)</b>	<b>480,121</b>
<b>Operating Result from Continuing Operations</b>		<b>70,138</b>	<b>18,852</b>	<b>51,286</b>	<b>(277,216)</b>
<b>Operating Result for the Year</b>		<b>70,138</b>	<b>18,852</b>	<b>51,286</b>	<b>(277,216)</b>
<b>Total Comprehensive Income</b>		<b>70,138</b>	<b>18,852</b>	<b>51,286</b>	<b>(277,216)</b>

The accompanying notes form part of these statements.

\*An explanation of major variances is included at Note 22

# Queensland Rural and Industry Development Authority

## Statement of Financial Position

as at 30 June 2021

	Notes	2021 Actual \$'000	2021 Original Budget \$'000	Budget Variance * \$'000	2020 Actual \$'000
<b>Current Assets</b>					
Cash and cash equivalents	11	275,404	195,769	79,635	251,512
Loans and advances	12	59,356	62,640	(3,284)	84,181
Receivables		499	6,824	(6,325)	6,824
<b>Total Current Assets</b>		<b>335,259</b>	<b>265,233</b>	<b>70,026</b>	<b>342,517</b>
<b>Non-Current Assets</b>					
Loans and advances	12	1,108,283	1,224,170	(115,887)	1,073,405
Property, plant and equipment		139	130	9	229
Intangible assets		1,606	1,429	177	1,643
<b>Total Non-Current Assets</b>		<b>1,110,028</b>	<b>1,225,729</b>	<b>(115,701)</b>	<b>1,075,277</b>
<b>Total Assets</b>		<b>1,445,287</b>	<b>1,490,962</b>	<b>(45,675)</b>	<b>1,417,794</b>
<b>Current Liabilities</b>					
Trade and other payables		406	1,821	(1,415)	1,819
Loan commitments	12.5	5,012	13,722	(8,710)	13,722
Interest-bearing borrowings	13	25,755	42,942	(17,187)	60,626
Non-interest-bearing borrowings	14	5,049	5,298	(249)	4,960
Accrued employee benefits		3,672	3,678	(6)	3,614
<b>Total Current Liabilities</b>		<b>39,894</b>	<b>67,461</b>	<b>(27,567)</b>	<b>84,740</b>
<b>Non-Current Liabilities</b>					
Interest-bearing borrowings	13	183,810	215,383	(31,573)	193,605
Non-interest-bearing borrowings	14	10,776	18,332	(7,556)	17,118
Accrued employee benefits		259	151	108	148
<b>Total Non-current Liabilities</b>		<b>194,845</b>	<b>233,866</b>	<b>(39,021)</b>	<b>210,871</b>
<b>Total Liabilities</b>		<b>234,739</b>	<b>301,327</b>	<b>(66,588)</b>	<b>295,611</b>
<b>Net Assets</b>		<b>1,210,548</b>	<b>1,189,635</b>	<b>20,913</b>	<b>1,122,183</b>
<b>Equity</b>					
Contributed equity		1,105,879	1,083,252	22,627	1,087,652
Accumulated surplus		104,669	106,383	(1,714)	34,531
<b>Total Equity</b>		<b>1,210,548</b>	<b>1,189,635</b>	<b>20,913</b>	<b>1,122,183</b>

The accompanying notes form part of these statements.

# Queensland Rural and Industry Development Authority

## Statement of Changes in Equity

for the year ended 30 June 2021



	Accumulated Surplus	Contributed Equity	Total
	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2019</b>	311,747	137,652	449,399
Operating result for the year	(277,216)	-	(277,216)
<b>Total comprehensive income for the year</b>	(277,216)	-	(277,216)
<b>Transactions with owners as owners:</b>			
Non-appropriated equity injection	-	950,000	950,000
<b>Balance as at 30 June 2020</b>	<b>34,531</b>	<b>1,087,652</b>	<b>1,122,183</b>
Operating result for the year	70,138	-	70,138
<b>Total comprehensive income for the year</b>	<b>70,138</b>	-	<b>70,138</b>
<b>Transactions with owners as owners:</b>			
Non-appropriated equity injection (Note 15)	-	50,000	50,000
Distributions to owners	-	(31,773)	(31,773)
<b>Balance as at 30 June 2021</b>	<b>104,669</b>	<b>1,105,879</b>	<b>1,210,548</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 2021

	Notes	2021 Actual \$'000	2021 Original Budget \$'000	Budget Variance* \$'000	2020 Actual \$'000
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
Grants and other contributions		181,629	344,126	(162,497)	148,373
Fees		15,973	9,892	6,081	4,345
Interest received		18,460	23,207	(4,747)	23,052
GST input tax credits from ATO		253	-	253	292
GST collected from customers		1,265	-	1,265	5,364
Other		8	-	8	17
<i>Outflows:</i>					
Employee expenses		(17,479)	(18,057)	578	(15,407)
Supplies and services		(7,563)	(8,409)	846	(9,844)
Grants and subsidies		(154,558)	(348,598)	194,040	(98,270)
Finance/borrowing costs		(3,857)	(5,256)	1,399	(5,855)
Other expenses		(15,758)	(12,542)	(3,216)	(11,724)
GST paid to suppliers		(247)	-	(247)	(231)
GST remitted to ATO		(1,582)	-	(1,582)	(5,049)
<b>Net cash provided by operating activities</b>	CF-1	<b>16,544</b>	<b>(15,637)</b>	<b>32,181</b>	<b>35,063</b>
<b>Cash flows from investing activities</b>					
<i>Inflows:</i>					
Sales of property, plant and equipment		-	-	-	2
Loans and advances redeemed		201,421	87,881	113,540	120,349
<i>Outflows:</i>					
Payments for property, plant and equipment		(10)	-	(10)	(6)
Payments for intangible assets		(194)	-	(194)	-
Loans and advances made		(159,620)	(181,577)	21,957	(1,067,908)
<b>Net cash used in investing activities</b>		<b>41,597</b>	<b>(93,696)</b>	<b>135,293</b>	<b>(947,562)</b>
<b>Cash flows from financing activities</b>					
<i>Inflows:</i>					
Interest-bearing and non-interest-bearing borrowings	CF-2	4,738	47,993	(43,255)	71,963
Equity injection		50,000	50,000	-	950,000
<i>Outflows:</i>					
Interest-bearing and non-interest-bearing borrowing redemptions	CF-2	(57,214)	(43,003)	(14,211)	(68,501)
Equity withdrawals		(31,773)	(1,400)	(30,373)	-
<b>Net cash used in financing activities</b>		<b>(34,249)</b>	<b>53,590</b>	<b>(87,839)</b>	<b>953,462</b>
Net increase (decrease) in cash and cash equivalents		23,892	(55,743)	79,635	40,963
<b>Cash and cash equivalents at beginning of financial year</b>		<b>251,512</b>	<b>251,512</b>	<b>-</b>	<b>210,550</b>
<b>Cash and cash equivalents at end of financial year</b>	11	<b>275,404</b>	<b>195,769</b>	<b>79,635</b>	<b>251,512</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 2021



### Notes to the Statement of Cash Flows

#### CF-1 Reconciliation of operating result to net cash provided by operating activities

	2021 \$'000	2020 \$'000
Operating surplus/(deficit)	70,138	(277,216)
<i>Non-cash items included in operating result:</i>		
Depreciation and amortisation expense	332	334
Gain on disposal of plant and equipment	-	(2)
Impairment gains/losses	(9,184)	103,836
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in accrued interest income	(245)	704
(Increase)/decrease in unamortised discount on borrowings received at greater than fair value	1,780	771
(Increase)/decrease in GST input tax credits receivable	7	61
(Increase)/decrease in other receivables	6,319	(5,299)
Increase/(decrease) in accounts payable	(1,095)	673
Increase/(decrease) in interest payable	(223)	(507)
Increase/(decrease) in loan commitments	(8,710)	13,722
Increase/(decrease) in unamortised discount on loans issued at greater than fair value	(42,426)	196,821
Increase/(decrease) in accrued employee benefits	170	849
Increase/(decrease) in GST payable	(318)	315
<b>Net cash provided by operating activities</b>	<b>16,544</b>	<b>35,063</b>

#### CF-2 Changes in liabilities arising from financing activities

	Cash Flows			Non-cash Changes		Closing Balance 2021 \$'000
	Closing Balance 2020 \$'000	Cash received \$'000	Cash repayments \$'000	Accrued interest & other transfer \$'000	Amortised cost changes \$'000	
Interest-bearing borrowings	254,231	2,000	(52,254)	4,724	864	209,565
Non-interest-bearing borrowings	22,078	2,738	(4,960)	(4,947)	916	15,825
<b>Total</b>	<b>276,309</b>	<b>4,738</b>	<b>(57,214)</b>	<b>(223)</b>	<b>1,780</b>	<b>225,390</b>
<b>2020</b>						
	Cash Flows			Non-cash Changes		Closing Balance 2020 \$'000
	Closing Balance 2019 \$'000	Cash received \$'000	Cash repayments \$'000	Accrued interest & other transfer \$'000	Amortised cost changes \$'000	
Interest-bearing borrowings	254,778	60,400	(63,684)	2,117	620	254,231
Non-interest-bearing borrowings	17,805	11,563	(4,818)	(2,624)	152	22,078
<b>Total</b>	<b>272,583</b>	<b>71,963</b>	<b>(68,502)</b>	<b>(507)</b>	<b>772</b>	<b>276,309</b>

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

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Note 1: Basis of Financial Statement Preparation

Note 2: Objectives of QRIDA

### SECTION 2 – NOTES ABOUT OUR FINANCIAL PERFORMANCE

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Note 4: Fees

Note 5: Interest

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Note 17: Financial Risk Disclosures

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Explanation of Major Variances – Statement of Comprehensive Income

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Note 23: Key Management Personnel (KMP) Disclosures

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Note 26: First Year Application of New Accounting Standards or Change in Accounting Policies

Note 27: Taxation

Note 28: Transactions and Balances where QRIDA is an Agent

Note 29: Climate Risk Disclosure

Note 30: Significant Financial Impacts from Covid-19 Pandemic

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021



### 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 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2020.

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 26**.

##### 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 2019-20 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 Chair of the Board of Directors, Chair of the Audit and Risk Management Committee, Chief Executive Officer and Chief Financial Officer 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 16** 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 2021

### Section 2 - Notes about our financial performance

#### Note 3: Grants and other contributions

	2021 \$'000	2020 \$'000
QRIDA Operational Funding	12,920	12,914
Grant Funding Administered		
Small Business COVID-19 Adaption Grant Program	114,209	-
COVID-19 Taxi and Limousine Industry Assistance Scheme	21,000	-
North Queensland Flood Schemes	17,000	60,000
COVID-19 International Tourism Adaption Grants Scheme	3,750	-
COVID-19 Marine Tourism Rebate Scheme	1,970	-
Disaster Recovery Funding Arrangements	-	55,000
Rural Economic Development Grants	3,283	3,183
Household Waste Payment Scheme	1,265	3,270
Farming in Reef Catchments Rebate Scheme	-	9,524
Wheelchair Accessible Taxi Grant Scheme	5,601	4,482
Other Schemes	631	-
Services received below fair value	-	214
<b>Total</b>	<b>181,629</b>	<b>148,587</b>

#### Accounting Policy

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for QRIDA to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by QRIDA.

#### Disclosure – QRIDA Operational Funding

QRIDA receives operational funding from the Department of Agriculture and Fisheries (DAF) to cover the operational costs. QRIDA is not obligated to transfer any goods or services to DAF. The funding is recognised in its entirety as grant revenue upon receipt under AASB 1058 *Income of Not for Profit Entities*.

#### Disclosure – Grant Funding Administered

QRIDA has a number of grant arrangements with government agencies that relate to delivering financial assistance programs. QRIDA receives grant funding which is to cover grant payments to grant recipients and the costs of administration. Unspent funding less administration fees earned by QRIDA, will be returned to grantors after completion of the arrangements or upon grantor's request. As these arrangements do not contain sufficiently specific performance obligations, these grants are recognised upon receipt.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021



### Note 3: Grants and other contributions (continued)

The following table represents the administered programs and their grantors:

Programs administered by QRIDA	Grantor
Farm Management Grant	Department of Agriculture and Fisheries
North Queensland Flood Schemes	Australian Government
Queensland Bus Driver Safety Scheme	Department of Transport and Main Roads
Disaster Recovery Funding Arrangements	Queensland Reconstruction Authority
Rural Economic Development Grants	Department of Agriculture and Fisheries
Household Waste Payment Scheme	Department of Environment and Science
Farming in Reef Catchments Rebate Scheme	Department of Environment and Science
Wheelchair Accessible Taxi Grant Scheme	Department of Transport and Main Roads
Small Business COVID-19 Adaption Grant Program	Department of Employment, Small Business and Training
COVID-19 International Tourism Adaption Grants Scheme	Department of State Development, Tourism and Innovation
COVID-19 Marine Tourism Rebate Scheme	Department of State Development, Tourism and Innovation
COVID-19 Taxi and Limousine Industry Assistance Scheme	Department of Transport and Main Roads

### Note 4: Fees

	2021 \$'000	2020 \$'000
Revenue from contracts with customers		
Sale of services	1,050	1,050
Other fees		
State Government	8,641	9,065
<b>Total</b>	<b>9,691</b>	<b>10,115</b>

#### Accounting policy – Revenue from contracts with customers

Revenue from contracts with customers is recognised when QRIDA transfers control over a service to the customer. QRIDA has contracted with a non-Government entity to provide loan application assessment services. The services are provided over several years and the customer simultaneously receives and consumes the benefits provided during that period. QRIDA invoices periodically for services provided during the period. Revenue is recognised when the performance obligation is satisfied. The adoption of AASB 15 *Revenue from Contracts with Customers* in 2019-20 did not change the timing of revenue recognition for this particular contract.

#### Accounting policy – Other fees

Other fee revenue is accounted for under AASB 1058 *Income of Not for Profit Entities* and recognised upfront when QRIDA first gains control of the asset (i.e. cash or receivable).

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 5: Interest

	Note	2021 \$'000	2020 \$'000
Contractual interest on loans		17,098	18,413
Amortisation of discount on loans	12.4	73,912	21,065
Effective interest income on loans		91,010	39,478
Add: Interest earned on cash and investments		1,538	3,725
<b>Total</b>		<b>92,548</b>	<b>43,203</b>

### Accounting Policy

Interest revenue is recognised using the effective interest method.

**Interest on loans:** Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of loans. Contractual interest is the interest earned based on the loan agreements. Amortisation of discount on loans is amortisation of the difference between fair value and book value of the loans when the loans are originated.

**Interest earned on cash and investments:** Interest revenue is from cash deposited with Queensland Treasury Corporation (QTC) and banks.

### Note 6: Employee expenses

	2021 \$'000	2020 \$'000
<b>Employee benefits</b>		
Wages and salaries	13,185	12,106
Annual leave expense	1,331	1,247
Employer superannuation contributions	1,727	1,514
Long service leave expense	259	324
Other employee benefits	164	155
<b>Employee related benefits</b>		
Workers' compensation premium	25	15
Payroll tax	816	738
Other employee related expenses	142	159
<b>Total</b>	<b>17,649</b>	<b>16,256</b>

	2021 No.	2020 No.
<b>Full-time equivalent employees</b>	149	168

### 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.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements



for the year ended 30 June 2021

### Note 6: Employee expenses (continued)

**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 *Employee Benefits* 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 0.03 per cent to 0.92 per cent (2020: 0.14 per cent to 0.44 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 2019 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 23**.

### Note 7: Supplies and services

	Note	2021 \$'000	2020 \$'000
Contractors		2,594	4,177
Computer expenses		1,222	1,648
Office accommodation		1,077	1,044
Advertising and promotion		199	377
Audit fees - Queensland Audit Office	7.1	152	73
Professional and legal expenses		227	101
Securities expenses		148	2,598
Motor vehicle and travel expenses		268	325
Lease expenses	7.2	20	19
Other		529	632
<b>Total</b>		<b>6,436</b>	<b>10,993</b>

#### 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.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 7: Supplies and services (continued)

**Office accommodation** – QRIDA is provided access to office accommodation by the Department of Energy and Public Works (DEPW), the Department of Resources (DR) and the Department of Agriculture and Fisheries (DAF) under government-wide frameworks. These arrangements are categorised as procurement of services rather than leases because DEPW, DR and DAF has substantive substitution rights over the assets. Payments are expensed as incurred and categorised within office accommodation line items.

**Motor vehicle expenses** – Motor vehicle expenses include motor vehicle lease expenses in the period in which they are incurred. QFLEET provides QRIDA with access to motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because QFLEET has substantive substitution rights over the vehicles.

**Lease expenses** – Leases of low value assets which are not required (exempted) from being accounted for in accordance with AASB 16 *Leases*. The lease payments are recognised as expenses on actual amount basis over the lease term. An asset is considered low value where it is expected to cost less than \$10,000 when new. Refer to **Note 7.2** for breakdown of lease expenses and other lease disclosures.

#### 7.1 Audit Fees

Total audit fees quoted by the Queensland Audit Office relating to the 2020-21 financial statements are \$102,000 (2020: \$103,500).

#### 7.2 Lease Expenses

	2021 \$'000	2020 \$'000
Expenses relating to leases of low value assets	20	19
<b>Total cash out flow for leases</b>	<b>20</b>	<b>19</b>

### Note 8: Grants and subsidies

	2021 \$'000	2020 \$'000
Small Business COVID-19 Adaption Grant Program	99,773	-
COVID-19 Taxi and Limousine Industry Assistance Scheme	18,723	-
North Queensland Flood Schemes	18,917	32,397
Disaster Recovery Funding Arrangements	4,515	53,422
COVID-19 International Tourism Adaption Grants Scheme	2,388	-
COVID-19 Marine Tourism Rebate Scheme	1,831	-
Rural Economic Development Grants	3,223	2,458
Affordable Energy Plan	1,642	7,308
Vessel Tracking Rebate Scheme	77	271
Household Waste Payment Scheme	518	563
Queensland Bus Driver Safety Scheme	21	480
Wheelchair Accessible Taxi Grant Scheme	2,689	539
Farm Management Grant	-	759
Other Schemes	240	73
<b>Total</b>	<b>154,558</b>	<b>98,270</b>

#### Accounting Policy

A grant is a payment or contribution made to an organisation or person which is not to be repaid or reciprocated where the recipients meet specific criteria. Accordingly, grant payments are expensed when payments are made.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021



### Note 9: Finance/borrowing costs

	Note	2021 \$'000	2020 \$'000
Contractual interest on borrowings		3,633	5,348
Amortisation of discount on borrowings	9.1	1,985	1,752
<b>Total effective interest on borrowings</b>		<b>5,618</b>	<b>7,100</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.

#### 9.1 Amortisation of discount on borrowings

	Note	2021 \$'000	2020 \$'000
<b>Amortisation of discount on interest-bearing borrowings</b>	13.1		
Effective interest		1,652	1,842
Other unwinding of discount		(786)	(1,223)
<b>Amortisation of discount on non-interest-bearing borrowings</b>	14.1		
Effective interest		763	877
Other unwinding of discount		356	255
<b>Total Amortisation of discount on borrowings</b>		<b>1,985</b>	<b>1,752</b>

### Note 10: Other expenses

	2021 \$'000	2020 \$'000
Unspent funding returned	15,758	11,724
<b>Total</b>	<b>15,758</b>	<b>11,724</b>

#### Disclosure – unspent funding returned

Where QRIDA administers programs on behalf of other government agencies, unspent program funding is returned to program owners when programs are completed or upon request from program owners. The expenses are recognised when the value of returned funding is agreed by QRIDA and the counter agency.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### Section 3 - Notes about our financial position

#### Note 11: Cash and cash equivalents

	2021 \$'000	2020 \$'000
Cash at Bank	10,248	30,274
Queensland Treasury Corporation (QTC) - at call	265,156	221,238
<b>Total</b>	<b>275,404</b>	<b>251,512</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.

#### Note 12: Loans and advances

	2021 \$'000	2020 \$'000
Gross carrying amount	1,531,281	1,573,087
Less: Allowance for expected credit losses	(96,369)	(105,803)
Discount on loans issued at greater than fair value	(267,273)	(309,699)
	<b>1,167,639</b>	<b>1,157,585</b>
Current	59,356	84,181
Non-Current	1,108,283	1,073,405
<b>Total</b>	<b>1,167,639</b>	<b>1,157,585</b>

#### Accounting Policy

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

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 16.1**. The difference between the amount lent and the fair value is recognised as a charge for discounted loans in profit or loss, as detailed in **Note 12.4**.

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 16.1**.

#### 12.1 Impairment of Loans and Advances

QRIDA applies a three-stage approach to measuring the Expected Credit Losses (ECL) based on changes in credit quality since initial recognition. At each reporting date, QRIDA recognises a loss allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk on the loan since initial recognition. The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021



### Note 12: Loans and advances (continued)

Stage	Measurement Basis
<b>Stage 1 – Performing</b>	12-month ECL: the portion of lifetime ECL associated with the probability of default events occurring within the next 12 months.
<b>Stage 2 – Under-performing</b>	Lifetime ECL (Not impaired): ECL associated with the probability of default events occurring throughout the life of the loan.
<b>Stage 3 – Non-performing</b>	Lifetime ECL (Impaired): ECL associated with the probability of default events occurring throughout the life of the loan.

All loans are first recognised as Stage 1 at initial recognition. If the credit risk of an exposure has increased significantly since initial recognition, the asset will migrate to Stage 2. If no significant increase in credit risk is observed, the asset will remain in Stage 1. Should an asset become impaired it will be transferred to Stage 3.

QRIDA does not have any purchased or originated credit impaired loans during or at the end of the financial year (2020: Nil).

#### Segmentation

For the purpose of applying an ECL methodology, QRIDA has segmented its loan book into appropriate groupings based on shared credit risk characteristics. QRIDA has identified four portfolios which have shared credit risk characteristics as follows:

- 1) Disaster Recovery loans** – loans provided to primary producers, small business and non-profit organisations that are affected by disaster events;
- 2) Loans administered under the Primary Industry Productivity Enhancement Scheme (PIPES) and Commonwealth Concessional Loan Schemes (CCLS)** – loans to primary producers to enhance production in Queensland;
- 3) Solar and Battery loans** – interest-free loans to Queensland households and small businesses to purchase solar systems and battery storage; and
- 4) COVID-19 Jobs Support Loans** – loans to businesses and non-profit organisations that have been financially impacted by the COVID-19 pandemic. This portfolio commenced origination in March 2020 with the bulk of available scheme funding of \$1,000 million advanced by 30 June 2020.

#### Assessment of Significant Increase in Credit Risk (SICR)

SICR is assessed by comparing the risk of default occurring over the expected life of the loan at reporting date to the corresponding risk of default at origination.

The criteria for assessing SICR are a combination of quantitative and qualitative stage triggers based on:

- the change in the lifetime risk of default based on QRIDA's internally-developed Default Risk Rating (DRR) system (for PIPES/CCLS and Disaster Recovery portfolios) and the change in credit scores from a credit reference bureau (for COVID-19 Jobs Support portfolio);
- the number of days in arrears of the loan, i.e. the Days Past Due (DPD); and
- other qualitative criteria determined as appropriate by the senior credit managers to individually identify credit impaired loans.

For the Solar and Battery loan portfolio, QRIDA applies a simplified SICR approach that differs from the description above. 30 DPD is used as a primary indicator of SICR for these exposures.

#### Definition of Default

QRIDA combines the concepts of default, impairment or non-performing used in credit risk management into the below definition:

A loan is considered to be in default (or credit impaired) at the earlier of:

- the loan is considered insolvent, with loan recovery entirely dependent on either voluntary or forced sale of all assets;
- an event of default as defined in the Facility Agreement occurs; or
- the loan becomes more than 300 DPD\*.

\* Note that the DPD threshold is more than 90 DPD for the Solar/Battery and COVID-19 Jobs Support Loan portfolios.

A collective Stage 3 provision is also assessed for the COVID-19 Jobs Support Loans when a loan is assigned a significantly high risk level by the external credit reference bureau.

#### 12.2 Calculation ECL

ECL is a probability weighted credit loss estimated by evaluating a range of possible outcomes and taking into account the time value of money, past events, current conditions and forecasts of future economic conditions.

ECL is calculated as a product of the following credit risk factors:

**Probability of Default (PD):** an estimate of the likelihood of default over a given time horizon. 12-month PD and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at the balance sheet date and future economic conditions that affect credit risk.

**Loss Given Default (LGD):** an estimate of the loss that is likely to be incurred should an exposure default, taking into account the effect of collateral.

**Exposure at Default (EAD):** the amount outstanding with the borrower at the time of likely default. The amount includes the principal loan balance plus accrued interest.

**Effective Interest Rate (EIR):** the time value of money is accommodated by using a weighted average EIR for each segment in the ECL model.

Credit losses for loans in Stage 1 and Stage 2 are assessed for impairment collectively, whilst those in Stage 3 are subject to either collective or individual assessment of expected credit losses.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 12: Loans and advances (continued)

#### Incorporation of Forward-Looking Information

Different scenarios of future economic conditions are incorporated into the ECL calculation and risk stage determination in a probability weighted manner. These scenarios are developed by QRIDA and are reviewed at each reporting date.

QRIDA relies on a range of forward-looking information as economic variables obtained from the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), such as the forecast of the gross value of beef production and sugar production.

For the COVID-19 Jobs Support Loans portfolio, forward-looking multipliers have been applied that have been calculated based on the forecasts of Gross Domestic Product (GDP), GDP deflator as well as the unemployment rate.

#### Solar/Battery Loan Segment

QRIDA determines the ECL as the higher of the weighted average ECL of the PIPES/CCLS and Disaster Recovery loan segments compared to the industry ECL benchmark percentage. This determination was made as a result of limited availability of historical arrears, default and loss data for this segment.

#### Significant Judgements and Estimates

In estimating collectively assessed ECL, judgements and assumptions are made in relation to:

- the selection of a modelling methodology for each loan segment; and
- the selection of inputs and variables for those models.

Key judgements and estimates include:

- Determining when a SICR has occurred. In measuring ECL, judgement is involved in setting the trigger points to determine whether there has been a SICR since initial recognition of a loan which would result in the loan moving from Stage 1 to Stage 2;
- Estimation of forward looking macroeconomic information;
- Probability weightings for each economic scenario. The assigned probability weightings for each macroeconomic scenario (base case/upside/downside) are subject to a high degree of uncertainty; and
- Model overlays. An overlay is incorporated where it is determined that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the loan segments. An overlay has been applied in the model which increases the ECL for the COVID-19 Jobs Support Loans.

#### Estimation Uncertainty – ECL Allowance for COVID-19 Jobs Support Loans

The uncertainty of the impact of COVID-19 contributes to significant estimation uncertainty in relation to the measurement of QRIDA's ECL allowance for this loan segment and has a significant risk of resulting in a material adjustment to the carrying amount of \$699.76 million (2020: \$652.14 million) within the next financial year.

The assumptions applied which significantly contribute to the estimation uncertainty include:

1. **Estimate of LGD:** This variable has a material impact on the calculation of the ECL. QRIDA has applied an LGD of 95% of the Exposure at Default. If the average LGD of 77% was applied (being the highest average actual LGD for the 4 major Australian banks), this would decrease the ECL allowance from \$94.76 million to \$77.41 million, all other variables remaining constant. The quality of security taken by the major banks is considered to be of a much higher quality, hence QRIDA's application of a higher LGD rate.
2. **Estimate of proportion of exposures with SICR:** It is inherently difficult to measure the quantum of exposures that have experienced a SICR and which therefore require computation of a lifetime ECL. If the credit scoring for each loan was improved by the equivalent of one notch in the S&P Rating system at 30 June 2021, this would result in a decrease to the ECL allowance from \$94.76 million to \$55.87 million, all other variables remaining constant.

The loan terms and conditions prescribe a repayment-free period of one year from draw down, followed by 2 years of interest-only repayments. The interest repayment cycle only commenced for the portfolio on 30 April 2021, with principal repayments only required to commence in April 2023. Whilst there is more evidence available to estimate SICR than there was at 30 June 2020, uncertainty still remains until principal repayments commence during the 2022-23 financial year.

#### Impact of Movements in Gross Carrying Amount on Allowance for Expected Credit Losses

Overall the total ECL allowance decreased by \$9.43 million (2020: \$103.74 million increase) compared to the opening loss allowance. This is primarily due to the reversal of the impairment loss recognised on the portfolio of COVID-19 Jobs Support Loans in the prior year.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements



for the year ended 30 June 2021

### Note 12: Loans and advances (continued)

#### Write-off of Debt

If QRIDA determines that an amount owing by 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. Loans written off during 2020-21 totalled \$250,000 (2020:\$96,083).

Under certain programs managed by QRIDA, debts written off may be recovered by QRIDA in the following circumstances:

- Queensland Treasury may reimburse debts written off in relation to disaster loans including and post the 2013 Tropical Cyclone Oswald event;
- for debts written off under the CCLS, the Australian Government may provide a corresponding reduction in the outstanding amount of the Australian loan which is then owed by QRIDA to the Commonwealth; and
- for debts written off under the COVID-19 Jobs Support Loans scheme, the Queensland Government will provide a corresponding reduction in the non-appropriated equity to be returned.

#### 12.3 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>• Risk of loss in event of default</li> <li>• Risk of default</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, reporting of arrears to the Board as well as monitoring undertaken by an external credit reference bureau.</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>

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 12: Loans and advances (continued)

#### Credit Risk Exposure by Risk Grading

The table below shows the credit quality and the maximum exposure to credit risk based on QRIDA's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances and the discount on loans issued at greater than fair value:

	Stage 1 2021 \$'000	Stage 1 2020 \$'000	Stage 2 2021 \$'000	Stage 2 2020 \$'000	Stage 3 2021 \$'000	Stage 3 2020 \$'000	Total 2021 \$'000	Total 2020 \$'000
<b>PIPES/CCLS &amp; Disaster Recovery</b>								
Low Risk of Default	64,161	66,935	-	9	-	-	64,161	66,944
Medium Risk of Default	503,602	536,108	3,360	5,060	1,069	3,964	508,031	545,132
High Risk of Default	-	-	5,908	3,635	5,075	3,547	10,983	7,182
Very High Risk of Default	-	-	-	-	972	1,580	972	1,580
<b>Solar/Battery</b>	20,991	24,178	104	133	76	60	21,172	24,371
<b>Total</b>	<b>588,754</b>	<b>627,221</b>	<b>9,372</b>	<b>8,837</b>	<b>7,192</b>	<b>9,151</b>	<b>605,318</b>	<b>645,209</b>

The table below shows the credit quality and the maximum exposure to credit risk based on an assessment of risk by an independent provider of credit data at the time of loan application. The amounts presented are gross of impairment allowances and the discount on loans issued at greater than fair value:

	Stage 1 2021 \$'000	Stage 1 2020 \$'000	Stage 2 2021 \$'000	Stage 2 2020 \$'000	Stage 3 2021 \$'000	Stage 3 2020 \$'000	Total 2021 \$'000	Total 2020 \$'000
<b>COVID-19 Jobs Support</b>								
Minimal/Very Low Risk	168,889	193,123	27,857	-	-	-	196,746	193,123
Low Risk	240,367	292,656	45,797	-	-	-	286,164	292,656
Average Risk	240,407	328,260	81,831	-	-	-	322,239	328,260
Moderate Risk	36,373	21,051	33,948	58,583	9,140	-	79,462	79,634
High/Very High/Severe Risk	-	-	-	34,205	37,685	-	37,685	34,205
Individually identified credit impaired	-	-	-	-	3,668	-	3,668	-
<b>Total</b>	<b>686,036</b>	<b>835,090</b>	<b>189,433</b>	<b>92,788</b>	<b>50,493</b>	<b>-</b>	<b>925,962</b>	<b>927,878</b>

	Stage 1 2021 \$'000	Stage 1 2020 \$'000	Stage 2 2021 \$'000	Stage 2 2020 \$'000	Stage 3 2021 \$'000	Stage 3 2020 \$'000	Total 2021 \$'000	Total 2020 \$'000
<b>Total – All segments</b>	<b>1,274,790</b>	<b>1,462,311</b>	<b>198,806</b>	<b>101,625</b>	<b>57,685</b>	<b>9,151</b>	<b>1,531,281</b>	<b>1,573,087</b>

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021



### Note 12: Loans and advances (continued)

#### Concentration of Exposure

The following table represents the maximum exposure to credit risk based on geographical area and industry for the Disaster Recovery and PIPES/CCLS loan segments:

	Maximum credit risk exposure			
	% of total loans		\$'000	
	2021	2020	2021	2020
<b>Geographical area</b>				
Queensland				
Cape York and the Gulf	0.31%	0.30%	1,811	1,884
Central North	6.60%	8.84%	38,538	54,865
Charleville - Longreach	4.24%	5.73%	24,782	35,581
Eastern Darling Downs	11.20%	11.43%	65,400	70,955
Northern Coastal - Mackay to Cairns	19.19%	17.43%	112,087	108,204
Southern Coastal - Curtis to Moreton	29.98%	27.73%	175,126	172,131
West and South West	3.86%	3.83%	22,562	23,773
Western Downs and Central Highlands	24.58%	24.51%	143,603	152,219
Northern Territory	0.04%	0.20%	237	1,226
<b>Total*</b>	<b>100.00%</b>	<b>100.00%</b>	<b>584,147</b>	<b>620,838</b>
<b>Industry</b>				
Aquaculture & Fishing	1.58%	1.50%	9,228	9,312
Beef Cattle	52.88%	52.80%	308,894	327,790
Dairy Cattle	2.46%	2.44%	14,353	15,144
Grain & Livestock	8.32%	9.26%	48,629	57,482
Other Crops	7.61%	7.21%	44,447	44,790
Other Livestock	2.40%	1.87%	14,024	11,593
Sheep Farming	2.38%	3.92%	13,906	24,349
Small Crops & Fruit	5.02%	4.44%	29,349	27,563
Sugar Cane Growing	16.08%	15.18%	93,930	94,268
Small Business	1.26%	1.38%	7,385	8,547
<b>Total*</b>	<b>100.00%</b>	<b>100.00%</b>	<b>584,147</b>	<b>620,838</b>
Solar/Battery Loans			21,172	24,371
<b>Grand Total</b>			<b>605,318</b>	<b>645,209</b>

\* Excludes Solar/Battery loans and COVID-19 Jobs Support Loans

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 12: Loans and advances (continued)

The following table represents the maximum exposure to credit risk based on geographical area and industry for the COVID-19 Jobs Support Loans segment:

	Maximum credit risk exposure			
	% of total loans		\$'000	
	2021	2020	2021	2020
<b>Geographical area</b>				
Queensland				
Cape York and the Gulf	0.27%	0.30%	2,508	2,795
Central North	0.70%	0.78%	6,485	7,248
Charleville - Longreach	0.15%	0.15%	1,395	1,368
Eastern Darling Downs	3.37%	3.46%	31,171	32,074
Northern Coastal - Mackay to Cairns	13.03%	13.23%	120,629	122,741
Southern Coastal - Curtis to Moreton	81.06%	80.67%	750,572	748,503
West and South West	0.33%	0.41%	3,028	3,832
Western Downs and Central Highlands	1.10%	1.00%	10,176	9,317
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>925,962</b>	<b>927,878</b>
<b>Industry</b>				
Accommodation and Food Services	11.82%	11.88%	109,469	110,198
Administrative and Support Services	4.07%	4.02%	37,686	37,287
Agriculture, Forestry and Fishing	1.76%	1.69%	16,260	15,709
Arts and Recreation Services	2.64%	2.73%	24,480	25,299
Construction	15.67%	15.15%	145,116	140,594
Education and Training	2.40%	2.47%	22,241	22,914
Electricity, Gas, Water and Waste Services	0.58%	0.65%	5,335	6,026
Financial and Insurance Services	2.26%	2.32%	20,946	21,539
Health Care and Social Assistance	8.34%	8.38%	77,193	77,778
Information Media and Telecommunications	1.34%	1.33%	12,391	12,307
Manufacturing	9.61%	9.52%	89,029	88,355
Mining	0.56%	0.64%	5,145	5,959
Other Services	5.78%	5.56%	53,557	51,577
Professional, Scientific and Technical Services	11.97%	12.19%	110,836	113,091
Public Administration and Safety	0.50%	0.55%	4,647	5,080
Rental, Hiring and Real Estate Services	5.04%	5.15%	46,623	47,820
Retail Trade	8.80%	8.89%	81,504	82,504
Transport, Postal and Warehousing	2.50%	2.42%	23,106	22,474
Wholesale Trade	4.36%	4.46%	40,400	41,367
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>925,962</b>	<b>927,878</b>

### Collateral and Other Credit Enhancements

For the Disaster Recovery and PIPES/CCLS loan segments, the amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Collateral used to secure loan accounts are divided into two categories:

- Category 'A' Security: Real property and other low risk assets/securities which tend to maintain their value and are readily saleable; and
- Category 'B' Security: Higher risk securities where the value may rapidly deteriorate. Examples include livestock, crops and stock in trade of a business.

Category 'A' security only is considered in the calculation of the LGD.

For the COVID-19 Jobs Support Loan segment, only those loans over \$100,000 are required to be secured by a General Security Agreement.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021



### Note 12: Loans and advances (continued)

The below tables provide an indication of the values of collateral held for Stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the value of the collateral is greater than the LGD. The net exposure of those Stage 3 loans may offset the net exposure of Stage 3 loans which do not have sufficient collateral. The Stage 3 ECL can be higher than net exposure shown below when the future value of collateral is expected to decline.

Stage 3 Loans and Advances as at 30 June 2021					
\$'000					
	Segments	Maximum Exposure to Credit Risk	Total Collateral *	Net Exposure	Associated ECL
<b>Loans with Sufficient Collateral</b>	Disaster Recovery	658	5,181	-	-
	PIPES & CCLS	5,267	8,892	-	-
<b>Loans with Insufficient Collateral</b>	Disaster Recovery	621	-	621	590
	PIPES & CCLS	569	-	569	561
	Solar/Battery	76	-	76	2
	COVID-19 Jobs Support **	50,493	2,525	47,968	41,270
<b>Total</b>		<b>57,685</b>	<b>16,598</b>	<b>49,235</b>	<b>42,422</b>

Stage 3 Loans and Advances as at 30 June 2020					
\$'000					
	Segments	Maximum Exposure to Credit Risk	Total Collateral *	Net Exposure	Associated ECL
<b>Loans with Sufficient Collateral</b>	Disaster Recovery	884	5,788	-	-
	PIPES & CCLS	5,891	7,573	-	-
<b>Loans with Insufficient Collateral</b>	Disaster Recovery	614	330	284	494
	PIPES & CCLS	1,702	798	904	1,352
	Solar/Battery	60	-	60	1
<b>Total</b>		<b>9,151</b>	<b>14,489</b>	<b>1,248</b>	<b>1,847</b>

\* QRIDA's Net Security Value

\*\* The value of the collateral for each loan is not easily determined. Therefore 5% of gross exposure (which has been applied in the ECL model) has been used.

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

	Note	2021 \$'000	2020 \$'000
Balance at 1 July		309,699	112,877
<b>Loss on loans issued at greater than fair value:</b>		<b>31,486</b>	<b>217,886</b>
PIPES & CCLS		18,145	34,605
Disaster Recovery		135	1,834
Solar/Battery		-	6,034
COVID-19 Jobs Support		13,205	175,413
<b>Amortisation of discount on loans:</b>	5	<b>(73,912)</b>	<b>(21,065)</b>
PIPES & CCLS		(16,934)	(15,262)
Disaster Recovery		(983)	(1,068)
Solar/Battery		(1,916)	(1,629)
COVID-19 Jobs Support		(54,079)	(3,105)
<b>Balance at 30 June</b>		<b>267,273</b>	<b>309,699</b>

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 12: Loans and advances (continued)

#### 12.5 Movement of Loan Commitments

At reporting date, QRIDA has undrawn financial loan commitments of \$25.63 million (2020: \$71.64 million). Loan commitments are loans that have been approved and are awaiting client drawdown. The discount on loan commitment at greater than fair value is \$5.01 million (2020: \$13.72 million) as if the loans were drawn at reporting date. The discount is disclosed as a current liability in the Statement of Financial Position.

#### Accounting Policy

The value of the loan commitments (i.e. the discount) is the difference between the fair value and nominal value of estimated loan commitments being advanced in the future. The fair value is the present value of estimated future cash receipts, as if the loans are advanced on reporting date, discounted using the prevailing market rate(s) of interest for a similar instrument with a similar credit risk.

The reduction in the loan commitment liability of \$8.71 million (2020: increase of \$13.72 million) is mainly due to the commitments to advance monies under the COVID-19 Jobs Support Loan scheme being reclassified as Loan and Advances when the funds were drawn down during 2020-21.

### Note 13: Interest-bearing borrowings

	2021 \$'000	2020 \$'000
<b>Current</b>		
Queensland Treasury Corporation*	2,798	6,821
Queensland Government**	12,795	13,419
Northern Territory Government	23	1,225
Australian Government	10,139	39,161
	<b>25,755</b>	<b>60,626</b>
<b>Non-Current</b>		
Queensland Treasury Corporation*	154,339	156,910
Queensland Government**	25,981	32,965
Northern Territory Government	214	3
Australian Government	3,276	3,727
	<b>183,810</b>	<b>193,605</b>
<b>Total</b>	<b>209,565</b>	<b>254,231</b>

\*The loan facility was approved under the Queensland Government's State Borrowing Program (SBP). The approved limit for 2020-21 was \$80.00 million. As at 30 June 2021, the amount undrawn under the facility was \$78.00 million (2020: \$69.60 million). Approval has been received under the 2021-22 SBP to a limit of \$80.00 million.

\*\* Under the Natural Disaster Relief and Recovery Arrangements (NDRRA) and Disaster Recovery Funding Arrangement (DRFA) 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 funds 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 from 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 28**.

Interest rates on interest-bearing borrowings range from 0.45 per cent to 1.81 per cent (2020: 0.82 per cent to 2.36 per cent).

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021



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

#### 13.1 Movement in discount on interest-bearing borrowings

	Note	2021 \$'000	2020 \$'000
<b>Balance at 1 July</b>		3,489	4,108
Amortisation of discount in borrowings:			
Effective interest	9.1	(1,652)	(1,842)
Other unwinding of discount	9.1	786	1,223
<b>Balance at 30 June</b>		<b>2,624</b>	<b>3,489</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 16**. 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 16**.

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 9**).

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

	2021 \$'000	2020 \$'000
<b>Current</b>		
Queensland Government**	5,049	4,960
<b>Non-current</b>		
Queensland Government**	10,776	17,118
<b>Total</b>	<b>15,825</b>	<b>22,078</b>

\*\* Interest-free component of loans for the NDRRA and DRFA 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	2021 \$'000	2020 \$'000
<b>Balance at 1 July</b>		2,072	2,224
Gain on borrowings received at greater than fair value		205	981
Amortisation of discount on borrowings:			
Effective interest	9.1	(763)	(877)
Other unwinding of discount	9.1	(356)	(255)
<b>Balance at 30 June</b>		<b>1,157</b>	<b>2,072</b>

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 15: Equity

QRIDA recognises contributed equity where the contribution meets the principles under Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

During 2019-20, QRIDA received \$950 million funds from Queensland Treasury through DAF. During 2020-21, an extra \$50 million funds were received. The funds are program funding for COVID-19 Jobs Support Loans. The transfer is non-reciprocal because QRIDA only provides scheme administration services to DAF.

QRIDA is required to return all unspent scheme funding, interest on scheme funding which QRIDA has earned as a result of investment and principal and interest which QRIDA has received from loan recipients less 0.5 per cent administration margin retained by QRIDA. QRIDA returns the funds back to DAF through a reduction of equity.

The transfer has been approved by Queensland Treasury to be received as a non-appropriated equity injection at the time of transfer.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021



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

#### Note 16: 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).

##### 16.1 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:

Level 1	Represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
Level 2	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
Level 3	Represents fair value measurements that are substantially derived from unobservable inputs.

The fair value of borrowings from 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 of 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 265 basis points to 650 basis points (2020: from 265 basis points to 650 basis points).

For borrowings from the Australian and Northern Territory Governments, QRIDA estimates the prevailing market rate of interest to be equal to the current year's book rates.

For borrowings from the Queensland Government, QRIDA estimates the Queensland Treasury Corporation 10 year debt pool interest rates to be the prevailing market rates for a Queensland Government Agency receiving 10 year loans from another Government Agency.

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

	2021		2020	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>Financial assets</b>				
<b>Financial assets at amortised cost</b>				
Loans and advances	1,167,639	1,309,477	1,157,585	1,319,964

	2021		2020	
	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	13,415	13,415	42,888	42,888
Northern Territory Government Borrowings	237	237	1,228	1,228
Queensland Government Borrowings	54,601	56,872	68,462	72,061
Queensland Treasury Corporation Borrowings	157,137	159,514	163,731	167,862
<b>Total</b>	<b>225,390</b>	<b>230,038</b>	<b>276,309</b>	<b>284,039</b>

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 17: Financial risk disclosures

#### 17.1 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	2021 \$'000	2020 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents	11	275,404	251,512
Loans and advances	12	1,167,639	1,157,585
Receivables		499	6,849
<b>Total</b>		<b>1,443,542</b>	<b>1,415,947</b>
<b>Financial Liabilities</b>			
Financial liabilities measured at amortised cost:			
Payables		406	1,819
Interest-bearing borrowings	13	209,565	254,231
Non-interest-bearing borrowings	14	15,825	22,078
<b>Total</b>		<b>225,796</b>	<b>278,128</b>

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

#### 17.2 Financial Risk Management

##### (a) Risk Exposure

Financial risk management is implemented pursuant to the Queensland Government's and QRIDA's policies. 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 2021



### Note 17: Financial risk disclosures (continued)

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

Risk Exposure	Definition	Exposure	Measurement Method	Risk Management Strategies
Credit risk	Refer to <b>Note 12</b>	Refer to <b>Note 12</b>	Refer to <b>Note 12</b>	Refer to <b>Note 12</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 or holds investments in shares/unit trusts 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	2021	Contractual Maturity Payable in			2020	Contractual Maturity Payable in		
	Total	< 1 Yr	1 -5 Yrs	> 5 Yrs	Total	< 1 Yr	1 -5 Yrs	> 5 Yrs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payables	406	406	-	-	1,819	1,819	-	-
Australian Government borrowings	13,415	10,139	2,125	1,151	42,888	39,161	869	2,858
Northern Territory Government borrowings	237	23	214	-	1,228	1,225	3	-
Queensland Government borrowings	58,887	18,030	31,036	9,821	75,131	18,791	45,575	10,766
Queensland Treasury Corporation borrowings	206,747	4,824	19,038	182,885	236,636	9,603	22,158	204,874
<b>Total</b>	<b>279,692</b>	<b>33,422</b>	<b>52,413</b>	<b>193,857</b>	<b>357,702</b>	<b>70,599</b>	<b>68,604</b>	<b>218,498</b>

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 17: 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 +/-0.25 (2020 +/- 0.25) 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 \$3.22 million (2020: \$3.15 million).

The impact of interest rate movement on QRIDA's profit and equity has increased in the current period due to an increase in the ratio of QRIDA's interest-bearing assets to interest-bearing borrowings from 5.54:1 (2020) to 6.89:1 (2021).

#### Financial instruments

	Carrying amount \$'000	2021 interest rate risk			
		-0.25%		+0.25%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Cash and cash equivalents	275,404	(689)	(689)	689	689
Loans and advances	1,167,639	(3,054)	(3,054)	3,054	3,054
Australian Government borrowings	13,415	34	34	(34)	(34)
Northern Territory Government borrowings	237	1	1	(1)	(1)
Queensland Government borrowings*	38,776	97	97	(97)	(97)
Queensland Treasury Corporation borrowings	157,137	393	393	(393)	(393)
<b>Overall effect on profit and equity</b>		<b>(3,218)</b>	<b>(3,218)</b>	<b>3,218</b>	<b>3,218</b>

#### Financial instruments

	Carrying amount \$'000	2020 interest rate risk			
		-0.25%		+0.25%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Cash and cash equivalents	251,512	(629)	(629)	629	629
Loans and advances	1,157,585	(3,154)	(3,154)	3,154	3,154
Australian Government borrowings	42,888	107	107	(107)	(107)
Northern Territory Government borrowings	1,228	3	3	(3)	(3)
Queensland Government borrowings*	46,384	116	116	(116)	(116)
Queensland Treasury Corporation borrowings	163,731	409	409	(409)	(409)
<b>Overall effect on profit and equity</b>		<b>(3,147)</b>	<b>(3,147)</b>	<b>3,147</b>	<b>3,147</b>

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

### Note 18: Contingencies

QRIDA did not have any contingent assets or liabilities as at 30 June 2021 (2020: Nil).

### Note 19: Commitments

At the reporting date, QRIDA had no commitments for capital expenditure (2020: Nil).

Loan commitments are reported at **Note 12.5**.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021



### **Note 20: Events occurring after the balance date**

During August 2021, parts of Queensland entered short-term lockdowns in order to curb the spread of the new Delta variant of the COVID-19 virus.

The COVID-19 Jobs Support Loan clients in the lockdown areas may be financially impacted. The 30 June 2021 balance of the ECL allowance for QRIDA's loans already factor in future uncertainty associated with the COVID-19 pandemic, which is considered sufficient to capture the impact of these lockdowns up to the date of this report.

The Queensland Government and Australian Government have announced various financial support programs to help businesses that were impacted during the lockdowns. Therefore, it is expected that any additional financial impact on the ECL allowance would be immaterial.

No other information in QRIDA's financial statements has been identified as being materially affected as a result of these lockdowns.

### **Note 21: Future impact of accounting standards not yet effective**

All 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 2021

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

#### Note 22: Budgetary reporting disclosures

This section discloses QRIDA's original published budgeted figures for 2020-21 compared to actual results, with explanations of major variances, in respect of QRIDA's Statement of Comprehensive Income. As the 2020-21 Queensland Service Delivery Statement does not include a budgeted balance sheet or a budgeted statement of cash flows, Queensland Treasury has approved that no explanations of variances for balance sheet and cashflow are required.

#### 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

<b>Grants and other contributions</b>	The decrease of \$162.50 million is mainly due to less than anticipated take up for the North Queensland Restocking, Replanting & On-farm Infrastructure Grants of \$179.80 million; offset by North Queensland Telecommunications and Energy Improvement Grants of \$15.00 million and North Queensland Resilient Kids Grant Scheme of \$2.00 million which were initiated after the 2020-21 budget was finalised.
<b>Interest</b>	The increase of \$11.12 million is mainly due to higher than budgeted amortisation of discount on loans of \$15.69 million due to higher early loan repayments; offset by lower Interest on loans of \$3.96 million due to overall interest rates decreasing during the year.
<b>Gain on reversal of impairment loss</b>	The increase of \$9.18 million is mainly due to the reversal of the ECL allowance on the COVID-19 Jobs Support Loans. This is mainly due to higher than expected principal repayments on that loan portfolio and revision of COVID-19 Jobs Support Loans ECL model.
<b>Supplies and services</b>	The decrease of \$1.96 million is mainly due to \$1.42 million savings on contractors expenses due to planned contractor workload being completed by QRIDA employees and \$0.56 million of savings on travel expenses due to reduced travel activities during COVID -19 pandemic.
<b>Grants and subsidies</b>	The decrease of \$194.04 million is mainly due to less than expected take up on North Queensland Restocking, Replanting & On-farm Infrastructure Grants of \$160.88 million, Small Business COVID-19 Adaption Grant of \$13.73 million, Affordable Energy Plan of \$10.45 million and Wheelchair Accessible Taxi Grant Scheme of \$4.31 million.
<b>Other expenses</b>	The increase of \$3.22 million is mainly due to additional program funding being returned to program owners for Affordable Energy Plan of \$1.66 million and COVID-19 International Tourism Adaption Grants of \$1.37 million due to lower than expected take up of the programs.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021



### Section 6 - Other information

#### Note 23: Key management personnel (KMP) disclosures

##### 23.1 Details of Key Management Personnel

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 and Minister for Rural Communities (12 November 2020 – present).

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 2020-21 and 2019-20.

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>Chief Lending Officer (formerly 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>Chief Operating Officer (formerly 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>Chief Engagement Officer (formerly General Manager, 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.

##### 23.2 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 2018-19, 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).

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.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 23: Key management personnel (KMP) disclosures (continued)

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 2020 - 30 June 2021

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	268	28	7	26	-	330
Chief Lending Officer - Former (1 July 2020 - 29 January 2021)	119	23	3	21	-	166
Chief Lending Officer - Current (19 April 2021 - Current)	40	-	1	4	-	45
Chief Operating Officer	164	22	4	21	-	211
Chief Engagement Officer	182	16	5	20	-	223

#### 1 July 2019 - 30 June 2020

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	284	28	8	26	-	346
Chief Lending Officer	158	24	4	20	-	206
Chief Operating Officer	154	21	4	20	-	200
Chief Engagement Officer	164	19	4	19	-	206

### Note 24: Board members' fees

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

	2021 \$'000	2020 \$'000
Board members' remuneration	96	101
Number of Board members receiving remuneration in the following ranges		
\$1 to \$9,999	-	-
\$10,000 to \$19,999	4	4
\$20,000 to \$29,999	-	-
\$30,000 to \$49,999	1	1
\$50,000 to \$59,999	-	-

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements



for the year ended 30 June 2021

### Note 24: Board members' fees (continued)

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
John Corbett	18/04/2019	Current	Chair of the Board and Chair of the Debt Management Committee
Elizabeth Alexander	27/08/2020	Current	
Elton Miller	3/12/2015	Current	Representative of DAF
Belinda Turner	18/04/2019	Current	Chair of the Audit and Risk Management Committee
Scott Spencer	27/08/2020	Current	
Zoe Kenneally	27/08/2020	Current	Rejoined
Drew Ellem	25/10/2019	Current	Representative of Queensland Treasury

### Note 25: 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 DAF. The revenue received was \$12,920,000 (\$12,914,000 for 2019-20).

QRIDA has borrowings of \$157,136,611 (\$163,731,105 for 2019-20) 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 \$244,482 (\$238,648 for 2019-20).

QRIDA leases Brisbane and Townsville office accommodation from Queensland Government Accommodation Office, a business unit owned by Queensland Government. The lease expenses were \$699,782 (\$653,794 for 2019-20).

The Corporate Administration Agency (CAA) provides QRIDA human resource services and information management and business systems services. The expenses of these services were \$126,928 (2019-20 \$120,949).

QRIDA provided services to other Queensland Government entities for administering financial assistance programs. The counter government entities provided program funding (refer **Note 3**) and paid fees to QRIDA to cover administration costs. The service fees earned are in the following table.

Related Party	Program	Service Fee	
		2021 \$	2020 \$
Queensland Government	NDRRA and DRFA	127,953	1,159,394
Department of Environment and Science	Farming in Reef Catchments Rebate Scheme	150,000	240,000
	Household Waste Payment Scheme	50,000	330,000
Department of Transport and Main Roads	COVID-19 Taxi and Limousine Industry Assistance Scheme	2,160,000	-
Department of Employment, Small Business and Training	Small Business COVID-19 Adaption Grant - Round 2	2,350,598	-
DAF	COVID-19 Jobs Support Loans Scheme	1,997,040	5,829,909

### Note 26: First year application of new Accounting Standards or change in Accounting Policies

#### Accounting standards applied for the first time

AASB 1059 *Service Concession Arrangements: Grantors* will apply for the first time in 2020-21 (if applicable).

The adopting of this new standard has no effect on QRIDA as it has not entered into any concession arrangements.

#### Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2020-21.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 27: Taxation

QRIDA is a state body as defined under the *Income Tax Assessment Act 1936* (C'wealth) 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 28: 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

	2021 \$'000	2020 \$'000
<b>Revenues</b>		
Contractual interest on loans	1,450	2,465
Interest earned on cash and investments	10	12
<b>Total</b>	<b>1,460</b>	<b>2,477</b>

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

	2021 \$'000	2020 \$'000
<b>Current assets</b>		
Cash and cash equivalents	5,752	1,783
Loans and advances	26,467	11,805
<b>Non-current assets</b>		
Loans and advances	68,578	94,054
<b>Total Assets</b>	<b>100,797</b>	<b>107,641</b>

### Note 29: Climate risk disclosure

QRIDA has not identified any material climate related risks relevant to the financial report at the reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021



### Note 30: Significant financial impacts from COVID-19 pandemic

During 2020-21, QRIDA has administered a number of COVID-19 related financial assistance schemes on behalf of other Queensland Government entities. These schemes are Small Business COVID-19 Adaption Grant Program, COVID-19 International Tourism Adaption Grants Scheme, COVID-19 Marine Tourism Rebate Scheme, COVID-19 Taxi and Limousine Industry Assistance Scheme and COVID-19 Jobs Support Loans Scheme.

The following significant transactions were recognised by QRIDA during the 2020-21 financial year in response to the COVID-19 pandemic:

#### Statement of Comprehensive Income

Significant expense items in relation to administration of COVID-19 related schemes:

	2021 \$'000	2020 \$'000
Employee expenses	3,286	1,500
Supplies and services	1,489	4,330
Grants and subsidies		
Small Business COVID-19 Adaption Grant Program	99,773	-
COVID-19 International Tourism Adaption Grants Scheme	2,388	-
COVID-19 Marine Tourism Rebate Scheme	1,831	-
COVID-19 Taxi and Limousine Industry Assistance Scheme	18,723	-
Loss on loans issued at greater than fair value*	3,566	175,413
Loss on loan commitments issued at greater than fair value	-	9,640
Impairment losses	-	103,434
	131,056	294,317

\* The initial fair value of the COVID-19 loans has been estimated by discounting future cash receipts based on an estimated market interest rate. This market interest rate is estimated using the same methodology applied when estimating the rate for other Loans and Advances, i.e. 90-day BBSY plus a risk premium that takes account of loan term and security.

Significant revenue items in relation to administration of COVID-19 related schemes:

	2021 \$'000	2020 \$'000
Grants and other contributions		
Small Business COVID-19 Adaption Grant - Round 2	114,209	-
COVID-19 International Tourism Adaption Grants Scheme	3,750	-
COVID-19 Marine Tourism Rebate Scheme	1,970	-
COVID-19 Taxi and Limousine Industry Assistance Scheme	21,000	-
Gain on reversal of impairment loss	8,417	-
Fees	6,629	5,830
Interest	56,816	3,105
	212,791	8,935
Impact on Total Comprehensive Income	(81,735)	285,382

# Queensland Rural and Industry Development Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 30: Significant financial impacts from COVID-19 pandemic(continued)

#### Statement of Financial Position

Significant changes in assets arising from COVID-19 related schemes:

	2021 \$'000	2020 \$'000
Cash and cash equivalents	61,411	22,165
Receivables	-	6,142
Loans and Advances:		
Gross Carrying Amount	925,962	927,878
Less Allowance for Expected Credit Loss	(94,767)	(103,434)
Less Discount on loans issued at greater than fair value	(131,434)	(172,307)
	761,172	680,444

Significant changes in liabilities arising from COVID-19 Jobs Support Loans Scheme:

	2021 \$'000	2020 \$'000
Loan Commitments	-	9,640

Significant equity transactions arising from COVID-19 Jobs Support Loans Scheme:

	2021 \$'000	2020 \$'000
Non-appropriated equity injection	50,000	950,000
Non-appropriated equity withdrawal	(31,773)	-

#### Impairment of Loans and Advances

Since March 2020 various relief measures were offered to all clients with Disaster Recovery and PIPES/CCLS loans to assist with the impact of COVID-19 on the ability to repay loan obligations. These measures were in the form of:

- a temporary moratorium on loan repayments of up to 6 months;
- the option of converting principal and interest repayments to interest-only for up to 6 months; and
- the option of varying the frequency of repayments.

Where a temporary payment moratorium was granted, this was not reflected in the DPD reporting and in the resulting assessment of SICR and calculation of the ECL.

By 30 June 2021 the clients who availed themselves of this offer are repaying their loan obligations in accordance with loan terms and conditions.

# Queensland Rural and Industry Development Authority Management Certificate

for the year ended 30 June 2021



These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (Qld) (the Act), section 39 of the *Financial and Performance Management Standard 2019* 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 2021 and of the financial position of QRIDA at the end of that year; and

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

ORIGINAL SIGNED

J CORBETT

*Chair*

ORIGINAL SIGNED

B TURNER

*Chair – Audit and Risk Management Committee*

ORIGINAL SIGNED

C MACMILLAN

*Chief Executive Officer*

ORIGINAL SIGNED

P WYLLIE

*Chief Financial Officer*

Dated: 24 August 2021

## INDEPENDENT AUDITOR'S REPORT

To the Board of Queensland Rural and Industry Development Authority

### Report on the audit of the financial report

#### Qualified Opinion

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

In my opinion, except for the effects of the matters described in the Basis for qualified opinion section of my report, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, 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 qualified opinion

##### *Matters related to comparatives for expected credit losses in respect of COVID-19 Job Support Loans*

Although the measurement of expected credit losses at 30 June 2021 was suitably supported, the measurement at 30 June 2020, reported in note 12 as \$105,803,000, was not supported by sufficient appropriate audit evidence. The measurement of expected credit losses at 30 June 2020, reported in note 12 as \$105,803,000, was not supported by sufficient appropriate audit evidence. The allowance included \$103,434,000 for COVID-19 Jobs Support loans that were issued in the final quarter of the year ending 30 June 2020. As disclosed in the credit risk exposure by risk grading section of note 12.3, the gross carrying value of these loans as at 30 June 2020 was allocated between 'stage 1 performing' (\$835,090,000) and 'stage 2 under-performing' (\$92,788,000). In deriving this allocation, QRIDA relied on historical data for other loan types and credit history data for the COVID-19 jobs support loan recipients. I concluded that these sources were not sufficiently relevant and reliable due to the unknown impact of the COVID-19 pandemic on the credit outlook for the loan recipients. My measure of materiality for assessing misstatements in the financial statements in the prior year was \$15.7 million.

I conducted my audit in accordance with the *Auditor-General 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 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*, the Financial and Performance Management Standard 2019 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. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- 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 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.

### **Statement**

In accordance with s.40 of the *Auditor-General Act 2009*, except for the matter described in the Basis of Qualified Opinion section of my report, for the year ended 30 June 2021:

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

### **Prescribed requirements scope**

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Carolyn Dougherty  
As delegate for the Auditor-General

27 August 2021

Queensland Audit Office  
Brisbane



# Glossary

<b>ARMC</b>	Audit and Risk Management Committee. This committee consists of three directors who undertake independent reviews to improve QRIDA's operations and outputs.
<b>BDP</b>	Business Development and Policy unit.
<b>Board of Directors</b>	A Board of Directors, which is formally accountable to the Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities, governs QRIDA.
<b>CEO</b>	Chief Executive Officer.
<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>DMC</b>	Debt Management Committee. This committee consists of three Directors and three Executive Management to provide debt and interest rate management oversight and governance.
<b>DRFA</b>	Disaster Recovery Funding Arrangements. These arrangements came into place on 1 November 2018 and replace the previous Natural Disaster Relief and Recovery Arrangements (NDRRA). DRFA continues the joint Commonwealth/State government funding initiative, providing financial assistance to help communities recover from eligible disasters. QRIDA administers loan and grant assistance activated under these arrangements to support disaster affected primary producers, businesses and non-profit organisations.
<b>ELT</b>	Executive Leadership Team. An oversight group consisting of the Chief Executive Officer, Chief Operating Officer, Chief Lending Officer and the Chief Engagement Officer.
<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>PIPES</b>	The Queensland Government's Primary Industry Productivity Enhancement Scheme. This scheme is comprised of the First Start and Sustainability Loan programs.
<b>Program owner</b>	Government agency/departmental representative which has engaged QRIDA to deliver specialist services on its behalf.
<b>QDAF</b>	Queensland Department of Agriculture and Fisheries.
<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).
<b>TC</b>	Tropical Cyclone.
<b>WAT</b>	Wheelchair accessible taxi.

# 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 3
	Glossary	ARRs – section 9.1 67
	Public availability	ARRs – section 9.2 1
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3 1
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4 1
	Information Licensing	<i>QGEA-Information Licensing</i> ARRs-section 9.5 N/A
<b>General information</b>	Introductory Information	ARRs – section 10 4-6
<b>Non-financial performance</b>	Government’s objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1 7
	Agency objectives and performance indicators	ARRs – section 11.2 24-25
	Agency service areas and service standards	ARRs – section 11.3 16-21
<b>Financial performance</b>	Summary of financial performance	ARRs – section 12.1 26-63
<b>Governance – management and structure</b>	Organisational structure	ARRs – section 13.1 8
	Executive management	ARRs – section 13.2 9
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3 9
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs- section 13.4 10
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5 10
	Queensland public service values	ARRs – section 13.6 6
<b>Governance – risk management and accountability</b>	Risk management	ARRs – section 14.1 11
	Audit committee	ARRs – section 14.2 12
	Internal audit	ARRs – section 14.3 12
	External scrutiny	ARRs – section 14.4 13
	Information systems and recordkeeping	ARRs – section 14.5 12
	Information Security attestation	ARRs – section 14.6 N/A
<b>Governance – human resources</b>	Strategic workforce planning and performance	ARRs – section 15.1 15
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2 14



Summary of requirement (continued)		Basis for requirement	Annual Report reference
<b>Open data</b>	Statement advising publication of information	ARRs – section 16	13
	Consultancies	ARRs – section 33.1	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	Overseas travel	ARRs – section 33.2	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	Queensland Language Services Policies	ARRs – section 33.3	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
<b>Financial statements</b>	Certification of financial statements	FAA – section 62 FPMS – sections 39 and 46 ARRs – section 17.1	63
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	64-66

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

