# Department of Primary Industries

Financial Statements for the year ended 30 June 2026

Queensland Government

# Department of Primary Industries

Financial Statements for the year ended 30 June 2026

## Contents


**Financial Statements**

**Statement of comprehensive income** ..... **3**
**Statement of comprehensive income by major departmental services** ..... **4**
**Statement of financial position** ..... **5**
**Statement of assets and liabilities by major departmental services** ..... **6**
**Statement of changes in equity** ..... **7**
**Statement of cash flows** ..... **8**
CF-1. Cash flow reconciliation ..... 9
CF-2. Changes in liabilities from financing activities ..... 9

**Notes to the Financial Statements**

**Section A: About the department and this financial report** ..... **10**
A1 General information ..... 10
A2 Basis of financial statements preparation ..... 10
A2-1 Compliance with prescribed requirements ..... 10
A2-2 Presentation ..... 10
A2-3 Authorisation of financial statements for issue ..... 10
A2-4 Basis of measurement ..... 11
A3 Departmental objectives ..... 12
**Section B: Notes about our financial performance** ..... **13**
B1 Revenue ..... 13
B1-1 Appropriation revenue ..... 13
B1-2 User charges and fees ..... 13
B1-3 Grants and contributions ..... 14
B1-4 Royalties ..... 14
B2 Gains on disposal and re-measurement of biological assets ..... 14
B3 Expenses ..... 15
B3-1 Employee expenses ..... 15
B3-2 Supplies and services ..... 16
B3-3 Grants and subsidies ..... 16
B3-4 Depreciation and amortisation ..... 17
B3-5 Finance costs ..... 17
B3-6 Other expenses ..... 17
**Section C: Notes about our financial position** ..... **18**
C1 Cash and cash equivalents ..... 18
C2 Receivables ..... 18
C2-1 Impairment of receivables ..... 19
C3 Other Financial Assets ..... 20
C4 Other Assets ..... 21
C5 Property, plant and equipment ..... 22
C6 Payables ..... 26
C7 Accrued employee benefits ..... 26
C8 Other liabilities ..... 26
C9 Right-of-use assets and lease liabilities ..... 27
C10 Equity ..... 30
C10-1 Contributed equity ..... 30
C10-2 Appropriation recognised in equity ..... 30
C10-3 Asset revaluation surplus by asset class ..... 30
**Section D: Notes about risks and other accounting uncertainties** ..... **31**
D1 Fair value measurement ..... 31
D1-1 Accounting policies and inputs for fair values ..... 31
D1-2 Basis for fair values of assets and liabilities ..... 32
D1-3 Categorisation of assets and liabilities measured at fair value ..... 33
D1-4 Level 3 fair value measurement - reconciliation ..... 33
D2 Financial risk disclosures ..... 33
D2-1 Financial instrument categories ..... 33
D2-2 Financial risk management ..... 34
D2-3 Credit risk disclosures ..... 35
D2-4 Liquidity risk – contractual maturity of financial liabilities ..... 35
D3 Contingencies ..... 35
D4 Commitments ..... 36
D5 Events occurring after reporting date ..... 37
D6 Future impact of accounting standards not yet effective ..... 37
**Section E: Notes on our performance compared to budget** ..... **38**
E1 Budgetary reporting disclosures ..... 38
E1-1 Explanation of major variances - statement of comprehensive income ..... 38
E1-2 Explanation of major variances - statement of financial position ..... 39
E1-3 Explanation of major variances – statement of cash flows ..... 40
**Section F: What we look after on behalf of whole-of-Government** ..... **41**
F1 Administered items ..... 41
F1-1 Schedule of administered income and expenses ..... 42
F1-2 Schedule of administered assets and liabilities ..... 43
F1-3 Schedule of administered equity ..... 44
F1-4 Reconciliation of payments from consolidated fund to administered income ..... 45
F1-5 Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity ..... 45

**Section G: Other information** ..... **46**

G1 Key management personnel (KMP) disclosures ..... 46

G2 Related party transactions ..... 48

G3 First year application of new accounting standards or change in accounting policy ..... 48

G4 Taxation ..... 48

G5 Climate risk disclosure ..... 49

**Certification** ..... **51**

Management certificate ..... 51

Independent auditor's report ..... 52

# Department of Primary Industries

## Statement of comprehensive income

For the year ended 30 June 2026

| | Notes | 2026 Actual $'000 | 2026 Original Budget $'000 | Actual vs. Budget Variance* $'000 | 2025 Actual $'000 |
|---|---|---|---|---|---|
| **Income from operations** | | | | | |
| Appropriation revenue | B1-1 | 450,188 | 462,002 | (11,814) | 425,636 |
| User charges and fees | B1-2 | 211,515 | 204,409 | 7,106 | 215,279 |
| Grants and contributions | B1-3 | 144,093 | 116,942 | 27,151 | 94,413 |
| Royalties | B1-4 | 38,935 | 33,247 | 5,688 | 38,668 |
| Other revenue | | 15,386 | 487 | 14,899 | 10,136 |
| **Total revenue** | | **860,117** | **817,087** | **43,030** | **784,132** |
| Gains on disposal and re-measurement of biological assets | B2 | 3,577 | 95 | 3,482 | 2,036 |
| **Total income from operations** | | **863,694** | **817,182** | **46,512** | **786,167** |
| **Expenses from operations** | | | | | |
| Employee expenses | B3-1 | 356,474 | 409,303 | 52,829 | 319,724 |
| Supplies and services | B3-2 | 431,151 | 325,656 | (105,495) | 379,533 |
| Grants and subsidies | B3-3 | 33,446 | 50,842 | 17,396 | 44,534 |
| Depreciation and amortisation | B3-4 | 33,630 | 27,423 | (6,207) | 32,819 |
| Finance costs | B3-5 | 2,058 | 2,056 | (2) | 2,153 |
| Impairment losses on financial assets | | 70 | - | (70) | 12 |
| Other expenses | B3-6 | 6,865 | 1,902 | (4,963) | 7,392 |
| **Total expenses from operations** | | **863,694** | **817,182** | **(46,512)** | **786,167** |
| **Operating result for the period surplus/(deficit)** | | **-** | **-** | **-** | **-** |
| **Other comprehensive income** | | | | | |
| Items that will not be reclassified to operating result: | | | | | |
| Increase in asset revaluation surplus | C10-3 | 34,443 | - | 34,443 | 20,954 |
| **Total comprehensive income** | | **34,443** | **-** | **34,443** | **20,954** |

**An explanation of major variances is included at Note E1. Variances are calculated as actual less budget for income items and budget less actual for expense items.*

# Department of Primary Industries

## Statement of comprehensive income by major departmental services

For the year ended 30 June 2026

| | Enabling Primary Industries Prosperity | | Fisheries and Forestry Industry Development | | Queensland Biosecurity Services | | Corporate Partnership[2] | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 |
| **Income from operations [1]** | | | | | | | | | | |
| Appropriation revenue | 174,924 | 197,402 | 74,734 | 63,649 | 189,594 | 161,280 | 10,936 | 3,305 | 450,188 | 425,636 |
| User charges and fees | 74,642 | 85,178 | 8,339 | 10,666 | 79,520 | 70,495 | 49,014 | 48,940 | 211,515 | 215,279 |
| Grants and contributions | 46,928 | 9,664 | 131 | 227 | 95,805 | 84,522 | 1,229 | - | 144,093 | 94,413 |
| Royalties | 7,283 | 5,540 | 31,652 | 33,128 | - | - | - | - | 38,935 | 38,668 |
| Other revenue | 5,381 | 2,616 | 6,884 | 7,282 | 3,121 | 238 | - | - | 15,386 | 10,136 |
| **Total revenue** | **309,158** | **300,400** | **121,740** | **114,952** | **368,040** | **316,535** | **61,179** | **52,245** | **860,117** | **784,132** |
| Gains on disposal and re-measurement of biological assets | 3,248 | 1,778 | - | - | 329 | 258 | - | - | 3,577 | 2,036 |
| **Total income from operations** | **312,406** | **302,178** | **121,740** | **114,952** | **368,369** | **316,793** | **61,179** | **52,245** | **863,694** | **786,167** |
| **Expenses from operations [1]** | | | | | | | | | | |
| Employee expenses | 115,980 | 115,496 | 56,971 | 53,622 | 152,824 | 122,174 | 30,699 | 28,432 | 356,474 | 319,724 |
| Supplies and services | 154,309 | 131,171 | 63,444 | 53,917 | 185,842 | 173,207 | 27,556 | 21,238 | 431,151 | 379,533 |
| Grants and subsidies | 17,088 | 28,655 | 5,445 | 3,581 | 10,898 | 12,266 | 15 | 32 | 33,446 | 44,534 |
| Depreciation and amortisation | 21,786 | 21,459 | 2,827 | 2,611 | 6,087 | 6,195 | 2,930 | 2,554 | 33,630 | 32,819 |
| Finance costs | 645 | 735 | 16 | 17 | 1,397 | 1,401 | - | - | 2,058 | 2,153 |
| Impairment losses on financial assets | 43 | - | - | - | 27 | 12 | - | - | 70 | 12 |
| Other expenses | 3,214 | 5,626 | 2,009 | 607 | 1,634 | 1,158 | 8 | 1 | 6,865 | 7,392 |
| **Total expenses from operations** | **313,065** | **303,142** | **130,712** | **114,355** | **358,709** | **316,413** | **61,208** | **52,257** | **863,694** | **786,167** |
| **Operating result for the year surplus/(deficit)** | **(659)** | **(964)** | **(8,972)** | **597** | **9,660** | **380** | **(29)** | **(12)** | **-** | **-** |
| Other comprehensive income | | | | | | | | | | |
| Items that will not be reclassified to operating result: | | | | | | | | | | |
| Increase in asset revaluation surplus | 25,258 | 15,995 | 255 | 701 | 8,930 | 4,258 | - | - | 34,443 | 20,954 |
| **Total comprehensive income** | **24,599** | **15,031** | **(8,717)** | **1,298** | **18,590** | **4,638** | **(29)** | **(12)** | **34,443** | **20,954** |

(1) Corporate services income and expenses relating to DPI provided through the Business Corporate Partnership (BCP) arrangements have been allocated to respective departmental services based on 2025-26 SDS budgeted employee full time equivalent (FTE) numbers.

(2) Income and expenses attributed to other agencies through BCP activities are shown separately and not allocated across departmental services.

*The accompanying notes form part of these financial statements.*

# Department of Primary Industries

## Statement of financial position

As at 30 June 2026

| | Notes | 2026 Actual $'000 | 2026 Original Budget $'000 | Actual vs. Budget Variance* $'000 | 2025 Actual $'000 |
|---|---|---|---|---|---|
| **Current assets** | | | | | |
| Cash and cash equivalents | C1 | 114,605 | 47,857 | 66,748 | 125,581 |
| Receivables | C2 | 74,229 | 68,606 | 5,623 | 36,825 |
| Inventories | | 3,860 | 4,506 | (646) | 2,855 |
| Other assets | C4 | 34,106 | 9,232 | 24,874 | 71,856 |
| **Total current assets** | | **226,800** | **130,201** | **96,599** | **237,117** |
| **Non-current assets** | | | | | |
| Other financial assets | C3 | 14,933 | - | 14,933 | - |
| Property, plant and equipment | C5 | 562,495 | 580,521 | (18,026) | 530,897 |
| Right-of-use assets | C9 | 75,057 | 73,931 | 1,126 | 80,968 |
| Intangible assets | | 473 | 1,415 | (942) | 712 |
| Other assets | C4 | 7,653 | 4,465 | 3,188 | 6,342 |
| **Total non-current assets** | | **660,611** | **660,332** | **279** | **618,919** |
| **Total assets** | | **887,411** | **790,533** | **96,878** | **856,036** |
| **Current liabilities** | | | | | |
| Payables | C6 | 112,757 | 25,611 | (87,146) | 127,600 |
| Accrued employee benefits | C7 | 13,076 | 11,940 | (1,136) | 10,918 |
| Lease liabilities | C9 | 4,686 | 4,196 | (490) | 4,390 |
| Other liabilities | C8 | 46,488 | 41,572 | (4,916) | 46,138 |
| **Total current liabilities** | | **177,007** | **83,319** | **(93,688)** | **189,046** |
| **Non-current liabilities** | | | | | |
| Lease liabilities | C9 | 82,628 | 82,783 | 155 | 87,299 |
| Other liabilities | C8 | 5,250 | 5,250 | - | 6,670 |
| **Total non-current liabilities** | | **87,878** | **88,033** | **155** | **93,969** |
| **Total liabilities** | | **264,885** | **171,352** | **(93,533)** | **283,015** |
| **Net assets** | | **622,526** | **619,181** | **3,345** | **573,021** |
| **Equity** | | | | | |
| Contributed equity | | 353,019 | 336,913 | 16,106 | 337,956 |
| Accumulated surplus/(deficit) | | 3,303 | 3,302 | 1 | 3,303 |
| Asset revaluation surplus | C10-3 | 266,204 | 278,966 | (12,762) | 231,761 |
| **Total equity** | | **622,526** | **619,181** | **3,345** | **573,021** |

**An explanation of major variances is included at Note E1. Variances are calculated as actual less budget for assets and equity items, and budget less actual for liabilities items.*

# Department of Primary Industries

## Statement of asset and liabilities by major departmental services

As at 30 June 2026

| | Enabling Primary Industries Prosperity | | Fisheries and Forestry Industry Development | | Queensland Biosecurity Services | | Corporate Partnership[2] | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| **Current assets** | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Cash and cash equivalents | 38,412 | 41,913 | 18,193 | 17,336 | 56,027 | 63,582 | 1,973 | 2,750 | 114,605 | 125,581 |
| Receivables | 17,696 | 18,688 | 4,240 | 3,791 | 47,064 | 9,081 | 5,229 | 5,265 | 74,229 | 36,825 |
| Inventories | 282 | 274 | 289 | 241 | 3,289 | 2,340 | - | - | 3,860 | 2,855 |
| Other Assets | 7,010 | 9,593 | 420 | 752 | 18,579 | 51,691 | 8,097 | 9,820 | 34,106 | 71,856 |
| **Total current assets** | **63,400** | **70,468** | **23,142** | **22,120** | **124,959** | **126,694** | **15,299** | **17,835** | **226,800** | **237,117** |
| **Non-current assets** | | | | | | | | | | |
| Other financial assets | 14,933 | - | - | - | - | - | - | - | 14,933 | - |
| Property, plant and equipment | 407,667 | 391,533 | 45,083 | 43,298 | 97,639 | 87,285 | 12,106 | 8,781 | 562,495 | 530,897 |
| Right-of-use assets | 25,315 | 29,490 | 541 | 635 | 49,201 | 50,843 | - | - | 75,057 | 80,968 |
| Intangible assets | 316 | 396 | - | 1 | 157 | 315 | - | - | 473 | 712 |
| Other Assets | 4,616 | 3,265 | 92 | 97 | 994 | 1,035 | 1,951 | 1,945 | 7,653 | 6,342 |
| **Total non-current assets** | **452,847** | **424,684** | **45,716** | **44,031** | **147,991** | **139,478** | **14,057** | **10,726** | **660,611** | **618,919** |
| **Total assets [1]** | **516,247** | **495,152** | **68,858** | **66,151** | **272,950** | **266,172** | **29,356** | **28,561** | **887,411** | **856,036** |
| | | | | | | | | | | |
| **Current liabilities** | | | | | | | | | | |
| Payables | 47,212 | 36,690 | 9,446 | 15,717 | 48,412 | 69,351 | 7,687 | 5,842 | 112,757 | 127,600 |
| Accrued employee benefits | 4,317 | 3,878 | 2,061 | 1,738 | 5,568 | 4,366 | 1,130 | 936 | 13,076 | 10,918 |
| Lease liabilities | 1,477 | 1,501 | 114 | 109 | 3,095 | 2,780 | - | - | 4,686 | 4,390 |
| Other liabilities | 19,304 | 18,456 | 750 | 496 | 26,225 | 27,186 | 209 | - | 46,488 | 46,138 |
| **Total current liabilities** | **72,310** | **60,525** | **12,371** | **18,060** | **83,300** | **103,683** | **9,026** | **6,778** | **177,007** | **189,046** |
| **Non-current liabilities** | | | | | | | | | | |
| Lease liabilities | 26,093 | 29,959 | 488 | 587 | 56,047 | 56,753 | - | - | 82,628 | 87,299 |
| Other liabilities | 5,250 | 6,670 | - | - | - | - | - | - | 5,250 | 6,670 |
| **Total non-current liabilities** | **31,343** | **36,629** | **488** | **587** | **56,047** | **56,753** | **-** | **-** | **87,878** | **93,969** |
| **Total liabilities [1]** | **103,653** | **97,154** | **12,859** | **18,647** | **139,347** | **160,436** | **9,026** | **6,778** | **264,885** | **283,015** |

(1) Corporate services assets and liabilities relating to DPI provided through the BCP arrangements have been allocated to respective departmental services.
(2) Assets and liabilities attributed to other agencies through BCP activities are shown below separately and not allocated across departmental services.

# Department of Primary Industries

## Statement of changes in equity

For the year ended 30 June 2026

| | Notes | Contributed Equity $'000 | Accumulated Surplus/ (Deficit) $'000 | Asset Revaluation Surplus $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Balance as at 1 July 2024** | | **347,879** | **3,303** | **210,807** | **561,988** |
| **Operating result** | | | | | |
| Operating result from operations | | - | - | - | - |
| **Other comprehensive income** | | | | | |
| Increase in asset revaluation surplus | C10-3 | - | - | 20,954 | 20,954 |
| **Total comprehensive income for the year** | | **347,879** | **3,303** | **231,761** | **582,942** |
| **Transactions with owners as owners** | | | | | |
| Appropriated equity injections | | 9,601 | - | - | 9,601 |
| Appropriated equity withdrawals | | (19,523) | - | - | (19,523) |
| **Net transactions with owners as owners** | C10-2 | (9,922) | - | - | (9,922) |
| **Closing balance as at 30 June 2025** | | **337,956** | **3,303** | **231,761** | **573,021** |
| | | | | | |
| **Balance as at 1 July 2025** | | **337,956** | **3,303** | **231,761** | **573,021** |
| **Operating result** | | | | | |
| Operating result from operations | | - | - | - | - |
| **Other comprehensive income** | | | | | |
| Increase in asset revaluation surplus | C10-3 | - | - | 34,443 | 34,443 |
| **Total comprehensive income for the year** | | **337,956** | **3,303** | **266,204** | **607,464** |
| **Transactions with owners as owners** | | | | | |
| Appropriated equity injections | | 34,885 | - | - | 34,885 |
| Appropriated equity withdrawals | | (19,822) | - | - | (19,822) |
| **Net transactions with owners as owners** | C10-2 | 15,063 | - | - | 15,063 |
| **Closing balance as at 30 June 2026** | | **353,019** | **3,303** | **266,204** | **622,526** |

# Department of Primary Industries

## Statement of cash flows

For the year ended 30 June 2026

| | Notes | 2026 Actual $'000 | 2026 Original Budget $'000 | Actual vs. Budget Variance* $'000 | 2025 Actual $'000 |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| **Inflows:** | | | | | |
| Service appropriation receipts | | 421,201 | 462,002 | (40,801) | 490,596 |
| User charges and fees | | 195,694 | 206,082 | (10,388) | 173,195 |
| Grants and other contributions | | 154,307 | 115,442 | 38,865 | 118,836 |
| Royalties | | 40,130 | 33,247 | 6,883 | 38,543 |
| GST input tax credits received from ATO | | 21,892 | 13,131 | 8,761 | 29,870 |
| GST collected from customers | | 23,526 | - | 23,526 | 17,793 |
| Other inflows | | 15,792 | 14,968 | 824 | 10,614 |
| **Outflows:** | | | | | |
| Employee benefits | | (354,529) | (408,308) | 53,779 | (318,853) |
| Supplies and services | | (417,291) | (339,681) | (77,610) | (373,459) |
| Grants and subsidies | | (33,301) | (50,842) | 17,541 | (44,130) |
| GST paid to suppliers | | (46,017) | (13,131) | (32,886) | (46,128) |
| Finance/borrowing costs | | (2,058) | (2,056) | (2) | (2,153) |
| Other outflows | | (6,808) | (2,342) | (4,466) | (5,435) |
| **Net cash provided/(used) by operating activities** | CF-1 | **12,537** | **28,512** | **(15,974)** | **89,289** |
| **Cash flows from investing activities** | | | | | |
| **Inflows:** | | | | | |
| Sales of property, plant and equipment | | 532 | 525 | 7 | 714 |
| Sales of biological assets | | 1,876 | - | 1,876 | 2,010 |
| **Outflows:** | | | | | |
| Payments for property, plant and equipment | | (25,127) | (22,499) | (2,628) | (21,485) |
| Payments for biological assets | | (268) | - | (268) | (293) |
| Payments for investments | | (14,933) | - | (14,933) | - |
| **Net cash used in investing activities** | | **(37,920)** | **(21,974)** | **(15,946)** | **(19,054)** |
| **Cash flows from financing activities** | | | | | |
| **Inflows:** | | | | | |
| Equity injection | | 35,691 | 8,819 | 26,872 | 8,468 |
| **Outflows:** | | | | | |
| Lease payments | CF-2 | (4,391) | (4,534) | 143 | (4,109) |
| Equity withdrawal | | (16,894) | (8,730) | (8,164) | (19,523) |
| **Net cash provided/(used) by financing activities** | | **14,406** | **(4,445)** | **18,851** | **(15,164)** |
| **Net increase/(decrease) in cash and cash equivalents** | | **(10,977)** | **2,093** | **(13,069)** | **55,071** |
| **Cash and cash equivalents - opening balance** | | 125,581 | 45,764 | 79,817 | 70,510 |
| **Cash and cash equivalents - closing balance** | C1 | **114,605** | **47,857** | **66,748** | **125,581** |

**An explanation of major variances is included at Note E1. Variances are calculated as actual less budget.*

# Department of Primary Industries

## Cash flow reconciliation

For the year ended 30 June 2026

### CF-1. Cash flow reconciliation

| Reconciliation of operating result to net cash provided by operating activities | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Operating result surplus/(deficit) | - | - |
| **Non-cash items included in operating result:** | | |
| Depreciation expense - property, plant and equipment | 27,464 | 26,111 |
| Depreciation expense - right-of-use assets | 5,927 | 6,466 |
| Amortisation expense - intangibles | 239 | 242 |
| Net (gains)/losses on sale or disposal of property, plant and equipment | 6 | 64 |
| Loss from derecognition - right of-use asset [(1)] | - | 3,882 |
| Impairment losses - trade receivables | 70 | 12 |
| Donated assets | - | - |
| Net (increment)/decrement in valuation of biological assets | (3,577) | (2,036) |
| Other | (67) | (14) |
| **Change in assets and liabilities** | | |
| (Decrease)/increase in deferred appropriation payable to Consolidated Fund | (28,987) | 64,960 |
| (Increase)/decrease in trade receivables | (37,709) | 20,293 |
| (Increase)/decrease in GST input tax credits receivable | (614) | 1,544 |
| (Increase)/decrease in long service leave reimbursements receivables | (190) | (266) |
| (Increase)/decrease in annual leave reimbursements receivables | (86) | (657) |
| (Increase)/decrease in other receivables | 341 | (201) |
| (Increase)/decrease in contract assets | 34,865 | (35,249) |
| (Increase)/decrease in prepayments | 3,540 | (3,879) |
| (Increase)/decrease in inventories | (1,005) | 1,171 |
| Increase/(decrease) in payables | 11,216 | 7,054 |
| Increase/(decrease) in accrued employee benefits | 2,158 | 1,893 |
| Increase/(decrease) in contract liabilities and unearned revenue | (1,065) | (2,029) |
| Increase/(decrease) in GST payable | 15 | (9) |
| Increase/(decrease) in security deposits | (5) | (64) |
| **Net cash provided by/(used in) operating activities** | **12,537** | **89,289** |

(1) FY 2024-25, Loss from derecognition of Queensland Animal Science Precinct (QASP) trustee lease is classified as Other expenses (refer Note B3-6).

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

| | Opening Balance | | Other | | Cash Repayments | | Closing Balance | |
|---|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| Lease liabilities | 91,689 | 95,774 | 16 | 24 | (4,391) | (4,109) | 87,314 | **91,689** |
| **Total** | **91,689** | **95,774** | **16** | **24** | **(4,391)** | **(4,109)** | **87,314** | **91,689** |

# Department of Primary Industries

Notes to the financial statements

For the year ended 30 June 2026

## Section A: About the department and this financial report

### A1 General information

The Department of Primary Industries ("DPI - the department") is a Queensland Government department established under the *Public Sector Act 2022* and its registered trading name is the Department of Primary Industries.

The Department of Primary Industries is controlled by the State of Queensland, which is the ultimate parent entity.

The head office and principal place of business of the department is:

Level 33
1 William Street
Brisbane
Queensland 4000

For information in relation to the department's financial statements, email DPICSFAM.Corro@dpi.qld.gov.au or visit the Department of Primary Industries website at https://www.dpi.qld.gov.au.

### A2 Basis of financial statements preparation

#### A2-1 Compliance with prescribed requirements

DPI has prepared these financial statements in compliance with section 38 of *the Financial and Performance Management Standard 2019*. The financial statements comply with *Queensland Treasury's (QT) Minimum Reporting Requirements* for reporting periods beginning on or after 1 July 2025.

DPI 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.

There are no new accounting standards applicable to DPI for the Financial Year (FY) 2025-26 (refer Note G3).

#### A2-2 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. Due to rounding, totals may not add exactly.

**Comparatives**

Comparative information reflects the audited 2024-25 financial statements. The department has re-aligned prior period balances to reflect mapping changes across and within account categories, where applicable.

**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 the department does not have the right at the end of the reporting period to defer settlement to beyond 12 months after the reporting date.

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

#### A2-3 Authorisation of financial statements for issue

The financial statements are authorised for issue by the Director-General and Chief Finance Officer at the date of signing the Management Certificate.

## A2 Basis of financial statement preparation (continued)

### A2-4 Basis of measurement

Historical cost is used as the measurement basis in this financial report except for the following:

- Land, buildings, infrastructure and equity investments are measured at fair value;
- Inventories which are measured at the lower of cost and net realisable value;
- Loan receivables are measured at fair value; and
- Equity investments are measured at fair value.

#### 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

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) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The *income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

#### 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.

#### Net realisable value

Net realisable value represents the amount of cash or cash equivalents that could be obtained by selling an asset in an orderly disposal.

### A2-5 The reporting entity

The financial statements include income, expenses, assets, liabilities and equity of the department. The department has no controlled entities.

## A3 Departmental objectives

DPI promotes a sustainable and innovative agriculture, fisheries and forestry sector, develops rural businesses and adds value to communities and the economy.

The department's vision is for Queensland's primary industries to be profitable, productive and sustainable for future generations.

The department's purpose is to empower our regional communities to be bold and prosperous, with a goal of increasing primary production output to $30 billion by 2030.

The department's strategic objectives (as set out in the *Strategic Plan 2025-29*) are focussed on seven key PROSPER objectives:

- **Prosperous industry sectors** that are competitive, have greater market share in both existing and new markets, and benefit from value-added production, and help drive us towards our shared goal of increasing primary production output to $30 billion by 2030.
- **Resilient Queensland communities** supported by data and intelligence sharing that strengthens our ability to predict, prevent, prepare for, respond to and recover from natural disasters, climate variability, biosecurity risks and other emerging challenges.
- **Optimal policy and regulatory settings** are underpinned by stable system settings that make doing business with government easier, provide clarity for investment and enable business viability and fairness across the supply chain to capitalise on market opportunities.
- **Strong science, research, development and extension** that drives innovation and provides primary industries with options to achieve optimal sector efficiency and outcomes and capitalise on market opportunities.
- **Positive and productive relationships** building trust with other government agencies, participants in the primary industries sector and the community.
- **Empowered, capable and future-focused workforce** that embraces fairness, equity, accountability, safety, wellbeing and innovation.
- **Robust governance systems** that underpin accountability, encourage innovation, and enhance our organisational performance.

**Major departmental services**

DPI's main service areas are: Enabling Primary Industries Prosperity, Queensland Biosecurity Services, and Fisheries and Forestry Industry Development. DPI also participates in a Business Corporate Partnership (BCP) for selected corporate services.

**Enabling Primary Industries Prosperity**

This service area delivers:

- Primary Industries Policy Development and Delivery
- Primary Industries Regional Economic Development
- Primary Industries Science, Research, Development and Extension.

The service area's objective is to enable Queensland's primary producers to prosper by delivering innovative research, policy and support services that support a productive, profitable and sustainable sector.

**Biosecurity Queensland Services**

The Biosecurity Queensland Services area's objective is to mitigate the risks and impacts of animal and plant pests and diseases and weeds to the economy, the environment, social amenity and human health. This service area also upholds standards for animal welfare and agricultural chemical use in line with community expectations.

**Fisheries and Forestry Industry Development**

The service area's objective is to ensure sustainable, high-value fisheries and fishing experiences and the responsible management and use of State-owned timber and quarry resources.

**BCP - Corporate Services**

In addition to the corporate services provided to DPI, the department also participates in the BCP arrangement whereby some agencies host strategic and operational corporate services provided to other recipient departments. This arrangement focuses on ensuring economies of scale, service integration and responsiveness. The host agency of each corporate service function receives the appropriation of funds and reports FTE positions in the respective agency.

As the host agency, DPI provided defined services, such as Information Technology (including Records Management) and Fleet Management to other BCP agencies (as disclosed in Note G2 – Related Party Transactions).

## Section B: Notes about our financial performance

### B1 Revenue

#### B1-1 Appropriation revenue

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in operating result** | | |
| **Original budgeted appropriation** | **462,002** | **406,474** |
| Unforeseen expenditure (1) | - | 69,289 |
| Lapsed Appropriation revenue | (11,050) | - |
| Transfers to other headings | (29,751) | - |
| Treasurer's transfers | - | 14,833 |
| **Total appropriation receipts (cash)** | **421,201** | **490,596** |
| Plus: opening balance of deferred appropriation payable to Consolidated Fund | 86,740 | 21,780 |
| Less: closing balance of deferred appropriation payable to Consolidated Fund | (57,753) | (86,740) |
| **Net appropriation revenue** | **450,188** | **425,636** |
| **Appropriation revenue recognised in statement of comprehensive income** | **450,188** | **425,636** |

(1) Unforeseen expenditure refers to expenditure authorised by the Governor in Council under section 35 of the *Financial Accountability Act 2009* to be made in advance of appropriation as the funds are held centrally by QT.

2024-25 includes $28.8 million in funding for the Fisheries Structural Adjustment Scheme and $12.0 million each, in funding for the Fire Ant Suppression Taskforce and Collective bargaining.

**Accounting Policy - Appropriation revenue**

Appropriations provided under the *Appropriation Act 2025* are recognised as revenue when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity, refer to Note C10-2.

#### B1-2 User charges and fees

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Revenue from contracts with customers: | | |
| Fee for service (1) | 187,642 | 192,351 |
| Sale of goods | 5,764 | 4,624 |
| Fees, licences and permits | 10,958 | 10,710 |
| Other user charges and fees: | | |
| Property rental (2) | 7,151 | 7,594 |
| **Total** | **211,515** | **215,279** |

(1) The decrease in Fee for service revenue is mainly due to increase in unearned revenue for R&D projects ($12.7M), partly offset by funding of National Cost Sharing (NCS) for National Fire Ant Eradication Program (NFAEP) from other states and territories ($7.4M).

(2) Property rental includes rent received from state and commonwealth agencies, universities and government employee housing.

**Accounting Policy - User charges and fees**

Fee for Service

ITP Service Level Agreements - The department provides ITP services to other departments on a cost recovery basis. Under AASB 15 *Revenue from Contracts with Customers*, revenue is recognised as the services are rendered and a contract asset representing the department's right to consideration for services delivered but not yet billed.

Research and Development (R&D) Contract Services - The department performs R&D services under legally enforceable contracts with specific performance obligations (promise to transfer a good or a service in the form of research results and reports), determined transaction price and a financial acquittal process. Under AASB 15, revenue is recognised when (or as) the performance obligations are satisfied.

Sale of Goods

The sale of goods includes livestock, vaccines, publications and farming produce. Customers obtain control of the goods upon delivery, which is the sole performance obligation under AASB 15. Based on the department's past experience, the amount of refunds for returned goods is not expected to be material, so the full selling price is recognised as revenue.

Revenue is recognised when the invoice is issued and/or the department's right to consideration for goods delivered but not yet billed.

Fees, Licences and Permits

The department collects fees, licences and permits for agricultural, fishing and biosecurity activities. The sole performance obligation is issuing the licence to the customer. The department applies AASB 15's revenue recognition requirements to all licence fees when the licence is issued.

## B1 Revenue (continued)

### B1-3 Grants and contributions

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Revenue from contracts with customers: | | |
| Commonwealth grants [1] | 85,561 | 75,827 |
| Other grants and contributions: | | |
| Local government contributions | 7,782 | 7,566 |
| Queensland State contributions [2] | 50,017 | 9,180 |
| Commonwealth contributions | 233 | 1,225 |
| Industry contributions | 342 | 200 |
| Goods and services received below fair value | 158 | 415 |
| **Total** | **144,093** | **94,413** |

(1) Commonwealth grants during 2025-26 include the following:
- NCS for NFAEP: $77.5 million (2024-25: $69.5 million).
- NCS for National Electric Ants Eradication Program (NEAEP): $4.0 million (2024-25: $2.5 million).
- Australian Government for the Four Tropical Weeds: $2.5 million (2024-25: $2.0 million).

(2) Queensland State contributions during 2025-26 include the following:
- Queensland Reconstruction Authority (QRA) for Queensland Exclusion Fencing Restitution Scheme: $31.5 million. The scheme provides funding for exclusion fencing projects delivered by local governments and landholders. Exclusion fencing does not form part of the Wild Dog Barrier Fence, which is a stated-managed asset.
- Disaster Recovery Funding Arrangement (DRFA) through QRA for North Queensland monsoon trough: $8.4 million.
- DETSI for Tropical Jasper pest and weed management: $1.3 million.

**Accounting Policy - Grants and other contributions**

Grants, contributions and donations revenue arise from non-exchange transactions where the department does not directly give approximately equal value to the grantor.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the department to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15. Initially, revenue is 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. Special purpose capital grants received to construct non-financial assets, to be controlled by the department, are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as the department satisfies its obligations under the grant through construction of the asset.

**Disclosure - Services received below fair value**

DPI received defined services from the following agencies:
- Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development (DNRMMRRD): Legal Service
- Department of the Environment, Tourism, Science and Innovation (DETSI): Privacy and Ethics; Right to Information.

The revenue and expense related to these contributions of services have not been recognised in the financial statements as these values cannot be measured reliably.

### B1-4 Royalties

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Royalties - Timber | 16,691 | 18,863 |
| Royalties - Quarry materials | 14,912 | 14,183 |
| Royalties - Other [1] | 7,332 | 5,622 |
| **Total** | **38,935** | **38,668** |

(1) Other royalties relate to patents on vaccines and plant breeders' rights.

**Accounting Policy - Royalties**

The department, under the provisions of the *Forestry Act 1959*, issues sales permits regarding the supply of forest products, including native forest log timber and quarry materials. The department recognises the revenue for forest products based on the returns provided by the permit holders.

## B2 Gains on disposal and re-measurement of biological assets

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Net increment in valuation of biological assets | 3,577 | 2,036 |
| **Total** | **3,577** | **2,036** |

## B3 Expenses

### B3-1 Employee expenses

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Employee Benefits** [1] | | |
| Wages and salaries | 274,416 | 246,196 |
| Termination benefits | 1,306 | 732 |
| Employer super contributions | 39,233 | 35,018 |
| Annual leave levy | 29,473 | 26,626 |
| Long service leave levy | 6,799 | 6,193 |
| Other employee benefits | 396 | 429 |
| **Employee Related Expenses** | | |
| Workers' compensation premium | 1,709 | 1,370 |
| Other employee related expenses | 3,142 | 3,160 |
| **Total employee benefits** | **356,474** | **319,724** |

(1) Employee expenses increase is mainly due to workforce growth (76 FTEs), 4.5% wage increase under EB and State wage outcomes, and higher casual employee costs associated with increased NFAEP activities, together with increases in related employee on-costs.

The table below sets out the number of employees as at 30 June 2026, including both full-time and part-time employees, measured on a full-time basis as provided to the Public Sector Commission (PSC), and utilised in the preparation of the Minimum Obligatory Human Resource Information (MOHRI). The BCP employee expenses aligned to DPI are also included in the above total with the number represented by employees shown below:

| | 2026 | 2025 |
|---|---|---|
| **Number of employees:** | | |
| DPI | 2,413 | 2,337 |
| BCP (providing services to other departments) | 215 | 215 |
| **Total number of employees** | **2,628** | **2,552** |

#### Accounting Policy - Employee expenses

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits. Workers' compensation insurance is a consequence of employing staff but is not included in the employee's total remuneration package. These costs are recognised separately as employee related expenses.

Wages, salaries and sick leave

Wages and salaries due but unpaid at reporting date are recognised in the statement of financial position at the current salary rates. As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Prior history indicates that on average, sick leave taken 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.

Long service leave and annual leave

Under the Queensland Government's Long Service Leave Scheme (LSLS) and Annual Leave Central Scheme (ALCS), levies are payable by the department to cover the cost of employees' long service leave and annual leave (including leave loading and on-costs). Hence, no provision for long service leave and annual leave is recognised in the department's financial statements. Instead, the provisions for these schemes are reported on a whole-of-government basis pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

These levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave and annual leave are claimed from the scheme quarterly in arrears.

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) 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 the relevant Enterprise Bargaining (EB) Agreement 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 amounts of contributions for defined benefit plan obligations are based upon the rates determined on the advice of the State Actuary. Contributions are paid by the department at the specified rate following completion of the employee's service each pay period. The department's obligations are limited to those contributions paid.

Workers' compensation premiums

The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is not an employee benefit and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note G1.

## B3 Expenses (continued)

### B3-2 Supplies and services

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Contractors (1) | 101,430 | 93,092 |
| Collaborative research arrangements (2) | 26,443 | 34,838 |
| Accommodation and lease rentals (3) | 19,040 | 16,675 |
| Motor vehicles – QFleet | 9,446 | 8,994 |
| Outsourced service delivery (4) | 60,057 | 25,562 |
| Inventory and consumables (5) | 44,500 | 39,532 |
| Computer/information technology | 33,402 | 30,532 |
| Repairs and maintenance | 11,221 | 10,386 |
| Transport (6) | 37,621 | 32,397 |
| Service delivery costs | 29,660 | 33,353 |
| Building services | 8,062 | 6,933 |
| Telecommunications and electricity | 6,585 | 6,761 |
| Shared services provider fee | 7,326 | 6,870 |
| Travel | 7,178 | 7,058 |
| Marketing and public relations | 2,108 | 1,737 |
| Portable and attractive items | 4,330 | 2,600 |
| Consultancy fees | 1,225 | 607 |
| Legal Costs | 1,812 | 1,581 |
| Other (4) | 19,705 | 20,025 |
| **Total** | **431,151** | **379,533** |

(1) Increase is due to the replacement of the Forest Sales Management Information System (FSMIS) and increased treatment activity for the Fire Ant Suppression Taskforce (FAST) ($1.7 million),

(2) Decrease is mainly due to the finalisation of the Queensland Agriculture Workforce Network ($2.7 million) and Northwest Minerals Province Diversification Strategy ($1.0 million).

(3) Increase is mainly due to the cessation of rent free period related to the transition to 275 George Street ($2.0 million).

(4) Increase is due to Exclusion Fencing Restitution Scheme grant payments ($30.0 million) and $1.5 million for related administration fees.

(5) Increase related to fire ant bait for FAST due to increased treatment activity ($4.8 million).

(6) Increase is mainly due to aircraft hire for the FAST aerial treatment activities ($8.4 million).

**Accounting Policy - Distinction between grants and procurement**

For a transaction to be classified as supplies and services, the value of goods and services received by the department 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 Note B3-3.

**Disclosure - Accommodation and lease rentals**

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework and residential properties under the Government Employee Housing (GEH) program result from non-lease arrangements with the Department of Housing and Public Works (DHPW). DHPW retains substantive substitution rights over the assets used within these schemes. These payments are expensed as incurred and classified within the office accommodation and lease rentals line item.

Lease expenses include lease rentals for short-term leases, leases of low value assets and variable lease payments and are aligned to their respective line items above. Refer to Note C9 for breakdown of lease rentals and other lease disclosures.

### B3-3 Grants and subsidies

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Subsidies | 105 | 102 |
| Queensland and local government (1) | 18,476 | 21,990 |
| Industry (2) | 8,713 | 18,634 |
| Charities/community groups (3) | 5,469 | 3,266 |
| Goods and services below fair value | 145 | 404 |
| Other | 538 | 138 |
| **Total** | **33,446** | **44,534** |

(1) The decrease is related to the finalisation of the Rural Economic Development (RED) grants (2025-26: Nil and 2024-25: $3.1 million).

(2) The decrease is due to $4.0 million milestone payment related to the 2025-26 support for the harvesting and processing of sugarcane in the Mossman Coastal Region paid in 2024-25 (2025-26: $1.8 million and 2024-25: $9.9 million).

(3) The increased funding provided to Surf Life Saving Queensland for the SharkSmart drone program (2025-26: $4.8 million and 2024-25:$2.0 million), reflects expansion to additional beaches.

**Accounting Policy - Grants and subsidies**

A grant is a payment or contribution made to an organisation or person which is not to be repaid or reciprocated, but which must be spent by the recipient for a specific purpose. Accordingly, grant payments are expensed when payment is made. For procurement payments, where the terms of a procurement (exchange transaction) have been satisfied during the reporting period, but the full amount has not yet been disbursed, an expense and a liability in respect of the present obligation are recognised.

Departmental grants can take the form of contributions, subsidies, incentives, donations (disclosed in Note B3-6) or other funding arrangements.

## B3 Expenses (continued)

### B3-4 Depreciation and amortisation

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Depreciation and amortisation were incurred in respect of: | | |
| **Property plant and equipment (PPE)** | | |
| Buildings | 12,582 | 11,743 |
| Infrastructure | 651 | 627 |
| Plant and equipment | 14,231 | 13,741 |
| **Total depreciation - PPE** | **27,464** | **26,111** |
| **Right-of-use assets (ROU)** | | |
| Leased assets | 5,927 | 6,466 |
| **Total depreciation - ROU** | **5,927** | **6,466** |
| **Intangibles** | | |
| Software purchased | - | 1 |
| Software internally generated | 239 | 241 |
| **Total amortisation - intangibles** | **239** | **242** |
| **Total** | **33,630** | **32,819** |

### B3-5 Finance costs

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Interest on lease liabilities | 2,058 | 2,153 |
| **Total** | **2,058** | **2,153** |

**Accounting Policy - Finance costs**

Finance costs are recognised as an expense in the period in which they are incurred.

### B3-6 Other expenses

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| External audit fees - QAO [1] | 313 | 313 |
| Insurance premiums - QGIF [2] | 1,159 | 1,110 |
| Insurance premiums - Other | 353 | 287 |
| Sponsorships [3] | 2,593 | 1,055 |
| Donations and gifts | 2 | 1 |
| License and registration fees | 399 | 278 |
| Patents, copyright & trademarks | 120 | 106 |
| Special payments [4] | | |
| Ex-gratia payments | 475 | 140 |
| Compensation payments | 1,320 | 35 |
| Net losses from disposal of property, plant and equipment | 6 | 64 |
| Loss from derecognition - right-of-use asset [5] | - | 3,882 |
| Other | 125 | 121 |
| **Total** | **6,865** | **7,392** |

(1) Total audit fees payable to the Queensland Audit Office (QAO) relating to the 2025-26 financial year are $313,000 (2024-25: $313,000).

(2) The department's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis.

(3) Increase is due to the sponsorship of Australia Beef 2027 Expo ($2.0 million).

(4) In accordance with the Financial Management Practice Manual Policy 6.41 Special and Ex-Gratia Payments, special payments, over $5,000 during 2025-26 include the following:
- Nil ex-gratia payments in relation to the Red Witchweed Eradication Program (2024-25: 3 payments)
- 3 ex-gratia payments in relation to legal matters (2024-25: 2 payments)
- 2 ex-gratia payments in relation to NFAEP (2024-25: Nil payment)
- 3 compensation payments made (2024-25: 2 payments).

(5) Loss from derecognition of the QASP trustee lease - $3.9 million.

**Accounting Policy - Special payments**

Special payments represent ex-gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties.

## Section C: Notes about our financial position

### C1 Cash and cash equivalents

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Cash at bank | 114,602 | 125,578 |
| Imprest accounts | 3 | 3 |
| **Total** | **114,605** | **125,581** |

**Accounting Policy - Cash and cash equivalents**

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.

Departmental bank accounts are grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation (QTC) and do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

### C2 Receivables

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| ***Current*** | | |
| Trade debtors [1] | 59,794 | 22,084 |
| Less: allowance for impairment loss [2] | (96) | (62) |
| | **59,698** | **22,022** |
| GST input tax credits receivable | 5,680 | 5,066 |
| GST payable | (15) | - |
| | **5,665** | **5,066** |
| Annual leave reimbursements | 5,885 | 5,799 |
| Long service leave reimbursements | 2,289 | 2,099 |
| Other | 692 | 1,839 |
| | **8,866** | **9,737** |
| **Total current receivables** | **74,229** | **36,825** |
| ***Non-current*** | | |
| Loans and advances receivable - fair value through profit and loss [3] | 784 | 784 |
| Less: allowance for impairment loss [3] | (784) | (784) |
| **Total non-current receivables** | **-** | **-** |
| **Total** | **74,229** | **36,825** |

(1) 2025-26 includes Commonwealth NCS contribution for NFAEP ($38.2 million).

(2) Refer to Note C2-1. In 2025-26, $52.1 million (2024-25: $8.2 million) relates to Government debtors which are not subject to allowance for impairment loss.

(3) In 2021-22, DPI provided a $2 million loan to industry with the value discounted by $1.216 million which was recognised as a grant expense. In 2022-23, an assessment of the loan determined that the balance outstanding was fully impaired. In 2023-24, the company went into liquidation, as at 30 June 2026, the process is not yet complete.

## C2 Receivables (continued)

**Accounting Policy - Receivables**

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Trade debtors are recognised at the amounts due at the time of sale or service delivery (i.e. the agreed purchase/contract price). Settlement of these amounts is generally required within 30 days from the invoice date. The collectability of receivables is assessed periodically with allowance being made for impairment. All known bad debts written-off as at 30 June.

Where loans and advances are provided at a concessional rate below market interest rates, they are considered to have a fair value less than the actual amount lent. Any additional amount lent above the fair value is initially recognised as a grant expense.

**Disclosure - Receivables**

The closing balance of receivables arising from contracts with customers as at 30 June 2026 is $56.8 million (2024-2025: $14.3 million) and other receivables as at 30 June 2026 is $17.4 million (2024-2025: $22.5 million).

### C2-1 Impairment of receivables

**Accounting Policy - Impairment of receivables**

The loss allowance for trade and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes and relevant industry data form part of the department's impairment assessment.

Where the department has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when a debt is over 365 days past due and the department has ceased any enforcement activity. If the amount of debt written-off exceeds the loss allowance, the excess is recognised as an impairment loss.

**Disclosure - Credit risk exposure of receivables**

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets.

Collateral is held as security for Forestry receivables however no credit enhancements relate to financial assets held by the department.

The department uses a provision matrix to measure the expected credit losses on trade debtors. Loss rates are calculated for customers with similar loss patterns. The department has determined that all revenue streams will be used for measuring expected credit losses.

The calculations reflect historical observed default rates calculated using credit losses experienced on past sales transactions during the last 10 years preceding 30 June 2026.

The historical default rates are then adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables.

For DPI a change in the unemployment rate is determined to be the most relevant forward-looking indicator for receivables.

Actual credit losses over the 10 years preceding 30 June 2026 were correlated against changes in the unemployment rate and based on those results, the historical default rates will be adjusted based on expected changes to that indicator. No adjustments were made as at 30 June 2026 as the movement was not material.

## C2 Receivables (continued)

### C2-1 Impairment of receivables (continued)

Set out below is the credit risk exposure on the department's trade debtors broken down by aging band.

**Impairment group - non-government receivables credit risk exposure**

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| Ageing | Gross receivables $'000 | Loss rate % | Expected credit losses $'000 | Gross receivables $'000 | Loss rate % | Expected credit losses $'000 |
| Current | 8,094 | 0.29% | 23 | 5,584 | 0.30% | 17 |
| 1 to 30 days overdue | 259 | 0.71% | 2 | 1,038 | 0.75% | 8 |
| 31 to 60 days overdue | 247 | 2.29% | 6 | 125 | 1.88% | 2 |
| 61 to 90 days overdue | 132 | 6.34% | 8 | 140 | 5.85% | 8 |
| > than 90 days overdue | 121 | 11.29% | 14 | 125 | 9.75% | 12 |
| **Total** | **8,853** | | **53** | **7,012** | | **47** |

| C2-1. Disclosure – Movement in loss allowance for trade debtors | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Loss allowance as at 1 July | 62 | 62 |
| Increase/(decrease) in loss allowance recognised in operating result | 34 | - |
| **Loss allowance - closing balance** | **96** | **62** |

## C3 Other Financial Assets

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Non-Current** | | |
| Equity investment (Primary Industries Prosper Investment Fund) - at fair value | 14,933 | - |
| **Total** | **14,933** | **-** |

**Accounting Policy – Other financial assets**

The Department holds equity investments managed by Queensland Investment Corporation (QIC) as part of its approved investment strategy. These investments are classified as financial assets and measured at fair value through other comprehensive income in accordance with AASB 9 Financial Instruments.

Fair value is determined by QIC using valuation methodologies consistent with AASB 13 Fair Value Measurement. As the investments are not traded in active markets, they are classified as Level 3 within the fair value hierarchy.

## C4 Other Assets

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Current** | | |
| Prepayments | 11,205 | 14,557 |
| Contract assets - Research and Development Contracts | 4,708 | 7,507 |
| Contract assets - National Cost Sharing (1) | 17,047 | 49,113 |
| Biological assets | 1,146 | 679 |
| **Total** | **34,106** | **71,856** |
| | | |
| **Non-Current** | | |
| Prepayments | 2,674 | 2,862 |
| Biological assets | 4,979 | 3,480 |
| **Total** | **7,653** | **6,342** |

(1) The decrease is mainly due to the Commonwealth NCS contribution for NFAEP being a receivable in 2025-26 (2025-26: $7.9 million and 2024-25 $40.4 million).

**Accounting Policy - Other assets**

Contract assets arise from contracts with customers, and are transferred to receivables when the department's right to payment becomes unconditional, this usually occurs when the invoice is issued to the customer.

Accrued revenues that do not arise from contracts with customers are reported as part of Other receivables in Note C2.

## C5 Property, plant and equipment

| | Land | | Buildings | | Infrastructure | | Plant and Equipment | | Capital work in progress | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 |
| Gross | 186,041 | 181,153 | 571,798 | 540,331 | 82,006 | 78,964 | 237,720 | 231,048 | 17,785 | 12,699 | 1,095,350 | 1,044,195 |
| Less: accumulated depreciation | - | - | (326,060) | (307,818) | (41,884) | (47,057) | (162,933) | (156,445) | - | - | (530,877) | (511,320) |
| Less: accumulated impairment losses (1) | - | - | - | - | (1,978) | (1,978) | - | - | - | - | (1,978) | (1,978) |
| **Total** | **186,041** | **181,153** | **245,738** | **232,513** | **38,144** | **29,929** | **74,787** | **74,603** | **17,785** | **12,699** | **562,495** | **530,897** |
| Carrying amount at 1 July | 181,153 | 171,817 | 232,513 | 229,853 | 29,929 | 29,794 | 74,603 | 76,085 | 12,699 | 7,797 | 530,897 | 515,346 |
| Acquisitions (including upgrades) | - | - | - | - | - | - | 69 | 4,305 | 25,058 | 17,180 | 25,127 | 21,485 |
| Disposals | (32) | (13) | (298) | (164) | - | - | (178) | (599) | - | - | (508) | (776) |
| Transfers between asset classes | - | - | 4,480 | 2,791 | 968 | 935 | 14,524 | 8,553 | (19,972) | (12,279) | - | - |
| Net Revaluation increments/(decrements) in asset revaluation surplus | 4,920 | 9,349 | 21,625 | 11,777 | 7,898 | (172) | - | - | - | - | 34,443 | 20,954 |
| Depreciation expense | - | - | (12,582) | (11,743) | (651) | (627) | (14,231) | (13,741) | - | - | (27,464) | (26,111) |
| **Carrying amount - closing balance** | **186,041** | **181,153** | **245,738** | **232,513** | **38,144** | **29,929** | **74,787** | **74,603** | **17,785** | **12,699** | **562,495** | **530,897** |

(1) Impairment of Wild Dog Barrier Fence (WDBF) was due to the Western Queensland flood event in March 2025.

## C5 Property, plant and equipment (continued)

**Accounting Policies – Property, plant and equipment (PPE)**

Recognition

Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds in the year of acquisition are reported as property, plant and equipment in the following classes:

| | |
|---|---|
| Buildings (including land improvements) | $10,000 |
| Infrastructure | $10,000 |
| Land | $1 |
| Plant and equipment | $5,000 |

Items with a lesser value are expensed in the year of acquisition.

Land improvements undertaken by the department are included with buildings or infrastructure based on the proximity of the asset to which they relate. Subsequent expenditures are only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

All costs relating to items of property, plant and equipment constructed in-house are recorded as work in progress until completion of the project using all direct and indirect costs, where the latter are reliably attributable. Work in progress performed under external contracts is recorded using the invoice amount supplied by the contractor.

Where an asset is to be demolished and a new asset constructed in its place, the carrying amount of the old asset is written off in accordance with the provision of AASB 116 *Property, Plant and Equipment*.

Componentisation of complex assets

Complex assets comprise separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the asset.

On initial recognition, the asset recognition thresholds outlined above apply to the asset as a single item. Where the asset qualifies for recognition, components are then separately recorded when their value is significant relative to the total cost of the complex asset.

When a separately identifiable component (or group of components) of significant value is replaced, the existing component(s) is derecognised. The replacement component(s) is capitalised when it is probable that future economic benefits from the significant components will flow to the department in conjunction with other components comprising the complex asset and the cost exceeds the asset recognition thresholds specified above. Replacement components that do not meet the asset recognition thresholds for capitalisation are expensed. Components are valued on the same basis as the asset class to which they relate.

The department's complex assets are its special purpose research facilities, laboratories and glasshouses.

Cost of acquisition

Historical cost is used for the initial recording of all PPE acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition (such as architects' fees and engineering design fees), plus all other costs incurred in getting the assets ready for use. Where assets are received free of charge from another Queensland department entity (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the other entity immediately prior to the transfer. Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at the date of acquisition.

## C5 Property, plant and equipment (continued)

**Accounting Policies – Property, plant and equipment (PPE) (continued)**

Measurement using fair value

Land, buildings and infrastructure are measured at fair value, which are reviewed each year to ensure they are materially correct. Land and buildings are comprehensively revalued once every five years, or whenever volatility is detected, with values adjusted for indexation in the interim years. Fair value measurement of a non-current asset is determined by taking into account its highest and best use. All assets of the department for which fair value is measured in line with the fair value hierarchy, take into account observable and unobservable inputs.

Use of specific appraisals

Revaluations using independent professional valuer appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

Use of indices

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. DPI ensures that the application of such indices results in valid estimation of the assets' fair values at reporting date. Independent professional valuers, Jacobs and Marsh, supply the indices used for the various types of assets. Such indices are either publicly available or are derived from market information available to the professional valuers. The professional valuers provide assurance of their robustness, validity and appropriateness for application to the relevant assets.

Indices used are tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by the professional valuers based on the department's own particular circumstances.

Accounting for changes in fair value

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

For assets revalued using a cost valuation approach (e.g. current replacement cost) - accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount. This is generally referred to as the 'gross method'.

Depreciation expense

Depreciation (representing a consumption of an asset over time) is calculated on a straight-line basis. Annual depreciation is based on the cost or the fair value of the asset, less its estimated residual value, and the department's assessments of remaining useful life of individual assets.

Land is not depreciated as it has an unlimited useful life.

Straight line depreciation method is used as that is consistent with the even consumption of service potential of department's assets over their useful life.

Separately identifiable components of assets are depreciated according to the useful lives of each component.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is applied over the remaining useful life of the asset.

Assets under construction (work-in-progress) are not depreciated until they are ready for use.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

## C5 Property, plant and equipment (continued)

**Accounting Policies - Property, plant and equipment (PPE) (continued)**

Useful lives of assets (in years)

For each class of depreciable asset, the following useful lives are applied:

Buildings:

- Fabric 20-80
- Fixtures and fittings 10-45
- Plant and services 10-55
- Land improvements 10-70
- Access roads 15-50

Infrastructure:

- Wild dog barrier fence 50

Plant and equipment:

- Computer equipment 3-10
- Motor Vehicle 5-22
- Boats and boating equipment 4-20
- Heavy plant 5-30
- Scientific equipment 8-30
- Office equipment 5-25
- Leasehold improvement 4-20
- Other plant and equipment 3-20

Impairment

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value / service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential are present, the asset is revalued at the reporting date under AASB *13 Fair Value Measurement*. If an indicator or impairment exists, the department determines the asset's recoverable amount (higher of value in use and fair value less costs of disposal) under AASB 136 *Impairment of Assets*. Any amounts by which the asset's carrying amount exceeds the recoverable amount are considered an impairment loss.

Recognising impairment losses

For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the asset revaluation surplus of the relevant class to the extent available. Where no asset revaluation surplus is available in respect of the class of asset, the loss is expensed in the statement of comprehensive income as a revaluation decrement.

For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

Reversal of impairment losses

Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount must not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

For assets measured at fair value, to the extent the original decrease was expensed through the statement of comprehensive income, the reversal is recognised in income, otherwise the reversal is treated as a revaluation increase for the class of asset through the asset revaluation surplus.

For assets measured at cost, impairment losses are reversed through the statement of comprehensive income.

## C6 Payables

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Current** | | |
| Trade creditors (1) | 31,025 | 21,881 |
| Deferred appropriation refundable to Consolidated Fund (2) | 57,753 | 86,740 |
| Accrued expenses | 9,224 | 7,237 |
| Equity withdrawal payable (3) | 14,453 | 11,525 |
| Other payables | 302 | 217 |
| **Total** | **112,757** | **127,600** |

(1) This increase is attributable to creditor balances that had not been released for payments as at 30 June 2026 ($11.2 million).

(2) The decrease reflects lower unexpended appropriations payable to QT that were either deferred to 2026-27 or lapsed (2025-26: $44.4 million and 2024-25: $79.5 million).

(3) This mainly represents the net proceeds from the sale of the former QATC property at Longreach and related equity to output reclassification.

**Accounting Policy - Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase / contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 7, 14, 20 or 30 day terms.

## C7 Accrued employee benefits

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Current** | | |
| Salaries and wages outstanding | 2,429 | 1,124 |
| Annual leave levy payable | 8,475 | 7,823 |
| Long service leave levy payable | 2,172 | 1,971 |
| **Total** | **13,076** | **10,918** |

**Accounting Policy - Accrued employee benefits**

No provision for annual leave or long service leave is recognised in the department's financial statements as the liability 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.*

## C8 Other liabilities

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Current** | | |
| Contract liabilities | 44,878 | 44,542 |
| Unearned revenue (incl. Leases) | 1,420 | 1,420 |
| Other | 190 | 176 |
| **Total** | **46,488** | **46,138** |
| | | |
| **Non-Current** | | |
| Unearned revenue (incl. Leases) | 5,250 | 6,670 |
| **Total** | **5,250** | **6,670** |

## C8 Other liabilities (continued)

**Accounting Policy - Contract liabilities**

Contract liabilities arise from contracts with customers and they represent a performance obligation that is:

- enforceable - the funds are required to be refunded if the terms are breached, and
- sufficiently specific - the obligation to provide goods/services is distinct and the price for them can be determined.

**Accounting Policy - Unearned revenue**

Unearned revenue is recognised as a liability when the department has received revenue in advance of the delivery of the supply of goods and/or services.

For leases, unearned revenue is recognised as a liability when the department has received payments in advance, which are then amortised over the lease term.

**Disclosure - Contract liabilities**

Contract liabilities arise from contracts with customers while other unearned revenue arises from transactions that are not contracts with customers.

Contract liabilities as at 30 June 2026 include R&D contracts of $18.1 million (2024-25: $14.9 million), NCS contracts of $24.5 million (2024-25: $25.2 million) and other contracts of $2.3 million (2024-25: $4.4 million).

## C9 Right-of-use assets and lease liabilities

| | Land | | Buildings | | Plant and Equipment | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| **Right-of-use assets** | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Opening balance at 1 July** | 1,165 | 1,273 | 79,739 | 89,829 | 63 | 190 | 80,968 | 91,293 |
| Amortisation | (121) | (121) | (5,787) | (6,219) | (19) | (127) | (5,927) | (6,467) |
| Derecognition [1] | - | - | - | (3,882) | - | - | - | (3,882) |
| Other Adjustments | 9 | 13 | 7 | 11 | - | - | 16 | 24 |
| **Closing balance** | **1,054** | **1,165** | **73,959** | **79,739** | **44** | **63** | **75,057** | **80,968** |

(1) Derecognition of the QASP trustee lease during 2024-25 - $3.9 million.

| | 2026 | 2025 |
|---|---|---|
| | $'000 | $'000 |
| **Lease liabilities** | | |
| **Current** | | |
| Lease liabilities | 4,686 | 4,390 |
| **Total** | **4,686** | **4,390** |
| **Non-Current** | | |
| Lease liabilities | 82,628 | 87,299 |
| **Total** | **82,628** | **87,299** |

**Accounting Policy - Leases as lessee**

Right-of-use assets

Right-of-use assets are initially recognised at cost comprising the following:

- the amount of the initial measurement of the lease liability
- lease payments made at or before the commencement date, less any lease incentives received
- initial direct costs incurred, and
- the initial estimate of restoration costs.

Right-of-use assets are subsequently depreciated over the lease term and are subject to impairment testing on an annual basis.

## C9 Right of use assets and lease liabilities (continued)

**Accounting Policy - Leases as lessee (continued)**

The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a change in discount rate, a reduction in lease payments payable, or changes in variable lease payments that depend upon variable indexes/rates of a change in lease term.

The department measures right-of-use assets from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition.

The department has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line-basis over the lease term. An asset is considered low value where it is expected to cost less than $10,000 when new. A lease is considered a short term lease when at the commencement of the lease, the term is 12 months or less.

Where a contract contains both a lease and non-lease components such as asset maintenance services, the department allocates the contractual payment to each component on the basis of their stand-alone prices. However, for lease of plant and equipment, the department has elected not to separate lease and non-lease components and instead accounts for them as a single lease component.

Lease liabilities

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the department is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- fixed payments (include in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amount expected to be payable by the department under residual value guarantees
- the exercise price of a purchase option that the department is reasonably certain to exercise
- payments for termination penalties, if the lease term reflects the early termination.

When measuring the lease liability, the department uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of the department's leases. To determine the incremental borrowing rate, the department uses loan rates provided by QTC that correspond to the commencement date and term of the lease.

Subsequent to initial recognition, the lease liabilities are increased by the interest charge and reduced by the amount of the lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g. a market review), or a change in lease term.

**Disclosures - Leases as lessee**

Details of leasing arrangements as lessee

*Health and Food Sciences Precinct*

In July 2008, the department entered into a 30-year lease for the Queensland Health and Food Sciences Precinct at Coopers Plains with Queensland Health. Lease payments are fixed and subject to a 3% rent increase every year. As the future rent increases are fixed, they are captured in the right-to-use asset when increases take effect. The department subleases some floor space of the facility to the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

*Research Facilities and equipment*

The department had a total of five leases during 2025-26. Two leases at research facilities: 1 lease at the Gatton campus of the University of Queensland and 1 lease at the University of Sunshine Coast. These two leases reflect an up-front capital contribution made towards the construction of the facilities, with these contributions being recognised through amortisation over the respective lease terms. The department also leases the Brian Pastures research facility for beef-cattle R&D with some cropping and horticulture capacity. The department also leases two pieces of robotic farm equipment that are used in a collaborative research project that were leased through up-front payments. Renewal is contingent on future program requirements, funding availability, and stakeholder agreement.

## C9 Right of use assets and lease liabilities (continued)

**Disclosures - Leases as lessee (continued)**

*Fisheries Queensland - Storage facilities*

The department currently leases 6 facilities for Queensland Boating and Fisheries Patrol and Shark Control programs activities. The lease terms range from 4 to 13 years and these leases have renewal or extension options. The options are exercisable at market prices and are not included in the right-of-use asset or lease liability unless the department is reasonably certain it will renew the lease.

Office accommodation, employee housing and motor vehicles

DHPW provides the department with access to office accommodation, employee housing and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because DHPW has substantive substitution rights over the assets. The related service expenses are included in Note B3-2.

| | 2026 | 2025 |
|---|---|---|
| | $'000 | $'000 |
| Amounts recognised in profit and loss | | |
| Interest expenses on lease liabilities | 2,058 | 2,153 |
| Breakdown of 'Lease expenses' included in Note B3-2 | | |
| - Expenses relating to short-term/low value asset leases | 949 | 873 |
| Income from subleasing included in 'Property Rental' in Note B1-2 | 304 | 304 |
| Total cash outflow for leases | 6,448 | 6,261 |

**Accounting Policy - Leases as lessor**

The department recognises lease payments from operating leases as income on a straight-line basis over the lease term.

**Disclosures - Leases as lessor**

(i) Details of leasing arrangements as lessor

*Sublease of Health and Foods Sciences Precinct Coopers Plains*

The department subleases floor space to CSIRO, which is leased under a 30-year head lease agreement.

The sublease agreements include make-good clauses that requires the lessees to restore the facilities to a satisfactory condition at the end of the lease term.

Lease income from operating leases is reported as 'Property rental' in Note B1-2. No amounts were recognised in respect of variable lease payments other than CPI-based or market rent reviews.

The department does not have any finance leases.

(ii) Maturity analysis

The following table sets out a maturity analysis of future undiscounted lease payments receivable under the department's operating leases.

| | 2026 | 2025 |
|---|---|---|
| | $'000 | $'000 |
| Less than 1 year | 257 | 342 |
| 1 to 2 years | 257 | 157 |
| 2 to 3 years | 258 | 158 |
| 3 to 4 years | 258 | 158 |
| 4 to 5 years | 186 | 135 |
| More than 5 years | 992 | 1,151 |
| **Total** | **2,208** | **2,101** |

## C10 Equity

### C10-1 Contributed equity

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* specifies the principles for recognising contributed equity by the department. Appropriations for equity adjustments are recognised as contributed equity by the department during the reporting and comparative years. Refer Note C10-2.

### C10-2 Appropriation recognised in equity

**Reconciliation of payments from consolidated fund to equity adjustments**

| | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|
| **Original budgeted equity adjustment appropriation** | 89 | 3,778 |
| Transfers from / (to) other headings | 18,708 | (14,833) |
| **Equity adjustment receipts (payments)** | **18,797** | **(11,055)** |
| | | |
| Less: Opening balance of equity adjustment receivable | (1,133) | - |
| Plus: Closing balance of equity adjustment receivable | 327 | 1,133 |
| Less: Closing balance of equity adjustment payable | (2,928) | - |
| **Equity adjustment recognised in contributed equity** | **15,063** | **(9,922)** |

### C10-3 Asset revaluation surplus by asset class

The revaluation surplus represents the net effects of upwards and downwards revaluations of assets to fair value.

| | Land<br>$'000 | Buildings<br>$'000 | Infrastructure<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|
| **Balance as at 1 July 2024** | 89,999 | 111,583 | 9,225 | 210,807 |
| Revaluation increments | 9,349 | 11,777 | 1,806 | 22,932 |
| Impairment losses through equity [1] | - | - | (1,978) | (1,978) |
| **Balance as at 30 June 2025** | **99,348** | **123,360** | **9,053** | **231,761** |
| | | | | |
| **Balance as at 1 July 2025** | 99,348 | 123,360 | 9,053 | 231,761 |
| Revaluation increments | 4,920 | 21,625 | 7,898 | 34,443 |
| | **4,920** | **21,625** | **7,898** | **34,443** |
| | | | | |
| **Balance as at 30 June 2026** | **104,268** | **144,985** | **16,951** | **266,204** |

(1) Impairment of WDBF was due to Western Queensland flood event in March 2025.

## Section D: Notes about risks and other accounting uncertainties

### D1 Fair value measurement

#### D1-1 Accounting policies and inputs for fair values

**Accounting policies and inputs for fair values**

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) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the department include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the department include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the department's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs), assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, which is its current use unless the asset is classified as held-for-sales under AASB 5 or it becomes highly probable that the asset will be used for an alternative purpose.

Fair value measurement hierarchy

Details of individual assets and liabilities measured under each category of fair value are set out in note D1-3.

All assets and liabilities of the department 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

None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy.

Transfers between fair value hierarchy levels

There were no transfers of building assets out of level 3 into level 2 (2024-25: $42,724) during the year.

In 2025-26, land assets with a total net book value of $0.2 million (2024-25: $0) were transferred out of level 3 into level 2 and $4.0 million (2024:25: $0) were transferred out of level 2 into level 3.

There were no movement in levels for infrastructure assets between fair value hierarchy levels during the year.

The department comprehensively values its land, building and infrastructure assets using a rolling revaluation program which ensures all material assets are valued by independent professional valuers at least once every five years. Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up to date via the application of relevant indices.

## D1 Fair value measurement (continued)

### D1-2 Basis for fair values of assets and liabilities

**Land**

In 2025-26, the department engaged Marsh to perform specific valuations on 37 (28%) of land assets, effective 30 June 2026 and provide relevant land indices on the remaining 96 land assets. The valuation approach taken for specific valuations was a market-based assessment.

Inputs

The valuation of land has been undertaken by physical inspection and comparison of land to publicly available data on recent sales of similar land in the area, taking into account the highest and best use that is physically possible, legally permissible and financially feasible. These observable inputs reflect the assumptions that market participants would use when pricing the assets. Adjustments were made to the sales data to take into account the location, size, street/road frontage and access, and any significant restrictions for each individual land parcel. Significant judgement was used by Marsh in arriving at suitable discount rates for the restrictions on reserve land. The fair value of reserve land was derived by discounting the market value of similar land that had no restrictions, and then estimating the discount a willing market participant would apply taking into account the restrictions on use.

Subsequent valuation activity

Marsh recommended relevant indices ranging from 1.5% to 7.5% to update the land fair values effective 30 June 2026, which were assessed by management to be reasonable. Marsh tested the reasonableness of the indices by applying the indices to a sample of assets and comparing results to similar assets that have been specifically appraised.

**Buildings**

In 2025-26 the department engaged Jacobs Group (Australia) Pty Ltd (Jacobs) to perform specific valuations on 333 (20%) of building assets effective 30 June 2026, and provide relevant indices on the remaining 1,368 building assets. The valuation approach taken for specific valuations was current replacement cost.

Inputs

The valuation of buildings has been undertaken by physical inspection, with the value of the building adjusted for modern-day equivalent construction rates taking into account the various standard components of the buildings where appropriate.

Physical inspections assessed the condition of the assets to determine the appropriate depreciation rates based on the remaining useful lives.

Subsequent valuation activity

Fair values were updated using indexation on the remaining 80% (2025: 91%) of the building assets effective 30 June 2026. Jacobs recommended relevant indices ranging from 5.5% to 7% based on the location of the properties to account for cost increases in construction rates in regional areas.

**Infrastructure**

In 2025-26 the department engaged Jacobs Group (Australia) Pty Ltd (Jacobs) to perform a specific valuation on the Wild Dog Barrier Fence. The valuation approach taken for the specific valuation was current replacement cost.

The current replacement cost of the fence has been calculated based on a rate per kilometre using the costs of materials, plant and labour sourced from recent construction activity. The total useful life and remaining life have been assessed based on a physical inspection of sections of the WDBF to assess the condition, and management has also factored in the capital replacement program and maintenance program in the assessment.

Subsequent valuation activity

An indexation was not applied to the fence during 2025-26 due to the specific valuation.

## D1 Fair value measurement (continued)

### D1-3 Categorisation of assets and liabilities measured at fair value

| | Land | | Buildings | | Infrastructure | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 |
| Fair value level 2 | 83,832 | 83,253 | - | - | - | - | 83,832 | 83,253 |
| Fair value level 3 | 102,209 | 97,900 | 245,739 | 232,513 | 38,145 | 29,929 | 386,093 | 360,342 |
| **Carrying amount at 30 June** | **186,041** | **181,153** | **245,739** | **232,513** | **38,145** | **29,929** | **469,925** | **443,595** |

### D1-4 Level 3 fair value measurement - reconciliation

| | Land | | Buildings | | Infrastructure | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 |
| **Carrying amount at 1 July** | **97,900** | **94,977** | **232,513** | **229,810** | **29,929** | **29,794** | **360,342** | **354,581** |
| Transfers from level 2 to level 3 | 3,955 | - | - | 43 | | - | 3,955 | 43 |
| Transfers from level 3 to level 2 | (202) | - | - | - | - | - | (202) | - |
| Disposals | (33) | - | (298) | (164) | - | - | (330) | (164) |
| Transfers between asset classes | - | - | 4,480 | 2,791 | 968 | 935 | 5,448 | 3,726 |
| Net revaluations in other comprehensive income | 589 | 2,923 | 21,625 | 11,777 | 7,898 | 1,806 | 30,113 | 16,506 |
| Impairment loss through equity (1) | - | - | - | - | | (1,978) | - | (1,978) |
| Depreciation | - | - | (12,582) | (11,743) | (651) | (627) | (13,233) | (12,371) |
| **Carrying amount at 30 June** | **102,209** | **97,900** | **245,739** | **232,513** | **38,145** | **29,929** | **386,093** | **360,342** |

(1) Impairment of WDBF was due to Western Queensland flood event in March 2025.

## D2 Financial risk disclosures

### D2-1 Financial instrument categories

Financial assets and financial liabilities are recognised in the statement of financial position when the department becomes party to the contractual provisions of the financial instrument. The department has the following categories of financial assets and financial liabilities:

| **Financial assets** | **Notes** | **2026 $'000** | **2025 $'000** |
|---|---|---|---|
| Cash and cash equivalents | C1 | 114,605 | 125,581 |
| Receivables at amortised cost | C2 | 74,229 | 36,825 |
| Equity Investments at fair value through OCI: | | | |
| Primary Industries Prosper Investment Fund | C3 | 14,933 | - |
| **Total** | | **203,767** | **162,406** |
| | | | |
| **Financial liabilities at amortised cost - comprising** | | | |
| Payables | C6 | 112,757 | 127,600 |
| Other liabilities | C8 | 190 | 176 |
| Lease liabilities | C9 | 87,314 | 91,689 |
| **Total** | | **200,261** | **219,465** |

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

## D2 Financial risk disclosures (continued)

### D2-2 Financial risk management

### (a) Risk exposure

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

All financial risks are managed by the Strategic Investment and Enterprise Finance Unit under policies approved by the department. The department provides written principles for overall risk management, as well as policies covering specific areas.

| Risk Exposure | Definition | Exposure |
|---|---|---|
| Credit risk | Credit risk exposure refers to the situation where the department may incur financial loss as result of another party to a financial instrument failing to discharge their obligation. | The department is exposed to credit risk in respect of its receivables (Note C2). |
| Liquidity risk | Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. | The department is exposed to liquidity risk in respect of its payables (Note C6). |
| 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.<br><br>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. | The department does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices. However, the department has limited exposure to market risk arising from foreign exchange rate movements associated with the increases in ITC service costs, and fuel price fluctuations that may affect operational expenditure.<br><br>The department is exposed to market risk and interest rate risk through its ownership of units in the QIC managed Primary Industries Prosper Investment Fund. While the unit investment does not have direct exposure to interest rate changes, foreign currency or credit risk, the unit price of the fund in which the assets are invested will change in response to the market's perception of changes in these underlying risks. |

### (b) Risk measurement and management strategies

| Risk Exposure | Measurement Method | Risk Management Strategies |
|---|---|---|
| Credit risk | Ageing analysis | The department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis. |
| Liquidity risk | Sensitivity analysis | The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due.<br><br>This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities. |
| Market risk | Interest rate sensitivity analysis | DPI does not trade in foreign currency. The department does not undertake any hedging in relation to interest risk and manages its risk as per the department's liquidity management strategy articulated in the department's Financial Management Practice Manual.<br><br>The ITC service cost risk is management through strategic procurement planning, regular market monitoring, contract and vendor management practices and timely engagement with suppliers to mitigate the impact of price increases and supply constraints.<br><br>The department has engaged QIC to manage investment activities on its behalf. As the lead investment manager, QIC is responsible for implementing the investment strategy, thereby assuming exposure to prevailing market risks through a professionally managed investment arrangement. |

## D2 Financial risk disclosures (continued)

### D2-3 Credit risk disclosures

**Credit risk management practices**

DPI considers financial assets that are over 30 days past due to have significantly increased in credit risk and measures the loss allowance of such assets at lifetime expected credit losses instead of 12-month expected credit losses. The exception is trade debtors (Note C2), for which the loss allowance is always measured at lifetime expected credit losses. The department typically considers a financial asset to be in default when it becomes 90 days past due. However, a financial asset can be in default before that point if information indicates that the department is unlikely to receive the outstanding amounts in full. The department's assessment of default does not take into account any collateral or other credit enhancements. The department's write off policy is disclosed in Note C2-1.

**Credit risk exposure**

Credit risk exposure relating to receivables is disclosed in Note C2-1.

### D2-4 Liquidity risk – contractual maturity of financial liabilities

The following tables set out the liquidity risk of financial liabilities held by the department. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. 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.

| | 2026 | Contractual Maturity | | | 2025 | Contractual Maturity | | |
|---|---|---|---|---|---|---|---|---|
| Financial Liabilities | Total $'000 | < 1 Year $'000 | 1 - 5 Years $'000 | > 5 Years $'000 | Total $'000 | < 1 Year $'000 | 1 - 5 Years $'000 | > 5 Years $'000 |
| Payables | 112,757 | 112,757 | - | - | 127,600 | 127,600 | - | - |
| Other liabilities | 190 | 190 | - | - | 176 | 176 | - | - |
| Lease liabilities | 101,842 | 6,638 | 28,360 | 66,844 | 108,261 | 6,443 | 27,621 | 74,197 |
| **Total** | **214,789** | **119,585** | **28,360** | **66,844** | **236,037** | **134,219** | **27,621** | **74,197** |

## D3 Contingencies

### (a) Litigation in progress

As at 30 June 2026, the following ongoing cases, which have a contingent liability were filed in the courts naming the State of Queensland through DPI:

| | 2026 | 2025 |
|---|---|---|
| Supreme Court | 1 | 1 |
| Federal Court | - | 1 |
| District Court | 1 | 2 |
| Magistrates Court | 17 | 29 |
| Queensland Civil and Administrative Tribunal (QCAT) | - | 2 |
| Queensland Industrial Relations Commission (QIRC) | - | 1 |
| Court of Appeal | 1 | - |
| **Total number of litigation matters in progress** | **20** | **36** |

## D3 Contingencies

### (a) Litigation in progress (continued)

The value of these contingent liabilities is estimated to be $586,000 (2024-25: $316,000).

For the remainder of the matters, it is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time. The department has also received notification of 8 (eight) other cases that are not yet subject to court action. These cases may or may not result in subsequent litigation. Indemnity for the department has been sought in respect of some of these matters through the QGIF. The maximum exposure of the department under policies held with QGIF is $10,000 for each insurable event.

### (b) Long-term sales permits

The department, under the provisions of the *Forestry Act 1959*, has issued the following long-term sales permits to various saw milling businesses regarding the supply of log timber from State-owned native forests:

- 13 sales permits commenced on 1 January 2025 and expire on 31 December 2026 for the supply of native forest hardwood sawlogs from State-owned native forests in eastern Queensland;
- 1 sales permit which expires 1 January 2034 and 1 sales permit which expires 31 December 2034, for the supply of native forest hardwood sawlogs from State-owned native forests in western Queensland; and
- 12 sales permits, which expire 31 December 2037, for the supply of native forest cypress sawlogs from State-owned native forests in southern Queensland.

These sales permits provide for the payment of compensation by the department to the holder to the extent that the specified quantity of log timber is not harvested from the particular areas where the State owns the forest products. At this stage the department does not foresee the need to pay compensation in relation to any of these long-term sales permits.

## D4 Commitments

### Capital expenditure commitments

Material classes of capital expenditure commitments (inclusive of non-recoverable GST input tax credits) contracted for at the reporting date but not recognised in the accounts are payable as follows:

| | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|
| Buildings - Not later than 1 year | 1,428 | 3,849 |
| | **1,428** | **3,849** |
| Plant and equipment - Not later than 1 year [1] | 7,310 | 2,000 |
| Greater than 1 year less than 5 years [1] | 4,080 | - |
| | **11,390** | **2,000** |
| Infrastructure - Not later than 1 year | 888 | 1,303 |
| | **888** | **1,303** |
| Intangibles - Not later than 1 year | - | 53 |
| | **-** | **53** |
| **Total capital expenditure commitments** | **13,706** | **7,205** |

(1) Includes recognition of commitments associated with the construction of the North Queensland offshore patrol vessel.

## D5 Events occurring after reporting date

There are no events subsequent to balance date, which would have material effect on the information provided in the department's controlled or administered financial statements.

## D6 Future impact of accounting standards not yet effective

At the date of authorisation of these financial statements, the expected impacts of new or amended Australian Accounting Standards issued but not yet effective are set out below:

**AASB 18 Presentation and Disclosure in Financial Statements**

AASB 18 applies to not-for-profit public sector entities for annual reporting periods beginning on or after 1 January 2028, which will be the 2028-29 financial year for the department.

AASB 18 introduces new requirements for the presentation of the Statement of Comprehensive Income, new disclosures about management-defined performance measures and changes to the classification of dividends and interest received and interest paid in the Statement of Cash Flows. AASB 18 affects presentation and disclosure only and does not affect the recognition or measurement of any reported amounts.

In October 2025, the AASB released Exposure Draft ED 338, which proposed amendments that, if finalised, would provide not-for-profit public sector entities with relief from a number of AASB18 presentation and disclosure requirements through an explicit accounting policy choice.

The department will assess the expected impacts of AASB 18 in subsequent reporting periods once the AASB issues a final amending standard and Queensland Treasury has communicated its policy intentions in respect of accounting policy choices permitted by the standard.

All other Australian Accounting Standards and interpretations issued but not yet effective are either not applicable to the department's activities or are not expected to have material impact on the department's financial statement.

## Section E: Notes on our performance compared to budget

### E1 Budgetary reporting disclosures

This section contains explanations of major variances between the department's actual 2025-26 financial results and the original budget presented to Parliament.

#### E1-1 Explanation of major variances - statement of comprehensive income

| | Variance Notes | 2026 Actual $'000 | 2026 Original Budget $'000 | Actual vs. Budget Variance $'000 |
|---|---|---|---|---|
| **Income from operations** | | | | |
| Appropriation revenue | | 450,188 | 462,002 | (11,814) |
| User charges and fees | | 211,515 | 204,409 | 7,106 |
| Grants and contributions | 1 | 144,093 | 116,942 | 27,151 |
| Royalties | | 38,935 | 33,247 | 5,688 |
| Other revenue | 2 | 15,386 | 487 | 14,899 |
| **Total revenue** | | **860,117** | **817,087** | **43,030** |
| Gains on disposal and re-measurement of biological assets | | 3,577 | 95 | 3,482 |
| **Total income from operations** | | **863,694** | **817,182** | **46,512** |
| | | | | |
| **Expenses from operations** | | | | |
| Employee expenses | 3 | 356,474 | 409,303 | 52,829 |
| Supplies and services | 4 | 431,151 | 325,656 | (105,495) |
| Grants and subsidies | 5 | 33,446 | 50,842 | 17,396 |
| Depreciation and amortisation | | 33,630 | 27,423 | (6,207) |
| Finance costs | | 2,058 | 2,056 | (2) |
| Impairment losses on financial assets | | 70 | - | (70) |
| Other expenses | | 6,865 | 1,902 | (4,963) |
| **Total expenses from operations** | | **863,694** | **817,182** | **(46,512)** |
| | | | | |
| **Operating result for the year surplus/(deficit)** | | - | - | - |

1) The increase in Grants and contributions primarily relates to Exclusion Fencing Restitution funding received from QRA ($31.5 million), partially offset by lower Commonwealth funding for NFAEP ($8.3 million).
2) The increase in Other revenue is largely due to unspent funding returned to the department from QRIDA, including the Fisheries Structural Adjustment Scheme ($6.8 million) and various grant programs ($6.4 million).
3) The decrease in Employee expenses is primarily due to delays in filling the additional 278 FTE positions approved under the NFAEP funding submission, resulting in lower salary and related employee costs.
4) The increase in Supplies and services expenses is largely attributable to additional costs associated with the Exclusion Fencing Restitution Scheme ($30.0 million), NCS responses and contributions to NCS programs in other jurisdictions ($18.1 million, including NFAEP of $13.0 million, avian influenza responses of $3.7 million), the Forestry Sales Management Information System ($8.0 million), FAST ($5.9 million), ITP ($2.5 million), and increased R&D project expenses ($12.8 million).
5) The decrease in Grants and subsidies expenses primarily relates to lower expenditure for Mossman Growers transport support grants ($10.5 million), Disaster Recovery Funding Arrangements (DRFA) for Western Queensland floods and livestock support ($8.4 million), and the Regional Drought Resilience Planning Scheme ($3.2 million). This was partially offset by increased expenditure for the SharkSmart Management Program ($2.8 million).

## E1 Budgetary reporting disclosures (continued)

### E1-2 Explanation of major variances - statement of financial position

| | Variance Notes | 2026 Actual $'000 | 2026 Original Budget $'000 | Actual vs. Budget Variance $'000 |
|---|---|---|---|---|
| **Current assets** | | | | |
| Cash and cash equivalents | 1 | 114,605 | 47,857 | 66,748 |
| Receivables | 2 | 74,229 | 68,606 | 5,623 |
| Inventories | | 3,860 | 4,506 | (646) |
| Other assets | 3 | 34,106 | 9,232 | 24,874 |
| **Total current assets** | | **226,800** | **130,201** | **96,599** |
| **Non-current assets** | | | | |
| Other financial assets | 4 | 14,933 | - | 14,933 |
| Property, plant and equipment | | 562,495 | 580,521 | (18,026) |
| Right-of-use assets | | 75,057 | 73,931 | 1,126 |
| Intangible assets | | 473 | 1,415 | (942) |
| Other assets | 5 | 7,653 | 4,465 | 3,188 |
| **Total non-current assets** | | **660,611** | **660,332** | **279** |
| **Total assets** | | **887,411** | **790,533** | **96,878** |
| **Current liabilities** | | | | |
| Payables | 6 | 112,757 | 25,611 | (87,146) |
| Accrued employee benefits | 7 | 13,076 | 11,940 | (1,136) |
| Lease liabilities | | 4,686 | 4,196 | (490) |
| Other liabilities | 8 | 46,488 | 41,572 | (4,916) |
| **Total current liabilities** | | **177,007** | **83,319** | **(93,688)** |
| **Non-current liabilities** | | | | |
| Lease liabilities | | 82,628 | 82,783 | 155 |
| Other liabilities | | 5,250 | 5,250 | - |
| **Total non-current liabilities** | | **87,878** | **88,033** | **155** |
| **Total liabilities** | | **264,885** | **171,352** | **(93,533)** |
| **Net assets** | | **622,526** | **619,181** | **3,345** |

1) The increase in Cash and cash equivalents is largely due to unexpended appropriation funding at year end ($57.8 million), recognised as an appropriation payable to Queensland Treasury and either deferred to 2026–27 or lapsed.
2) The increase in Receivables is mainly due to Commonwealth NCS contributions for NFAEP (net increase of $5.7 million) that were invoiced late in June 2026.
3) The increase in Other assets is mainly due to contributions receivable under the NCS ($21.8 million), consistent with increased program activity, and prepayments relating to 2025–26 software licences ($2.0 million).
4) The increase in Other financial assets is attributable to equity investments managed by Queensland Investment Corporation (QIC) as part of the approved Sowing the Seeds investment strategy.
5) The increase in Other non-current assets primarily relates to revaluation gains on biological assets ($2.5 million) and prepayments for software licences extending beyond 2025–26 ($0.7 million).
6) The increase in Payables is largely due to unexpended appropriation funding at year end ($57.8 million), recognised as an appropriation payable to Queensland Treasury and either deferred to 2026–27 or lapsed. The increase also reflects net proceeds from the sale of the Longreach site ($11.5 million) and creditor payments not released on 30 June 2026 ($11.2 million).
7) The increase in Accrued employee benefits is attributed to increased annual leave levy and long service leave levy payable associated with increased FTEs.
8) The increase in Other current liabilities relates to unearned user charges ($2.2 million) and NCS contributions from other states and jurisdictions ($3.9 million), partially offset by a decrease in contracted R&D project liabilities ($2.2 million).

## E1 Budgetary reporting disclosures (continued)

### E1-3 Explanation of major variances – statement of cash flows

| | Variance Notes | 2026 Actual $'000 | 2026 Original Budget $'000 | Actual vs. Budget Variance $'000 |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| **Inflows:** | | | | |
| Service appropriation receipts | | 421,201 | 462,002 | (40,801) |
| User charges and fees | | 195,694 | 206,082 | (10,388) |
| Grants and other contributions | 1 | 154,307 | 115,442 | 38,865 |
| Royalties | | 40,130 | 33,247 | 6,883 |
| GST input tax credits received from ATO | | 21,892 | 13,131 | 8,761 |
| GST collected from customers | | 23,526 | - | 23,526 |
| Other inflows | | 15,792 | 14,968 | 824 |
| **Outflows:** | | | | |
| Employee benefits | 2 | (354,529) | (408,308) | 53,779 |
| Supplies and services | 3 | (417,291) | (339,681) | (77,610) |
| Grants and subsidies | 4 | (33,301) | (50,842) | 17,541 |
| GST paid to suppliers | | (46,017) | (13,131) | (32,886) |
| Finance/borrowing costs | | (2,058) | (2,056) | (2) |
| Other outflows | | (6,808) | (2,342) | (4,466) |
| **Net cash provided/(used) by operating activities** | | **12,537** | **28,512** | **(15,974)** |
| **Cash flows from investing activities** | | | | |
| **Inflows:** | | | | |
| Sales of property, plant and equipment | | 532 | 525 | 7 |
| Sales of biological assets | | 1,876 | - | 1,876 |
| **Outflows:** | | | | |
| Payments for property, plant and equipment | 5 | (25,127) | (22,499) | (2,628) |
| Payments for biological assets | | (268) | - | (268) |
| Payments for investments | 6 | (14,933) | - | (14,933) |
| **Net cash provided/(used) in investing activities** | | **(37,920)** | **(21,974)** | **(15,946)** |
| **Cash flows from financing activities** | | | | |
| **Inflows:** | | | | |
| Equity injection | 7 | 35,691 | 8,819 | 26,872 |
| **Outflows:** | | | | |
| Lease payments | | (4,391) | (4,534) | 143 |
| Equity withdrawal | | (16,894) | (8,730) | (8,164) |
| **Net cash provided/(used) by financing activities** | | **14,406** | **(4,445)** | **18,851** |
| **Net increase/(decrease) in cash and cash equivalents** | | **(10,977)** | **2,093** | **(13,069)** |
| **Cash and cash equivalents - opening balance** | | 125,581 | 45,764 | 79,817 |
| **Cash and cash equivalents - closing balance** | | **114,605** | **47,857** | **66,748** |

## E1 Budgetary reporting disclosures (continued)

### E1-3 Explanation of major variances - statement of cash flows (continued)

1) The increase in Grants and other contributions predominantly relates to the receipt of Exclusion Fencing Restitution funding from QRA ($32.3 million).
2) The decrease in Employee benefits reflects delays in filling the additional 278 FTE positions approved under the NFAEP funding submission, resulting in lower salary and related employee costs.
3) The increase in Supplies and services payments is largely attributable to additional costs associated with the Exclusion Fencing Restitution Scheme ($30.0 million), NCS responses and contributions to NCS programs in other jurisdictions ($18.1 million, including NFAEP of $13.0 million, avian influenza responses of $3.7 million), the Forestry Sales Management Information System ($8.0 million), FAST ($5.9 million), ITP ($2.5 million), and increased R&D project expenses ($12.8 million).
4) The decrease in Grants and subsidies payments primarily relates to lower expenditure for Mossman Growers transport support grants ($10.5 million), Disaster Recovery Funding Arrangements (DRFA) for Western Queensland floods and livestock support ($8.4 million), and the Regional Drought Resilience Planning Scheme ($3.2 million). This was partially offset by increased expenditure for the SharkSmart Management Program ($2.8 million).
5) The increase in payments for property, plant and equipment is primarily attributable to a timing difference related to ITP purchase of computer equipment ($2.2 million).
6) The increase in Payments for investments is attributable to equity investments managed by Queensland Investment Corporation (QIC) as part of the approved Sowing the Seeds investment strategy.
7) The increase in Equity injection reflects the receipt of $30.0 million in equity funding to establish the Sowing the Seeds of Farming Innovation Fund.

# Section F: What we look after on behalf of whole-of-Government

## F1 Administered items

The department administers, but does not control, certain activities on behalf of the Government. In doing so, it has responsibility for administering those activities (and related transactions and balances) efficiently and effectively, but does not have the discretion to deploy the resources for the achievement of the department's own objectives.

The department administers funds on behalf of the State, including the following activities:

- Queensland Racing Integrity Commission (QRIC): the department provides a funding contribution for QRIC to oversee the integrity and welfare standards of racing animals and participants in Queensland. The department also receives a contribution from Racing Queensland towards QRIC's activities.
- Forestry Assets: the department holds surplus assets that were transferred back to the Government prior to the sale of Forestry Plantations Queensland to the private sector and the department has a Strategic Asset Management plan for these assets.

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless stated otherwise.

## F1 Administered items (continued)

### F1-1 Schedule of administered income and expenses

| | Variance Notes | 2026 Actual $'000 | 2026 Budget $'000 | Actual vs. Budget Variance $'000 | 2025 Actual $'000 |
|---|---|---|---|---|---|
| **Administered income** | | | | | |
| Appropriation revenue* | 1 | 41,483 | 31,480 | 10,003 | 49,137 |
| User charges and fees | | 2,007 | 1,999 | 8 | 1,866 |
| Grants and contributions | 2 | 20,085 | 19,587 | 498 | 19,587 |
| Other revenue | | 1,566 | 1,461 | 104 | 49,814 |
| **Total administered income** | | **65,141** | **54,527** | **10,614** | **120,404** |
| **Administered expenses** | | | | | |
| Grants to QRIDA | | - | - | - | 9,398 |
| Grants to QRIC | 3 | 41,041 | 31,400 | (9,641) | 39,199 |
| Supplies and services | | 861 | - | (861) | 460 |
| Depreciation and amortisation - Forestry Assets | | 79 | 80 | 1 | 79 |
| Transfers of administered income to Government# | | 23,160 | 23,047 | (113) | 71,267 |
| **Total administered expenses** | | **65,141** | **54,527** | **(10,614)** | **120,404** |
| **Operating result for the year surplus/(deficit)** | | **-** | **-** | **-** | **-** |
| **Other comprehensive income** | | | | | |
| Items that will not be reclassified to operating result: | | | | | |
| Increase in asset revaluation surplus - Forestry Assets | | 6 | - | 6 | 12 |
| **Total comprehensive income** | | **6** | **-** | **6** | **12** |

(*) This appropriation revenue is provided in cash through QT and funds activities and expenses that the department administers on behalf of the Queensland Government.

(#) The department periodically transfers to the Queensland Government all cash collected in respect of administered revenue itemised under "administered income" (excluding appropriation revenue).

1) The increase in Appropriation revenue is largely due to supplementary operating funding provided for QRIC ($9.1 million).
2) The increase in Grants and contributions relates to supplementary operating funding provided to QRIC by Racing Queensland to support additional racing activity and effective racing integrity services.
3) The increase in Grants to QRIC is attributable to supplementary operating funding ($9.1 million).

## F1 Administered items (continued)

### F1-2 Schedule of administered assets and liabilities

| | Variance Notes | 2026 Actual $'000 | 2026 Budget $'000 | Actual vs. Budget Variance $'000 | 2025 Actual $'000 |
|---|---|---|---|---|---|
| **Administered assets** | | | | | |
| **Current** | | | | | |
| Cash | 1 | 5,785 | 313 | 5,472 | 5,728 |
| Receivables | | 2,256 | 262 | 1,994 | 472 |
| **Total current assets** | | **8,041** | **575** | **7,466** | **6,200** |
| **Non-current** | | | | | |
| Property, plant and equipment - Forestry Assets | | 204 | 324 | (120) | 276 |
| **Total non-current assets** | | **204** | **324** | **(120)** | **276** |
| **Total assets** | | **8,245** | **899** | **7,346** | **6,476** |
| **Administered liabilities** | | | | | |
| **Current** | | | | | |
| Administered income refundable to Government | | 461 | 539 | 78 | 472 |
| Payables to Government | 2 | 2,081 | - | (2,081) | 1,041 |
| Other payables | | 821 | 20 | (801) | 7 |
| **Total current liabilities** | | **3,363** | **559** | **(2,804)** | **1,520** |
| **Net administered assets/liabilities** | | **4,882** | **340** | **4,542** | **4,956** |

1) The increase in Cash is largely due to funds retained for the QRIC Science Centre relocation, which is currently on hold ($4.7 million), and funding associated with the Jimna Fire Tower restoration and repair project ($1.0 million).
2) The increase in Payables to Government relates to unspent QRIC operating funding ($1.9 million) and funding deferrals for the Jimna Fire Tower restoration and repair project ($0.2 million).

## F1 Administered items (continued)

### F1-3 Schedule of administered equity

| | Variance Notes | Contributed Equity $'000 | Accumulated Surplus/ (Deficit) $'000 | Asset Revaluation Surplus $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Balance as at 1 July 2024** | | **3,501** | **(3,167)** | **25** | **359** |
| **Operating result** | | | | | |
| Operating result | | - | - | - | - |
| **Other comprehensive income** | | | | | |
| Increase/(decrease) in asset revaluation surplus | | - | - | 12 | 12 |
| **Total comprehensive income for the year** | | **-** | **-** | **12** | **12** |
| **Transactions with owners as owners:** | | | | | |
| Appropriated equity injections | | 524 | - | - | 524 |
| Appropriated equity withdrawals | | (80) | - | - | (80) |
| Non-appropriated equity withdrawals | 1 | (68,665) | - | - | (68,665) |
| Non appropriated equity adjustment | 1 | 72,805 | - | - | 72,805 |
| **Net transactions with owners as owners** | | **4,584** | **-** | **-** | **4,584** |
| **Balance as at 30 June 2025** | | **8,085** | **(3,167)** | **37** | **4,956** |
| **Balance as at 1 July 2025** | | **8,085** | **(3,167)** | **37** | **4,956** |
| **Operating result** | | | | | |
| Operating result | | - | - | - | - |
| **Other comprehensive income** | | | | | |
| Increase/(decrease) in asset revaluation surplus | | - | - | 6 | 6 |
| **Total comprehensive income for the year** | | **-** | **-** | **6** | **6** |
| **Transactions with owners as owners:** | | | | | |
| Appropriated equity injections | | 524 | - | - | 524 |
| Appropriated equity withdrawals | | (79) | - | - | (79) |
| Non-appropriated equity withdrawals | | (524) | - | - | (524) |
| **Net transactions with owners as owners** | | **(79)** | **-** | **-** | **(79)** |
| **Closing balance as at 30 June 2026** | | **8,006** | **(3,167)** | **43** | **4,882** |

1) In 2019-20 the department received $1 billion in funding for the Queensland Government COVID-19 Job Support Loan Scheme administered by QRIDA to support Queensland businesses and non-profit organisations financially affected by COVID-19 to retain employees and maintain operations. QRIDA was paid $950 million in 2019-20 and $50 million in early 2020-21. QRIDA returned $72.8 million (2023-24: $144.4 million) of loan repayments to DPI, which the department subsequently repaid to QT. On 1 November 2024, responsibility for collecting loan repayments from QRIDA and remitting them to QT transferred to DNRMMRRD.

## F1 Administered items (continued)

### F1-4 Reconciliation of payments from consolidated fund to administered income

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Budgeted appropriation | 31,480 | 47,925 |
| Transfers to other departments [1] | - | (10,283) |
| Unforeseen expenditure | - | 12,008 |
| Transfers from/(to) other headings [2] | 11,043 | - |
| Appropriation adjustment | - | 47 |
| **Total administered receipts** | **42,523** | **49,697** |
| Less: Transfer of appropriation payable to other Queensland Government entity | - | (400) |
| Add: closing balance of appropriation revenue receivable | - | - |
| Add: opening balance of appropriation payable to Consolidated Fund | 1,041 | 881 |
| Less: closing balance of appropriation payable to Consolidated Fund | (2,081) | (1,041) |
| **Net appropriation revenue** | **41,483** | **49,137** |
| **Administered income recognised in Note F1-1** | **41,483** | **49,137** |

(1) On 1 November 2024, certain responsibilities were transferred from the department to the DNRMMRRD as part of the machinery-of-government.
(2) Predominantly QRIC supplementary operating funding.

### F1-5 Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity

| | $'000 | $'000 |
|---|---|---|
| Budgeted equity adjustment appropriation | 444 | 470 |
| Appropriation adjustment | - | (47) |
| **Equity adjustment receipts (payments)** | **444** | **423** |
| Add: opening balance of equity adjustment payable | - | 21 |
| Less: closing balance of equity adjustment payable | 1 | - |
| **Net appropriation equity** | **445** | **444** |

## Section G: Other information

### G1 Key management personnel (KMP) disclosures

**Details of key management personnel**

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Minister for Primary Industries.

The following details for non-Ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2025-26 and 2024-25. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

| Position | Position Responsibility |
|---|---|
| Director-General | Overall efficient, effective and economic administration of the department overseeing Agriculture, Fisheries and Forestry, Biosecurity Queensland and Corporate services. |
| Deputy Director-General, Corporate | Delivery of a broad range of corporate services to enable the department to deliver against its strategic objectives. These include Strategic Investment and Enterprise Finance, Communications and Engagement, Digital Enterprise, People and Culture, Strategy Governance and Risk, and Information Technology. |
| Deputy Director-General, Agriculture Queensland | Overall efficient, effective and economic administration of Queensland Agriculture, research and initiatives that lift the productivity of Queensland's food and fibre businesses, and regional services. |
| Deputy Director-General, Fisheries and Forestry | Overall efficient, effective and economic administration of Queensland Fisheries and Forestry activities and responsibilities, and sustainable use and allocation of the state natural resources. |
| Deputy Director-General and Chief Biosecurity Officer, Biosecurity Queensland | Overall efficient, effective and economic administration of Queensland's Biosecurity functions and responsibilities of the department to prevent, respond and recover from biosecurity threats. |

**KMP remuneration policies**

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members Remuneration Handbook. The department does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlement 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 are disclosed in the Queensland General Government Consolidated Financial Statements which are published as part of QT's Report on State Finances.

Remuneration policy for the department's other KMP is set by the Queensland Public Sector Commission as provided for under the *Public Sector Act 2022*. Individual remuneration and other terms of employment (including motor vehicle entitlements and performance payments if applicable) are specified in employment contracts.

Remuneration expenses for those KMP comprise the following components:

Short term employee expenses, including:

- salaries, allowance and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position; and
- non-monetary benefits - consisting of the provision of a parking space together with fringe benefits tax applicable to the benefit.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

## G1 Key management personnel (KMP) disclosures (continued)

### Remuneration Expenses

The following disclosure focuses on the expenses incurred by the department attributable to non-Ministerial KMP during respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the statement of comprehensive income.

**2025 - 2026**

| Position | Short Term Employee Expenses | | Long Term Employee Expenses | Post Employment Expenses | Termination Expenses | Total Expenses |
|---|---|---|---|---|---|---|
| | Monetary Benefits $'000 | Non-Monetary Benefits $'000 | $'000 | $'000 | $'000 | $'000 |
| Director-General | 382 | 12 | 9 | 46 | - | 449 |
| Acting Deputy Director-General, Corporate, effective 19/01/2026 | 134 | 4 | 3 | 15 | | 156 |
| Deputy Director-General, Corporate to 14/12/2025 | 141 | 5 | 4 | 17 | - | 167 |
| Acting Deputy Director-General, Agriculture Queensland, effective 2/05/2026 | 58 | 1 | 1 | 6 | - | 66 |
| Acting Deputy Director-General, Agriculture Queensland 5/11/2024 - 29/03/2026 | 223 | 8 | 6 | 28 | - | 265 |
| Deputy Director-General, Agriculture Queensland (former) to 24/10/2025 (1) | - | - | - | - | 357 | 357 |
| Deputy Director-General, Fisheries and Forestry | 268 | 10 | 7 | 33 | - | 318 |
| Deputy Director-General and Chief Biosecurity Officer, Biosecurity Queensland | 289 | 10 | 8 | 38 | - | 345 |
| **Total** | **1,495** | **50** | **38** | **183** | **357** | **2,123** |

(1) Renumeration paid during the leave period was excluded from the KMP disclosure as the Deputy Director-General, Agriculture was not performing KMP functions or participating in decision-making activities.

**2024 - 2025**

| Position | Short Term Employee Expenses | | Long Term Employee Expenses | Post Employment Expenses | Total Expenses |
|---|---|---|---|---|---|
| | Monetary Benefits $'000 | Non-Monetary Benefits $'000 | $'000 | $'000 | $'000 |
| Director-General | 375 | 12 | 9 | 46 | 442 |
| Deputy Director-General, Corporate | 258 | 10 | 7 | 33 | 308 |
| Acting Deputy Director-General, Agriculture Queensland, effective 5/11/2024 | 197 | 7 | 6 | 23 | 233 |
| Deputy Director-General, Agriculture Queensland to 25/10/2024 | 108 | 3 | 3 | 12 | 126 |
| Deputy Director-General, Fisheries and Forestry | 272 | 10 | 7 | 32 | 321 |
| Deputy Director-General and Chief Biosecurity Officer, Biosecurity Queensland | 286 | 10 | 7 | 36 | 339 |
| **Total** | **1,496** | **52** | **39** | **182** | **1,769** |

### Performance payments

No KMP remuneration packages provide for performance or bonus payments.

## G2 Related party transactions

**Transactions with people/entities related to KMP**

The department has undertaken a review of key management personnel related party transactions disclosures for the 2025-26 financial year. Based on that review, no material transactions have been identified between the department and its key management personnel related parties.

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

The department's primary ongoing sources of funding from Government for its services are appropriation revenue (Note B1-1) and equity injections (Note C10-2), both of which are provided in cash via QT.

During the 2025-26 financial year, the department received defined services from the following Queensland Government agencies:

- DNRMMRRD: Legal Services
- DETSI: Privacy and Ethics and Right to Information.

As the host agency, the department provided defined services to the following Queensland Government agencies and entities during the year:

- DNRMMRRD: Information Technology (including Records Management) and Fleet Management.
- DETSI: Information Technology (including Records Management) and Fleet Management.
- Department of Sport, Racing and Olympic and Paralympic Games (DSROPG): Information Technology (including Records Management) and Fleet Management.
- Department of Local Government, Water and Volunteers (DLGWV): Information Technology (including Records Management) and Fleet Management.
- Resources Safety and Health Queensland (RSHQ): Information Technology (including Records Management).

User charges and fees (Note B1-2) include the fee for service revenue received from the above agencies and other government entities for information management services, representing approximately 21% (2024-25: 23%) of the total user charges and fees.

Office accommodation and QFleet costs disclosed in supplies and services (Note B3-2) include office accommodation arrangements with DHPW across the state and motor vehicle lease arrangements provided by QFleet.

QBuild within DHPW, are the main provider of building repair and maintenance disclosed within supplies and services (Note B3-2) under repairs and maintenance.

Queensland Shared Services (QSS) and the Centre for Information Technology and Communication (CITEC) are the shared services providers disclosed in supplies and services (Note (B3-2). These providers support the department's finance, procurement, human resources, telecommunications and information technology services functions.

## G3 First year application of new accounting standards or change in accounting policy

### Accounting standards applied for the first time

There are no new accounting standards or interpretations that apply to the department for the first time in 2025-26 that have had a material impact on these statements.

### Accounting standards early adopted

No new Australian Accounting Standards have been early adopted by the department for 2025-26 financial year.

## G4 Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation, except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the department. GST credits receivable from, and GST payable to, the Australian Taxation Office are recognised in the Statement of Financial Position (refer to Note C2).

## G5 Climate risk disclosure

### a) Whole-of-Government climate-related reporting

The State of Queensland, as the ultimate parent of the department, provides information and resources on climate related strategies and actions accessible at https://www.energyandclimate.qld.gov.au/climate.

The Queensland Sustainability Report (QSR) outlines how the Queensland Government measures, monitors and manages sustainability risks and opportunities, including governance structures supporting policy oversight and implementation. To demonstrate progress, the QSR also provides time series data on key sustainability policy responses. The QSR is available via QT's website at https://www.treasury.qld.gov.au/programs-and-policies/queensland-sustainability-report.

The Queensland Climate Adaptation Strategy 2017-2030 requires each Queensland Government agency to undertake a detailed climate risk assessment. The department has completed a climate risk assessment report identifying priority physical and transition climate risks that may affect its people, assets, business functions and service delivery channels. The department is implementing climate risk management actions designed to:

a. increase climate risk awareness and adaptation capability across all business groups and sites,
b. address identified vulnerabilities affecting staff, assets, infrastructure, and processes that support disaster management, and
c. embed climate risk management considerations into governance, planning, asset management and enterprise risk frameworks.

### b) Departmental accounting estimates and judgements - climate risk assessment

The department considers the financial reporting impacts of climate related risks by identifying and monitoring accounting judgements and estimates that may be affected, including asset useful lives, asset fair values, provisions, contingent liabilities, and changes to future expenses and revenue.

### c) Current year impacts

Climate Change

Climate change is a long-term change in the average weather patterns, such as temperature and rainfall, that have come to define local, regional and global climates. In some areas, sophisticated models are available to simulate the effect of climate change including rising sea levels. These models are being progressively integrated into valuation and asset planning processes.

As part of the 2025-26 non-current assets revaluations program, Jacobs - qualified quantity surveyors and Marsh have considered the risk of climate change on the non-current values for DPI at 30 June 2026. The revaluation program included review of physical risks such as flooding, bushfires, and storm tide impacts, as well as broader transitional risks that may influence asset values over time, including changes in land use planning, and market demand in climate-exposed locations.

**Land**

Marsh considered the impact of obvious and immediate climate related risks, including flooding, bushfires, coastal erosion and land degradation when determining land values at 30 June 2026. The market evidence and sales data used in this valuation program already reflected any effect of climate change that a market participant would reasonably consider at this time. No adjustments to the adopted land values at 30 June 2026 were required.

Bushfires

Although bushfires have impacted large areas of the state in recent years, market evidence indicated no ongoing material effect on the value of the land. Comparable sales evidence was obtained from locations near the subject properties and reflected similar features including location, area, vegetation, topography, flood history and bushfire exposure.

Flood Prone Land

Where sites had a history of flooding, Marsh utilised comparable market evidence with similar constraints to ensure valuations appropriately reflected flood related limitations. Marsh also considered broader climate related hazards such as storm tide and tidal inundation in coastal regions using the latest state flood mapping and hazard data.

## G5 Climate risk disclosure (continued)

### c) Current year impacts (continued)

Summary Climate Change, Bushfire and Flood Prone Land

For the purposes of land valuations, Marsh considered the risk of climate change, flooding and bushfires, and undertook searches and enquiries to assess the impact of past events on subject properties. Market sales evidence was reviewed to determine how climate risks are currently reflected in the property values. The revaluation process also examined land use planning overlays and other regulatory constraints which could affect future land use or value.

**Buildings and Infrastructure**

The vulnerability of building and infrastructure assets to climate change is determined partially by their exposure to climate hazards. Coastal facilities are typically at higher risk of sea-level rise and storm surge, while inland facilities may face greater drought and extreme temperature impacts. Changes in rainfall, humidity, wind intensity and fire weather conditions can all influence asset performance and cost.

As part of the rolling valuation program for buildings and infrastructure, Jacobs undertook a rapid climate change exposure assessment of DPI's building and infrastructure assets across the Northwest region of Queensland in 2025-26.

Spatial and hazard data were collected to describe likely climate change impacts on DPI's assets. The following climate hazards were considered:

- Heatwaves and extreme temperatures
- Riverine flooding
- Sea level rise and storm tide
- Bushfire
- Extreme wind
- Annual rainfall, runoff and humidity changes.

Each comprehensively valued site in 2025-26 was scored from 0 (lowest score) to 6 (highest score) against each of the climate hazard. For hazards ranked 5 or above, additional consideration was given to potential impairment or reductions in useful life.

No material impact to the 2025-26 comprehensively valued assets was identified from high-score hazards at this time. However, there is a potential that coastal facilities are at greater risk of future inundation and erosion, while inland facilities in drought prone areas may incur higher adaptation costs, such as water efficiency and enhanced cooling, over time.

Useful Life of Building Assets

Climate change is not currently expected to materially reduce the remaining useful lives of building assets. Jacobs have confirmed that modern equivalent replacement assets incorporate enhanced building standards, such as higher design wind loads, improved bushfire resistance and energy efficient construction materials, all of which are reflected in the total useful lives adopted.

### d) Future year impacts

Climate risk to DPI's assets will continue to be closely monitored through the rolling non-current assets valuation program and taken into account where relevant. The department will continue to integrate climate change considerations into asset management, location planning, design and construction standards, and maintenance practices. Planned actions include ensuring new capital investment is aligned with Queensland Government climate resilience and adaptation frameworks.

# Department of Primary Industries

Notes to the financial statements

For the year ended 30 June 2026

## Certification

### Management certificate

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 38 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 the 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 the Department of Primary Industries for the financial year ended 30 June 2026 and of the financial position of the department at the end of that year.

The Director-General, as the Accountable Officer of the department, acknowledges responsibility under sections 7 and 11 of the *Financial and Performance Management Standard 2019* for establishing and maintaining, in all material respects, of an appropriate and effective system of internal controls and risk management processes in relation to financial reporting throughout the reporting period.

Ella Zaman CPA
**Chief Finance Officer**
Date: 28 August 2026

Graeme Bolton
**Director-General**
Date: 28 August 2026

Queensland Audit Office
Better public services

# INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Department of Primary Industries

## Report on the audit of the financial report

### Opinion

I have audited the accompanying financial report of Department of Primary Industries.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental services as at 30 June 2026, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2026:

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.

c) In my opinion, the financial report:

   i. gives a true and fair view of the department's financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended

   ii. complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

### Basis for opinion

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 department 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.

### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### *Valuation of land with restricted uses ($69.21 million)*

Refer to note C5 and D1 in the financial report.

| Key audit matter | How my audit addressed the key audit matter |
|---|---|
| The department's land assets were measured at fair value using the market approach which involved reference to publicly available data on recent sales of similar land in nearby localities and subsequent indexation of these valuations as at 30 June 2026.<br>The department's reserve land (restricted for use) comprises 37.20 per cent of the department's land holdings. Sales of land with these restrictions are rare. The fair value measurements for this type of land involved significant judgement due to limited availability of recent sales data for land with similar restrictions on use.<br>Significant judgement was also required to determine the appropriate index. | My procedures included, but were not limited to:<br>• assessing the adequacy of management's review of the valuation process and results<br>• assessing the competence, capability and objectivity of management's independent expert used to develop the indexation rates<br>• obtaining an understanding of the valuation methodology used with reference to common industry practice<br>• evaluating the reasonableness of the following for a sample of land parcels:<br>– market values before restrictions, through comparison with recent sales of similar land<br>– adjustments for restrictions, by reviewing the basis for calculating the discount, and assessing the reasonableness and reliability of the basis applied<br>• assessing the reasonableness of the indexation rates applied, with reference to external information and factors<br>• reviewing the relevant disclosures in the financial statements. |

### *Buildings valuation ($245.74 million) and depreciation expense ($12.58 million)*

Refer to note C5 and D1 in the financial report.

| Key audit matter | How my audit addressed the key audit matter |
|---|---|
| The department's buildings were measured at fair value at balance date using the current replacement cost method that comprises:<br>• gross replacement cost, less<br>• accumulated depreciation.<br>The department derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for:<br>• identifying the components of buildings with separately identifiable replacement costs (known as unit rate categories)<br>• developing a unit rate for each of these components, including: | My procedures included, but were not limited to:<br>• assessing the adequacy of management's review of the valuation process and results<br>• assessing the competence, capability and objectivity of the experts used by the department to develop the models<br>• obtaining an understanding of the methodology used, and assessing its appropriateness with reference to common industry practices |

| Key audit matter | How my audit addressed the key audit matter |
|---|---|
| – estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. $/square metre)<br>– identifying whether the existing building contains obsolescence or less utility compared to the modern substitute and, if so, estimating the adjustment to the unit rate required to reflect this difference<br>• indexing unit rates for any subsequent increases in input costs.<br>The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of assets.<br>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense. | • assessing the appropriateness of the building components used for measuring gross replacement cost with reference to common industry practices<br>• on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit rate of the:<br>– modern substitute (including locality factors and oncosts)<br>– adjustment for excess quality or obsolescence<br>• evaluating the relevance and appropriateness of the indices used by comparing to other relevant external indices<br>• evaluating useful life estimates for reasonableness by:<br>– reviewing management's annual assessment of useful lives<br>– ensuring that no component still in use has reached or exceeded its useful life<br>– reviewing for assets with an inconsistent relationship between condition and remaining useful life<br>• where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence. |

**Responsibilities of the Accountable Officer for the financial report**

The Accountable Officer 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 such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error
- the establishment and keeping of accounts in accordance with prescribed requirements
- assessing the department'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 department or to otherwise cease operations.

Queensland Audit Office
Better public services

**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. My auditor's report must state whether I have received all the information and explanations required, and whether I consider the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects.

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.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

www.auasb.gov.au/auditors_responsibilities/ar6.pdf

A further description of my responsibilities under the *Auditor-General Act 2009* and *Auditor-General Auditing Standards* is located at the Queensland Audit Office website at: www.qao.qld.gov.au/audit-program/audit-standards

These descriptions form part of my auditor's report.

M Manuel

28 August 2026

Megan Manuel
as delegate of the Auditor-General

Queensland Audit Office
Brisbane