Queensland Rural and Industry Development Authority

2019–2020 ANNUAL REPORT

Queensland Government

Welcome to the Queensland Rural and Industry Development Authority (QRIDA) Annual Report for 2019-2020.

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

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

This report highlights QRIDA's 2019-2020 achievements, performance and financial position.

ISSN: 2203-8094 (print)

Interpreter service statement

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

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

Public availability and feedback

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

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

Telephone:	Freecall 1800 623 946
Email:	contact_us@qrida.qld.gov.au
Facsimile:	(07) 3032 0300
Mail:	QRIDA GPO Box 211 Brisbane QLD 4001

To the Minister

10 September 2020

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

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2019-2020 and financial statements for the Queensland Rural and Industry Development Authority.

I certify this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* (Qld) and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the *Annual Report Requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found at page 70 of this annual report.

Yours sincerely

John Corbett
Chair of Board
Queensland Rural and Industry Development Authority

Table of contents

Chief Executive Officer's report

In 2019-2020 QRIDA delivered a record $1.2 billion in government financial assistance to primary producers, small businesses and non-profit organisations, the largest ever amount of loans, grants and rebates approved in a financial year by the organisation in its 25 year history.

QRIDA administered a total of 55 different schemes during 2019-2020. Overall, QRIDA approved 11,557 applications totalling more than $1.2 billion in financial assistance across all schemes in 2019-2020. This compares with 9,394 applications for $228.7 million in 2018-2019.

By far the largest single scheme was the Queensland Government's COVID-19 Jobs Support Loan Scheme which saw QRIDA deliver close to $1 billion in concessional loans to 7,000 Queensland businesses and non-profit organisations supporting 86,000 local jobs.

QRIDA's people, processes and technology systems and our ability to scale up and respond to major events was certainly put to the test by the COVID-19 Jobs Support Loan Scheme. Our modern and agile service delivery model reached new heights when a majority of QRIDA's workforce, which had temporarily doubled in size to deliver the new loan scheme, was able to work entirely remotely throughout the initial months of COVID-19 restrictions. Within 24 hours of the scheme opening, the first loan application approved had been submitted online via our portal, registered at a kitchen table in Woolloongabba, assessed at a home office in Toowoomba and decisioned by a credit manager working from Mundubbera, demonstrating the QRIDA team were up to the challenge.

At the same time, we have had one of our strongest years supporting Queensland farmers through the Primary Industry Productivity Enhancement Scheme (PIPES), with more than 230 applications approved for First Start and Sustainability Loans worth $117 million in 2019-2020. This scheme has helped establish some of the next generation of primary producers and enabled existing producers to achieve more productive and sustainable enterprises with essential investments in water infrastructure to mitigate the effects of drought, and other on-farm infrastructure to improve biosecurity, reduce pests and market risks.

In 2019-2020, QRIDA continued to deliver disaster recovery assistance, approving almost 1,400 grants for $49.6 million for primary producers, small businesses and non-profit organisations impacted by the North and Far North Queensland Monsoon Trough, and a further 47 grants for $822,000 for primary producers impacted by Severe Tropical Cyclone Trevor in 2019.

In addition, QRIDA approved 194 applications for $49.4 million in North Queensland Replanting, Restocking and On-Farm Infrastructure Co-Contribution Grants on behalf of the Australian Government to help producers in their longer term recovery following the Monsoon Trough event. In contrast, other parts of the state impacted by last summer's bushfires saw QRIDA approve over $3.2 million in disaster assistance up to 30 June 2020.

"QRIDA approved 11,557 applications totalling more than $1.2 billion in financial assistance across all schemes in 2019-2020."

QRIDA also played a role in bushfire recovery beyond Queensland, administering bushfire loans for small business on behalf of the Australian Capital Territory Government and providing administration support to the New South Wales Rural Assistance Authority in assessing the huge volume of bushfire recovery grants for primary producers in that state.

QRIDA has delivered a range of other programs in 2019-2020, demonstrating our proactive approach to 'doing more' to support rural and regional Queensland. These new programs covered a wide range of purposes including professional advice for land management and carbon farming to transport, renewable energy and household waste.

2019-2020 also saw QRIDA administer the second round of funding under the Rural Economic Development (RED) Grant Scheme on behalf of the Department of Agriculture and Fisheries with 14 regional businesses receiving a total of $3.09 million for projects expected to create more than 600 regional jobs.

In relation to its Farm Debt Services, QRIDA oversees the Farm Business Debt Mediation Program which manages compliance of the Act with compulsory mediation between farmers and lending institutions and maintains a register of 28 accredited mediators. In 2019-2020, 63 mediation matters commenced with 37 finalised, and with 31 matters still in progress. The Farm Debt Restructure Office, managing the Farm Business Analysis Assistance program, facilitates the provision of independent financial advisory services for farmers in financial distress. In 2019-2020, 23 applications for assistance were received supporting 45 underlying entities, and 22 reports were delivered to primary producers assisting their 55 related entities.

QRIDA has continued to expand its regional presence with a new Townsville office opened in September 2019. Our Regional Area Managers continue to offer local, individual knowledge and expertise in 11 regions across the state. We also have more assessment staff based in the regions in locations like Toowoomba with staff also working remotely from home in a range of regional locations since the COVID-19 pandemic.

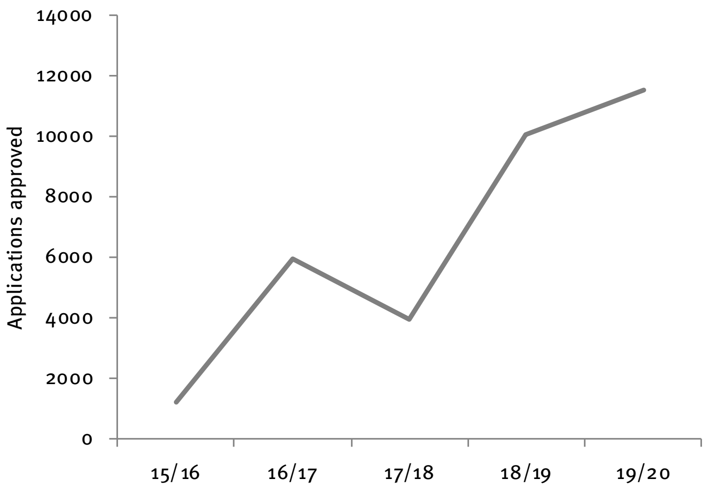
During the year we farewelled three of our QRIDA Board Directors including Leith Boully, Zoe Kenneally and Dugald Warby and thanked them for their valued service to our organisation.

We look forward to continuing to service rural and regional Queensland and growing as a professional administrator in the delivery of government financial assistance programs.

Cameron MacMillan
Chief Executive Officer

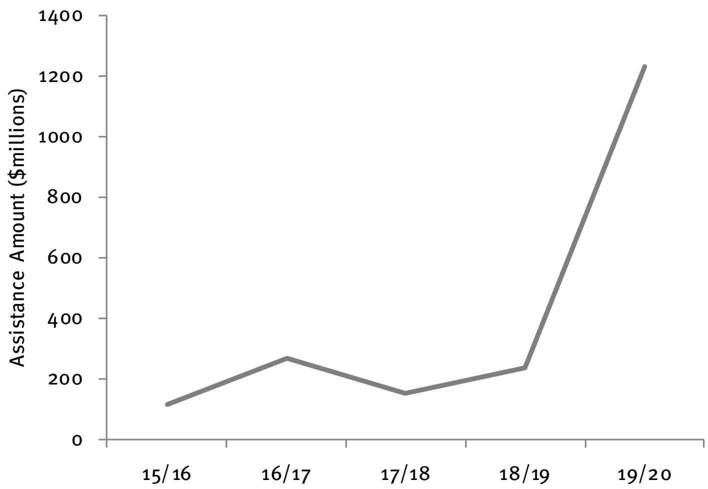
Five year snapshot

Applications approved



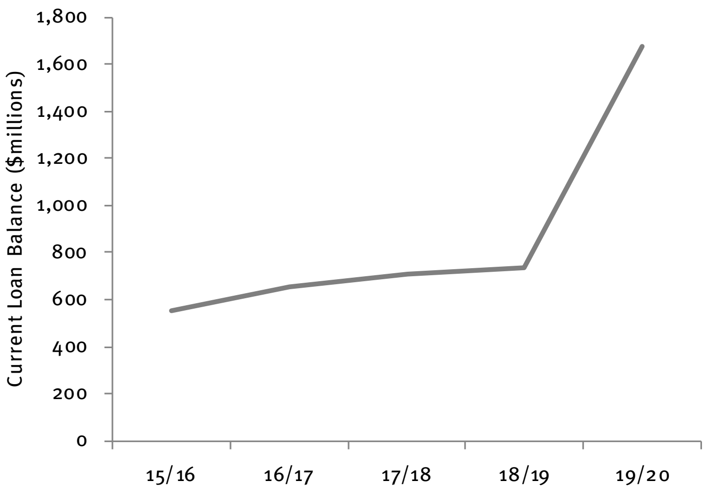
Number of loan and grant applications approved in the financial year.

Program approvals



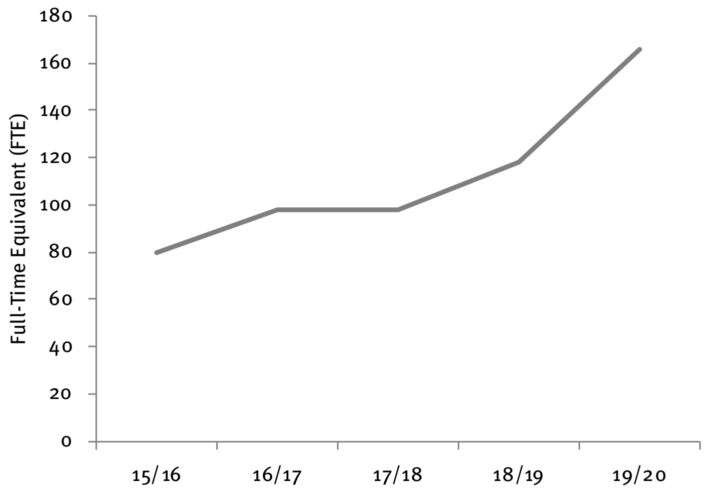
Total loan and grant assistance amount approved in the financial year.

Loan Register



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

Staffing*



Full-time equivalent (FTE) QRIDA employees as at 30 June each year.

*(FTE includes staff temporarily engaged for COVID-19 Jobs Support Loan Scheme)

About us

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

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

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

What we do

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

As the Queensland Government's experts in rural finance, we also administer the state government's Farm Business Debt Mediation program, Farm Debt Restructure Office, conduct a biennial Rural Debt Survey, and undertake research to provide advice to the Minister for Agricultural Industry Development and Fisheries. We administered the COVID-19 Jobs Support Loans on behalf of Queensland Treasury and Department of Agriculture and Fisheries.

When required, QRIDA also supports the delivery of disaster relief and recovery assistance for primary producers, small businesses and non-profit organisations (jointly funded by the Queensland and Australian Governments).

By providing these services, we are committed to supporting the Queensland Government's objectives for the community – see page 7 for more information on how we actively contribute.

Our values

Throughout 2019-2020, QRIDA's commitment to four core values governed our operations:

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

Operating environment

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

The COVID-19 operating environment highlights the opportunity for QRIDA to expand our service delivery model and ensure our responsiveness to meet government needs. By by enhancing the quality of our technology it will ensure we better meet our clients' and staff needs. Key strategic risks remain in maintaining technology, security mechanisms and core programs to avoid business disruption and retain resilience in climate adaption.

QRIDA will continue to seek opportunities to undertake research, provide policy advice and develop new products and services that meet the changing needs of Queensland's rural and regional industries. This includes specialist and professional loan and grant management services to the Queensland Government and other entities and to generate skills and revenue which guarantee our organisation's ongoing sustainability.

How we contributed to government objectives for the community

Objective: Create jobs in a strong economy

- Create jobs
- Increase private sector investment
- Engage more young Queenslanders in education, training or work

How QRIDA contributed:

- Delivered concessional loans to almost 7,000 Queensland businesses impacted by the COVID-19 pandemic worth $1 billion and supporting 86,000 local jobs.
- Productivity Loans financed the establishment and expansion of Queensland primary production enterprises, the key source of jobs and income in many regional communities.
- Administered the second round of the Rural Economic Development Grants program, which provided support for 14 Queensland businesses to undertake emerging agricultural supply chain projects that are expected to create more than 600 regional jobs.

Objective: Be a responsive government

- Make Queensland Government services easy to use

How QRIDA contributed:

- Delivered our application processes through online application facilities.
- Administered the Farm Business Debt Mediation program.
- Delivered independent financial analysis to financially distressed farmers through the Farm Debt Restructure Office.
- Continued to work with the areas affected by natural disaster events, including the North and Far North Queensland Monsoon Trough and the Queensland Bushfires, to deliver grants and loans to impacted primary producers, small businesses and non-profit organisations.
- Expanded our regional presence with the opening of a new Townsville office in September 2019. Our Regional Area Managers continue to offer local, individual knowledge and expertise in 11 regions across the state.

Objective: Protect the Great Barrier Reef

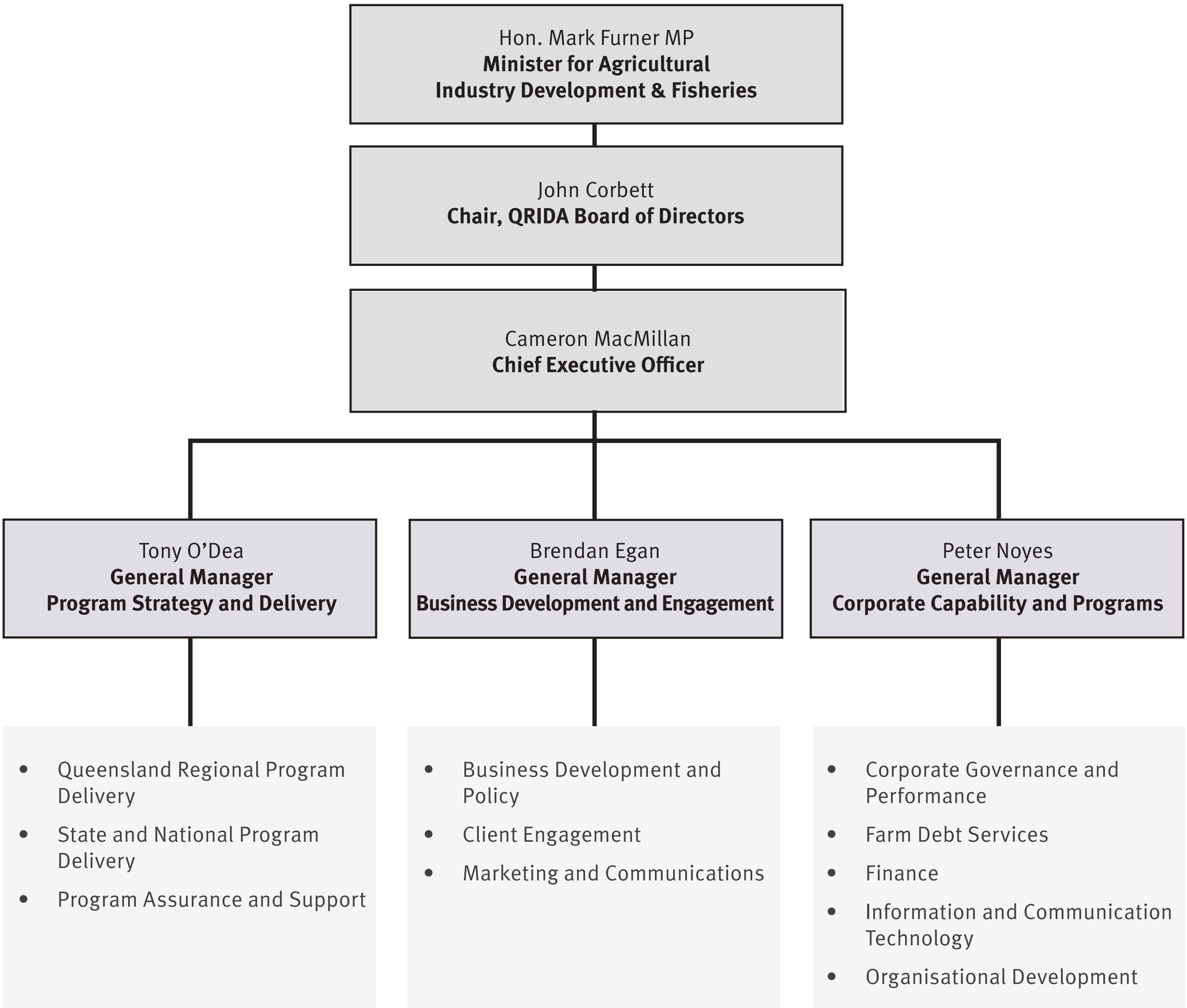
- Reduce Queensland's contribution to climate change
- Improve water quality

How QRIDA contributed:

- Administered the Farming in Reef Catchments Rebate Scheme to help sugarcane, beef cattle and banana producers offset the cost of obtaining professional advice on managing nutrient and sediment run-off for improved water quality outcomes for the Great Barrier Reef.
- Delivered Productivity Loans that supported best management practice for sustainable land-use, water and energy efficiency and other initiatives.
- Delivered several financial assistance programs under the Queensland Government's Affordable Energy Plan, supporting the uptake of renewable energy and investment in energy efficiency projects for households, primary producers, small and large businesses.

Governance - Management and structure

Organisational structure



Board of Directors

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

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

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

The Board is formally accountable to the Minister for Agricultural Industry Development and Fisheries. During 2019-2020, the Board reported to the Minister on a quarterly basis.

Under the Act, the Board must meet at least once every three months. The QRIDA Board of Directors met nine times during 2019-2020. Achievements of the Board in this time include:

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

Board committees

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

Board attendance

Position	Name	QRIDA Board	Audit and Risk Management Committee	Debt Management Committee	Remuneration Committee[1]	Total
Board Chairman	John Corbett	9/9	6/7	2/2	1/1	**18/19**
Director ARMC Chairman[2]	Dugald Warby[3]	8/8	6/6			**14/14**
Director	Elton Miller	9/9			1/1	**10/10**
Director	Leith Boully[3]	6/8				**6/8**
Director ARMC Chairman[2]	Belinda Turner	8/9	7/7		0/1	**15/17**
Director	Zoe Kenneally[3,4]	5/8	3/3			**8/11**
Director	Drew Ellem[4,6]	6/7	4/5	1/2		**11/13**
Director	Alison Rayner[5]	1/1	0/1			**1/2**

Board remuneration

Position	Name	Meetings attended of eligible	Approved annual fee	Approved sub-committee fee (includes ARMC & Remuneration Committee)	Actual fees received (ex-Super)
Board Chairman	John Corbett	18/19	$42,000	$1,700	$43,550.52
Director ARMC Chairman[2]	Dugald Warby[3]	14/14	$12,000	$1,700	$12,602.88
Director	Elton Miller	10/10	Nil	Nil	-
Director	Leith Boully[3]	6/8	$12,000	-	$11,039.04
Director ARMC Chairman[2]	Belinda Turner	15/17	$12,000	$1,700	$13,653.12
Director	Zoe Kenneally[3,4]	8/11	$12,000	$1,700	$11,456.06
Director	Drew Ellem[4,6]	11/13	Nil	Nil	-
Director	Alison Rayner[5]	1/2	Nil	Nil	-

[1] Remuneration Committee disbanded as at 25 February 2020

[2] Director Warby retired as ARMC Chairman from 25 February 2020, with Director Turner named ARMC Chairman

[3] The Board appointment terms ended for Directors Warby, Boully and Kenneally as at 2 June 2020

[4] Directors Ellem and Kenneally joined the ARMC from 25 February 2020

[5] Director Rayner's Board appointment term ended as at 20 September 2019

[6] Director Ellem was appointed to the QRIDA Board as at 25 October 2018

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

Governance - Management and structure (cont.)

Measuring performance

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

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

Refer to pages 22-23 for a summary of QRIDA's 2019-2020 performance.

Public sector ethics - ethical standards

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

The QRIDA Code of Conduct requires officers to:

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

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

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

Human rights

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

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

Other actions taken to further the objects of the act:

- Raising awareness within the organisation to human rights considerations and obligations was initially achieved through education and training. All staff undertook human rights training through a three-tiered approach - including interactive training by a Queensland Human Rights Commission trainer for senior leaders, managers/team leaders and Organisational Development staff.
- Increased appreciation of human rights considerations maintained moving forward through embedding and monitoring education and awareness in the QRIDA recruitment and induction processes.
- Incorporated QRIDA's human rights commitment in the QRIDA website page which hosts the QRIDA Strategic Plan 2020-24, with plans to include in the QRIDA Strategic Plan 2021-25.
- Endorsed, disseminated and published the updated Complaints Management Framework incorporating the human rights complaints process.
- Revised privacy, disclosure and use of information statements on paper and online applications to include an acknowledgment to human rights considerations.

The reviews undertaken in 2019-2020 included:

- *Policies, procedures and frameworks*
  A prioritised assessment of 16 policies, procedures and complaint processes for human rights compliance implications has been completed, with a review plan in place for ongoing assessments.
- *Procedures, guidelines, applications and processes*
  Initial review and assessment of human rights considerations in the Securities, Finance, Farm Debt Services, State and National Program Delivery business areas has been completed and a prioritised review is in progress in the Organisational Development business unit.

Since commencement of the *Human Rights Act 2019* to the year ending 30 June 2020, QRIDA received no human rights complaints.

Governance - Risk management & accountability

Risk management

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

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

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

Strategies that supported successful risk management in 2019-2020 included:

- management of the QRIDA strategic and operational risk register, incorporating the status of risk treatments (reviewed quarterly by ELT, A&RM Committee and the Board)
- Board approval of risk appetite statements which are now used in decision-making processes
- implementation and reinforcement of the principles of QRIDA's risk management framework and risk management guidelines and tools to improve accessibility and enhance employee engagement using Program Risk Management methodology to identify, manage and report on risks to significant new project initiatives
- enhancing and annually testing QRIDA's emergency and business continuity management preparedness.

Policy framework

During 2019-2020, QRIDA continued to focus on the development and review of its corporate policies and procedures in line with a three-year cyclical work plan. This ensured ongoing connectivity with legislation and government directives, audit outcomes and best practice.

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

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

During 2019-2020, four policy areas, including the corresponding policies, procedures and frameworks were developed, reviewed and approved. The Board of Directors approved two strategic policies or policy statements.

Right to information

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

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

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

During 2019-2020, QRIDA received two new requests for access to information in accordance with the RTI Act. Given the nature of the information, QRIDA was not required to provide a disclosures log.

Information privacy

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

During 2019-2020, there was one request for personal information in accordance with the IP Act.

Governance - Risk management & accountability (cont.)

Board committees

Audit and Risk Management Committee

The A&RM Committee consists of three directors with the QRIDA Chair attending as an ex-officio member. The committee met seven times during 2019-2020.

The committee undertook independent reviews during 2019-2020 to improve QRIDA's operations and outputs and advised the QRIDA Board on:

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

Remuneration Committee

The Remuneration Committee was disbanded in February 2020 and met once during 2019-2020.

Debt Management Committee

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

The Debt Management Committee met twice in 2019-2020.

Internal audit

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

The reviews undertaken in 2019-2020 included:

- program review of the IAAP Taxi Scheme
- cyber security
- fraud risk and compliance (awaiting final report).

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

External scrutiny

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

During 2019-2020, QRIDA was subject to an annual assurance review over the Commonwealth loan portfolio under administration. In addition to the normal assurance processes, an impairment review was conducted to ensure compliance with AASB 9 *Financial Instruments*. This assessment provided confirmation to external auditors that concessional loan balances and transactions were accurately valued in the Department of Agriculture, Water and Environment's financial statements.

Information systems and recordkeeping

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

During 2019-2020, key activities to support the ongoing achievement of compliance included:

- further implementation of the Electronic Document Records Management System (eDRMS) for the management of corporate records
- continued on-going recordkeeping and eDRMS training
- the commencement of an information asset identification and classification project to identify the strategic information assets within QRIDA and accurately classify the security of information assets with respect to their Confidentiality, Integrity and Availability (CIA) as per the Queensland Government Information Security Classification Framework (QGISCF)
- QRIDA was heavily involved with our eDRMS provider in the development of the new retention and disposal module for the system which led to many QRIDA driven enhancements in both the fields of digital and hard copy records disposal.

During 2019-2020, QRIDA further developed its core loans and grants management system, RAPID, and brought it and its associated Application Portal up to improved and more secure versions of the open source software on which they are developed.

In 2019-2020, the Information Steering Committee (ISC) was re-established to provide enhanced governance of ICT and information management. As well, a RAPID Product Sub-Committee of the ISC was established to provide strategic business-led guidance for RAPID product suite development efforts.

Work health and safety

QRIDA is committed to providing a work environment which is conducive to protecting the health, safety and well-being of QRIDA workers and visitors to the workplace.

QRIDA is bound by the *Work Health and Safety Act 2011* (Qld) (WHS Act), Work Health and Safety Regulation 2011 (Qld) and relevant codes of practice.

In applying due diligence in compliance with the Act, QRIDA conducts quarterly Health and Safety Committee meetings. These meetings monitor any active caseload and non-compliance activity and seek to develop process improvements to prevent future occurrences. Furthermore, the Workplace Health and Safety Committee seeks to proactively identify potential risks and hazards before they result in undesirable outcomes and to implement mitigation plans. This may include staff education, updating procedures and forms, as well as the procurement of necessary equipment that supports a safe workplace environment.

QRIDA also recognises a component for providing a safe workplace for employees is ensuring risks associated with work-related driving are managed. During 2019-2020, QRIDA re-evaluated the Safe Driving Policy to ensure the safety of employees by actively promoting and supporting safe driving practices. QRIDA is committed to a culture of work-related driving safety. Safe work-related driving is equal in importance to any office based safe work practices QRIDA has implemented. QRIDA's culture of safety recognises the driving task is often high risk and needs to be managed appropriately.

A notable activity during the year was the program of 'Care Calls' in which the Organisational Development team contacted every QRIDA employee for a check-in of their wellbeing during the COVID-19 pandemic in which the majority of QRIDA employees worked from home. The calls were very well received and resulted in heightened care programs for several employees who were experiencing degrees of stress and anxiety which were directly and indirectly linked to the COVID-19 pandemic.

In 2019-2020, QRIDA continued to inform new employees about the WHS Act and QRIDA Work Health and Safety Policies and Procedures through induction programs.

QRIDA's Organisational Development unit has an active workplace rehabilitation and return to work system that assists injured or ill employees to return to work in mutually beneficial arrangements. In 2019-2020 QRIDA's rehabilitation caseload remained at traditionally low levels with no significant expense or lost cases under management.

Influenza vaccinations were again offered to all staff prior to the onset of winter.

Open data

QRIDA did not undertake any consultancies, overseas travel or use of Queensland Language Services Policies in 2019-2020. Therefore there is no requirement to publish through the Queensland Government's Open Data website (www.data.qld.gov.au).

Governance - Human resources

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

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

As at 30 June 2020, QRIDA employed 166.05 full-time equivalent (FTE) staff, an increase from the 2019-2020 budget of 107 FTE staff, due to temporary staff required to deliver the COVID-19 Jobs Support Loan Scheme.

Staff numbers as at 30 June 2020 were comprised of 44.07 per cent female and 55.93 per cent male staff.

The permanent officer separation rate for this period was 7.45 per cent, while the permanent officer retention rate was 92.55 per cent.

A comparative breakdown of staff numbers is shown below.

QRIDA employees by employment type as at 30 June 2020

	2019-20	2018-19	Movement
Permanent	87.57	76.95	⬆
Temporary	77.48	41.09	⬆
Casual	1	0.50	⬆
Total (FTE)	166.05	118.04	⬆

QRIDA employees by level as at 30 June 2019

	2019-20	2018-19	Movement
Management (A07 *and above*)*	34.9	19.50	⬆
Professional (A05/6)^	80.58	53.50	⬆
Administrative (to A04)†	50.57	45.04	⬆
Total (FTE)	166.05	118.04	⬆

* Management – This figure includes temporary staff engaged as decision makers for the COVID-19 Jobs Support Loans program.

^ Professional – This figure reflects the significant increase in temporary assessment staff for the COVID-19 Jobs Support Loans program.

† Administrative – This figure reflects a moderate increase in temporary registrations staff for the COVID-19 Jobs Support Loans program.

Engagement

Every year, QRIDA conducts an employee engagement survey through an independent specialist survey provider. The results of the surveys inform and guide our employee engagement action plans across QRIDA. The engagement survey conducted for 2020 saw QRIDA achieve an average engagement score of 87 per cent satisfaction with QRIDA as a place to work. This is a pleasing result given the record amount of financial assistance administered by the QRIDA team in 2019-2020 and the workplace challenges associated with the COVID-19 pandemic restrictions.

Recruitment

Minimal permanent officer turnover occurred. Recruitment activity in 2019-2020 reached unprecedented levels due to the recruitment of temporary staff required to support the delivery of the COVID-19 Jobs Support Loans Scheme. The maximum staff level included 68 staff seconded from government and private sector agencies, and a further 97 QRIDA staff mobilised as a result of new appointments and the internal promotion and transfer of existing staff to assist with the scheme delivery.

The voluntary turnover rate for this period was 12.77 per cent. This is a strong result in the context of a year which has included a large percentage of temporary staff plus considerable organisational change and scheme delivery. This turnover rate demonstrates a positive impact from QRIDA's employee retention and engagement strategies, enabling us to retain talent and intellectual property.

Early retirement, redundancy and retrenchment

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

Professional development

Whilst 2019-2020 involved an unusually high delivery focus, QRIDA remained committed to managing employee performance and conduct as well as developing our employees' capabilities.

QRIDA's performance and development process commences in July each year. During 2019-2020 QRIDA continued to utilise a best practice performance management system which captures and measures the outcomes of both formal and informal performance conversations. This contemporary online performance approach focuses on achieving deliverables against key performance indicators and behavioural competencies, as well as matching employee training and development to business requirements and QRIDA's strategic direction. The introduction of the system, together with tailored performance management training has provided a strong foundation for QRIDA's performance culture into the future. In 2019-2020, many staff undertook skill development programs related to their field of expertise via tailored training courses, and external tertiary studies, amongst other bespoke learning outcomes.

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

Industrial and employee relations

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

Agile, flexible and healthy workforce

During the COVID-19 pandemic, QRIDA implemented plans to immediately outplace the majority of the workforce. This was successfully achieved with all staff electing to work from home successfully doing so.

QRIDA values its staff and strives to support quality work-life balance, with a suite of available options for staff to alter their working arrangements while maintaining a high level of service. Formal flexible working arrangements, including working from home, part-time, job share and transition to retirement strategies, have been successfully embedded into QRIDA's employee relations model. The majority of QRIDA staff also access informal flexible working arrangements including compressed working weeks and flexitime arrangements.

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

Strategic workforce plan

QRIDA is half way through the current two-year workforce plan which is aligned with the strategic planning cycle. The current activities to support the plan provide a pathway to assist QRIDA achieve a flexible and agile workforce that can meet current and future work demands with regards to program management and QRIDA's changing operational environment.

Innovation

In 2019-2020 QRIDA refreshed the structure of the Program Strategy and Delivery department to achieve a regionally-based client-centric service model and refreshed the Business Leadership Team to provide a stronger operational delivery focus and strategic support to the ELT.

Looking ahead

QRIDA is focused on managing a 10 year client account legacy from the COVID-19 Jobs Support Loans Scheme and remaining focused on organisational improvement activities and initiatives, as well as continuing to review employment arrangements, capability strategies, workforce planning initiatives, succession strategies and staff engagement. Together these strategies will continue to ensure appropriate human resource capability is in place to meet workloads associated with existing programs, new functions, emerging business opportunities and future natural disaster events.

Loans and grants

Program owner	Program	Purpose of program/service
	Productivity Enhancement	
Queensland Government	**First Start 2010***	Provide loans at concessional rates of interest to an applicant in the first years of establishment of a primary production enterprise in Queensland.
	Sustainability 2010*	Provide concessional loans to primary producers to implement systems and management practices that enhance sustainable primary production in Queensland.
	Natural disaster	
Australian and Queensland Governments *(Disaster Recovery Funding Arrangements)*	**Disaster Recovery Funding Arrangements Scheme Individually Disaster Stricken Properties**	Assist in meeting the recovery needs of primary producers affected by isolated disaster events outside of declared local government areas.
	Natural Disaster Assistance Scheme Tropical Cyclone Debbie	Assist primary producers, small businesses and non-profit organisations pay for costs arising out of direct damage.
	Natural Disaster Assistance Scheme Central Coast Queensland Severe Weather	Assist primary producers pay for costs arising out of direct damage.
	Natural Disaster Recovery Grants Scheme Central Coast Queensland Severe Weather	Assist primary producers pay for costs arising out of direct damage.
	Natural Disaster Assistance Scheme North Queensland Flooding	Assist primary producers and small businesses pay for costs arising out of direct damage.
	Natural Disaster Assistance Scheme Wide Bay-Burnett Severe Storms	Assist primary producers pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme Central Queensland Bushfires	Assist primary producers and small businesses pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme North and Far North Queensland Monsoon Trough	Assist primary producers, small businesses and non-profit organisations pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme North and Far North Queensland Monsoon Trough	Assist primary producers, small businesses and non-profit organisations pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme Tropical Cyclone Trevor	Assist primary producers pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme Tropical Cyclone Trevor	Assist primary producers pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme Queensland Bushfires	Assist primary producers, small businesses and non-profit organisations pay for costs arising out of direct damage.
	Disaster Recovery Funding Arrangements Scheme Queensland Bushfires	Assist primary producers pay for costs arising out of direct damage.
	North Queensland Restocking, Replanting and On-farm Infrastructure Grants	Assist primary producers on co-contribution (dollar for dollar) basis to re-stock, replant and repair or replace damaged infrastructure.
Australian Capital Territory Government	**Australian Capital Territory Special Disaster Loans - Bushfire Emergency**	Assist primary producers, small businesses and non-profit organisations pay for costs arising out of direct damage.
	Drought and drought recovery	
Australian Government	**2017-18 Drought Assistance Concessional Loan Scheme (Queensland)**	Assist drought affected farm businesses in need of financial assistance
	2017-18 Business Improvement Concessional Loan Scheme (Queensland)	Assist drought affected farm businesses in need of financial assistance
	Other	
Queensland Government	**Farm Management Grants Scheme**	Assist primary producers or interested persons who have received eligible professional advice from a suitable qualified adviser by providing rebates of up to 50 per cent of the amount paid.
	White Spot Concessional Loan Scheme	The loans were designed to enable the prawn farmers to improve biosecurity controls, diversify their farming to include other marine species and improve the productivity and viability of their enterprises.
	Interest Free Loans for Solar and Storage - Solar Loans	These loans helped households without the available funds to purchase a solar system upfront.
	Interest Free Loans for Solar and Storage - Battery Grants	Households were able to apply for grants to purchase a battery storage system.
	Interest Free Loans for Solar and Storage - Battery Small Business Grants	Small businesses were able to apply for grants to purchase a battery storage system.
	Interest Free Loans for Solar and Storage - Battery Loan and Grant Packages	Households were able to apply for interest-free loans and grants to purchase a battery storage system.
	Interest Free Loans for Solar and Storage - Solar and Battery Grants	Households were able to apply for grants to purchase a combined solar and battery storage system.

** 2018-2019 figures have been amended to reflect cancellations and adjustments that occurred during 2019-2020. Figures are accurate as at 30 June 2020.*

Support available	Application approvals				
	2018-19 (#)	2019-20(#)	2018-19 ($)	2019-20 ($)	Variance ($)
Maximum loan amount of $2,000,000	105	104	$57,413,851	$60,153,310	Up
Maximum loan amount of $1,300,000	85	128	$27,901,894	$56,963,840	Up
Loan up to $250,000	2	6	$450,000	$1,262,745	Up
Loan up to $250,000 for primary producers and small businesses and a loan/ grant package of up to $105,000 for non-profit organisations	4	2	$484,668	$130,865	Closed
Loan up to $250,000 for primary producers	1	-	$220,000	-	Closed
Grants up to $25,000	82	-	$762,007	-	Closed
Loan up to $250,000 for primary producers and small businesses	2	-	$130,000	-	Closed
Loan up to $250,000 for primary producers and small businesses	3	1	$508,000	$191,200	Down
Loan up to $250,000 for primary producers and small businesses	3	3	$449,077	$273,000	Down
Loan up to $250,000 for primary producers and small businesses and loan up to $100,000 for non-profit organisations	37	24	$5,169,858	$6,537,067	Up
Grants up to $75,000 for primary producers, and grants up to $50,000 for small businesses and non-profit organisations	1828	1394	$78,369,554	$49,611,814	Closed
Loan up to $250,000 for primary producers	1	5	$250,000	$954,693	Up
Grants up to $25,000	-	47	-	$822,309	Closed
Loan up to $500,000	-	4	-	$526,700	New
Grants up to $75,000	-	54	-	$2,699,646	New
Co-contribution grants up to $400,000	21	194	$5,932,625	$49,430,886	Up
Loan up to $500,000	-	3	-	$638,434	New
Loan up to 50% of eligible debt to a maximum of $1,000,000	16	-	$8,327,411	-	Closed
Loan up to 50% of eligible debt to a maximum of $1,000,000	1	-	$425,000	-	Closed
Rebate of 50 per cent of the amount paid for the advice, up to a maximum of $2,500 for each official receipt and up to a maximum total amount of $2,500 per financial year.	566	380	$999,930	$734,032	Closed
White Spot Disease Concessional Loans are available up to $3 million with loans of up to 20 years.	1	-	$1,298,086	-	Closed
Households who met certain criteria could have applied for an interest free loan of up to $4,500 to purchase a solar system. The loan must be repaid within 7 years.	291	26	$1,303,081	$115,807	Closed
Grants of up to $3,000	154	29	$461,914	$87,000	Closed
Grants of up to $3,000	24	9	$72,000	$27,000	Closed
Assistance packages were available for battery systems - offering grants of $3,000 and interest-free loans of up to $6,000, repayable within 10 years.	1278	164	$5,710,450	$726,733	Closed
Grants of up to $3,000	73	16	$219,000	$48,000	Closed

Table continued over the page.

Loans and grants

Program owner	Program	Purpose of program/service
	Other (continued)	
Queensland Government	**Interest Free Loans for Solar and Storage - Solar and Battery Loan and Grant Packages**	Households were able to apply for interest-free loans or grants to purchase a combined solar and battery storage system.
	Solar for Rentals	The Solar for Rentals Trial incentivises landlords to install eligible solar PV systems on their rental properties and share the system benefits with their tenants. This will be achieved through providing landlords with a rebate to offset the cost of purchasing and installing an eligible solar PV system and allowing tenants to use the solar system to reduce their electricity costs.
	Energy Saver Plus Extension Payment Scheme	The objective of the Energy Savers program is to assist farmers reduce energy costs by supporting the accelerated adoption of improvements in on-farm energy use.
	Large Electricity Customer Adjustment Program	This program provides assistance to large electricity customers in regional Queensland who are currently on obsolete electricity tariffs. Successful customers taking part in the program will receive a free energy audit and advice, co-contribution grant to help implement energy management strategies.
	Vessel Tracking Rebate Scheme	The Queensland Sustainable Fisheries Strategy 2017 – 2027 requires vessel tracking on all commercial fishing boats by 2020 to assist in the management of Queensland fisheries. The objective of the Queensland Government Vessel Tracking Rebate Scheme is to help commercial fishers with the costs of purchasing and/or installing approved vessel tracking units on their commercial fishing boat(s).
	Rural Economic Development Grants Scheme Round 1	The objective of the Rural Economic Development Grants Scheme is to strengthen primary production sectors and bolster rural communities. The scheme will achieve its objective by assisting eligible applicants to carry out projects which will create employment relating to primary production value chains in rural areas.
	Rural Economic Development Grants Scheme Round 2	The objective of the Rural Economic Development Grants Scheme is to strengthen primary production sectors and bolster rural communities. The scheme will achieve its objective by assisting eligible applicants to carry out projects which will create employment relating to primary production value chains in rural areas.
	Taxi and Limousine Business Support Grants	The objective of the Taxi and Limousine Business Support Grants Scheme is to support Queensland taxi and limousine licence holders to acquire business improvement services or financial advocacy services to adjust to changes in the personalised transport industry.
	Waste Management Viability Assessment Reports	The objective of the Waste Management Viability Assessment Reports is to assess existing recyclers who are claiming an exception from the waste levy on the basis of financial hardship.
	Household Waste Rebate	The objective of the Household Waste Rebate Scheme is to ensure the introduction of the waste levy has no direct impact on Queensland households by providing assistance to households to offset the cost of waste going to landfill.
	Wheelchair Accessible Taxi Grant	The objective of the Wheelchair Accessible Taxi Grants Scheme is to support the modernisation and expansion of Queensland's wheelchair accessible taxi fleet to ensure continuity of service to those with reduced mobility.
	Bus Driver Safety Scheme	The objective of the Queensland Bus Driver Safety Scheme is to assist bus operators delivering eligible bus services, offset the costs of acquiring and installing driver barrier and anti-shatter film safety measures on buses.
	Farming in Reef Catchments Rebate Scheme	The objective of the Farming in Reef Catchments Rebate Scheme is to help sugarcane, beef cattle and banana producers in the Great Barrier Reef regions offset the cost of obtaining professional advice about managing nutrient and sediment pollution in line with minimum practice agricultural standards for improved water quality outcomes for the Great Barrier Reef.
	Carbon Farming Advice Rebate - Pre-approval **Carbon Farming Advice Rebate - Claim**	The objective of the Carbon Farming Advice Rebate program is to assist eligible applicants with the cost of accessing eligible advice about undertaking a carbon farming project on their land through the Land Restoration Fund.
	Queensland COVID-19 Jobs Support Fund	The objective of the COVID-19 Jobs Support Loans Scheme is to assist Queensland businesses and non-profit organisations financially impacted by COVID-19 retain employees and maintain their operations.

** 2018-2019 figures have been amended to reflect cancellations and adjustments that occurred during 2019-2020. Figures are accurate as at 30 June 2020.*

Support available	Application approvals				
	2018-19 (#)	2019-20(#)	2018-19 ($)	2019-20 ($)	Variance ($)
Assistance packages were available for combined solar and battery systems - offering grants of $3,000 and interest-free loans of up to $10,000, repayable within 10 years.	4341	783	$28,116,208	$5,034,502	Closed
Approximately 1,000 rebates of up to $3,500 are available for eligible landlords to install a solar system with solar monitoring technology. Rental properties must be located in Bundaberg Regional Council, Gladstone Regional Council or Townsville City Council.	42	620	$143,000	$2,150,000	Closed
Participants can receive a co-contribution grant of up to 50% towards the cost of implementing recommendations, to a maximum of $20,000.	1	59	$11,861	$1,020,228	Up
Subject to the outcomes of the audit process and the agreement on grant terms, eligible participants will receive a government co-contribution grant to support implementation of the audit recommendations, including plant and equipment upgrades. The amount will be up to 50% of implementation costs, capped at $250,000.	2	5	-	$697,517	Up
The assistance is a purchase and/or installation rebate to offset the costs of purchasing and/or installing approved vessel tracking units required on all commercial fishing boats by the end of 2020. The purchase rebate amount is: For a Category A approved vessel tracking unit – the purchase cost up to a maximum of $300 and for a Category B approved vessel tracking unit – the purchase cost up to a maximum of $750. The installation rebate is for the cost of a professional installation of an approved vessel tracking unit up to a maximum of $220.	415	226	$358,006	$270,695	Down
Grants are available up to $250,000 as a co-contribution to be matched by applicants.	15	-	$3,228,973	-	Closed
Grants are available up to $250,000 as a co-contribution to be matched by applicants.	-	14	-	$3,340,000	Closed
Co-contribution grants are available, with matched funding of up to $5,000 for individuals and up to $20,000 for applicant groups intending to purchase business improvement services. Alternatively, individual applicants can apply for a grant of up to $5,000 for the total cost of purchasing financial advocacy services.	-	71	-	$350,000	Closed
N/A	-	7	-	-	New
This is a formula based payment whereby funding amount is calculated from the average amount of domestic waste only generated by a household, the bin capacity and the direct waste levy cost to dispose of that waste.	-	185	-	$564,322	New
Grants are available up to $45,000 with a 50 per cent co-contribution from applicants, to offset the cost of purchasing and modifying a new wheelchair accessible taxi.	-	63	-	$2,782,676	New
Rebate amounts available are: (a) 50 per cent of the total amount paid for acquiring and installing a driver barrier up to a maximum of $2,000 per bus operating in a high risk area. (b) the amount paid for acquiring and installing anti-shatter film up to a maximum of $1,200 for a standard bus (or smaller bus) and up to $2,400 for a large bus (articulated, double decker or long wheel base).	-	2	-	$501,795	New
Rebates are available up to $1,000.	-	1	-	$1,000	New
Rebates are available up to a maximum amount of $10,000.	-	94	-	-	New
	-	9	-	-	New
Concessional loans are available up to 50 per cent of an eligible entity's annual wage expense, to a maximum of $250,000.	-	6825	-	$982,402,873	New
	9,394	**11,557**	**$228,716,451.84**	**$1,231,050,687.97**	**Up**

Farm Debt Services

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

The following outlines the broad purpose of the respective programs.

Farm Business Debt Mediation Program

From 1 July 2017, the Farm Business Debt Mediation program replaced the voluntary mediation scheme that was part of the Queensland Farm Finance Strategy. The purpose of the program is to provide an efficient and equitable way for farmers and mortgagees to attempt to resolve matters relating to farm business debts. The farmer and the lender equally share the costs for the mediation process.

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

As at 30 June 2020, 209 mediation matters have been initiated since scheme inception, with 31 remaining in progress.

In 2019-2020, 63 mediation matters commenced with 37 having been finalised.

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

Farm Debt Restructure Office

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

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

Since commencement of the program, 49 applications for FBAA have been received with 39 reports delivered to primary producers.

In 2019-2020, 23 FBAA applications were received by the Farm Debt Restructure Office providing support to 45 Queensland business entities.

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

Business Development and Policy

Business Development

In the 2019-2020 period, the Business Development and Policy (BDP) team focused on strengthening QRIDA's profile as the preferred agency for policy advice, advisory services and financial assistance programs. This was achieved through BDP continuing to run an active business development strategy, implementing existing monitoring mechanisms and developing strategic partnerships with Queensland state agencies.

In 2019-2020, BDP secured 14 new programs for QRIDA. This included delivering programs for six new program owners. These services were positively received with the 2019-2020 program owner survey results indicating a 100 per cent rate of satisfaction with QRIDA services.

Policy

Over the 2019-2020 period, BDP delivered and launched the 2019 Rural Debt Survey. BDP also provided policy advice for the COVID-19 Jobs Support Loan Scheme.

Advisory

BDP delivered advisory services to three Local Government Authorities through QRIDA's no-cost grant program review service. The 2019-2020 survey of these Local Government Authorities indicated a 100 per cent satisfaction rate.

QRIDA also delivered the *Community Grants Program Management Guide for Queensland Local Government*, which was developed as a practical and usable resource to assist Queensland councils develop and deliver community grants programs. The Guide was launched at the Local Government Association of Queensland (LGAQ) Conference in Cairns in October 2019.

Program Establishment

For 2020-2021, BDP aims to grow QRIDA's position as the administrator for financial assistance programs. This will be achieved through QRIDA continuing to work with existing state agencies and creating new relationships across all levels of government to assist agencies de-risk, enhance or administer financial assistance programs.

Organisational performance summary

Our priorities	Our objectives	Performance indicators
Rural and regional communities	Support rural and regional communities	Percentage of applications processed within agreed service delivery timeframes and within budget
		Percentage of applications for a FBDM certificate reaching a decision within legislated timeframes
		Percentage of original FBDM decisions made by QRIDA that are upheld in the review process
		Net number of successful PIPES applications
		Percentage of successful PIPES applications that are for First Start Loans
		Approval percentage for PIPES applications
		Percentage of successful PIPES applications that are for clients new to the PIPES Program
Sustainability	A viable and sustainable business long-term	Net value of successful PIPES applications
		Maintain total loan arrears within budget levels
		Administration revenue
		Administration net operating margin
		Average number of core program loans per permanent FTE in Program Service Delivery
Innovation	Enhance our operations and client experience	Percentage of applications received online for available programs
People	"People centred" operations and services	Percentage of overall satisfaction within the staff engagement survey
		Percentage of overall satisfaction within the client satisfaction survey
		Percentage of overall satisfaction within the program owner satisfaction survey
New business	Reach more varied communities and audience	Number of departments or agencies using QRIDA's services
		Programs delivered to non primary production industries
		Number of new programs administered
		Number of programs administered from new program owners

✓ Achieved ✗ Not Achieved

Target	Result		Commentary	2020-2021 Target
98%	98%	✓	Strong result in challenging operating conditions due to COVID-19 pandemic with majority of staff working remotely processing the large volume of applications for the COVID-19 Jobs Support Loans Scheme.	98%
100%	100%	✓	33 applications were assessed in the period and all decisioned within the statutory timeframe of 20 business days after the expiry of the show cause period.	100%
80%	100%	✓	2 reviews were undertaken and all upheld the original decision.	80%
230	232	✓	Greater number of net approvals due to additional funding provided for PIPES in 2019-2020.	230
50%	51%	✓	Result achieved, continued strong interest in First Start Loans from new entrants to agriculture industry.	50%
70%	73%	✓	Result achieved in line with historical trends.	70%
75%	68%	×	Result not achieved, interest from new clients to take up loans may have been tempered by the challenging weather conditions of 2019-2020 and uncertainty with COVID-19 pandemic.	75%
$100 million	$117.1 million	✓	Additional funding provided for PIPES in 2019-2020.	$100 million
<1.0%	0.40%	✓	Result achieved in line with historical trends.	<1.0%
$25 million	$24 million	×	Lower than anticipated revenue was offset by unbudgeted revenue from administration of the COVID-19 Jobs Support Loan Scheme.	$23.2 million
$3.6 million	-$2.7 million	×	Due to lower than anticipated revenue and higher expenditure, an administration deficit occurred.	$0.07 million
60	50	×	Prolonged drought and challenging market conditions across Queensland required more intensive loan management. In addition, permanent FTE rose slightly in Program Service Delivery to handle volume of applications for the COVID-19 Jobs Support Loan Scheme.	60
50%	91%	✓	Result achieved.	50%
85%	87%	✓	Result achieved.	85%
90%	90%	✓	Result achieved.	90%
100%	100%	✓	Result achieved.	100%
5	8	✓	Result achieved and reflects strong year in terms of total number of schemes acquired.	5
3	10	✓	QRIDA continuing to expand its service delivery beyond traditional primary production schemes.	3
8	14	✓	Result achieved and reflects strong year in terms of total number of schemes acquired.	8
3	6	✓	Results reflect active year in terms of new business development, opening up more opportunities for QRIDA to deliver schemes.	3

Queensland Rural and Industry Development Authority Financial Statements

for the financial year ended 30 June 2020

Contents

For information in relation to QRIDA's financial statements, please email contact_us@qrida.qld.gov.au or visit www.qrida.qld.gov.au.

Queensland Rural and Industry Development Authority
Statement of Comprehensive Income

for the year ended 30 June 2020

	Notes	2020 Actual $'000	2020 Original Budget $'000	Budget Variance* $'000	2019 Actual $'000
Income from Continuing Operations					
Grants and other contributions	3	148,587	289,220	(140,633)	177,223
Fees	4	10,115	11,371	(1,256)	10,568
Interest	5	43,203	41,903	1,300	40,030
Other revenue		17	-	17	63
Total Revenue		**201,922**	**342,494**	**(140,572)**	**227,883**
Gain on borrowings received at greater than fair value	15.1	981	2,042	(1,061)	416
Gain on disposal of property, plant and equipment		2	-	2	-
Total Income from Continuing Operations		**202,905**	**344,535**	**(141,631)**	**228,300**
Expenses from Continuing Operations					
Employee expenses	6	16,256	14,628	1,628	11,866
Supplies and services	7	10,993	6,514	4,479	5,681
Grants and subsidies	8	98,270	318,733	(220,463)	86,287
Depreciation and amortisation		334	285	49	187
Loss on loans issued at greater than fair value	12.4	217,886	26,180	191,707	25,924
Loss on loan commitments issued at greater than fair value	12.5	13,722	-	13,722	-
Impairment losses	12.2	103,836	690	103,147	432
Finance/borrowing costs	9	7,100	8,817	(1,718)	9,481
Other Expenses	10	11,724	-	11,724	-
Total Expenses from Continuing Operations		**480,121**	**375,847**	**104,275**	**139,856**
Operating Result from Continuing Operations		**(277,216)**	**(31,311)**	**(245,905)**	**88,444**
Operating Result for the Year		**(277,216)**	**(31,311)**	**(245,905)**	**88,444**
Total Comprehensive Income		**(277,216)**	**(31,311)**	**(245,905)**	**88,444**

The accompanying notes form part of these statements.

**An explanation of major variances is included at Note 23*

Queensland Rural and Industry Development Authority
Statement of Financial Position

as at 30 June 2020

	Notes	2020 Actual $'000	2020 Original Budget $'000	Budget Variance * $'000	2019 Actual $'000
Current Assets					
Cash and cash equivalents	11	251,512	122,421	129,092	210,550
Loans and advances	12	84,181	80,996	3,185	104,983
Receivables		6,824	184	6,640	1,343
Total Current Assets		**342,517**	**203,601**	**138,917**	**316,876**
Non-Current Assets					
Loans and advances	12	1,073,405	430,497	642,908	406,406
Property, plant and equipment		229	217	12	327
Intangible Assets	13	1,643	1,551	92	1,874
Total Non-Current Assets		**1,075,277**	**432,265**	**643,012**	**408,606**
Total Assets		**1,417,794**	**635,866**	**781,929**	**725,482**
Current Liabilities					
Trade and Other Payables		1,819	493	1,325	777
Loan Commitments	12.5	13,722	-	13,722	-
Unearned Revenue		-	327	(327)	1,526
Interest-bearing borrowings	14	60,626	38,195	22,431	88,362
Non-interest-bearing borrowings	15	4,960	5,177	(217)	4,818
Accrued employee benefits		3,614	2,648	965	2,789
Total Current Liabilities		**84,740**	**46,840**	**37,900**	**98,271**
Non-Current Liabilities					
Trade and Other Payables		-	83	(83)	133
Unearned Revenue		-	1,110	(1,110)	1,697
Interest-bearing borrowings	14	193,605	191,921	1,684	166,416
Non-interest-bearing borrowings	15	17,118	17,470	(352)	12,988
Accrued employee benefits		148	117	31	124
Total Non-Current Liabilities		**210,871**	**210,702**	**169**	**181,359**
Total Liabilities		**295,611**	**257,542**	**38,069**	**279,630**
Net Assets		**1,122,183**	**378,324**	**743,859**	**445,853**
Equity					
Contributed equity		1,087,652	137,652	950,000	137,652
Accumulated surplus		34,531	240,672	(206,141)	308,201
Total Equity		**1,122,183**	**378,324**	**743,859**	**445,853**

The accompanying notes form part of these statements.

** An explanation of major variances is included at Note 23*

Queensland Rural and Industry Development Authority
Statement of Changes in Equity

for the year ended 30 June 2020

	Accumulated Surplus	Contributed Equity	Total
	$'000	$'000	$'000
Balance as at 1 July 2018	219,757	137,652	357,409
Operating result for the year	88,444	-	88,444
Total Comprehensive Income for the year	88,444	-	88,444
Balance as at 30 June 2019	**308,201**	**137,652**	**445,853**
Net effect of changes in accounting policies on adoption of AASB 15 and AASB 1058 (**Note 27.2**)	3,217	-	3,217
Net effect of changes in accounting policies on adoption of AASB 16 (**Note 27.4**)	329	-	329
Balance as at 1 July 2019	**311,747**	**137,652**	**449,399**
Operating result for the year	(277,216)	-	(277,216)
Total Comprehensive Income for the year	**(277,216)**	**-**	**(277,216)**
Transactions with owners as owners:			
Non-appropriated equity injection **(Note 16)**	-	950,000	950,000
Balance as at 30 June 2020	**34,531**	**1,087,652**	**1,122,183**

The accompanying notes form part of these statements.

Queensland Rural and Industry Development Authority
Statement of Cash Flows
for the year ended 30 June 2020

	Notes	2020 Actual $'000	2020 Original Budget $'000	Budget Variance* $'000	2019 Actual $'000
Cash flows from operating activities					
Inflows:					
Grants and other contributions		148,373	287,466	(139,093)	177,250
Fees		4,345	10,794	(6,450)	1,376
Interest received		23,052	25,019	(1,967)	24,870
GST input tax credits from ATO		292	-	292	205
GST collected from customers		5,364	-	5,364	8,942
Other		17	-	17	63
Outflows:					
Employee expenses		(15,407)	(14,628)	(779)	(11,675)
Supplies and services		(9,844)	(6,564)	(3,280)	(5,220)
Grants and subsidies		(98,270)	(318,733)	220,463	(86,287)
Finance/borrowing costs		(5,855)	(6,327)	472	(6,322)
Other expenses		(11,724)	-	(11,724)	-
GST paid to suppliers		(231)	-	(231)	(351)
GST remitted to ATO		(5,049)	-	(5,049)	(8,806)
Net cash provided by operating activities	CF-1	**35,063**	**(22,973)**	**58,036**	**94,044**
Cash flows from investing activities					
Inflows:					
Sales of property, plant and equipment		2	-	2	-
Loans and advances redeemed		120,349	119,547	802	80,653
Outflows:					
Payments for property, plant and equipment		(6)	-	(6)	-
Payments for intangible assets		-	-	-	(671)
Loans and advances made		(1,067,908)	(125,883)	(942,025)	(101,837)
Net cash used in investing activities		**(947,562)**	**(6,335)**	**(941,227)**	**(21,855)**
Cash flows from financing activities					
Inflows:					
Interest-bearing and non-interest-bearing-borrowings	CF-2	71,963	63,655	8,307	42,052
Equity injection		950,000	-	950,000	-
Outflows:					
Interest-bearing and non-interest-bearing borrowing redemptions	CF-2	(68,501)	(82,952)	14,451	(45,090)
Net cash used in financing activities		**953,462**	**(19,296)**	**972,758**	**(3,038)**
Net increase (decrease) in cash and cash equivalents		40,963	(48,605)	89,567	69,151
Cash and cash equivalents at beginning of financial year		**210,550**	**171,025**	**39,525**	**141,399**
Cash and cash equivalents at end of financial year	11	**251,512**	**122,421**	**129,092**	**210,550**

The accompanying notes form part of these statements.

**An explanation of major variances is included at Note 23.*

NOTES TO THE STATEMENT OF CASH FLOWS

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

	2020 $'000	2019 $'000
Operating surplus/(deficit)	(277,216)	88,444
Non-Cash items included in operating result:		
Depreciation and amortisation expense	334	187
Gain on disposal of plant and equipment	(2)	-
Impairment Losses	103,836	432
Loss on loan commitments issued at greater than fair value	13,722	-
Change in assets and liabilities:		
(Increase)/decrease in accrued interest income	704	120
(Increase)/decrease in unamortised discount on borrowings received at greater than fair value	771	2,742
(Increase)/decrease in GST input tax credits receivable	61	(57)
(Increase)/decrease in other receivables	(5,299)	(503)
Increase/(decrease) in accounts payable	673	286
Increase/(decrease) in interest payable	(507)	(3)
Increase/(decrease) in unamortised discount on loans issued at greater than fair value	196,821	10,677
Increase/(decrease) in accrued employee benefits	849	148
Increase/(decrease) in GST payable	315	47
Increase/(decrease) in lease incentive	-	(50)
Increase/(decrease) in unearned revenue	-	(8,427)
Net cash provided by operating activities	**35,063**	**94,044**

CF-2 Changes in Liabilities Arising from Financing Activities

2020		Cash Flows		Non-Cash Changes		
	Closing Balance 2019	Cash Received	Cash Repayments	Accrued interest & other transfer	Amortised cost changes	Closing Balance 2020
	$'000	$'000	$'000	$'000	$'000	$'000
Interest-bearing borrowings	254,778	60,400	(63,684)	2,117	620	254,231
Non-interest-bearing borrowings	17,805	11,563	(4,818)	(2,624)	152	22,078
Total	**272,583**	**71,963**	**(68,501)**	**(507)**	**772**	**276,309**

2019		Cash Flows		Non-Cash Changes		
	Closing Balance 2018	Cash Received	Cash Repayments	Accrued interest & other transfer	Amortised cost changes	Closing Balance 2019
	$'000	$'000	$'000	$'000	$'000	$'000
Interest-bearing borrowings	252,584	40,458	(40,174)	1,578	1,910	254,778
Non-interest-bearing borrowings	20,248	1,594	(4,916)	(1,578)	879	17,805
Total	**272,832**	**42,052**	**(45,090)**	**-**	**2,789**	**272,583**

Queensland Rural and Industry Development Authority
Notes to the Financial Statements
for the year ended 30 June 2020

Section 1 - About QRIDA and this financial report

Note 1: Basis of financial statement preparation

1.1 General Information

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

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

1.2 Compliance with prescribed requirements

QRIDA has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019.

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

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in **Note 27**.

1.3 Presentation

Currency and Rounding

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

Comparatives

Comparative information reflects the audited 2018-19 financial statements.

Current/Non-Current Classification

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

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

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

1.4 Authorisation of financial statements for issue

The financial statements are authorised for issue by Chair of the Board of Directors, Chair of Audit and Risk Management Committee, Chief Executive Officer and Chief Financial Officer at the date of signing of the Management Certificate.

1.5 Basis of measurement

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

Historical Cost

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

Fair Value

Refer to **Note 17** for an explanation of Fair Value.

Present Value

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

Amortised Cost using the effective interest method

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

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

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

Note 2: Objectives of QRIDA

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

QRIDA's objectives are to:

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

Section 2 - Notes about our financial performance

Note 3: Grants and other contributions

	2020 $'000	2019 $'000
QRIDA Operational Funding	12,914	12,486
Grant Funding Administered		
Farm Management Grant	-	960
North Queensland Restocking, Replanting & On-farm Infrastructure Grants	60,000	50,000
Natural Disaster Relief and Recovery Arrangements	-	762
Queensland Bus Driver Safety Scheme	-	5,470
Disaster Recovery Funding Arrangements	55,000	85,000
Rural Economic Development Grants	3,183	3,183
Affordable Energy Plan	-	19,010
Household Waste Payment Scheme	3,270	-
Farming in Reef Catchments Rebate Scheme	9,524	-
Wheelchair Accessible Taxi Grant Scheme	4,482	-
Other Schemes	-	352
Services received below fair value	214	-
Total Grants and Subsidies	**148,587**	**177,223**

Accounting Policy

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

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

Services received below fair value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, the amount representing the fair value is recognised as revenue with a corresponding expense for the same amount.

Disclosure – QRIDA Operational Funding

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

Disclosure – Grant Funding Administered

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

Note 3: Grants and other contributions (continued)

The following table represents the administered programs and their grantors:

Programs administered by QRIDA	Grantor
Farm Management Grant	Department of Agriculture and Fisheries
North Queensland Restocking, Replanting & On-farm Infrastructure Grants	Australian Government
Natural Disaster Relief and Recovery Arrangements	Queensland Reconstruction Authority
Queensland Bus Driver Safety Scheme	Department of Transport and Main Roads
Disaster Recovery Funding Arrangements	Queensland Reconstruction Authority
Rural Economic Development Grants	Department of Agriculture and Fisheries
Affordable Energy Plan	Department of Natural Resources, Mines and Energy
Household Waste Payment Scheme	Department of Environment and Science
Farming in Reef Catchments Rebate Scheme	Department of Environment and Science
Wheelchair Accessible Taxi Grant Scheme	Department of Transport and Main Roads

Disclosure – Services received below fair value

During 2019-20, QRIDA received services from Queensland Treasury, Queensland Treasury Corporation (QTC) and Queensland Investment Corporation. The services are provided free of charge in order to help QRIDA to manage a large volume of COVID-19 Jobs Support Loans applications in a short period. An equal amount to services received below fair value revenue is recognised as Supplies and Services.

Note 4: Fees

	2020 $'000	2019 $'000
Revenue from contracts with customers		
Sale of services	1,050	585
Other fees		
State Government	9,065	3,483
Commonwealth Government	-	6,500
Total	**10,115**	**10,568**

Accounting policy – Revenue from contracts with customers

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

Accounting policy – Other fees

Other fee revenue is accounted for under AASB *1058 Income of Not for Profit Entities* and recognised upfront when QRIDA first gains control of the asset (i.e. cash or receivable). The adoption of AASB 1058 in 2019-20 resulted in a change to the timing of revenue recognition for those fees received in advance. Accordingly, this resulted in an adjustment to opening accumulated surplus and a derecognition to the provisions for unearned revenue. Included in this adjustment on 1 July 2019 was fee revenue received from the Australian Government in prior years to administer the Commonwealth Concessional Loan Schemes.

Note 5: Interest

	Note	2020 $'000	2019 $'000
Contractual interest on loans		18,413	20,602
Amortisation of discount on loans	12.4	21,065	15,246
Effective interest income on loans		39,478	35,848
Add: Interest earned on cash and investments		3,725	4,182
Total		**43,203**	**40,030**

Accounting Policy

Interest revenue is recognised using the effective interest method.

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

Interest earned on cash and investments: Interest revenue is from cash deposited with QTC and banks.

Note 6: Employee expenses

	2020 $'000	2019 $'000
Employee Benefits		
Wages and salaries*	12,106	8,759
Annual leave expense	1,247	926
Employer superannuation contributions	1,514	1,146
Long service leave expense	324	182
Other employee benefits	155	148
Employee Related Expenses		
Workers' compensation premium	15	17
Payroll tax	738	528
Other employee related expenses	159	159
Total	**16,256**	**11,866**

* Wages and salaries include $157,300 of $1,250 one-off, pro-rata payments for 126 full-time equivalent employees (announced in September 2019).

	2020 No.	2019 No.
Full-time equivalent employees	168	118

Accounting Policies

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

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

Note 6: Employee expenses (continued)

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

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

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

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

All directly associated on-costs (e.g. employer superannuation contributions, payroll tax and workers' compensation insurance) are also recognised as liabilities, where these on-costs are material. The discount rates used to calculate the present value of long service leave are from 0.14 per cent to 0.44 per cent (2019: 1.03 per cent to 1.19 per cent). The discount rates are attached to Australian Stock Exchange (ASX) government bonds yields at the reporting date, which most closely matched the terms of maturity of the related obligations.

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

Defined Contribution Plans – Contributions are made to eligible complying superannuation funds based on the rates specified in *State Government Entities Certified Agreement 2019* or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

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

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

Key management personnel and remuneration disclosures are detailed in **Note 24.**

Note 7: Supplies and services

	Note	2020 $'000	2019 $'000
Advertising and promotion		377	302
Audit fees - Queensland Audit Office	7.1	73	72
Computer expenses		1,648	872
Contractors		4,177	2,250
Professional and legal expenses		101	178
Office accommodation		1,044	899
Securities expenses		2,598	127
Motor vehicle and travel expenses		325	409
Lease expenses	7.2	19	-
Other		632	573
Total		**10,993**	**5,681**

Accounting Policies

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

Note 7: Supplies and services (continued)

Office accommodation - QRIDA is provided access to office accommodation by the Department of Housing and Public Works (DHPW), the Department of Natural Resources, Mines and Energy (DNRME) and the Department of Agriculture and Fisheries (DAF) under government-wide frameworks. These arrangements are categorised as procurement of services rather than leases because DHPW, DNRME and DAF has substantive substitution rights over the assets.

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

Lease expenses - Lease expenses include lease rentals for leases of low value assets. QRIDA has elected not to recognise right-of-use assets and lease liabilities arising from leases of low value assets. The lease payments are recognised as expenses on actual amount basis over the lease term. An asset is considered low value where it is expected to cost less than $10,000 when new. Refer to **Note 7.2** for breakdown of lease expenses and other lease disclosures.

7.1 Audit Fees

Total audit fees quoted by the Queensland Audit Office relating to the 2019-20 financial statements are $73,168 (2019: $67,640).

7.2 Lease Expenses

	2020 $'000	2019 $'000
Expenses relating to leases of low value assets	19	-
Total cash out flow for leases	19	-

2018-19 disclosures under AASB 117

	2019 $'000
Not later than one year	687
Later than one year and not later than five years	2,009
Total	**2,696**

Note 8: Grants and subsidies

	2020 $'000	2019 $'000
Farm Management Grant	759	1,059
North Queensland Restocking, Replanting & On-farm Infrastructure Grants	32,397	1,635
Natural Disaster Relief and Recovery Arrangements	-	762
Disaster Recovery Funding Arrangements	53,422	78,051
Rural Economic Development Grants	2,458	116
Affordable Energy Plan	7,308	4,304
Vessel Tracking Rebate Scheme	271	358
Household Waste Payment Scheme	563	-
Queensland Bus Driver Safety Scheme	480	-
Wheelchair Accessible Taxi Grant Scheme	539	-
Other Schemes	73	2
Total	**98,270**	**86,287**

Accounting Policy

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

Note 9: Finance/borrowing costs

	Note	2020 $'000	2019 $'000
Contractual interest on borrowings		5,348	6,273
Amortisation of discount on borrowings	9.1	1,752	3,206
Interest – Other		-	2
Total effective interest on borrowings		**7,100**	**9,481**

Accounting Policy

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

9.1 Amortisation of discount on borrowings

	Note	2020 $'000	2019 $'000
Amortisation of discount on interest-bearing borrowings	14.1		
Effective interest		1,842	1,812
Other unwinding of discount		(1,223)	98
Amortisation of discount on non-interest-bearing borrowings	15.1		
Effective interest		877	1,047
Other unwinding of discount		255	249
Total Amortisation of discount on borrowings		**1,752**	**3,206**

Note 10: Other expenses

	2020 $'000	2019 $'000
Unspent funding returned	11,724	-
Total	**11,724**	**-**

Disclosure – unspent funding returned

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

Section 3 - Notes about our financial position

Note 11: Cash and cash equivalents

	2020 $'000	2019 $'000
Cash at Bank	30,274	7,209
Queensland Treasury Corporation (QTC) - at call	221,238	203,340
Total	**251,512**	**210,550**

Accounting Policy

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

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

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

Note 12: Loans and advances

	2020 $'000	2019 $'000
Gross carrying amount	1,573,087	626,329
Less: Allowance for expected credit losses	(105,803)	(2,063)
Discount on loans issued at greater than fair value	(309,699)	(112,877)
	1,157,585	**511,389**
Current	84,181	104,983
Non-Current	1,073,405	406,406
Total	**1,157,585**	**511,389**

Accounting Policy

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

Loans and advances are measured initially at fair value. Where loans and advances are provided with interest- free periods or at concessional interest rates, they are considered to have a fair value which is less than the amount lent. This fair value is calculated in accordance with **Note 17.1**. The difference between the amount lent and the fair value is recognised as a charge for discounted loans in profit or loss.

Subsequently, loans and advances are measured at amortised cost using the effective interest method as defined in **Note 1.5**. The discount rate used to calculate the amortised cost is the original effective interest rate applied to the loan and is calculated in accordance with **Note 17.1**.

12.1 Impairment of Loans and Advances

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

Note 12: Loans and advances (continued)

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

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

QRIDA does not have any purchased or originated credit impaired loans during or at the end of the financial year (2019: Nil).

Segmentation

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

1) Disaster Recovery loans – loans provided to primary producers, small business and non-profit organisations that are affected by disaster events;
2) Loans administered under the Primary Industry Productivity Enhancement Scheme (PIPES) and Commonwealth Concessional Loan Schemes (CCLS) – loans to primary producers to enhance production in Queensland;
3) Solar and Battery loans – interest-free loans to Queensland households and small businesses to purchase solar systems and battery storage; and
4) COVID-19 Jobs Support Loans – loans to businesses that have been financially impacted by the COVID-19 pandemic.

The segmentation into the first two portfolios has been determined based on past due information as well as historical loss write-off data over a 10-year period.

The third segment is a distinctive portfolio of loans which are all unsecured and non-interest bearing.

The fourth segment is the Queensland Government $1,000 million COVID-19 Jobs Support Loans scheme which is being provided to assist Queensland businesses and non-profit organisations financially impacted by COVID-19 to retain employees and maintain their operations. The maximum of each loan is $250,000 and the loan term is 10 years. The first year of the loan is repayment free and no interest is charged. Following the first year, payments are interest-only for 2 years, after which principal and interest repayments apply for the remaining term.

Assessment of Significant Increase in Credit Risk (SICR)

In determining whether there has been a significant increase in credit risk, QRIDA has applied different criteria depending on the loan segment.

The criteria for the PIPES/CCLS and Disaster Recovery loans are a combination of quantitative and qualitative stage triggers based on:

- The change in the lifetime risk of default based on QRIDA's internally-developed Default Risk Rating (DRR) system;
- The number of days in arrears of the loan, i.e. the Days Past Due (DPD); and
- Other qualitative criteria determined as appropriate by the Client Management team to individually identify credit impaired loans.

For the Solar/Battery loans, QRIDA has applied the presumption in AASB 9 that a significant increase in credit risk occurs when contractual loan payments are more than 30 days in arrears.

As the COVID-19 Jobs Support Loans scheme was only launched in March 2020 and no repayments are required during the first year of the loan, there is no arrears data to determine whether a significant increase in credit risk has occurred. It is estimated that a proportion of the portfolio has been financially impacted since loan origination and that a significant increase in credit risk has occurred for this proportion. The change to Stage 2 for a subset of the Disaster Recovery loans has been used as a proxy of the incremental percentage to Stage 2 for the COVID-19 Jobs Support Loans.

Definition of Default

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

- For PIPES/CCLS and Disaster Recovery segments, a loan is considered to be in default or credit impaired at the earlier of:
  - an event of default as defined in the Facility Agreement occurs;
  - the loan becomes more than 300 DPD;
  - the loan is considered insolvent, with loan recovery entirely dependent on either voluntary or forced sale of all assets.
- For the Solar/Battery and COVID-19 Jobs Support Loans segments, a loan is considered to be in default and therefore assessed as Stage 3 (credit impaired) at the earlier of an event of default as defined in the Facility Agreement or when the borrower becomes more than 90 DPD on their contractual payments.

Note 12: Loans and advances (continued)

12.2 Calculation of Expected Credit Losses (ECL)

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

To calculate ECL, QRIDA has applied the following credit risk factors:

Probability of Default (PD): an estimate of the likelihood of default over a given time horizon. 12-month PD and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at the balance sheet date and future economic conditions that affect credit risk. A roll rate model has been used to estimate the PD. The roll rate approach determines the PD for each of the DPD buckets based on historical data to which are applied forward-looking adjustments.

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

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

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

Financial assets in Stage 1 and Stage 2 are assessed for impairment collectively while exposures in Stage 3 are individually assessed. Collective 12-month ECL (Stage 1) and lifetime ECL for (Stage 2) financial instruments that have similar credit risk characteristics are clustered in the four segments as discussed above and collectively assessed for impairment losses.

Incorporation of Forward-Looking Information

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

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

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

Solar/Battery Loan Segment

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

COVID-19 Jobs Support Loans Segment

The existing ECL model has been modified for the ECL calculation of this loan portfolio originated during the current financial year. The roll rate matrix has been modified so that only the historical arrears data for the Disaster Recovery loans to business and non-profit organisations was applied. The resultant PD is then used as one of the variables in calculating the collective ECL. An estimated Stage 2 overlay has also been factored into the calculation and this represents the forecast percentage of exposures (10%) that have an increased credit risk since origination.

Significant Judgements and Estimates – ECL Allowance for COVID-19 Jobs Support Loans

The challenges and limitations that QRIDA faces in its measurement of the ECL allowance and the estimates required in the measurement of the allowance is dependant on data that is not readily observable due to the current economic environment and the nature of the scheme. These include:

- lack of relevant and comparable data for forecasting ECL due to federal government instigated moratorium on director liability for insolvent trading and ongoing government stimulus payments which are potentially masking the financial state of businesses;
- lack of a comparable scheme or portfolio internally or externally to benchmark loss rates and probabilities;
- the small dataset within the Disaster Recovery loans portfolio used as a proxy for estimating probability of default and SICR;
- no repayments falling due in the current period which limits QRIDA's ability to assess SICR and the existence of credit-impaired loans;
- no repayments were due by 30 June 2020 and therefore no data for the loans was available on which to base the estimate;
- the short period that has elapsed since origination of the loans to assess changes in credit risk and obtain relevant data.

Given the factors disclosed above and the inherent subjectivity in such an estimate in the current environment, the ECL allowance for the COVID-19 Jobs Support loans is subject to a significant level of estimation uncertainty and has a significant risk of resulting in a material adjustment to the carrying amount of $652.14 million (**Note 31**) within the next financial year.

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

1. <u>Estimate of LGD</u>: QRIDA has applied an LGD rate of 95% of Exposure at Default. Security is required to be taken for loans over $100,000. Whilst nearly 80% of the loans exceed $100,000 and are therefore secured, the form of security taken over business assets is considered weak and the opportunity to realise the security is not readily available. This variable has a material impact on calculation of the ECL. If the average LGD of 53% for the 'other retail' portfolio of the 4 major Australian banks was applied, this would decrease the ECL allowance from $103.43 million to $57.71 million, all other variables remaining constant. The quality of security taken by the major banks is considered to be of a much higher quality.

Note 12: Loans and advances (continued)

2. Estimate of proportion of Stage 2 exposures: QRIDA has estimated that 10% of exposures will have experienced a significant increased credit risk at 30 June as compared with the date the loans were originated. This increment is based on the delta to Stage 2 between the end of February and May 2020 for a subset of the Disaster Recovery loan arrears data of 6.89%. It has been uplifted to 10% to reflect the perceived higher credit risk of the COVID-19 Jobs Support loans. It is inherently difficult to measure this proportion given the immature nature of the portfolio. If 20% of exposures had an increased credit risk, this would increase the ECL allowance from $103.43 million to $139.64 million, all other variables remaining constant.

It is not expected that these uncertainties will be resolved by 30 June 2021. Whilst there will be evidence of the proportion of loans unable to be repaid due to insolvency, it will still be difficult to estimate SICR based on repayment behaviour as principal and interest repayments do not commence until March 2023.

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

Overall the total ECL allowance increased by $103 .74 million (2019 $0.41 million) compared to the opening loss allowance. This is primarily due to the portfolio of COVID-19 Jobs Support loans issued during the current financial year (ECL 2020: $103.43 million ECL 2019:Nil).

Write-off of Debt

If QRIDA determines that an amount owing by a debtor does become uncollectible (after an appropriate range of debt recovery actions), that amount is recognised as a Bad Debt expense and written-off directly against loans and advances. Loans written off during 2019-20 totalled $96,083 (2019:$21,909).

The write-off policy requires that all options to recover the debt must be fully exhausted without the debt being fully cleared before the remaining debt will be written off. Reasons why QRIDA believes that further action to recover the debt will not be cost effective must be provided.

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

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

12.3 Credit Risk Exposure of Loans and Advances

Definition	Exposure	Measurement Method	Risk Management Strategies
Credit risk exposure refers to the situation where QRIDA may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	• The maximum exposure to credit risk at Statement of Financial Position date in relation to each class of recognised loans and advances is the gross carrying amount of those assets before allowing for any fair value adjustments or provisions for impairment. • Loans that are secured on real property in Australia are exposed to the risk of the increase of the Loan to Value Ratio (LVR) should the property market be subject to a decline.	• Ageing Analysis • Risk of loss in event of default • Risk of default • Concentrations of credit risk in relation to loans	• The method of managing credit risk exposure is by way of credit assessment procedures, annual loan reviews, and quarterly reporting of arrears to the Board. • The risk of loss from the loans undertaken is primarily reduced by the nature and quality of the security taken. The valuation of securities is assessed annually to ensure sufficient collateral to cover the indebtedness of borrowers. QRIDA's policy is to hold security over real property where available.

Note 12: Loans and advances (continued)

Credit Risk Exposure by Risk Grading

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

	Stage 1 2020 $'000	Stage 1 2019 $'000	Stage 2 2020 $'000	Stage 2 2019 $'000	Stage 3 2020 $'000	Stage 3 2019 $'000	Total 2020 $'000	Total 2019 $'000
PIPES/CCLS & Disaster Recovery								
Low Risk of Default	66,935	89,637	9	39	-	-	66,944	89,676
Medium Risk of Default	536,108	507,912	5,060	5,031	3,964	1,725	545,132	514,669
High Risk of Default	-	-	3,635	4,797	3,547	3,359	7,182	8,156
Very High Risk of Default	-	-	-	-	1,580	1,382	1,580	1,382
Solar/Battery	24,178	12,406	133	36	60	4	24,371	12,446
Total	**627,221**	**609,955**	**8,837**	**9,903**	**9,151**	**6,470**	**645,209**	**626,329**

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

	Stage 1 2020 $'000	Stage 1 2019 $'000	Stage 2 2020 $'000	Stage 2 2019 $'000	Stage 3 2020 $'000	Stage 3 2019 $'000	Total 2020 $'000	Total 2019 $'000
COVID-19 Jobs Support Loans								
Minimal/Very Low Risk	193,123	-	-	-	-	-	193,123	
Low Risk	292,656	-	-	-	-	-	292,656	-
Average Risk	328,260	-	-	-	-	-	328,260	-
Moderate Risk	21,051	-	58,583	-	-	-	79,634	-
High/Very High/Severe Risk	-	-	34,205	-	-	-	34,205	-
Total	**835,090**	**-**	**92,788**	**-**	**-**	**-**	**927,878**	**-**

	Stage 1 2020 $'000	Stage 1 2019 $'000	Stage 2 2020 $'000	Stage 2 2019 $'000	Stage 3 2020 $'000	Stage 3 2019 $'000	Total 2020 $'000	Total 2019 $'000
Total – All segments	**1,462,311**	**609,955**	**101,625**	**9,903**	**9,151**	**6,470**	**1,573,087**	**626,329**

Note 12: Loans and advances (continued)

Concentration of Exposure

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

	Maximum credit risk exposure			
	% of total loans		$'000	
	2020	**2019**	**2020**	**2019**
Geographical area				
Queensland				
Cape York and the Gulf	0.30%	0.24%	1,884	1,443
Central North	8.84%	16.67%	54,865	102,362
Charleville - Longreach	5.73%	5.53%	35,581	33,956
Eastern Darling Downs	11.43%	11.40%	70,955	69,969
Northern Coastal - Mackay to Cairns	17.43%	15.04%	108,204	92,298
Southern Coastal - Curtis to Moreton	27.73%	27.37%	172,131	168,015
West and South West	3.83%	3.55%	23,773	21,811
Western Downs and Central Highlands	24.51%	19.66%	152,219	120,696
Northern Territory	0.20%	0.54%	1,226	3,332
Total*	**100.00%**	**100.00%**	**620,838**	**613,883**
Industry				
Aquaculture & Fishing	1.50%	1.11%	9,312	6,824
Beef Cattle	52.80%	53.60%	327,790	329,019
Dairy Cattle	2.44%	2.33%	15,144	14,317
Grain & Livestock	9.26%	10.64%	57,482	65,288
Other Crops	7.21%	7.56%	44,790	46,438
Other Livestock	1.87%	1.57%	11,593	9,627
Sheep Farming	3.92%	3.66%	24,349	22,450
Small Crops & Fruit	4.44%	4.16%	27,563	25,567
Sugar Cane Growing	15.18%	14.07%	94,268	86,390
Small Business	1.38%	1.30%	8,547	7,963
Total*	**100.00%**	**100.00%**	**620,838**	**613,883**
Solar/Battery Loans			24,371	12,446
Grand Total			**645,209**	**626,329**

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

Note 12: Loans and advances (continued)

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

	Maximum credit risk exposure			
	% of total loans		$'000	
	2020	2019	2020	2019
Geographical area				
Queensland				
Cape York and the Gulf	0.30%	-	2,795	-
Central North	0.78%	-	7,248	-
Charleville - Longreach	0.15%	-	1,368	-
Eastern Darling Downs	3.46%	-	32,074	-
Northern Coastal - Mackay to Cairns	13.23%	-	122,741	-
Southern Coastal - Curtis to Moreton	80.67%	-	748,503	-
West and South West	0.41%	-	3,832	-
Western Downs and Central Highlands	1.00%	-	9,317	-
Total	**100.00%**	**-**	**927,878**	**-**
Industry				
Accommodation and Food Services	11.88%	-	110,198	-
Administrative and Support Services	4.02%	-	37,287	-
Agriculture, Forestry and Fishing	1.69%	-	15,709	-
Arts and Recreation Services	2.73%	-	25,299	-
Construction	15.15%	-	140,594	-
Education and Training	2.47%	-	22,914	-
Electricity, Gas, Water and Waste Services	0.65%	-	6,026	-
Financial and Insurance Services	2.32%	-	21,539	-
Health Care and Social Assistance	8.38%	-	77,778	-
Information Media and Telecommunications	1.33%	-	12,307	-
Manufacturing	9.52%	-	88,355	-
Mining	0.64%	-	5,959	-
Other Services	5.56%	-	51,577	-
Professional, Scientific and Technical Services	12.19%	-	113,091	-
Public Administration and Safety	0.55%	-	5,080	-
Rental, Hiring and Real Estate Services	5.15%	-	47,820	-
Retail Trade	8.89%	-	82,504	-
Transport, Postal and Warehousing	2.42%	-	22,474	-
Wholesale Trade	4.46%	-	41,367	-
Total	**100.00%**	**-**	**927,878**	**-**

Collateral and Other Credit Enhancements

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

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

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

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

Note 12: Loans and advances (continued)

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

Stage 3 Loans and Advances as at 30 June 2020

$'000

	Segments	Maximum Exposure to Credit Risk	Total Collateral *	Net Exposure	Associated ECL
Loans with Sufficient Collateral	Disaster Recovery	884	5,788	-	-
	PIPES & CCLS	5,891	7,573	-	-
Loans with Insufficient Collateral	Disaster Recovery	614	330	284	494
	PIPES & CCLS	1,702	798	904	1,352
	Solar/Battery	60	-	60	1
	Total	**9,151**	**14,489**	**1,248**	**1,847**

Stage 3 Loans and Advances as at 30 June 2019

$'000

	Segments	Maximum Exposure to Credit Risk	Total Collateral *	Net Exposure	Associated ECL
Loans with Sufficient Collateral	Disaster Recovery	999	5,399	-	-
	PIPES & CCLS	2,956	7,173	-	-
Loans with Insufficient Collateral	Disaster Recovery	657	-	657	588
	PIPES & CCLS	1,854	550	1,192	877
	Solar/Battery	4	-	4	-
	Total	**6,470**	**13,122**	**1,853**	**1,466**

* QRIDA's Net Security Value

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

	Note	2020 $'000	2019 $'000
Balance at 1 July		**112,877**	**102,200**
Loss on loans issued at greater than fair value		**217,886**	**25,924**
PIPES & CCLS		34,605	19,560
Disaster Recovery		1,834	1,108
Solar/Battery		6,034	5,256
COVID-19 Jobs Support		175,413	-
Amortisation of discount on loans	5	**(21,065)**	**(15,246)**
PIPES & CCLS		(15,262)	(13,936)
Disaster Recovery		(1,068)	(1,140)
Solar/Battery		(1,629)	(170)
COVID-19 Jobs Support		(3,105)	-
Balance at 30 June		**309,699**	**112,877**

Note 12: Loans and advances (continued)

12.5 Loan Commitments

At reporting date, QRIDA has undrawn financial loan commitments of $71.64 million (2019: $39.89 million). Loan commitments are loans that have been approved and are awaiting client drawdown. The discount on loan commitment at greater than fair value is $13.72 million as if the loans were drawn at reporting date. The discount is disclosed as a current liability in the Statement of Financial Position.

Accounting Policy

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

Note 13: Intangible assets

13.1 Closing Balances

	Computer Software	
	2020	**2019**
	$'000	**$'000**
Gross	1,956	1,956
Less: Accumulated amortisation	(313)	(83)
Carrying amount at 30 June	**1,643**	**1,874**

The amount for gross value above represents QRIDA's grants and loans management system – RAPID and online grants application portal – Fast Grants.

13.2 Recognition and Measurement

Accounting Policy

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

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

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

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

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

13.3 Impairment

Accounting Policy

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

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

Note 14: Interest-bearing borrowings

	2020 $'000	2019 $'000
Current		
Queensland Treasury Corporation*	6,821	16,149
Queensland Government**	13,419	13,221
Northern Territory Government	1,225	4,383
Australian Government	39,161	54,609
Total	**60,626**	**88,362**
Non-Current		
Queensland Treasury Corporation*	156,910	94,829
Queensland Government**	32,965	43,140
Northern Territory Government	3	1,016
Australian Government	3,727	27,431
Total	**193,605**	**166,416**
Total	**254,231**	**254,778**

*The loan facility was approved under the Queensland Government's State Borrowing Program (SBP). The approved limit for 2019-20 was $130.00 million . As at 30 June 2020, the amount undrawn under the facility was $69.60 million (2019: $86.28 million). Approval has been received under the 2020-21 SBP to a limit of $80.00 million.

** Under the Natural Disaster Relief and Recovery Arrangements (NDRRA) and Disaster Recovery Funding Arrangement (DRFA) Program, QRIDA borrows funds from the Queensland Government. Part of the funds borrowed is interest-bearing and is shown in this **Note 14**. The other part is interest-free and is shown in **Note 15**.

Accounting Policy

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

Additional Disclosures

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

Where QRIDA is unable to recover concessional loans made to businesses on behalf of the Australian or Northern Territory Governments, QRIDA's obligation to repay the respective liability to the Australian or Northern Territory Governments will be reviewed in accordance with the loan agreements between QRIDA and those governments. Effective from 1 July 2015, QRIDA acted as an agent in managing certain funds on behalf of a number of government agencies. Transactions and balances where QRIDA is an agent are disclosed in **Note 29**.

Interest rates on interest-bearing borrowings range from 0.45 per cent to 2.36 per cent (2019: 1.37 per cent to 3.51 per cent).

14.1 Movement in Discount on Interest-Bearing Borrowings

	Note	2020 $'000	2019 $'000
Balance at 1 July		**4,108**	**6,018**
Amortisation of discount in borrowings:			
Effective interest	9.1	(1,842)	(1,812)
Other unwinding of discount	9.1	1,223	(98)
Balance at 30 June		**3,489**	**4,108**

Note 14: Interest-bearing borrowings (continued)

Accounting Policy

Borrowings are initially recognised at fair value. Where borrowings are provided with interest-free periods or at concessional interest rates, they are considered to have a fair value which is less than the amount borrowed. This fair value is calculated in accordance with **Note 17**. The difference between the amount received and the fair value of those amounts is recognised as a gain on borrowings received at greater than fair value in the Statement of Comprehensive Income.

Subsequently, borrowings are measured at amortised cost using the effective interest method as defined in **Note 1.5**. The discount rate used to calculate the amortised cost is the original effective interest rate applied to the borrowing and is calculated in accordance with **Note 17**.

Finance costs are recognised as Finance/Borrowing Costs in the Statement of Comprehensive Income in the period in which they are incurred. Interest on the borrowings which is calculated using the effective interest method as defined in **Note 1.5** is also reported under Finance/Borrowing Costs (refer to **Note 9**).

Note 15: Non-interest-bearing borrowings

	2020 $'000	2019 $'000
Current		
Queensland Government**	4,960	4,818
Non-current		
Queensland Government**	17,118	12,988
Total Non-Interest-Bearing Borrowings	**22,078**	**17,805**

** Interest-free component of loans for the NDRRA and DRFA program (refer to **Note 14**).

The accounting policy appearing under **Note 14** also applies to the balances shown in this **Note 15.**

15.1 Movement in Discount on Non-Interest-Bearing Borrowings

	Note	2020 $'000	2019 $'000
Balance at 1 July		**2,224**	**3,103**
Gain on borrowings received at greater than fair value		981	416
Amortisation of discount on borrowings:			
Effective interest	9.1	(877)	(1,047)
Other unwinding of discount	9.1	(255)	(249)
Balance at 30 June		**2,072**	**2,224**

Note 16: Equity

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

During 2019-20, QRIDA received $950 million funds from Queensland Treasury through DAF. The funds are program funding for COVID-19 Jobs Support Loans. The transfer is non-reciprocal because QRIDA only provides scheme administration services to DAF. Where QRIDA receives principal and interest repayments from loan recipients, QRIDA returns the received funds back to DAF through a reduction of equity.

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

Section 4 - Notes about risks and other accounting uncertainties

Note 17: Fair value measurement

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

17.1 Fair Value Measurement Hierarchy

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

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

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

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

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

For loans and advances, QRIDA estimates these prevailing market rates by reference to the 90 day bank bill swap bid rate (BBSY 90 Bid) plus a risk premium. The risk premium takes account of the term of the loan and the security available. These risk premiums range from 265 basis points to 650 basis points (2019: from 295 basis points to 680 basis points).

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

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

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

	2020		2019	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets at amortised cost				
Loans and advances	**1,157,585**	**1,319,964**	**511,389**	**530,172**

	2020		2019	
Financial Liabilities	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
	$'000	**$'000**	**$'000**	**$'000**
Financial liabilities at amortised cost				
Australian Government Borrowings	42,888	42,888	82,040	82,040
Northern Territory Government Borrowings	1,228	1,228	5,399	5,399
Queensland Government Borrowings	68,462	72,061	74,167	73,019
Queensland Treasury Corporation Borrowings	163,731	167,862	110,978	113,899
Total	**276,309**	**284,039**	**272,583**	**274,357**

Note 18: Financial risk disclosures

18.1 Financial Instrument Categories

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

Category	Note	2020	2019
Financial Assets		**$'000**	**$'000**
Cash and cash equivalents	11	251,512	210,550
Loans and advances	12	1,157,585	511,389
Receivables		6,849	1,343
Total		**1,415,947**	**723,282**
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Payables		1,819	581
Interest-bearing borrowings	14	254,231	254,778
Non-interest-bearing borrowings	15	22,078	17,805
Total		**278,128**	**273,164**

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

18.2 Financial Risk Management

(a) Risk Exposure

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

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

Note 18: Financial risk disclosures (continued)

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

Risk Exposure	Definition	Exposure	Measurement Method	Risk Management Strategies
Credit risk	Refer to **Note 12**	Refer to **Note 12**	Refer to **Note 12**	Refer to **Note 12**
Liquidity risk	Liquidity risk refers to the situation where QRIDA may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	QRIDA is exposed to liquidity risk in respect of its payables and borrowings from Queensland Treasury Corporation, Queensland Treasury, the Australian Government and the Northern Territory Government for on-lending.	Maturity analysis	QRIDA manages liquidity risk using a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring QRIDA has sufficient funds available to meet payment obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts to match the expected duration of the various liabilities.
Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	QRIDA does not trade in foreign currency or holds investments in shares/unit trusts and is not materially exposed to commodity price changes. QRIDA is exposed to interest rate risk through its interest-bearing borrowings, cash deposited in interest bearing accounts, and through the variable interest rates applying to certain loans issued by QRIDA.	Interest rate sensitivity analysis	QRIDA does not undertake any hedging in relation to interest risk and manages its risk as per QRIDA's liquidity risk management strategy.

(b) Liquidity Risk – Contractual Maturity of Financial Liabilities

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

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

	2020	Contractual Maturity Payable in			2019	Contractual Maturity Payable in		
Financial Liabilities	**Total**	**< 1 Yr**	**1 -5 Yrs**	**> 5 Yrs**	**Total**	**< 1 Yr**	**1 -5 Yrs**	**> 5 Yrs**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Payables	**1,819**	1,819	-	-	**581**	581	-	-
Australian Government borrowings	**42,888**	39,161	869	2,858	**82,040**	54,609	24,515	2,916
Northern Territory Government borrowings	**1,228**	1,225	3	-	**5,399**	4,383	1,016	-
Queensland Government borrowings	**75,131**	18,791	45,575	10,766	**82,977**	18,868	59,308	4,801
Queensland Treasury Corporation borrowings	**236,636**	9,603	22,158	204,874	**174,167**	18,333	11,855	143,979
Total	**357,702**	**70,599**	**68,604**	**218,498**	**345,163**	**96,773**	**96,694**	**151,696**

Note 18: Financial risk disclosures (continued)

(c) Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that provided to management, depicting the outcome on net income if interest rates would change by +/-0.25 (2019 +/- 1) per cent from the year-end rates applicable to QRIDA's financial assets and liabilities. With all other variables held constant, QRIDA would have a surplus and equity increase/(decrease) of $3.15 million (2019: $4.67 million).

The impact of interest rate movement on QRIDA's profit and equity has increased in the current period due to an increase in the ratio of QRIDA's interest-bearing assets to interest-bearing borrowings from 2.83:1 (2019) to 5.54:1 (2020).

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

Financial instruments	Carrying amount	2019 interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	210,550	(2,105)	(2,105)	2,105	2,105
Loans and advances	511,389	(5,114)	(5,114)	5,114	5,114
Australian Government borrowings	82,040	820	820	(820)	(820)
Northern Territory Government borrowings	5,399	54	54	(54)	(54)
Queensland Government borrowings*	56,361	564	564	(564)	(564)
Queensland Treasury Corporation borrowings	110,978	1,110	1,110	(1,110)	(1,110)
Overall effect on profit and equity		**(4,672)**	**(4,672)**	**4,672**	**4,672**

* Interest-bearing component of borrowings for the NDRRA and DRFA program (refer to **Note 14**).

Note 19: Contingencies

QRIDA did not have any contingent assets or liabilities as at 30 June 2020 (2019: nil).

Note 20: Commitments

At the reporting date, QRIDA had no commitments for capital expenditure (2019: Nil).

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

Note 21: Events occurring after the balance date

In July 2020, QRIDA started administering a new scheme - Small Business COVID-19 Adaption Grant - Round 2 Scheme. The grant funding of the scheme is $100 million. Grant revenue and grant expenses which relate to this scheme are expected to occur in 2020-21.

Note 22: Future impact of accounting standards not yet effective

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

Section 5 - Notes about our performance compared to budget

Note 23: Budgetary reporting disclosures

This section discloses QRIDA's original published budgeted figures for 2019-20 compared to actual results, with explanations of major variances, in respect of QRIDA's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

Overall Comments

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

Explanation of major variances - Statement of Comprehensive Income

Grants and other contributions	The decrease of $140.63 million is mainly due to less than anticipated take up for the North Queensland Restocking, Replanting & On-farm Infrastructure Grants of $126.00 million and the Disaster Recovery Funding Arrangements of $22.20 million; offset by Household Waste Payment Scheme of $3.27 million and Wheelchair Accessible Taxi Grant Scheme of $4.48 million which were initiated after the 2019-20 budget was finalised.
Fees	The decrease of $1.26 million is mainly due to less than anticipated take ups for North Queensland Restocking, Replanting & On-farm Infrastructure Grants of $5.86 million and application of AASB 1058 Income of Not-for-Profit Entities of $0.60 million; offset by $5.83 million of fees for COVID-19 Jobs Support Loans which was initiated after 2019-20 budget was finalised.
Gain on borrowings received at greater than fair value	The decrease of $1.06 million is due to the market borrowing interest rate decreased during the year. As a result, the gain of gross value over the fair value is reduced.
Employee expenses	The increase of $1.63 million is mainly due to $2.03 million of employee costs for COVID-19 Jobs Support Loans Scheme, which were initiated after 2019-20 budget was finalised.
Supplies and services	The increase of $4.48 million is mainly due to $5.01 million of supplies and services expenses for COVID-19 Jobs Support Loans Scheme, which was initiated after 2019-20 budget was finalised.
Grants and subsidies	The decrease of $220.46 million is mainly due to less than expected take up on North Queensland Restocking, Replanting & On-farm Infrastructure Grants of $167.60 million, Disaster Recovery Funding Arrangement of $23.78 million, Affordable Energy Plan of $14.52 million, Farming in Reef Catchment Rebate of $5.56 million and Queensland Bus Driver Safety Scheme of $4.87 million.
Loss on loans issued at greater than fair value	The increase of $191.71 million is mainly due to $175.41 million of loss on COVID-19 Jobs Support Loans Scheme, which was initiated after 2019-20 budget was finalised and $15.56 million of loss on PIPES due to lower than expected interest rates in 2019-20.
Loss on loan commitments	The increase of $13.72 million is due to the initial recognition of the loss on concessional loan commitments in 2019-20 not previously recognised.
Impairment loss	The increase of $103.15 million is due to $103.43 million provision of impairment loss on COVID-19 Jobs Support Loans Scheme, which was initiated after 2019-20 budget was finalised.
Finance/borrowing costs	The decrease of $1.72 million is due to lower than expected contractual interest on borrowing of $0.98 million and lower amortisation of discount on borrowings as a result of decreasing interest rates in 2019-20.
Other expenses	The increase of $11.72 million is mainly due to grant funding being returned to Department of Environment and Science for Farming in Reef Catchment Rebate Scheme of $9.50 million and Household Waste Payment Scheme of $2.00 million.

Note 23: Budgetary reporting disclosures (continued)

Explanation of major variances - Statement of Financial Position

Cash and cash equivalents	The increase of $129.09 million is largely due to the program funding being held for the delivery of the North Queensland Restocking, Replanting and On-farm Infrastructure Grant Scheme of $77.29 million, the North and Far North Queensland Monsoon 25 January - 14 February 2019 event of $7.05 million and the Affordable Energy Plan $15.68 million and Bus Driver Safety Scheme of $5.16 million and COVID-19 Jobs Support Loans Scheme of $22.16 million.
Receivables	The increase of receivables is mainly due to $6.41 million cost recovery from Department of Agriculture and Fishery for COVID-19 Jobs Support Loans Scheme.
Loans and advances - Non Current	The increase of $642.91 million is largely due to $652.13 million carrying amount of COVID-19 Jobs Support Loans Scheme, which was initiated after 2019-20 budget was finalised.
Payables – Current	The increase of $1.33 million is due to unpaid supplies and services expenses at the end of financial year. The expenses are mainly for COVID-19 Jobs Support Loans Scheme, which was initiated after 2019-20 budget was finalised.
Loan Commitments	The increase of $13.72 million is due to the initial recognition of the loss on concessional loan commitments in 2019-20 not previously recognised.
Interest-bearing borrowings – current	The increase of $22.43 million is mainly due to $21.68 million higher than expected repayments to Australian Government in next 12 months. The increased repayments are due to the expected loan repayments from Commonwealth Concessional Loans being delayed. As a result, QRIDA's repayments of borrowings to the Australian Government will be increased in the next 12 months.
Accrued employee benefits – current	The increase of $0.97 million is mainly due to increased number of employees to administer COVID-19 Jobs Support Loans Scheme. The full time employees increased from 118 at 30 June 2019 to 168 at 30 June 2020.
Unearned Revenue - non current	The decrease of $1.10 million is due to the application of AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*. Under the new accounting standards, QRIDA does not have any revenue which is qualified to be deferred (refer **Note 27**)
Contributed equity	The increase is due to the equity injection of $950 million for COVID-19 Jobs Support Loans Scheme, which was initiated after 2019-20 budget was finalised.

Explanation of major variances - Statement of Cash Flows

Grants and other contributions	The decrease of $139.09 million is mainly due to less than anticipated take up for the North Queensland Restocking, Replanting & On-farm Infrastructure Grants of $126.00 million and the Disaster Recovery Funding Arrangements of $22.20 million; offset by Household Waste Payment Scheme of $3.27 million and Wheelchair Accessible Taxi Grant Scheme of $4.48 million which were initiated after the 2019-20 budget was finalised.
Fees	The decrease of $6.45 million is mainly due to $5.86 million of lower than expected administration fees for the delivery of the North Queensland Restocking, Replanting and On-farm Infrastructure Grant Scheme. The take up of the scheme is lower than anticipated.
GST collected from customers	The increase of $5.36 million is mainly due to the GST on grants received for DRFA disaster events which were initiated after the 2019-20 budget was finalised.
Supplies and services	The increase of $3.28 million is mainly due to $5.01 million of supplies and services expenses for COVID-19 Jobs Support Loans Scheme, which was initiated after 2019-20 budget was finalised.
Grants and subsidies	The decrease of $220.46 million is mainly due to less than expected take up on North Queensland Restocking, Replanting & On-farm Infrastructure Grants of $167.60 million, Disaster Recovery Funding Arrangement of $23.78 million, Affordable Energy Plan of $14.52 million, Farming in Reef Catchment Rebate of $5.56 million and Queensland Bus Driver Safety Scheme of $4.87 million.
Other Expenses	The increase of $11.72 million is mainly due to grant funding being returned to Department of Environment and Science for Farming in Reef Catchment Rebate Scheme of $9.50 million and Household Waste Payment Scheme of $2.00 million.
GST remitted to ATO	The increase of $5.05 million is mainly due to the GST on grants received for DRFA disaster events which were initiated after the 2019-20 budget was finalised.
Loans and advances made	The increase of $942.03 million is largely due to the $928.42 million of loans issued for COVID-19 Jobs Support Loans Scheme, which was initiated after 2019-20 budget was finalised.
Interest-bearing and non-interest bearing borrowings	For better cashflow management purpose, QRIDA makes redemption when funds are available and borrows again when funds are required. During 2019-20, $6.50 million were repaid and borrowed again.
Equity injection	The increase is due to the equity injection of $950 million for COVID-19 Jobs Support Loans Scheme, which was initiated after 2019-20 budget was finalised.
Interest-bearing and non-interest-bearing borrowing redemptions	The increase of the $14.45 million is mainly due to $21.68 million lower than expected loan repayments to Australian Government for Commonwealth Concessional Loans and offset by $6.50 million redemptions for cash flow management purpose.

Section 6 - Other information

Note 24: Key management personnel (KMP) disclosures

24.1 Details of Key Management Personnel

The responsible Minister is identified as part of QRIDA's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is The Honourable Mark Furner MP, Minister for Agricultural Industry Development and Fisheries (12 December 2017 – present).

The following details for non-Ministerial KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of QRIDA during 2019-20 and 2018-19.

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

24.2 KMP remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. QRIDA does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements as from 2018-19, which are published as part of Queensland Treasury's Report on State Finances.

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

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

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

Note 24: Key management personnel (KMP) disclosures (continued)

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

1 July 2019 - 30 June 2020

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Expenses
	Monetary Expenses $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Chief Executive Officer	284	28	8	26	-	346
General Manager, Program Strategy and Delivery	158	24	4	20	-	206
General Manager, Corporate Capability and Programs	154	21	4	20	-	200
General Manager, Business Development and Engagement	164	19	4	19	-	206

1 July 2018 - 30 June 2019

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post-Employment Benefits	Termination Benefits	Total Expenses
	Monetary Expenses $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Chief Executive Officer	270	30	7	25	-	332
General Manager, Program Strategy and Delivery	179	25	5	19	-	229
General Manager, Corporate Strategy and Programs	155	23	4	19	-	202
Director, Business Development and Engagement	137	21	4	18	-	180

Note 25: Board members' fees

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

	2020 $'000	2019 $'000
Board members' remuneration	101	85
Number of Board members receiving remuneration in the following ranges		
$1 to $9,999	-	1
$10,000 to $19,999	4	4
$20,000 to $29,999	-	1
$30,000 to $49,999	1	-
$50,000 to $59,999	-	-

Note 25: Board members' fees (continued)

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

Name	Date of joining	Date of leaving	Additional information
John Corbett	18/04/2019	Current	Chair of the Board, Chair of the Remuneration Committee, and Chair of the Debt Management Committee
Dugald Warby	3/06/2014	2/06/2020	
Elton Miller	3/12/2015	Current	Representative of DAF
Belinda Turner	18/04/2019	Current	Chair of the Audit and Risk Management Committee
Leith Boully	3/06/2017	2/06/2020	
Zoe Kenneally	3/06/2017	2/06/2020	
Alison Rayner	31/05/2018	20/09/2019	Representative of Queensland Treasury
Drew Ellem	25/10/2019	Current	Representative of Queensland Treasury

Note 26: Related party transactions

Transactions with other Queensland Government-controlled entities

QRIDA's primary ongoing sources of funding from Government for its services are appropriation revenue which is provided in cash via DAF. The revenue received was $12,914,000 ($12,486,000 for 2018-19).

QRIDA has borrowings of $163,731,105 ($110,977,786 for 2018-19) from QTC and **Note 14** outlines the key terms and conditions of those borrowings.

QRIDA receives car leasing services from QFleet, a commercialised business unit owned by Government. The lease expenses were $238,648 ($220,375 for 2018-19).

QRIDA leases Brisbane and Townsville office accommodation from Queensland Government Accommodation Office, a business unit owned by Queensland Government. The Lease expenses in 2019-20 were $632,534 ($582,929 for 2018-19).

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

		Service Fee	
Related Party	**Program**	**2020**	**2019**
Queensland Government	NDRRA and DRFA	$1,159,394	$889,579
Department of Environment and Science	Farming in Reef Catchments Rebate Scheme	$240,000	-
	Household Waste Payment Scheme	$330,000	-
DAF	COVID-19 Jobs Support Loans Scheme	$5,829,909	-

Note 27: First year application of new Accounting Standards or change in Accounting Policies

Accounting standards applied for the first time

Three new accounting standards with material impact were applied for the first time in 2019-20:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

The effect of adopting these new standards are detailed in notes 27.1 to 27.4. No other accounting standards or interpretations that apply to QRIDA for the first time in 2019-20 have any material impact on the financial statements.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2019-20.

Note 27: First year application of new Accounting Standards or change in Accounting Policies (continued)

27.1 AASB 15 Revenue from Contracts with Customers

QRIDA applied AASB 15 *Revenue from Contracts with Customers* for the first time in 2019-20. The nature and effect of changes resulting from the adoption of AASB 15 are described below.

The revenue line item recognised under this standard from 1 July 2019 includes Fees revenue. This relates to one contract between QRIDA and a non-Government entity, principally to provide loan application assessment services and loan review services. A monthly service fee is charged in arrears for the provision of these services and there are no significant estimates or judgements involved in determining the revenue recognition pattern.

Transitional Impact

Transitional policies adopted are as follows:

- QRIDA applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 118 *Revenue*, AASB 111 *Construction Contracts*, and related interpretations.
- QRIDA elected to apply the standard retrospectively to all contracts, including completed contracts, at 1 July 2019. Completed contracts include contracts where QRIDA had recognised all of the revenue in prior periods under AASB 1004 *Contributions*.
- QRIDA applied a practical expedient to reflect, on transition, the aggregate effect of all contract modifications that occurred before 1 July 2019.

No transitional adjustments occurred as a result of adopting AASB 15.

27.2 AASB 1058 Income of Not-for-Profit Entities

QRIDA applied AASB 1058 *Income of Not-for-Profit Entities* for the first time in 2019-20. The nature and effect of changes arising from the adoption of AASB 1058 are described below.

1. Scope and revenue recognition under AASB 1058

AASB 1058 applies to transactions where QRIDA acquires an asset for significantly less than fair value principally to enable the Authority to further its objective, and to the receipt of volunteer services.

The revenue line items recognised under this standard from 1 July 2019 include Grant revenue and Fees revenue.

The promises outlined in the agreements between QRIDA and other Governments Departments to assist with providing financial assistance to third parties are not 'sufficiently specific' performance obligations. For promises to be sufficiently specific performance obligations, QRIDA must be able to determine when, or to what extent the obligation is satisfied. The revenue received in relation to these arrangements is therefore not assessed under AASB 15 and will be assessed under AASB 1058.

General revenue recognition framework

The revenue recognition framework for in scope transactions, other than specific-purpose capital grants, is as follows:

1. Recognise the asset – e.g. cash, receivables
2. Recognise related amounts – e.g. contributed equity, a financial liability, a lease liability, a contract liability or a provision
3. Recognise the difference as income upfront

Typically there are no related amounts for grants and user fees and therefore the total amount of the asset is recognised as income.

Volunteer services / services received below fair value

During the 2019-20 financial year QRIDA received an inflow of resources in the form of volunteer services to assist with administration of the COVID-19 Jobs Support Loans Scheme. Under AASB 1058, QRIDA recognises volunteer services as income as the services would have been purchased if not donated and the fair value of those services can be measured reliably (refer **Note 3**).

2. Transitional impact

Transitional policies adopted are as follows:

- QRIDA applied the modified retrospective transition method and has not restated comparative information for 2018-19. The comparative information continues to be reported under relevant standards in 2018-19, such as AASB 1004.
- QRIDA elected to apply the standard retrospectively to all contracts, including completed contracts, at 1 July 2019. Completed contracts are contracts where QRIDA has recognised all of the revenue in prior periods under AASB 1004.
- QRIDA applied a practical expedient to not remeasure at fair value assets previously acquired for significantly less than fair value and originally recorded at cost.

Note 27: First year application of new Accounting Standards or change in Accounting Policies (continued)

Grant revenue

Revenue recognition for QRIDA's grants will not change under AASB 1058, as compared to AASB 1004. Revenue will continue to be recognised when QRIDA gains control of the asset (e.g. cash or receivable).

Fee revenue

In respect of the fees received for grant/loan administration services provided by QRIDA, the Authority will recognise revenue upfront when it first gains control of either the cash or receivable. For instances where the funds for performance of administration services are received in advance, the recognition of revenue will change under AASB 1058. Previously, under AASB 118 *Revenue* and AASB 111 *Construction Contracts*, these funds would be recognised as unearned revenue and subsequently revenue is recognised as services are performed. Under AASB 1058, QRIDA will recognise revenue when it first gains control of the cash asset.

The following table summarises the transitional adjustments on 1 July 2019 relating to the adoption of AASB 1058:

	$'000
Other current liabilities – Unearned revenue	(1,526)
Other non-current liabilities – Unearned revenue	(1,697)
Accumulated surplus	3,217
Receivables	(6)

27.3 Impact of Adoption of AASB 15 and AASB 1058 in the current period

The following table shows the impacts of adopting AASB 15 and AASB 1058 on QRIDA's 2019-20 financial statements. It compares the actual amounts reported to amounts that would have been reported if the previous revenue standards (AASB 1004, AASB 118, AASB 111 and related interpretations) had been applied in the current financial year.

	Previous Standards	AASB 15 Changes	AASB 1058 Changes	As Reported
	$'000	$'000	$'000	$'000
Operating Result for 2019-20				
Fees	11,406	-	(1,291)	10,115
Grants and subsidies expense	98,343	-	(73)	98,270
Operating Result for the Year	**(275,998)**	**-**	**(1,218)**	**(277,216)**
Total Comprehensive Income	**(275,998)**	**-**	**(1,218)**	**(277,216)**
Balances as at 30 June 2020				
Assets				
Receivables	6,848	-	(24)	6,824
Total Assets	**1,417,818**	**-**	**(24)**	**1,417,794**
Liabilities				
Other current liabilities–Unearned revenue	765	-	(765)	-
Other non-current liabilities–Unearned revenue	1,258	-	(1,258)	-
Total liabilities	**297,635**	**-**	**(2,024)**	**295,611**
Equity				
Accumulated surplus/deficit	32,532	-	1,999	34,531
Total equity / Net assets	**1,120,184**	**-**	**1,999**	**1,122,183**

Note 27: First year application of new Accounting Standards or change in Accounting Policies (continued)

27.4 AASB 16 *Leases*

QRIDA applied AASB 16 *Leases* for the first time in 2019-20. QRIDA applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 117 *Leases and related interpretations*. The nature and effect of changes resulting from the adoption of AASB 16 are described below.

1. Definition of a lease

AASB 16 introduced new guidance on the definition of a lease.

For leases and lease-like arrangements existing at 30 June 2019, QRIDA elected to apply the practical expedient to grandfather the previous assessments made under AASB 117 and Interpretation 4 *Determining whether an arrangement contains a Lease* about whether those contracts contained leases. However, arrangements were reassessed under AASB 16 where no formal assessment had been done in the past or where lease agreements were modified on 1 July 2019.

Amendments to former operating leases for office accommodation.

In 2018-19, QRIDA held operating leases under AASB 117 from the Department of Housing and Public Works (DHPW) for non-specialised commercial office accommodation through the Queensland Government Accommodation Office (QGAO).

Effective 1 July 2019, the framework agreements that govern QGAO have been amended with the result that these arrangements would not meet the definition of a lease under AASB 16 and therefore are exempt from lease accounting.

From 2019-20 onward, the costs for these services are expensed as supplies and services when incurred. The new accounting treatment is due to a change in the contractual arrangements rather than a change in accounting policy.

2. Changes to lessee accounting

Previously, QRIDA classified its leases as operating or finance leases based on whether the lease transferred significantly all of the risks and rewards incidental to ownership of the asset to the lessee. This distinction between operating and finance leases no longer exist for lessee accounting under AASB 16. From 1 July 2019, all leases, other than short-term leases and leases of low value assets, are now recognised on balance sheet as lease liabilities and right-of-use assets.

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 QRIDA is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- Fixed payments (including 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;
- Amounts expected to be payable by QRIDA under residual value guarantees;
- The exercise price of a purchase option that QRIDA is reasonably certain to exercise; and
- Payments for termination penalties, if the lease term reflects the early termination.

The discount rate used is the interest rate implicit in the lease, or QRIDA's incremental borrowing rate if the implicit rate cannot be readily determined.

Subsequently, the lease liabilities are increased by the interest charge and reduced by the amount of 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 rent review), or a change in the lease term.

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 will subsequently give rise to a depreciation expense and be subject to impairment. Right-of-use assets differ in substance from leased assets previously recognised under finance leases in that the asset represents the intangible right to use the underlying asset rather than the underlying asset itself.

Note 27: First year application of new Accounting Standards or change in Accounting Policies (continued)

Short-term leases and leases of low value assets

QRIDA has elected to recognise lease payments for short-term leases and leases of low value assets as expenses on an actual amount basis over the lease term, rather than accounting for them in the balance sheet. This accounting treatment is similar to that used for operating leases under AASB 117.

3. Transitional impact

Former operating leases as lessee

QRIDA has no former operating leases that were recognised on-balance sheet as right-of-use assets and lease liabilities .

As at 30 June 2019, QRIDA has a liability from straight-lining operating lease expenses and a balance of unamortised lease incentive liability for office accommodation under the QGAO arrangement. As the arrangement is not classified as a lease under AASB 16 (**Note 7**), the liabilities are derecognised against Accumulated Surplus at 1 July 2019.

The following table summarises the on-transition adjustments to asset and liability balances at 1 July 2019 in relation to the former operating leases.

	$'000
Accrued lease payments (from straight-lining of operating lease expenses)	(146)
Lease incentives liability	(183)
Accumulated surplus	**329**

Reconciliation of operating lease commitments at 30 June 2019 to the lease liabilities at 1 July 2019.

	$'000
Total undiscounted operating lease commitments at 30 June 2019	2,696
Present value of operating lease commitments	
Less internal-to-government arrangements that are no longer leases	2,696
Lease liability at 1 July 2019	-

Note 28: Taxation

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

Note 29: Transactions and balances where QRIDA is an agent

QRIDA acts as an agent in its management of certain funds on behalf of a number of government agencies. As QRIDA performs only a custodial role in respect of these transactions and balances, they are not recognised in QRIDA's financial statements but are disclosed in these notes for the information of users. This is explained further in **Note 14** under the heading "Additional Disclosures". Revenue relating to fees received by QRIDA for providing agency services are included in Fees in **Note 4**.

Revenue received by QRIDA on behalf of Principals	**2020**	**2019**
	$'000	**$'000**
Revenues		
Interest earned on loans and advances	2,465	3,499
Interest earned on cash and investments	12	237
Total	**2,477**	**3,736**

Note 29: Transactions and balances where QRIDA is an agent (continued)

Assets held by QRIDA on behalf of Principals	**2020**	**2019**
	$'000	**$'000**
Current assets		
Cash and cash equivalents	1,783	245
Loans and advances	11,805	-
Non-current assets		
Loans and advances	94,054	115,393
Total	**107,641**	**115,638**

Note 30: Climate risk disclosure

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

Note 31: Significant financial impacts from COVID-19 pandemic

The Queensland Government created the $1,000 million COVID-19 Jobs Support Loans scheme in March 2020 to assist Queensland businesses and non-profit organisations financially impacted by COVID-19 to retain employees and maintain their operations. The maximum of each loan is $250,000 and the loan term is 10 years. Only those loans over $100,000 are required to be secured by a General Security Agreement . The first year of the loan is repayment free and no interest is charged. Following the first year, payments are interest-only for 2 years, after which principal and interest repayments apply for the remaining term. Most of the COVID-19 Jobs Support Loans were advanced in the last quarter of 2019-20.

The COVID-19 Jobs Support Loans scheme is the most significant scheme by value administered by QRIDA and has more than doubled the value of loans managed by QRIDA (refer **Note 12**). This Queensland Government scheme is supporting more than 86,000 jobs across 54 local government areas of which 88% are small business with less than 20 employees.

The current environment makes it difficult to forecast the financial impact of COVID-19 as conditions are subject to rapid change which creates high levels of uncertainty (refer **Note 12.2**).

The following significant transactions were recognised by QRIDA during the 2019-20 financial year in response to the COVID-19 pandemic:

Statement of Comprehensive Income

Significant expense items in relation to administration of COVID-19 Jobs Support Loans Scheme

	$'000
Employee expenses	1,500
Supplies and services	4,330
Loss on loans issued at greater than fair value*	175,413
Loss on loan commitments issued at greater than fair value	9,640
Impairment losses	103,434
	294,317

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

Note 31: Significant financial impacts from COVID-19 pandemic (continued)

Significant revenue items in relation to administration of COVID-19 Jobs Support Loans Scheme

	$'000
Fees	5,830
Interest (Amortisation of discount on loans)	3,105
	8,935
Impact on Total Comprehensive Income	285,382

Statement of Financial Position

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

		$'000
Cash and cash equivalents		22,165
Receivables		6,142
Loans and Advances		
Gross Carrying Amount	927,878	
Less Allowance for Expected Credit Loss	(103,434)	
Less Discount on loans issued at fair value	(172,307)	652,137
		680,444

Significant changes in liabilities arising from COVID-19 Jobs Support Loans Scheme	
Loan Commitments	9,640
Significant equity transactions arising from COVID-19 Jobs Support Loans Scheme	
Non-appropriated equity injection	950,000

Impairment of Loans and Advances

Due to the impact of COVID-19, various relief measures were offered to all clients with Disaster Recovery and PIPES/CCLS loans. These measures were in the form of:

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

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

The approach to staging assessment has not changed for the loan segments that existed at 30 June 2019. Refer Note **12.1** for QRIDA's approach to the assessment of SICR for the COVID-19 Jobs Support Loans Scheme loans.

In considering forward looking information, QRIDA has incorporated the increased credit risk as a result of the uncertainty surrounding the COVID-19 pandemic in the weighting of macroeconomic scenarios as well as increased adjustments to PD. The impact of this in relation to the Disaster Recovery and PIPES/CCLS loan segments is not considered material at this point in time and will be monitored for change in the next 12 months.

Queensland Rural and Industry Development Authority Management Certificate

for the year ended 30 June 2020

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (Qld) (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act, we certify that in our opinion:

a) the prescribed requirements for establishing and keeping of accounts have been complied with in all material respects; and

b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of QRIDA for the financial year ended 30 June 2020 and of the financial position of QRIDA at the end of that year; and

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

ORIGINAL SIGNED

J CORBETT

Chair

ORIGINAL SIGNED

B TURNER

Chair – Audit and Risk Management Committee

ORIGINAL SIGNED

C MACMILLAN

Chief Executive Officer

ORIGINAL SIGNED

P WYLLIE

Chief Financial Officer

Dated: 7 September 2020

Queensland Audit Office
Better public services

INDEPENDENT AUDITOR'S REPORT

To the Board of Queensland Rural and Industry Development Authority

Report on the audit of the financial report

Qualified Opinion

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial report:

a) gives a true and fair view of the entity's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended

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

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for qualified opinion

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

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

Auditing and professional standards

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

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

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

Queensland Audit Office
Better public services

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, except for the matter described in the Basis of Qualified Opinion section of my report, for the year ended 30 June 2020:

a) I received all the information and explanations I required.

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

Prescribed requirements scope

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

9 September 2020

B.P. Worrall

Brendan Worrall
Auditor-General

Queensland Audit Office
Brisbane

Glossary

A & RM Committee	Audit and Risk Management Committee. This committee consists of three directors who undertake independent reviews to improve QRIDA's operations and outputs.
BICL	Business Improvement Concessional Loans. QRIDA administered these loans for Queensland and the Northern Territory under the Farm Business Concessional Loans Scheme. The Australian Government funded this scheme. Applications have now closed and QRIDA continues to manage clients in the Queensland and the Northern Territory with these loans for the life of the agreement.
BLT	Business Leadership Team.
Board of Directors	A Board of Directors, which is formally accountable to the Minister for Agricultural Industry Development and Fisheries, governs QRIDA.
Code of Conduct	The Code of Conduct supports the QRIDA Board of Directors and staff to act with integrity and objectivity and to maintain high standards of ethical behaviour in the execution of their duties.
DACL	Drought Assistance Concessional Loans. QRIDA administered these loans for Queensland and the Northern Territory under the Farm Business Concessional Loans. The Australian Government funded this scheme. Applications have now closed and QRIDA continues to manage clients in Queensland and the Northern Territory with these loans for the life of the agreement.
DCLS	The Drought Concessional Loans Scheme was previously delivered in Queensland and the Northern Territory and was Australian Government funded. This scheme is no longer open to applications. However, QRIDA continues to manage clients with these loans for the life of the agreement.
DRCLS	The Drought Recovery Concessional Loans Scheme was previously delivered in Queensland and was Australian Government funded. This scheme is no longer open to applications. However, QRIDA continues to manage clients with these loans for the life of the agreement.
DRFA	Disaster Recovery Funding Arrangements. These arrangements came into place on 1 November 2018 and replace the previous Natural Disaster Relief and Recovery Arrangements (NDRRA). DRFA continues the joint Commonwealth/State government funding initiative, providing financial assistance to help communities recover from eligible disasters. QRIDA administers loan and grant assistance activated under these arrangements to support disaster affected primary producers, businesses and non-profit organisations.
ELT	Executive Leadership Team. An oversight group consisting of the Chief Executive Officer, General Manager of Program and Strategy Delivery, General Manager of Corporate Capability and Programs and the Director of Business Development and Engagement.
FFCLS	Farm Finance Concessional Loans Scheme was previously delivered in Queensland and the Northern Territory and was Australian Government funded. This scheme is no longer open to applications. However, QRIDA continues to manage clients with these loans for the life of the agreement.
FBCL	The Farm Business Concessional Loans Scheme encompass both Drought Assistance Concessional Loans (DACL), and Business Improvement Concessional Loans (BICL). This scheme is no longer open to applications. QRIDA continues to manage clients in Queensland and the Northern Territory with these loans for the life of the agreement. The Australian Government funded this scheme.
FBDM	Farm Business Debt Mediation is a mandatory process introduced to provide an efficient and equitable way for farmers and mortgagees to attempt to resolve matters relating to farm business debts.
FDRO	The Farm Debt Restructure Office offers Farm Business Analysis Assistance to primary producers experiencing financial distress. The assistance provides the primary producer with independent expert financial information and analysis of their farm business.
FMG	Farm Management Grants are a part of the Queensland Government's Rural Assistance Package. Farm Management Grants assist eligible Queensland primary producers, or their relatives offset the costs of professional advice associated with succession planning.
IFLSS	Interest Free Loans for Solar and Storage is funded under the Queensland Government's Affordable Energy Plan.
NDRRA	Natural Disaster Relief and Recovery Arrangements. NDRRA was a joint Queensland and Australian Government funded program. On 1 November 2018, the Disaster Recovery Funding Arrangements (DRFA) replaced NDRRA.

National Drought and North Queensland Flood Response and Recovery Agency (NDNQFRRA)	The National Drought and North Queensland Flood Response and Recovery Agency was announced by Prime Minister Scott Morrison on 5 December 2019 in response to severe drought conditions impacting farmers and rural communities across Australia. It was previously known as the North Queensland Livestock Industry Recovery Agency (NQLIRA). QRIDA administer the $300 million Restocking, Replanting and On-Farm Infrastructure Grant Scheme on behalf of the Australian Government which provides co-contribution grants of up to $400,000 for primary producers.
PIPES	The Queensland Government's Primary Industry Productivity Enhancement Scheme. This scheme is comprised of the First Start and Sustainability Loan programs.
Productivity Loans	First Start and Sustainability Loans are offered under the Queensland Government's Primary Industry Productivity Enhancement Scheme.
Program owner	Government agency/departmental representative which has engaged QRIDA to deliver specialist services on its behalf.
Queensland Rural and Industry Development Authority (QRIDA)	A statutory authority of the Queensland Government established under the *Rural and Regional Adjustment Act 1994* (Qld).

Attachment A - Compliance checklist

Summary of requirement		Basis for requirement	Annual Report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	1
Accessibility	Table of contents Glossary	ARRs – section 9.1	3 68-69
	Public availability	ARRs – section 9.2	1
	Interpreter service statement	*Queensland Government Language Services Policy* ARRs – section 9.3	1
	Copyright notice	*Copyright Act 1968* ARRs-section 9.4	1
	Information Licensing	*QGEA-Information Licensing* ARRs-section 9.5	NA
General information	Introductory Information	ARRs – section 10.1	4-6
	Machinery of Government changes	ARRs – section 10.2, 31 and 32	NA
	Agency role and main functions	ARRs – section 10.2	6
	Operating environment	ARRs – section 10.3	6
Non-financial performance	Government's objectives for the community	ARRs – section 11.1	7
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	NA
	Agency objectives and performance indicators	ARRs – section 11.3	22-23
	Agency service areas and service standards	ARRs – section 11.4	16-21
Financial performance	Summary of financial performance	ARRs – section 12.1	24-63
Governance – management and structure	Organisational structure	ARRs – section 13.1	8
	Executive management	ARRs – section 13.2	9
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	9
	Public Sector Ethics	*Public Sector Ethics Act 1994* ARRs- section 13.4	10
	Human Rights	*Human Rights Act 2019* ARRs- section 13.5	10
	Queensland public service values	ARRs – section 13.6	6
Governance – risk management and accountability	Risk management	ARRs – section 14.1	11
	Audit committee	ARRs – section 14.2	12
	Internal audit	ARRs – section 14.3	12
	External scrutiny	ARRs – section 14.4	12
	Information systems and recordkeeping	ARRs – section 14.5	12
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	15
	Early retirement, redundancy and retrenchment	Directive No.04/18 *Early Retirement, Redundancy and Retrenchment* ARRs – section 15.2	14-15

Summary of requirement (continued)		Basis for requirement	Annual Report reference
Open data	Statement advising publication of information	ARRs - section 16	13
	Consultancies	ARRs - section 33.1	https://data.qld.gov.au
	Overseas travel	ARRs - section 33.2	https://data.qld.gov.au
	Queensland Language Services Policies	ARRs - section 33.3	https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	64
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	65-67

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

ANNUAL REPORT 2019–2020
Queensland Rural and Industry Development Authority
www.qrida.qld.gov.au